

**MOTIVATIONAL COMPLIANCE OF CANADIAN
INBOUND TOUR OPERATORS WITH CHINA
APPROVED DESTINATION STATUS (ADS)
GUIDELINES**

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Thesis

Submitted to:

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March 31, 2009

Abstract

Tourism is one of the most important industries in Canada and continues to be an important factor in maintaining a strong Canadian economy. One of the markets that currently holds the greatest potential for inbound tourism to Canada is China. The Chinese government developed a bilateral agreement program called “Approved Destination Status” (ADS) where Chinese citizens can obtain tourist visas more easily to travel for leisure purposes to participating countries. Under ADS, Canada can market its tourism products more actively in China, and Chinese travel agencies can likewise market and promote leisure packages for travel in Canada. Canada is currently still in the process of finalizing the ADS agreement.

Effective management of the future ADS is dependent on operators’ compliance with ADS guidelines. This study aimed to: 1) understand factors affecting Canadian inbound tourism operators’ motivational compliance with future ADS guidelines, and; 2) understand inbound tourism operators’ perception and knowledge of ADS and Chinese visitors. Compliance theory was used to examine four related factors: background information of inbound tour operators, personal views and perceptions towards ADS guidelines, perceived sanctions and enforcement, and knowledge and perceptions of ADS and Chinese travelers. A web-based survey was used to gather information from members of the Tourism Industry Association of Canada (TIAC) and Canada Inbound Tourism Association Asia Pacific (CITAP) who would like to deal with Chinese tourists.

The results showed that compliance by operators with future ADS guidelines or regulations is positively influenced by familiarity with the ADS. Compared with other sectors, transportation sectors are more willing to comply with ADS guidelines. Perceived benefits for a company to follow ADS guidelines and belief in a common good would lead to better cooperation and compliance with ADS. Moreover, when tour operators received additional education on the ADS, they adhered more closely to the guidelines. The suspension of operating ADS license is an effective way of discouraging violation of ADS guidelines.

Recommendations from this study include: 1) An education or training system should be set up. Tour operators applying to be ADS tour operators should have to pass a test or get a certification that focuses on ADS guidelines. 2) A monitoring and sanction system should be set up. Random surveys should be conducted to measure tour operators' compliance with the requirement of ADS guidelines. 3) A performance award system should be set up. An incentive program should be applied to the companies through performance audits, to reward those who exceed a predetermined level of compliance. 4) The guidelines should be as easy as possible to understand.

Key words: ADS guidelines; compliance; tourism management; Chinese travelers

Acknowledgement

I would like to express my sincere thanks to many people who have offered their support, encouragement and assistance throughout the whole process of my field research and thesis writing. Without their contributions, this thesis would not have been possible. First of all, I would like to express my gratitude to my supervisor, Dr. Mike Yuan. Starting from the very beginning of my thesis topic selection, throughout the research methodology design and the final writing of the thesis, he generously offered me his insightful advice and suggestions from his rich experience and knowledge, which guided me through the process.

Special thanks go to my committee members, Dr. Robert Dilley and Dr. Mark Robson. They provided much valuable input in terms of editing, research method design and statistical data analysis and interpretation, all of which was of great help to my thesis.

Thank you to all members of TIAC and CITAP who participated in the survey. Without your consideration and patience in taking time to fill out the questionnaire, my research could not have been successful. I would also like to express special thanks to Ms. Lydia McCourt and Mr. Albert Tseng for their help in sending my survey to their organization members.

Finally, my deep gratitude goes to my parents for their love, understanding, support and encouragement throughout the field research and thesis writing process. In addition, my thanks also go to my friends, who were there to help keep my life balanced. In particular, I would like to thank, Lin Xu and Izabela Wozniczka.

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Chapter 1: Introduction

Tourism is one of the most important industries in Canada and continues to be an important factor in maintaining a strong Canadian economy (TIAC, 2007). The tourism industry is composed mainly of small and medium-sized businesses (TIAC, 2007) and is important for entrepreneurial development and job creation. In the first quarter of 2007, tourism generated 611,500 full and part-time jobs, an increase of 2.5% from the same period in 2006 (CTC, 2007a). These jobs exist at all levels in major sectors such as transportation, accommodation, food and beverage services, recreation, travel agencies and tour operators (CTC, 2007a).

The U.S. has traditionally been the largest international market for Canada. However, Canada lost much of this market share between 2000 and 2006 (CTC, 2007a). Specifically, the U.S. market has been more challenging since the events of September 11, 2001; Americans are now traveling closer to home and taking shorter and more frequent trips. Other factors, such as the high price of gasoline and a perception of border-crossing difficulties, have also discouraged Americans from visiting Canada (CTC, 2006b). The current U.S. economic crisis will also affect U.S. travelers. According to Jones & Lightbourne (2008), the economic crisis has already affected U.S. travelers to the Bahamas and will likely also have an impact on inbound tourism to other countries. While targeting U.S. visitors will always be of prime importance, Canada now needs to examine the potential of other international markets to increase its inbound tourism.

One of the markets that has great potential for inbound tourism to Canada is China. As shown in Table 1-1, China is a major growth market for travel to Canada and its economy continues to flourish. Canada's price competitiveness for Chinese travelers is also expected to improve. Table 1-1 suggests that continued strength in economic and travel trends will help fuel the growth in Chinese travelers to Canada over the near term. In 2006, the number of Chinese visitors traveling to Canada increased 24% over the same period in 2005. In 2005, an estimated 113,000 Chinese visited Canada – up 19% from 2004 (CTC, 2007b). According to Statistics Canada, 139,000 Chinese visited Canada in 2006 and spent \$257 million. Compared with other countries, China may have greater potential than most for increasing inbound market share over the long term.

Table 1-1: Tourism Leading Indicator Index 2008

Travel Market	Economic Factors		Non-Economic Factors		Overall Tourism Leading Indicator
	General Economic Trends	Price Competitiveness	Traveller Trends (to/within Canada)	Supplier Trends (to/within Canada)	For Travel to/within Canada
Domestic	↔	↓	↑	↑	+
U.S.	↓↓	↓↓	↓↓	↑	--
U.K.	↔	↓↓	↔	↓	0
France	↑	↓	↑	↑↑	+
Germany	↔	↓↓	↔	↑↑	0
Mexico	↑	↓	↑↑	↑↑	++
Japan	↓↓	↓↓	↓↓	↓	--
South Korea	↑	↓↓	↑	↓↓	+
China	↑↑	↓	↑↑	↑	++
Australia	↑	↓	↑↑	↑↑	+

Source: Canadian Tourism Commission 2008

China is one of the fastest growing economies in the world. With its increased affluence, Chinese tourists have become a large market for outbound tourism to many countries (WTO, 2003). The number of outbound travelers jumped from 17 to 35 million between the years of 2002 and 2006. In the January-June 2007 period, the number was 18.9 million, already on track to exceed the 2006 figures (IFCOTN, 2007). The World Tourism Organization (WTO) has predicted that by 2020, there will be 100 million Chinese outbound travelers a year (Koumelis, 2006). This outbound market has been growing extremely fast and therefore represents a huge potential market for the Canadian tourism industry.

China is not only a significant outbound tourism country but also an ideal destination for international travelers. The Chinese government has examined ways to encourage inbound tourism to China but realizes that in order to achieve this goal, it must become more open to allowing Chinese travelers to travel to other countries. As part of a major tourism initiative, the Chinese government developed a program called "Approved Destination Status" (ADS). The ADS is a bilateral tourism agreement between China and other countries. It requires both China and other countries to develop specific guidelines and to identify select travel agencies to handle all inbound and outbound tourism travel (Chang, 2003). The ADS has tried to open inbound markets to China and regulate outbound Chinese tourists. While China has seen the ADS as encouraging other countries to systematically encourage their citizens to travel to China, the partnering countries have viewed the ADS as a means to attract Chinese travelers to their country.

Between 1983 and 1990, Singapore, Malaysia and Thailand became the first three countries to be granted ADS. Subsequently, other Southeast Asian countries, such as the Philippines, Japan and South Korea, were also granted ADS. Australia became the first western country with an ADS agreement in 1999. Soon after that, New Zealand followed. Germany was the first European country to be granted the ADS agreement in 2003. Most other European countries opened up their market to Chinese tourists in 2004. As of March 2006, there were 81 countries and regions worldwide that had the ADS for Chinese tourists (CNTA, 2006).

On January 21, 2005 then-Prime Minister Paul Martin announced that China had granted Canada approval to proceed with its application to negotiate an ADS agreement. The final agreement was expected to be completed in a year, but the process has taken longer than expected (TIAC, 2007) and is still not completed as of this writing. Since there are already many countries that have the ADS designation, it is even more important for non-ADS countries to complete their agreements. As such, Canada must insure that a final ADS agreement is developed if it is to maintain a competitive advantage on the world market.

A recent article in Reuters News Canada (Jan 2008) stated that China has agreed to allow their residents to visit the U.S. through a formal ADS agreement. The granting of ADS status to the U.S. has important implications to Canada. The U.S. already has a competitive advantage over Canada in terms of being an international destination. Canada cannot afford to fall behind in its efforts to secure its position in the world market for Chinese tourists. This means that Canada

not only needs to expedite its final ADS agreement but also to insure that its inbound operators are fully aware of what is expected of them for compliance.

The countries that already have ADS have benefited immeasurably from it. Australia experienced a significant increase in visitors after getting ADS status. There were only 9,000 visitors from China in 1991-1992 (Chang, 2003). This number increased at a rate of 26% annually from 1997 to 195,892 in 2005 (ABS, 2005; ADIC, 2007). The Tourism Forecasting Council of Australia predicted that visitor arrivals (which includes business visitors, and people visiting family, as well as tourists) from China are likely to increase to over 500,000 annually by 2008, in part because of Australia's ADS status (DIMA, 2007).

To take full advantage of the ADS agreement, the Australian government made a considerable effort to ensure the success of attracting and hosting Chinese travelers. Administrative arrangements for the ADS scheme were strengthened in 2005 with a range of reforms to ensure that Chinese tourists would receive a quality Australian experience. All existing ADS operators went through a new approval process that rigorously assessed their qualifications and standards. Newly approved operators were required to comply with a new ADS Code of Business Standards and Ethics (REF). These efforts allowed Australia to develop a process that encouraged inbound tourism and produced mutual benefits with China.

Australia also conducted substantial research in understanding Chinese travelers (Yu & Weiler, 2001). For instance, Australia studied Chinese leisure behaviour, how Chinese consumers

purchased travel products, and business network relationships associated with the Chinese outbound tourism market to Australia. It also determined the shortcomings that inbound tourism operators needed to improve on. It concluded that when inbound tourism operators did not follow the ADS guidelines, the quality of the product offered suffered and the satisfaction of Chinese visitors decreased. Based on their findings, it was found to be crucial that inbound tourism operators comply with ADS guidelines in order for the country to best take advantage of the ADS designation.

Based on the experiences of Australia and other countries, the granting of the ADS will result in a significant opportunity for the Canadian tourism market. It will enable Canada to market its tourism products in China, and make it easier for Chinese tourists to travel to Canada as part of organized tour groups. The current situation is that Chinese travel to Canada has been limited to primarily business travelers, students, and people visiting friends and relatives. Those visiting for pleasure account for only 16% of the total (TIAC, 2006).

Canada can benefit greatly by attaining ADS status. First and most importantly, it is predicted that there will be more Chinese visitors to Canada and that more arrivals will bring in more foreign exchange. Second, ADS approval is expected to open up opportunities for Canadian operators to directly promote themselves to Chinese consumers, and the hope of the Canadian tourism industry is that the Chinese market will be a major growth market. Third, by having well-developed ADS guidelines, tour operators are also expected to improve service quality.

For Canada to take full advantage of the ADS designation, Canada needs to learn from the experiences of other countries, especially Australia. Since Canada is still developing its ADS guidelines, there is ample opportunity to influence the final product. It is suggested that the attainment of the objectives of ADS guidelines depends on the extent to which the inbound tourism operators will follow them. However, some operators may perceive that short-term benefits may best be attained by not following the guidelines (Wight, 1993). Because compliance with these guidelines is voluntary, the operators may not follow them without appropriate enforcement or perceived commensurate benefits. Since enforcement is passive, it may be better to focus on the individual ethics of the operators rather than enforcement. It is therefore crucial to understand inbound tourism operators compliance with ADS guidelines.

1.1 Purpose Statement

The primary purpose of this research is to understand potential factors affecting Canadian inbound tourism operators' motivational compliance with future ADS guidelines, and to understand their perception and knowledge of ADS and Chinese visitors' needs. It is hoped that this information will be used to encourage operators' adherence to the future ADS guidelines.

1.2 Objectives

Three research objectives are proposed as follows:

1. To understand the knowledge and motivational compliance of the Canadian inbound tour operators with regards to ADS guidelines. This examination will help Canadian inbound tour

operators understand the deficiencies in Chinese inbound market. This research review will also assist Canadian inbound tour operators in knowing what needs to be addressed in a constantly changing Chinese inbound market and associated entry strategies.

2. To determine the rationale and motivational determinants of non-compliance or compliance with ADS principles as delineated in the proposed ADS guidelines. This study will propose and test a conceptual framework in order to understand the underlying motives and characteristics that may explain the compliance behaviour of inbound tourism operators with ADS guidelines.

3. To provide some recommendations that may be applied to the Canada tourism industry, with a view to competing successfully in the Chinese outbound market.

1.3 Importance of Research

China's outbound travel market has the potential to become one of the world's largest markets in the 21st century. First, this research can help Canadian inbound tourism operators better understand the ADS agreement. With this understanding, they could develop a more competitive and preferred tourism product for Chinese travellers compared with other ADS countries. At the same time, they can provide better quality service to future Chinese visitors. The result of this increased understanding is that Canada will benefit economically from increased visitation. Second, this information could help make the Chinese inbound market more orderly and standardized. Furthermore, this data can also assist the Canadian government in

determining its role in the evolution of the Chinese tourism industry, resulting in a better understanding of inbound tourism operators' compliance behaviour with the ADS guidelines and with other aspects of tourism provision.

1.4 ADS Objectives

The objectives of the ADS agreement are to:

- restore integrity, competition and fair trade in the operation of ADS inbound market, especially with respect to relations among travel agents, local tourism operators and host governments;

- empower Chinese inbound tourists with knowledge and choice to exercise effective consumer power in the inbound market (ADS, 2007).

In preparation for the negotiations, the CTC created a China National Working Group (CNWG) in the spring of 2004 to lay the groundwork for the ADS process. This group has tried to maximize any marketing opportunities in China in the absence of the agreement (CTC, 2005c). The CNWG is developing the tour operator component of Canada's ADS application. It is playing a lead role in the development of the required guidelines and performance standards for inbound tour operators (TIAC, 2007). For the tour operators to receive Chinese visitors, they must adhere to a national code of conduct and a set of performance standards that are contained

in the ADS guidelines. In addition, they must comply with all applicable Canadian laws and regulations when delivering their products and services (TIAC, 2007).

1.5 Compliance Theory

In order to better understand tourism operators' perceptions of the ADS and their subsequent adoption, it is proposed that compliance theory be used in this study. Compliance theory was developed by Becker (1968) and then further modified by Sirakaya (1997) who applied it to ecotour operators in the U.S. In the model of my research (Figure 1-1), compliance measures the perceptions and opinions about ADS guideline principles. This is called "motivational compliance." Compliance is the dependent variable in this model. The four independent variables are: Background information of inbound tour operators, personal views and perceptions towards ADS guidelines, perceived sanctions, and knowledge and perceptions of ADS and Chinese tourists. Compliance means acting according to certain accepted standards and is based on a set of rules, a person's knowledge of those rules, or an examination of the utility gained for either following or not following the rules.

According to Gary & Deily (1996), the compliance model is very adaptable to different types of tourism behaviour. In Figure 1-1, the model has four factors. The first three factors are based upon Sirakaya's (1997) model. Factor 1 is background information of inbound tour operators. Characteristics of an operator or business mainly involve information about the owner's socio-demographic background, nature of the business operation, and situational factors

such as familiarity with the expected practices. Factor 2 is personal views and perceptions towards ADS guidelines. Personal views and perceptions about ADS guidelines are also expected to play an essential role in determining compliance, and incorporate variables such as belief in the appropriateness of the guidelines, perception of fairness, and perceived noncompliance. Factor 3 is perceived sanctions and enforcement. The perceived sanctions are characterized by the type of threat that incorporates either legal or social factors or both, whereas perceived enforcement incorporates variables such as the perceived possibility of being detected as a noncompliant operator. Factor 4 is knowledge and perception of ADS details and Chinese tourists. Knowledge and perception of ADS and Chinese tourists are part of this research purpose statement.

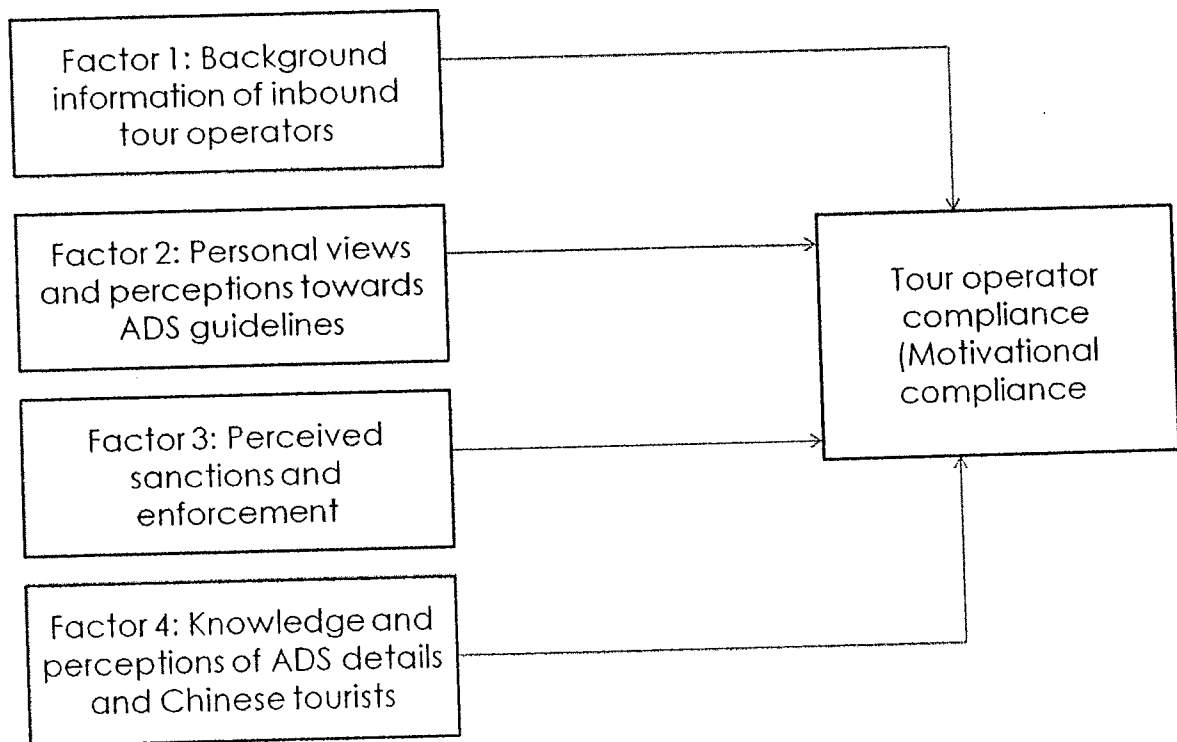


Figure 1- 1: An Integrative Model of Inbound Tour Operator Compliance

This research identifies the degree to which Canadian inbound tourism operators understand the ADS requirement and Chinese visitor behaviour. Although there are already guidelines established for receptive tour operators by the Tour Operator Working Group and previous research about Chinese travelers' behaviour, little research has been done on compliance behaviour related to ADS guidelines. As the ADS guidelines have no power to bind inbound tourism operators' actions, it is important to understand the components that may influence compliance. Tour operators' understanding of the guidelines plays an important role in determining their self-reported compliance behaviour (Sirakaya & Mclellan, 1998). These personal views need to be better understood in order to attain higher compliance levels with ADS guidelines and subsequently attract more Chinese travellers.

1.5.1 Hypothesis

Four null hypotheses were tested to achieve the study goals.

Hypothesis A: There is no relationship between the motivational compliance of operators and background information on inbound tour operators.

Hypothesis B: There is no relationship between motivational compliance of operators and their personal views and perceptions toward ADS guidelines.

Hypothesis C: There is no relationship between the motivational compliance of operators and perceived sanctions and enforcement.

Hypothesis D: There is no relationship between the motivational compliance of operators and the knowledge of ADS and Chinese travellers.

=====

Definitions

PRC People's Republic of China

VFR Visiting Friends and Relative

SEZ Special Economic Zones

CNTA China National Tourism Administration

ADS Approved Destination Status

TIAC Tourism Industry Association of Canada

CITAP Canada Inbound Tourism Association Asia Pacific

Chinese: Residents of Mainland China not including Hong Kong and Macao

Chinese outbound tourist: residents of Mainland China, who travel abroad for leisure purpose on their own expense

Chapter 2: Literature Review

The literature review consists of four parts. The first section reviews the background and current situation of China's outbound travel market. The second section focuses on the background of the ADS (Approved Destination Status) and previous ADS countries' experiences (primarily Australia and New Zealand). The third section deals with Canada's tourism situation and discusses market gaps while focusing on the China's outbound tourism market to Canada. The fourth section introduces the history and development of compliance theory and its adaptation within this study.

2.1 Mainland China Outbound Tourism Market

Given the importance of China's outbound tourism market, much research has been conducted in this area in the past decade. For example, Zhang *et al*, (2000) examined the influence of the Cultural Revolution on travel, Guo (2002) examined economic development perspectives, and Zuo (2007) focused on the nature of visitors and purpose of the visit. This section reviews the history and current development of Mainland China's outbound tourism market.

2.1.1 History

Zhang, Pine, and Zhang (2000) divided the history of Mainland China's outbound tourism into three periods. During the first period, from 1949 to 1966, Chinese citizens were permitted

to travel abroad for official government purposes only. At this time, outbound tourism was more like a political tool. Nobody was allowed to travel abroad for personal reasons.

The second period, from 1966 to 1978, allowed a small number of affluent Chinese citizens to travel abroad for cultural exploration. However, these outbound travelers were very restricted in terms of where they could go and what they could do. During this period, the “Great Cultural Revolution” occurred in China when the country shut its doors to the outside world and was busy with internal political struggles. International travel remained an insignificant economic activity. As such, tourism at this time experienced a standstill as China went through this phase.

The third period was from 1978 to 1983. The overall Chinese tourism industry did not receive much attention from the government until 1978, when Deng Xiaoping instigated the “Open Door” policy (Perrines, 2001). A meeting of the Chinese Communist Party’s Central Committee urged China to enter into an economic reform period and open its door to the outside world. As such, this study uses 1978 as the main demarcation point of Mainland China’s tourism market development. Tourism slowly became an important economic activity after 1978. Inbound tourism to China was seen as a generator of foreign exchange. At the same time, outbound tourism underwent a minor increase. The Chinese government recognized the importance of international tourism and started loosening its outbound travel policies.

2.1.2 Current Development

Based upon research by Zuo (2007), Wang (2003) and Arlt (2006), the current development of China's outbound tourism sector can be divided into three parts. The first phase started in 1983 to 1996 with so-called "family visits" first to Hong Kong and Macao and later to several Southeast Asian countries, paid for by the receiving hosts (Bailey, 1994). This period may be considered the beginning of Mainland China's outbound tourism program. According to Guo (2002), despite a government attempt to clamp down on travel with public money, 3.73 million Chinese traveled abroad in 1994. In 1995, the amount of outbound travel grew by 34% to 5 million. Because the management mechanisms were not perfect, the legislation of outbound travel at that time was only at its experimental stage. However, outbound travel was still increasing.

The second part of the modern era is from 1997 to 2002. In 1997 with the official recognition of the existence of outbound leisure tourism (as opposed to family and business trips) in the "Provisional Regulation on the Management of Outbound Travel by Chinese Citizens at Their Own Expense" and the signing of the first ADS agreements with Australia and New Zealand, the outbound tourist market became an important component of the Chinese tourism industry. The ADS system is based on bilateral tourism agreements whereby a government of the destination country allows self-paying Chinese tourists to travel for pleasure within guided package groups and with a special visa. Chinese travel agencies are authorized to market and

promote leisure packages for travel to these approved countries. Additional regulations were implemented from 1997 to 2001 to cover all aspects of the outbound tourism market. For example, “Golden Week” (the week following the Chinese national day of October 1st) was set up to promote the tourism industry and increase outbound tourism opportunities.

The last part of the modern era is from 2003 to the present. After regulations in the period 1997-2002 were revamped, rapid development soon came after 2003. In July 2002, China implemented “the Management Regulation on Chinese Outbound Tourism” (Wang, 2003). This measure protected both outbound tourists and tourism enterprises when they engaged in outbound tourism activities to ensure that the entire outbound travel market was strongly developed. In the following three years, the number of outbound tourist destinations for Chinese increased substantially. The outbound tourist market has finally become an important factor of the Chinese tourism industry.

Outbound international travel has always been a strictly controlled and sensitive component of tourism for China. Before ADS, Chinese citizens could only travel for business or to visit relatives. No visas were granted for traveling for pleasure. Now the Chinese government uses the more gradual and controlled policy of ADS. According to the WTO (2004), the government has three reasons for controlling the outbound travel industry: to control the mobility of Chinese citizens, protect the national tourism sector, and limit the outflow of capital.

The following section will discuss the effectiveness of the ADS and how it addresses the previously listed concerns. Basically, the ADS addresses three issues: the ability of Chinese residents to travel to ADS countries for leisure purposes; permission for ADS countries to actively market in China; and permission for Chinese travel agents to organize, advertise and promote leisure travel packages in ADS countries.

2.2 ADS (Approved Destination Status)

The main purpose of this section is to provide a background to the ADS program, explain the differences in travel prior to and after the ADS, examine ADS experiences in other countries, and examine the ramifications of Canada achieving an ADS agreement.

2.2.1 Introduction of ADS

Table 2-1 shows the bilateral agreement between China and the host country. Table 2-2 shows the limitations that Chinese travelers must adhere to under ADS. According to WTM (2008), the purpose of ADS is to assist the organizing parties on both sides (local travel agencies and international tour operators) in order to ensure safe and reliable tourism services for Chinese customers.

Table 2- 1: Approved Destination Status (ADS)

The ADS is a bilateral agreement which, for Canada, enables:
<ul style="list-style-type: none"> • Chinese citizens to obtain tourist visas more easily so that they can travel to Canada for leisure purposes.
<ul style="list-style-type: none"> • Canada to more actively market its tourism products in China.
<ul style="list-style-type: none"> • Chinese travel agencies to market and promote leisure packages for travel in Canada.

Tourism Montreal (2005)

Table 2- 2: Limitations to ADS Travel

Three Limitations of ADS that Chinese Travelers Must Adhere to
<ul style="list-style-type: none"> • Travelers are restricted to traveling only in groups
<ul style="list-style-type: none"> • Travelers are not allowed to apply for other types of visas
<ul style="list-style-type: none"> • The visas are limited to the itinerary

World Tourism Organization (2003)

According to the ADS policy (See Table 2-3), only travel agencies that have ADS licenses are allowed to promote and organize Chinese tourist groups and handle visa applications and payment of foreign currency to foreign parties. Without an ADS agreement, a country cannot promote itself in China, and is restricted to hosting business and official travel groups only (WTM, 2008).

Obtaining ADS is a two-step process. The first step is for both countries to sign a formal ADS agreement. This agreement states in principal the general conditions under which ADS

should operate. The second step is for the host (in-bound) country to develop specific guidelines which outline the rules and regulations that govern the operation of businesses under the ADS. As of May 2008, 134 different countries and territories had achieved the first step of an ADS agreement (WTM, 2008). However, only 91 of them can engage in tourism promotions and other related activities, as the remaining 43 countries have not completed step two of the process. Canada is currently completing the second step to obtain full ADS certification.

2.2.2 Travel Before and After ADS

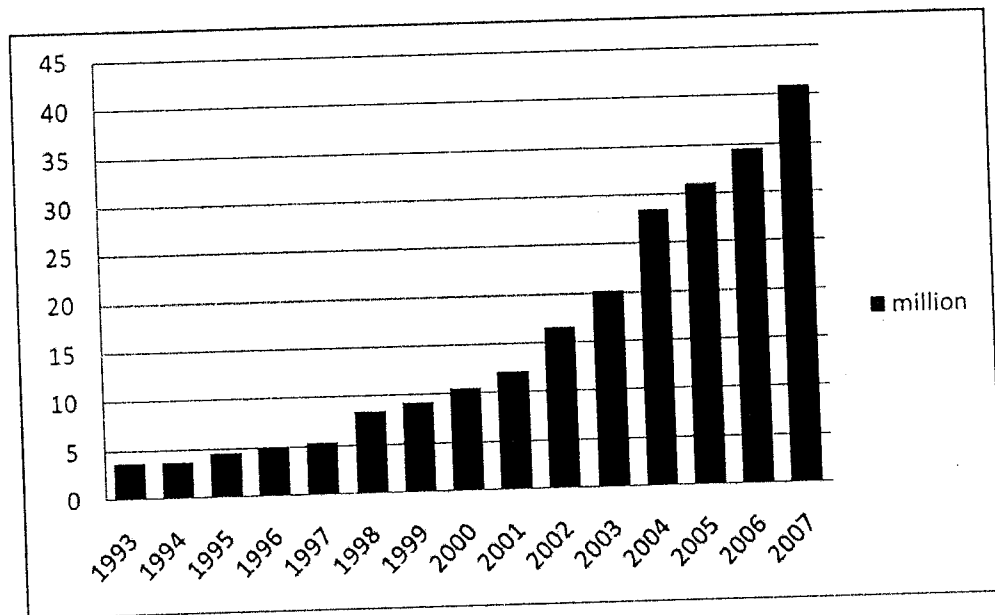
Prior to the ADS, outbound travel was one of the most strictly controlled and sensitive components of tourism in China. Chinese people had to contact the embassy or consulate of the destination country directly to get a visa. However, travel agents who are authorized by the China National Tourism Administration (CNTA) under the ADS can now take care of visas for tourist groups, thus making it easier to get visas than before (ETC-WTO, 2003). A visa is valid for one year and only permits one exit to, and one entry from, the destination country (ETC-WTO, 2003).

Table 2- 3: Four Differences

Four Differences that ADS can Make:
• Chinese will be more easily permitted to travel to ADS countries for leisure purposes.
• ADS countries will be permitted to actively market its tourism products in China.
• Chinese travel agents will be permitted to organize, advertise and promote leisure travel packages to ADS countries for their clients.
• The number of outbound Chinese travelers increased a lot and ADS countries can benefit from this.

The most important change that ADS brings is in the number of outbound Chinese tourists. Chart 2-1 below shows the change in Chinese outbound tourists from 1993 to 2007. In 2007, the number of Chinese outbound tourists reached 40.9 million. China has become a new and fast-growing market for outbound tourism in Asia. Countries with ADS agreements can benefit from the increase in Chinese travelers.

Chart 2- 1: Chinese Outbound Tourism Market



Source: The Yearbook of China Tourism Statistics

2.2.3 The Experiences of ADS Countries

This section explains other countries' experiences with ADS and explores what Canada can learn from them. Because of their general similarities to Canada, and also because they are the first Western countries to enter into ADS contracts with China, Australia and New Zealand will be the focus here.

2.2.3.1 Australia

Australian tourism has benefited substantially since being granted ADS status in 1999 (AMCMA, 2007). For instance, in 1992, there were only 9,000 Chinese visitors to Australia (Guo, 2002) compared to approximately 239,000 in 2007 (AMCMA, 2007). However, for the first three years of its ADS status, Australia experienced some growing pains.

For example, King *et al.* (2006) indicated that inbound tour operators charged unrealistic prices. Australia's inbound tour operators also forced guides to collect tips from ADS tour members in lieu of wages (BTR, 2004). Collecting tips is seen as an unethical business practice for Chinese tourists. These practices may have negatively impacted visitors' experiences (March, 2003).

Other researchers (Green, 2005; Biao, 2003) suggest further reasons for the earlier difficulties with the Chinese inbound tourism market, namely that the outbound travel industry was relatively new, and Chinese ADS overseas travelers were generally inexperienced. These factors, coupled with the industry's unstructured nature, resulted in a price-driven consumer market.

In response to these difficulties, the Australian government stepped in to oversee the fledgling market. It required that inbound tour operators interested in servicing the leisure group travel market from China comply with the precepts of the China ADS scheme and other related

regulations and laws. It also set up three mechanisms – monitoring, administrative, and sanctions – to enhance consumer protection of Chinese ADS visitors and improve the inbound tourism market’s compliance with Australian laws and regulations. For example, Australia set up a monitoring system to have random audits of ADS tour groups. Australia also set up a training and certification program for inbound tour operators.

On December 1, 2003, Australia passed the Tourism Services Act aimed at regulating the activities of inbound tour operators and tour guides and improving the customer satisfaction of ADS group visitors. Inbound tour operators in Australia were required to obtain approval to handle Chinese ADS group tours from the Australian Tourism Export Council. All inbound tourism operators have to abide by a Code of Conduct which sets minimum operating standards and facilitates, and requires inbound tourism operators to have written policy about resolving disputes.

2.2.3.2 New Zealand

New Zealand obtained their ADS agreement shortly after Australia in 1999 (DIMA, 2007), and the number of Chinese tourists immediately increased 45%, from 1999 to 2001 (Becken, 2003). According to Statistics New Zealand (2007), China has already become New Zealand’s fifth largest source of foreign visitors in 2006.

However, as in Australia, there were also some initial problems in New Zealand when tour operators first dealt with Chinese ADS groups. Becken (2003) indicated that some large

companies took possession of a very specific segment (low-quality coach tours), where customer satisfaction was correspondingly low. As well, many tour operators did not comply with certain laws and regulations, and there was excessive commission-based shopping (TNZ, 2007). Grenke (2006) also mentioned that some tour operators did not carry out their responsibilities to control the Chinese ADS groups to ensure that all would return to China.

Again, as with Australia, New Zealand responded to these early difficulties by expanding the government's oversight of the industry. It strengthened the management of the ADS system by moving its administration from the Inbound Tour Operators Council (ITOC) and placing it within a government agency, setting forth requirements and obligations that must be complied with where tours are managed under the ADS system. Like Australia, New Zealand also established the three mechanisms of monitoring, administration and sanctions. In its monitoring mechanism, New Zealand controls the exit of ADS visitors. Immigration officials conduct random audits of ADS tour groups to ensure that they remain within the tour and return to China at its conclusion. An administrative mechanism ensures that potential ADS operators must attend seminars about ADS rules and New Zealand immigration rules. ADS operators also have to develop quality-assurance procedures to specify both their responsibilities and those of the ADS tourists (Grenke, 2006). However, for organizational purposes, the most important part of these mechanisms is the sanctions (Grenke, 2006). If tour operators fail to comply with the ADS code,

corrective action such as suspending their operating ADS license will ensue. All three mechanisms are imposed on tour operators, who must comply with the rules.

2.2.4 What Can Canada Learn?

New Zealand and Australia have both garnered substantial economic benefits from their ADS program. For Canada, much of what New Zealand and Australia learned is transferable, including administration of ADS agreements and hosting of training programs for inbound tour operators (Grenke, 2006). Canada should actively manage ADS-related tourism operators and apply sanctions if they fail to comply with the ADS and other Canadian-related legal rules and regulations. In order to implement the ADS and thereby effectively manage inbound tour operators, Grenke suggests that Canada should adopt the following methods:

(1) Monitoring

- Conduct random audits of ADS tour operators to ensure that tour operators carry out their responsibilities.
- Implement random surveys of ADS tour groups to evaluate their satisfaction with tour operators' services.

(2) Administration

- Initiate regular meetings with Chinese authorities to discuss the effective resolution of any issues that emerge between the countries.
- Carry out training and certification programs for Chinese outbound tour operators and Canadian inbound tour operators to implement the ADS in an effective and efficient manner.

- Phase in the agreement over time and limit ADS visa applications to a small number of Chinese provinces to better manage Canadian inbound tour operators.
- Create an ADS Code of Ethics that sets out rules Canadian tour operators must abide by.

(3) Sanctioning

- Retain the ability to sanction both Chinese outbound tour operators and Canadian inbound tour operators if they fail to comply with the ADS Code.

While these methods may be suitable for Canada, subsequent compliance by the industry is crucial. Thus, having a good understanding of inbound tourism operators' motivations towards ADS guidelines compliance is very important.

2.3 Canada's Tourism History

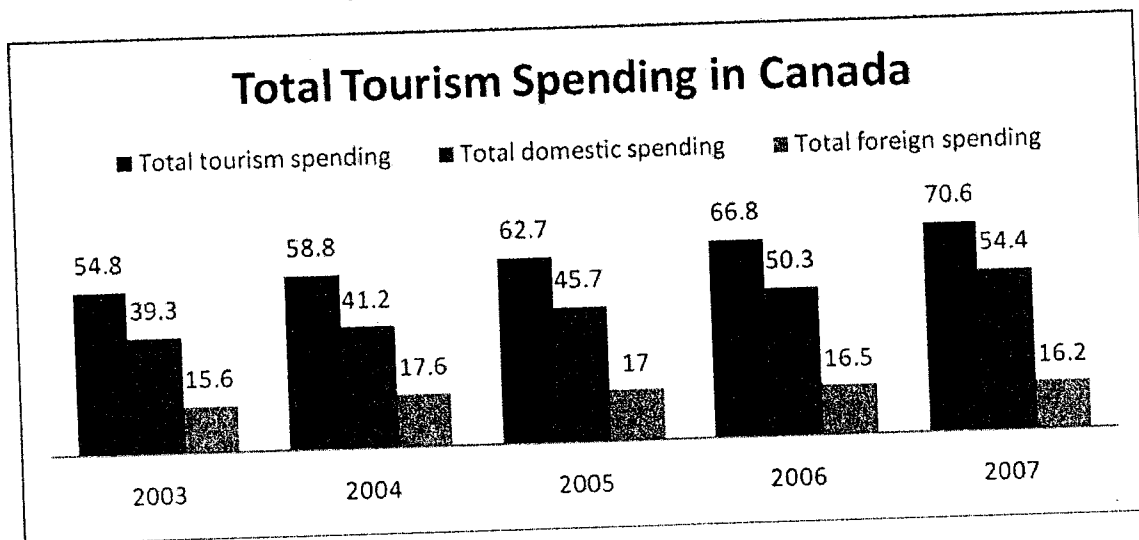
This section will first discuss the history of Canadian tourism, both domestically and internationally. The second section will examine the differences between domestic travel and international travel and show how Canada needs to expand international inbound tourism, with a shift in emphasis away from U.S. markets and towards overseas tourists. The final section explores Chinese inbound tourism to Canada and the opportunity that the ADS affords the Canadian tourism market.

2.3.1 Domestic Travel

The tourism industry represents an important and growing contribution to the Canadian economy from two main areas: domestic and international travel (CTC, 2006a). Historically,

however, domestic tourism has been the primary contributor (CTC, 2007d). Chart 2-2 shows how domestic spending accounts for a large percentage of total tourism spending in Canada. Spending by Canadians traveling within Canada reached \$45.7 billion in 2005, up 10.8% from 2004, the largest annual gain since 2000 (CTC, 2005a). This number reached \$50.3 billion in 2006, up 10.1% from 2001 (CTC, 2006a). Domestic spending reached \$54.4 billion in 2007, up 8.1% compared to 2006 (CTC, 2007a). From these data, one can conclude that domestic tourism spending contributes the largest part of the tourism industry earnings and displays an upward trend. Nevertheless, the amount of yearly growth has been decreasing over the past five years.

Chart 2- 2: Total Tourism Spending in Canada



Source: Canadian Tourism Commission

2.3.2 International Travel

International travel has historically been weaker than domestic travel (CTC, 2007b).

Canada's performance in foreign markets has been far less than it desired especially when Canada is compared to other destinations. (CTC, 2007c)

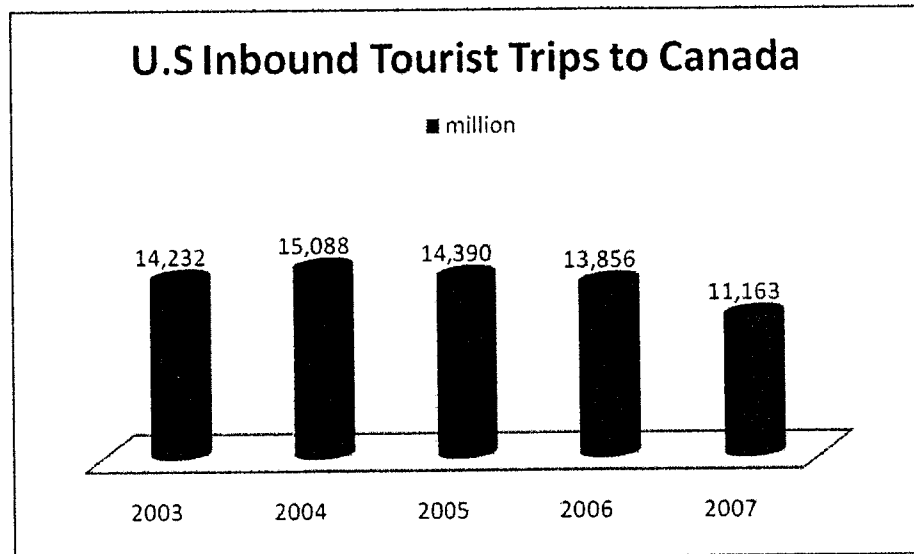
Chart 2-2 shows that foreign spending contributes only a limited percentage of total tourism spending, and that the trend in this percentage is downward or flat. Foreign spending in 2005 declined 2.9% from the previous year, totaling \$17.0 billion (CTC, 2005a). The number also had a decline of 3.2% from the year 2005, totaling \$16.5 billion (CTC, 2006a). Total spending decreased to \$16.2 billion in 2007, down 1.7% (CTC, 2007a). Responsible for this decline was the 2.7% drop in international overnight visitors, especially those from the U.S. (CTC, 2006b).

2.3.3 The Difference between Domestic Travel and International Travel

The above data shows that foreign spending has been weaker than domestic spending over the past five years. Foreign tourism spending dropped 3% in 2007, mainly because of a decline in American overnight visitors (CTC, 2006c). The number of U.S. visitors to Canada has declined over the past five years from 15.088 million in 2004 to 11.163 million in 2007. Historically, U.S. visitors have been the largest inbound market for Canada (CTC, 2007a). However, U.S. visitors declined significantly with the events of 9/11, along with other reasons such as unfavorable exchange rates and the rising cost of fuel (CTC, 2006c). In addition, with growing globalization, there are now many destinations other than Canada for U.S. visitors.

Accordingly, Canada needs to develop a new strategy for its inbound market and not depend solely on the U.S market.

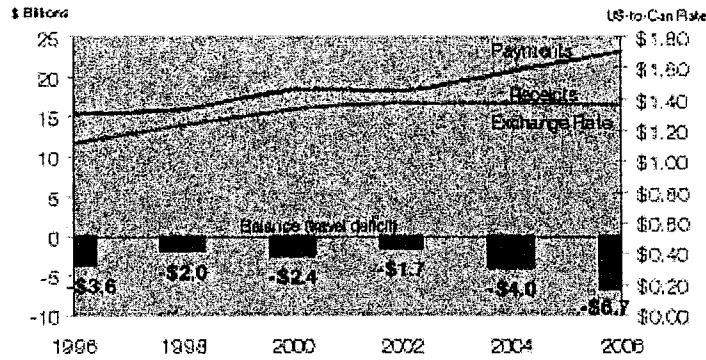
Chart 2- 3: U.S Inbound Tourist Trips to Canada



Source: Canadian Tourism Commission (2003 – 2007)

From Chart 2-4, it can be seen that payments by Canadians have been always higher than receipts by foreign travellers to Canada for each year from 1996 to 2006. This is another reason why Canada needs to develop new inbound markets. The deficit has almost doubled from 1996 to 2006 and has increased by \$1.3 billion (25%) from this time period. The gap between spending in Canada by foreign residents and spending in foreign countries by Canadians is steadily growing at Canada's expense. In 2002, Canada's travel deficit stood at only \$1.7 billion. Since then, the rapid rise of the Canadian dollar has contributed to the rise in Canada's travel deficit to \$10.3 billion in 2007.

Chart 2- 4: Canada's International Travel Account 2006 Review



Source: Canadian Tourism Commission, 2007.

To enhance an increase in Canadian tourism exports, Canada must further develop its overseas market. An important market to focus on is the Chinese inbound travel market. Canada needs to take advantage of its export potential from tourism and market its world-class tourism products to foreign travelers who will bring new money to the country.

2.4 Chinese Inbound Tourism to Canada

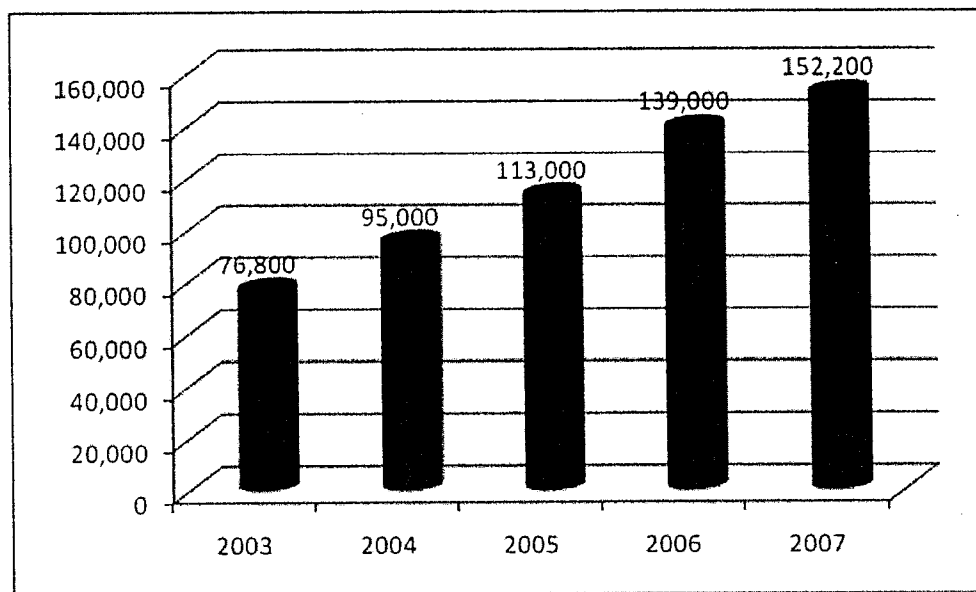
This section contains two parts. The first part describes the history and current situation of Chinese inbound tourism to Canada. The second part indicates the position of Canada regarding the ADS process.

2.4.1 Background Situation

Prior to 1990, research on Mainland Chinese inbound tourism to Canada was virtually non-existent. However, with the development of Chinese outbound tourism over the past decade, many researchers and academics are now beginning to take notice of this market. CTC (2005b)

states that with the growth of the Chinese economy and the increase in personal incomes, the desire to travel has likewise grown. If China's economy stays on track, Chinese outbound tourism will increase even more, and Canada should position itself to take advantage of it. Currently, though Canada is still in the process of negotiating the ADS, the trend of Chinese inbound tourism to Canada is upwards.

Chart 2- 5: China Overnight Customs Entries to Canada



Source: Statistics Canada

The CTC reported that Chinese outbound tourism volumes grew by 20% annually from 2003 to 2007 (Chart 2-5). Canada welcomed 139,000 Chinese travellers in 2006, an increase of 24% from 2005, and in 2005, the number of travelers was up 19% from 2004 (CTC, 2007b). In 2003, Canada welcomed 76,800 Chinese outbound travelers. However, these figures represent only 3.4% of total Chinese outbound travellers (CTC, 2005b). Although the number of Chinese

travelers to Canada is significant, it still is a very small proportion of the overall outbound Chinese market.

The CTC (2005b) reported that 70% of Chinese outbound tourists travel abroad to ADS countries. As mentioned previously, Chinese visitors currently travel to Canada primarily to visit friends and relatives or for business purposes. It is assumed that, after getting ADS approval, there will be a considerable change in the reasons for visits, with a greater increase in visits for leisure purposes (Zuo, 2007). Overall, the CTC (2005) is positive about the future of the Chinese inbound tourism market to Canada.

2.4.2 The Canadian Situation with ADS

China formally agreed to grant Canada ADS in 2005 (TIAC, 2007). However, after signing the agreement, the two countries are spending additional time negotiating the details of operating and monitoring tourist groups (WTM, 2008). The process has proved to be slower than expected, but Canada is optimistic that a signed agreement will be in place sometime in the very near future (TIAC, 2007)¹. The importance of the agreement is illustrated by the CTC (2006b), which estimates there will be about 500,000 additional Chinese visitors in the year following ADS approval.

Although ADS has not yet been officially approved, Canada still needs to prepare for the influx of Chinese tourists (CTC, 2005c). ADS is the key to opening wide the door to Chinese

¹ As of this writing (December 2008), the final agreement has not be formalized and signed.

inbound tourism. While Canada has ongoing competition from Australia and other ADS countries, it can also learn from their experiences – specifically, the importance of managing inbound tour operators. There must be strict compliance with ADS requirements to safeguard the reputation of Canada’s tourism industry. Therefore, it is important to gain an understanding of the likely compliance of Canadian inbound tour operators with the ADS guidelines.

2.5 Compliance Theory

The goal of this study is to understand the factors that may be related to tour operators’ motivational compliance with future ADS guidelines. This information may encourage operators’ to adhere to future ADS guidelines. The principal theory used in this study is based on compliance theory which has been used in various social science disciplines.

This section first describes the history and current development of compliance theory. Next, it will examine the application of compliance theory in the tourism research field. Finally, the ways in which compliance theory can be adopted will be discussed.

2.5.1 Early Studies of Compliance Theory

Compliance is defined as a person’s conforming behaviour to an agreement’s explicit rules (Werksman, 1996). The word “compliance” is normally applied when comparing behaviour to certain agreement provisions. An agreement can extend to policy and principles, implied international norms, casual agreements, and even unstated regulations (Werksman, 1996). Principles and norms can also affect peoples’ behaviour empirically (Sutinen, 1999).

Compliance means acting according to certain accepted standards and is based on a set of rules, a person's knowledge of those rules, or an examination of the utility gained for either following or not following the rules. In fact, well developed treaties can fail to bring considerable beneficial behaviour if operators fall short of actual compliance, or someone goes beyond treaty requirements even a small amount (Sutinen, 1999). A key factor of the willingness to comply is the degree of behaviour change the agreement requires (Werkman, 1996).

Compliance theory was initially used by Becker (1968) who developed a formal theoretical framework for explaining criminal activity. Becker argued that criminals behave "criminally" because they try to take maximum advantage when they are facing budget constraint. In Becker's model, the basic deterrence framework assumes that the threat of sanctions is the only mechanism available to improve compliance with regulations. With the development of compliance theory, more factors were found to influence people's revealed rather than stated compliance behavior.

2.5.2 Development

Compliance theory was further developed into two categories: the economic and non-economic theories. The first example emphasizes rational choice based on predictable outcome. The latter stresses individuals' and organizations' internalized norms and commitments to their social situations, and individual decision-making processes (Sirakaya, 1997).

In economic aspects, most researchers focused their studies on tax compliance research. Jackson & Milliron (1986) designed a framework for understanding past tax compliance research, focusing on the factors contributing to compliance decisions. The framework included variables such as age, sex, education, income level, ethics, fairness, sanctions, etc. Das-Gupta (2002) examined the economic theory of tax compliance and the impact of tax compliance costs on individual behaviour. The study concluded that ethical, moral, economic, and political aspect variables are important factors that affect peoples' compliance behavior. Devos (2007) also found that demographic variables play an important role in the compliance behaviour of taxpayers.

In non-economic aspects, Sutinen & Kuperan (1999) developed a theoretical model of regulatory compliance (Figure 2-1). The model mainly focuses on the certainty and severity of sanctions as key determinants of compliance. Second, the model indicates the conventional costs and revenues associated with illegal behavior that partially explain compliance behavior. Finally, the model accounts for moral obligation and social norms as influences on compliance.

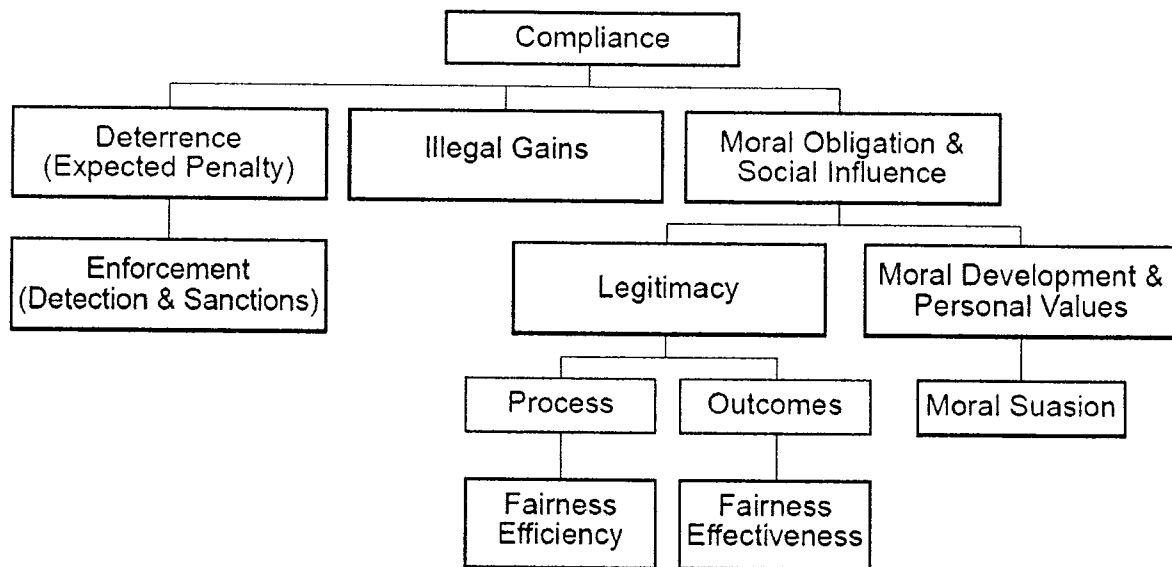


Figure 2- 1: Compliance model by Sutinen & Kuperan, 1999

Kuperan and Sutinen (1995) conducted a study on Malaysian fishermen and developed a compliance model that included variables relating to social influence. Behavioural norms and the legality of policy were found to be significant in determining individual compliance decisions. Similarly, Hatcher *et al.* (2000) studied normative and social influences affecting compliance with fishery regulations. The authors described a study of fishermen's compliance with quota restrictions in the United Kingdom and investigated the influence of moral obligation, peer attitudes, and perceptions of regulatory legitimacy in determining individual compliance behaviours. The study revealed that the probability of violating quota restrictions was inversely related both to the perceived risk of detection and the level of the expected fine.

In summary, compliance theory in both economic and non-economic aspects explains a principle; a person's compliance or noncompliance with laws or regulations depends on an individual's intrinsic motivations and extrinsic environmental influences.

2.5.3 Compliance Theory in the Tourism Area

Sirakaya (1997) developed and tested a conceptual framework to explain the compliance attitudes of ecotour operators with industry guidelines. This study proposed a framework that encompassed relevant variables both from the economic and non-economic aspects into one model of compliance. The model examined ecotour operators' motivational compliance with ecotourism guidelines. Compliance with ecotourism guidelines was viewed as a function of three sets of variables: perceived enforcement and sanctions, characteristics of an ecotour operator/business, and personal view and perceptions about the ecotourism guidelines.

The results suggest that a large number of intrinsic and extrinsic factors affected ecotour operators' compliance with ecotourism principles. The factors included the type of social and economic sanctions, gender of the respondents, perceived moral obligations, and revenue obtained from ecotourism.

2.5.4 Adaptation of Compliance Theory in This Study

As discussed previously in Sirakaya's (1997) research, there are several sets of variables that can be viewed as important factors affecting an individual's compliance. Figure 2-2 shows the adapted model used in this study and its accompanying factors.

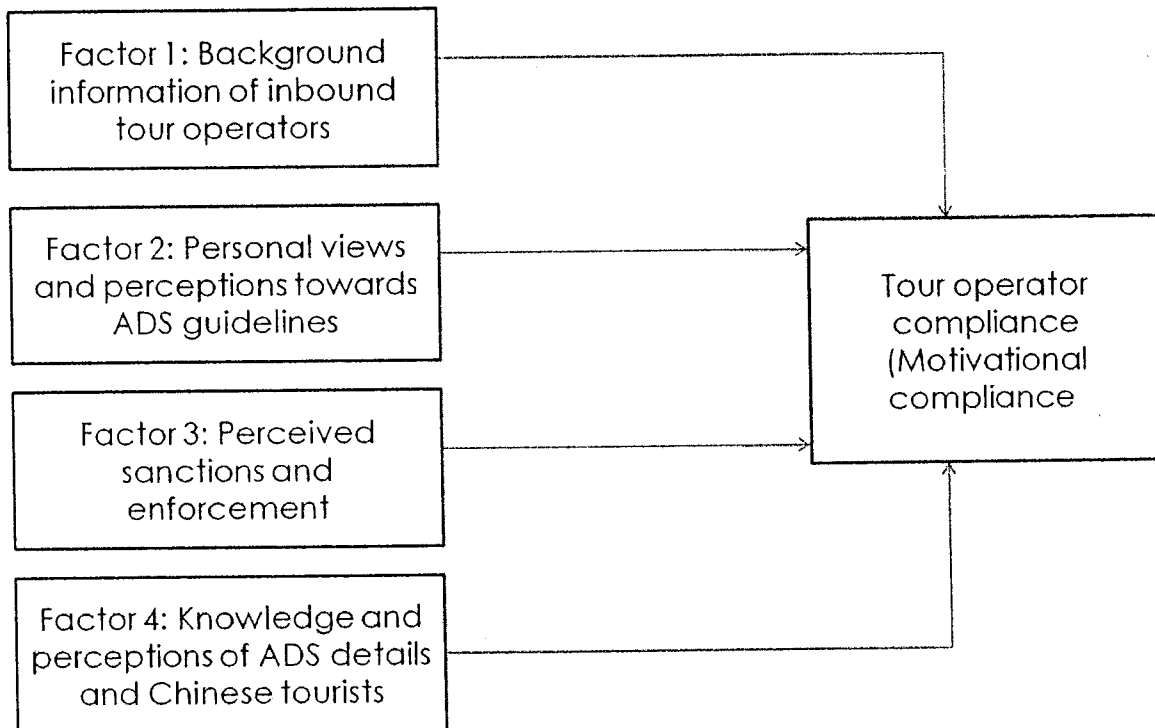


Figure 2- 2: An Integrative Model of Inbound Tour Operator Compliance

Factor 1 is background information of inbound tour operators. It is important to understand inbound tour operators' socio-demographic background information as they may be significant in determining compliant behaviours. Compliance research has been enhanced through the inclusion of social environment, since it may influence peoples' expected behaviour in specified situations (Akers, 1985). Moreover, economic researchers in the area of tax compliance have

often used socio-demographic factors such as income level, age, sex, occupation or status, morality, and education as predictors of compliance (Jackson and Milliron, 1986).

Factor 2 is personal views and perceptions towards ADS guidelines. As ADS guidelines are only in the proposed process, tour operators might not know them since they are not in effect. However, it is still useful to put perceptions of the personal views and perceptions towards guidelines in this model. Perceptions of the fairness and appropriateness of the guidelines plays an integral role in determining compliance. Sirakaya (1997) used belief and perceptions towards ecotourism guidelines to understand eco tour operators' attitude compliance. Lalime (2005) also used personal views and perceptions toward whale watch guidelines to understand tour operators' compliance to aspects of Australian whale watch management conditions. Individuals tend to comply with the regulations to the extent that they perceive the regulation as appropriate and consistent with their internalized norms. The key variables determining compliance in the normative perspective are individuals' perceptions of the fairness and appropriateness of regulations (Tyler, 1990).

Factor 3 is perceived sanctions and enforcement. In the social sciences approach to compliance theory, people seek to explain compliance behavior in terms of either incentives or sanctions. Sanctions and punishments could deter people from engaging in improper activities (Sirakaya, 1997). DiMento (1989) also found that enforcement and sanctions were the most important factors that affect compliance. Lewis (1982) found that severity of sanctions is the

factor that affects compliance with taxation policies. Hence, having a better understanding of inbound tour operators' perceptions of sanctions will help determine their compliance behaviors.

Factor 4 is knowledge and perceptions of ADS details and Chinese travelers. The ADS guidelines are directed at inbound tour operators who are to receive inbound Chinese travelers. One purpose is to ensure that Chinese leisure groups visiting Canada experience high quality tours and professional services. This model adds a factor (Factor 4) about knowledge of ADS details and Chinese travelers. Compliance means acting according to certain accepted standards and is based on a set of rules, a person's knowledge of those rules, or an examination of the utility gained for either following or not following the rules. According to Etzioni (1961), compliance can be affected by knowledge base of the field. Hence, having a better perception of ADS and Chinese inbound tourists is assumed to be a determining factor that affects tour operators' motivational compliance.

In conclusion, the compliance model in this research covers most of the factors that affect compliance. Sutinen & Kuperan (1999) concluded that the following factors determine compliance: potential illegal gain, severity and certainty of sanctions, individuals' moral development and their standards of personal morality, individuals' perceptions of how just and moral are rules being enforced, and social environmental influences.

Chapter 3: Methodology

In this chapter, the quantitative methods used in the research design will be explained. This will be followed by examination of the population and sample, survey methods, survey administration, data handling and storage, and data analysis sections.

3.1 Research Design

A quantitative research design was used in this study. As every method has its own advantages and disadvantages, the final choice of quantitative design is based on several factors. Quantitative research is effective because it is dependent on numeric data and the use of statistics. This means that it effectively translates data into quantifiable charts and graphs that the tourism industry understands. It is also effective for establishing customer profiles and determining market size (Fitzgerald, 2000).

Quantitative research is efficient because it allows the collection of a large amount of data in a short period of time. As this research did not receive funding, the most efficient way to collect data in the researcher's limited time frame was through quantitative research.

The quantitative method allows the researcher to target large numbers of people at a relatively low cost. It is a more cost-effective method of surveying people who live over a wide geographic area.

Finally, quantitative research allows respondents to complete the questionnaire in their own time. In addition, seasonal constraints that prohibit certain types of personal contact will be reduced due to the web-based design proposed.

3.2 Population and Sample

The researcher identified agencies and organizations to potentially solicit members who deal with Chinese tourists. Two main organizations agreed to participate in the study: the Tourism Industry Association of Canada (TIAC) and the Canada Inbound Tourism Association Asia Pacific (CITAP).

The TIAC is a 5,000 member organization that represents all major Canadian tour operators. The TIAC's membership reflects partnerships among all sectors of the industry, as well as provincial, territorial and regional tourism associations (TIAC, 2007). However, many smaller companies cannot afford the cost of a TIAC membership and thus are more likely to be a member of the CITAP. Based in Vancouver, the CITAP is a non-profit organization with about 200 members that works to develop Canada as a preferred destination for Asia Pacific travelers. It has a large number of tour operators that deal specifically with the Chinese market.

The population for this study is defined as all the members of the TIAC and the CITAP that are interested in the inbound Chinese tourist market. It is estimated that about 20% of the TIAC members and 90% of the CITAP members would like to cater to Chinese tourists. These figures would yield a population size of approximately 1,180 members. The population would include

organization members who are self-identified as inbound operators who are, will be, or would like to be, dealing with Chinese travelers to Canada. They include retail travel agents, tour operators, travel wholesalers, and national and international travel suppliers such as airlines, hotels, car rental companies and cruise and rail lines. Based upon the number of potential ADS operators, the sample size was estimated to be about 295 members, at a response rate of about 25%. This assumed sample size is based upon past research which found that web surveys with individual email invitations obtain overall completion rates of about 25% (Manfreda and Vehovar 2002, Yuan and Carlson 2006).

3.3 Survey Methodology

In order to achieve the objective of the study, a web-based survey methodology was chosen as the main research method for primary data collection. The TIAC delivered the request through its weekly email newsletter to its members, and the CITAP delivered an email request with a survey link to its members.

A survey questionnaire was chosen as the primary research instrument in this study due to its ability to provide valid and reliable data in a cost-effective manner (Seddighi, 2002). It suits the research purpose of getting first-hand information from tourism providers. Surveys are roughly divided into four broad areas: mail and self-administered questionnaires, web-surveys, telephone interviews, and face-to-face interviews. In this study, a self-administered web-based questionnaire was used.

The main advantage of self-administered questionnaires is that a large number of respondents can be reached compared to other survey methods. It can also be more cost-efficient than arranging personal interviews and permits the collection of data from respondents of different areas at the same time (Neuman, 2007). Tour operators are located in different areas across Canada.

3.3.1 Web-based Survey Instrument

The questionnaire used in this study was a web-based instrument. Web-based surveys have been refined since they were first used in the late 1990s (Neuman, 2007). Web-based surveys have basically the same design features as paper surveys but can be designed to be more visually attractive than paper surveys. Web surveys provide greater opportunities for variety in question structure, layout and design compared with paper surveys (Couper, 2001).

This research used the “Insiteful survey” website <http://www.insitefulsurveys.com/surveytips.aspx> for questionnaire design and administration. The website allows the researcher to develop the questionnaire, collect results, and analyze data. It has various question types including: one choice, multiple choice, matrix, and open-ended questions. It also has several types of tools for collecting responses including: link in an email or pop-up window or link on the researcher’s website. Insiteful Surveys is also committed to its policy of protecting the privacy and confidentiality both of members who register to build and deploy surveys and of their respondents.

The advantages of web-based surveys are: 1) web surveys over the internet or by email are faster and cheaper than regular mail surveys; complete surveys can be administered in a few days, and; 2) web-based surveys can vary and are very flexible in design; response screens can be developed to facilitate desired questionnaire length and content (Gunn, 2002).

However, there are some disadvantages of web surveys, such as coverage, privacy and verification, and design issues (Neuman, 2007). Some of the inbound tour operators do not use internet very much. This is a limitation of my survey. Protecting respondent privacy is an important issue for internet usage in general, and web-based designs need to offer this aspect. The Insiteful Survey guarantees the privacy of members and respondents. New design issues continually arise since the technology changes very rapidly, thus requiring the researcher to keep up with the advances in this field (Neuman, 2007).

3.3.2 Questionnaire Design

This study analyzes Canadian inbound tour operators' motivational compliance with ADS guidelines as well as their understanding of Chinese travelers. To develop a questionnaire that addresses these questions, a previous study by Sirakaya (1997) was identified as having similar objectives. The first three sections of this study questionnaire (Refer to Table 3.1) are based on the framework developed by Sirakaya (1997) on motivational compliance with ecotourism guidelines.

The questionnaire primarily verified the compliance model used in this research. The compliance model includes three sections based on sanctions and enforcement, socio-demographic and personal view towards ADS guidelines. As well, the researcher added an additional section about the operators' knowledge of ADS and Chinese travelers. Factors 1-3 are based on the compliance model, and the last section is based on previous research about ADS and inbound Chinese travelers. Please refer to appendix A and B for the questionnaire and cover letter.

The questionnaire is presented in four sections, as in Appendix A and Table 3-1.

Table 3- 1: Outlines Survey Questions

	Questions
Factor 1: Background information of inbound tour operators.	This factor contains questions related to characteristics of a business, such as size, number of employees and sociological factors. Type of affiliation with the business; years of inbound business; size of the company; percentage of business from Chinese travelers; business membership in a professional organization; previous experience with a legal agency; familiarity with ADS guidelines.
Factor 2: Operationalization of personal views and perceptions of ADS guidelines	In this factor, the questions concerned perceptions about ADS guidelines. Perception of potential benefits; perception of costs versus benefits; belief in irrationality of the compliance demand; belief in appropriateness of the guidelines; belief in the fairness of the guidelines; perceived noncompliance by other tour operators; belief in common good; endorsement of noncompliance; voluntary nature of ADS guidelines; personal morality/ethics.
Factor 3: Operationalization of perceived	These questions indicated the likelihood of an operator to be detected as noncompliance operators on a five-point Likert-type scale. Type of sanctions; perceived certainty of legal sanctions; perceived severity of

sanctions and enforcement.	legal sanctions; perceived threat of legal sanctions; perceived certainty of self-imposed sanctions; perceived severity of self-imposed sanctions; perceived threat of self-imposed sanctions; perceived certainty of peer-inflicted sanctions; perceived severity of peer-inflicted sanctions; perceived threat of peer-inflicted sanctions.
Factor 4: Knowledge about ADS details and Chinese travelers' profiles	This factor asked respondents to self-identify some important criteria about Chinese travelers' profiles based on previous research. Main characteristics of Chinese outbound travelers, including education level, travel form, Chinese culture, food, shopping patterns, etc.

3.4 Pre-testing

Pre-testing is required to evaluate whether a questionnaire will potentially cause problems for respondents (Presser et al, 2004). The questionnaire was pre-tested before it was formally administered to the population. The pre-test consisted of sending out email requests to a sample of first- and second-year outdoor recreation masters students at Lakehead University at the end of May, 2008. The sample size was 13 students. After the respondents completed the survey, they were interviewed to determine if there were any problems answering the questions. These suggestions were incorporated into the final questionnaire.

3.4.1 Results of Pre-testing

After the pre-test, the questionnaire underwent several changes according to the responses. These changes included: (1) typing and grammar editing for questions 11, 13, 22, 24 and 29; (2) content-editing for questions 24 and 39, and; (3) format editing for the entire questionnaire and questions 29, 30 and 31.

3.5 Survey Administration

The survey was administered from June 27th to August 12th, 2008, with the help of TIAC and CITAP representatives. The data-collecting process lasted five weeks. Both organizations helped the researcher contact their respective members to participate in the study. The TIAC provided a link to the survey within their weekly newsletter to their membership on July 7th, 2008. A brief description of the project was provided. The TIAC also sent a follow-up email invitation with the link to the survey on July 17th, 2008. The announcements included a short description of the survey process, benefits for participating, and procedures to participate. An email link (one-click) to the survey site was included that automatically accessed the survey site. In the announcement, it was explained to the participants that the survey results would be anonymous and confidential.

The CITAP sent an email announcement (similar to the TIAC's) about the survey to their membership along with a clickable link to the Insiteful Survey hosting site. The first email invitation was sent on June 27th, 2008, and a follow-up email was sent to non-respondents on July 18th, 2008.

3.6 Data Handling and Storage

Because the questionnaire is a web-based survey, the username and password are known only to the researcher and supervisors. Accordingly, only the researcher and supervisors have

access to the data. Also, because this was a web-based survey, no coding or data entry of the quantitative data was necessary except for the open-ended questions. Insiteful Surveys provides an option for the data to be exported into an Excel spreadsheet format, to be later imported into SPSS for analysis.

Before the open-ended responses were analyzed, they first had to be coded (Babbie, 1990). Content analysis was applied to the open-ended questions and coded into themes. The frequency of each theme was counted and categorized into larger groups of related subjects. The content analysis was combined with the quantitative data results in the final analysis. All of the above data will be stored at Lakehead University for five years and then destroyed, as required by the Lakehead University Research Ethics Board.

3.7 Data Analysis

The data was entered into a computer and analyzed using Microsoft Excel and Statistical Package for Social Sciences (SPSS) software. The study variables were operationalized by using several scales at different measurement levels. The codes and designations of independent variables, measurement, and possible scale ranges were used to explain the compliance model. Compliance (the dependent variable) measures the personal view and opinions about future ADS guidelines in general, and is called "motivational compliance." A tourism operator's compliance with future ADS guidelines is viewed as a function of four sets (factors) of explanatory variables (elements): background information of inbound tour operators, personal views and perceptions

towards ADS guidelines, perceived sanctions and enforcement, and knowledge and perceptions of ADS and Chinese travellers. The relationship between independent and dependent variables was analyzed at a 95% confidence level.

A descriptive analysis was conducted to understand the overall population parameters. Frequencies were used to display the operators' socio-demographic information as well as their business descriptions. This approach allowed for the separation of data into different groups to be used for further comparison testing.

The main objective of the study is to determine the potential factors of noncompliance or compliance with future ADS guidelines. The general purpose of multiple regression is to learn more about the relationship between several independent or predictor variables and a dependent or criterion variable (Timothy, 2006). In order to obtain a better understanding of the factors that might explain the variation in operator compliance with the ADS guidelines, a forward regression analysis was performed between each independent variable and dependent variable. The regression methods was based upon Tabachnick& Fidell (1989) to test the compliance model. This method of analysis enabled each independent variable's contribution to the model to be evaluated individually and allowed the factors that may affect compliance of operators with the guidelines to be identified. This helped to describe the relationship between one dependent variable and a set of independent variables.

Regression analysis calculates the F-statistics for each variable and evaluates each variable's unique contribution to the model. The evaluation process is repeated for all remaining variables

outside the model. Each variable is added one by one to the equation until no more statistically significant variables are found (Tabachnick and Fidell 1989). This method will reduce a large number of variables to a smaller number of factors.

After the multiple regression analysis, important variables may appear which affect the dependent variable. A standard error of the estimate and adjusted R^2 were tested. The results indicate whether these variables are adequate predictors of the model. A high t-score for each individual regression show the degree to which each variable affects the model. The higher the t-value the more this variable affects the model.

One way ANOVA tests were conducted to test whether social support was a significant predictor of well-being. This test is conducted using a regression analysis. In simple regression, a p -value less than or equal to .05 in the ANOVA table indicates that the independent variable is a predictor of the dependent variable (Garson, 2006).

Some questions included qualitative data via an open-ended format. These data were screened for themes and eventually categorized by commonalities. The newly formed categories were assigned a numerical code in order to yield measured data at the nominal level.

3.8 Ethics Consideration

Lakehead University's Ethics Procedures and Guidelines for Research Involving Humans was strictly followed to ensure proper scientific work practices. This meant that there was honesty and general care and precision during the whole research procedure. Research data were

confidential and all subjects are kept anonymous unless they had given permission for their identities to be disclosed. All the data will also be stored safely.

Lakehead University's Ethical Conduct of Research and Procedures for Investigating Misconduct was followed to handle and clean up data. Original primary data/evidence is being retained by the unit in which they were generated. All primary data will promptly be recorded in clear, adequate, original and permanent form and retained in the unit. If the Principal Investigator leaves the university, arrangements for the safekeeping of records and/or products will be made with his/her immediate supervisor. Finally, provision of material products to third parties for non-commercial research purposes within or outside the unit will only be made with the approval of the Principal Investigator.

This research is being assisted by the TIAC and the CITAP, so the results will be given to these two organizations at the conclusion of the study.

Chapter 4: Results

The results of the study are presented in three sections. The first section presents a description of each survey item as it relates to the independent and dependent variables. The second section provides an understanding of the factors that help explain the variation in inbound operators' compliance with the ADS guidelines. The last section examines respondents' ideas and suggestions about improving compliance with ADS guidelines.

4.1 Response Rate

This study received 179 responses, of which five were incomplete and removed from the sample. The net number of usable survey responses was 174. It is difficult to determine what the actual response rate for this study was because the specific size of the population is not known. Based on estimates from the TIAC and the CITAP, the population of inbound operators who have interest in the Chinese market may be around 1,180. Using this figure for the population, the response rate was about 15%. Although this rate is lower than what was expected, it is in line with the response rates of other studies using web-based designs. The main reason for this might be the estimated population was very broad and the respondents were self-defined as Chinese inbound tour operators. Most of the 15% TIAC and CITAP members who responded to this survey are tour operators who are dealing with Chinese travelers and who are more interested in the whole ADS process. The actual population size is difficult to determine. Other reasons that may have affected the response rate are that the survey was conducted during tourism's busy

season (June and July), so tour operators may not have had time to fill out a survey, and the TIAC members were not sent personal invitations. Had the survey been conducted in winter, and to named recipients, the response rate may have been higher.

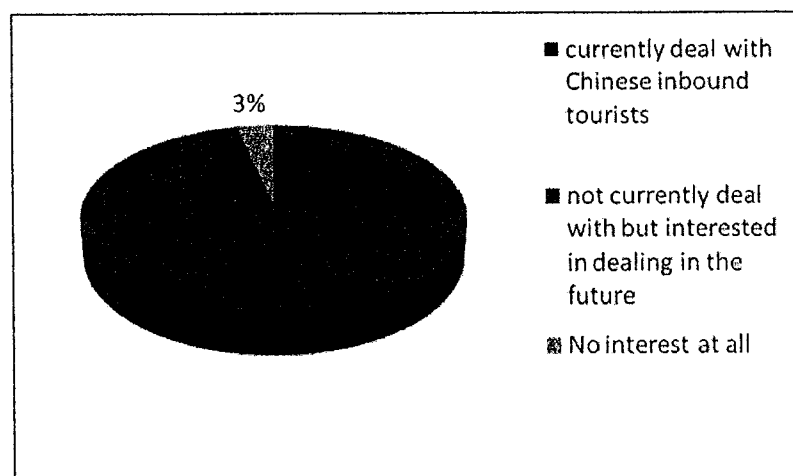
4.2 Descriptive Analysis

The descriptive analysis will be presented in four sections: (1) background information, (2) knowledge of ADS and Chinese travels, (3) personal views and perceptions toward ADS guidelines, and (4) perceived sanctions and enforcement.

4.2.1 Background Information of the Respondents

Of the respondents, 68% stated they currently deal with Chinese inbound tourists, 29% do not deal with Chinese inbound tourists currently but are interested in doing so in the future, and 3% are not interested at all with this market segment (see Chart 4-1).

Chart 4- 1: Dealing with Chinese Inbound Tourists



About 68% of respondents indicated that their company currently deals with inbound Chinese tourists (Chart 4-2). Thirty-four percent of these respondents stated 1-2% of their business pertains to Chinese inbound tourists. Nineteen percent of respondents stated 2-5% of their business involves Chinese inbound tourists, followed by 1% of business (17%), 10% of business (16%), and 5-10% of business (11%). Three percent of respondents do not know how much their business deals with Chinese inbound tourists.

Chart 4- 2: Percentage of Current Business Focusing on Chinese Inbound Tourists

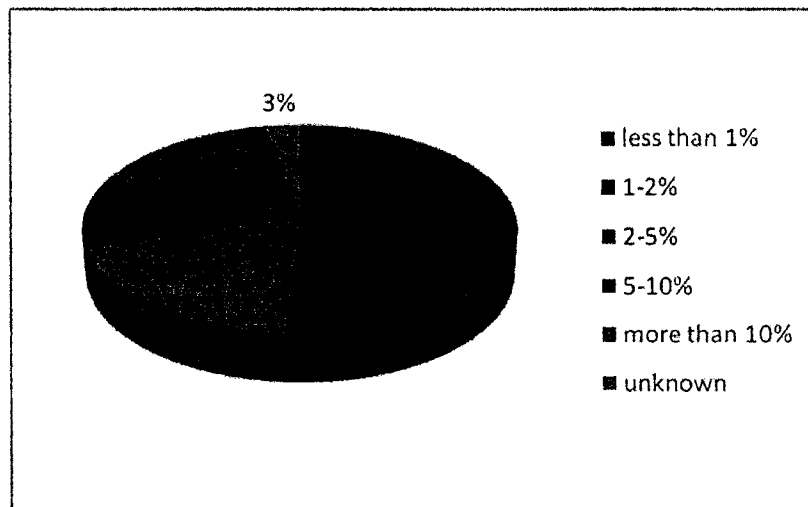
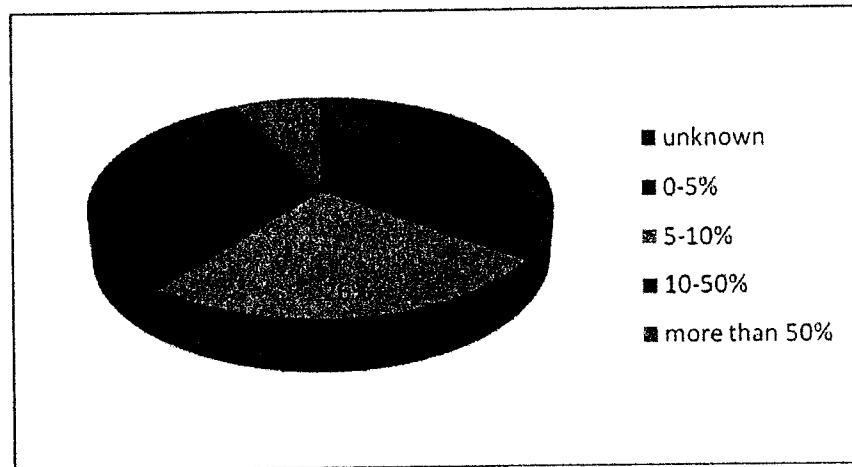


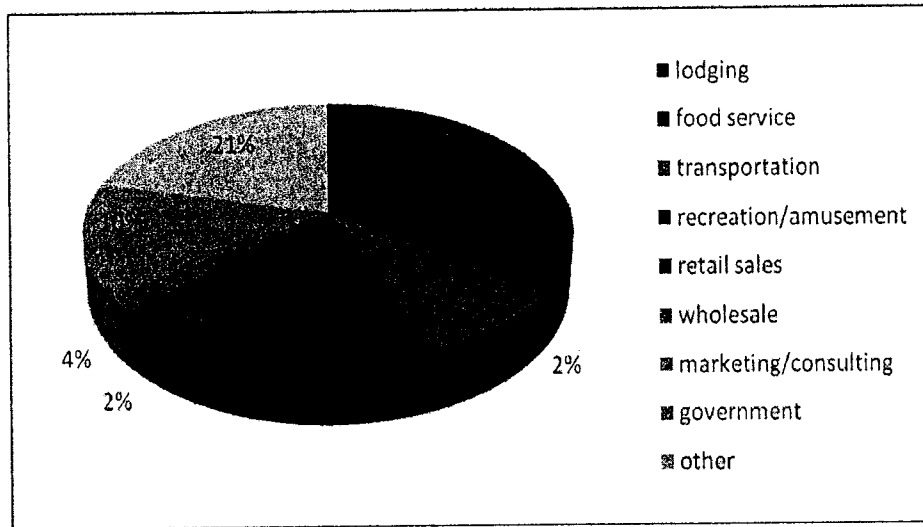
Chart 4-3 describes how respondents stated their preferences in future dealings with Chinese tourists. Thirty-two percent of businesses hope that 10-50% of their business will be dealing with Chinese inbound tourists in the future. About 27% predict that their business will be comprised of 0-5% Chinese tourists, and 26% see their business will be comprised of 5-10% Chinese inbound tourists. There were 8% of respondents who offered no estimate of their future business.

Chart 4- 3: Percentage of Future Business Focusing on Chinese Inbound Tourists



According to Chart 4-4, 33% of respondents were from the lodging industry, while 13% were from recreation and amusement operations, followed by government respondents at 10% and respondents from the transportation sector at 9%. Twenty-one percent of respondents were in the “other” category, which includes provincial marketing organizations, tour operators, lodging and sightseeing companies, tourist attractions, destination marketing organizations (DMOs), tourism coordinator-shopping malls, casino, wineries, promotional products industries, and chambers of commerce.

Chart 4- 4: Tourism Industry Representation



Based on Chart 4-5, 50% of respondents are managers, 24% are employees, 16% are sole owners, and 10% are partners.

Chart 4- 5: Category of Respondents

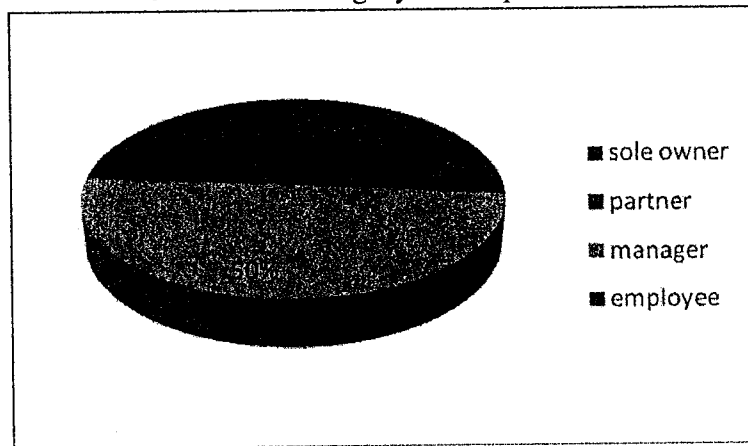


Chart 4-6 shows the proportion of full-time and part-time employees. There were 136 respondents who stated their part-time employment status. Thirty-six percent of the respondents said that their part-time employees number between 25 and 99, followed by 21% who had 10-24

part-time employees, 21% with 100-499 part-time employees, 19% who had under 10 part-time employees, and 3% who had more than 500 part-time employees.

Chart 4-6 also provides a description of full-time employee distributions. The majority of the respondents (27%) stated their full-time employees number under 10, followed by full-time employees of 25-499 (45%), 10-24 (19%), and more than 500 (9%).

Chart 4- 6: Percentage of Full-time and Part-time Employees

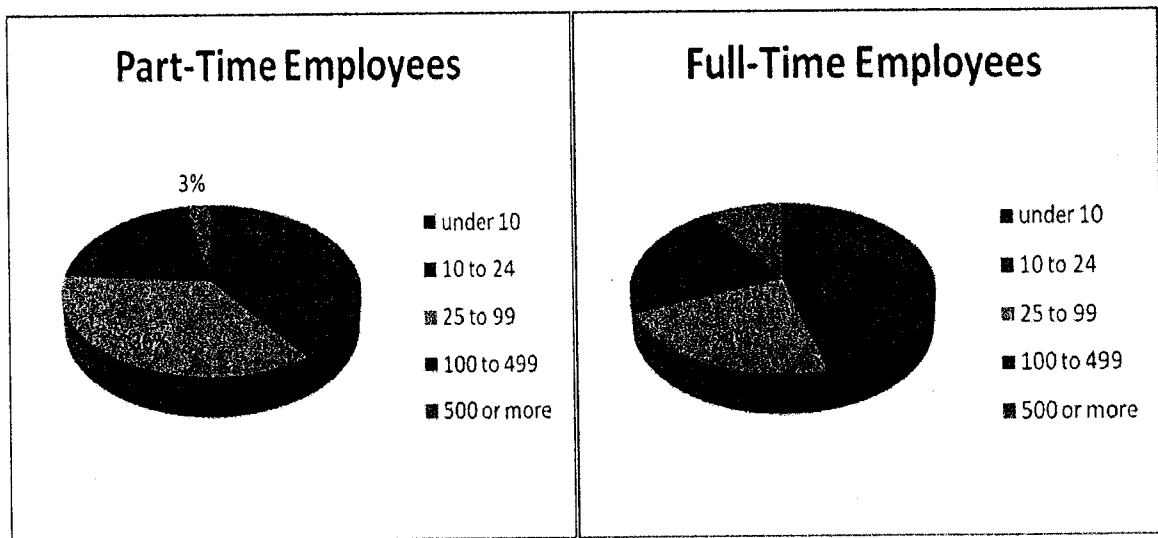
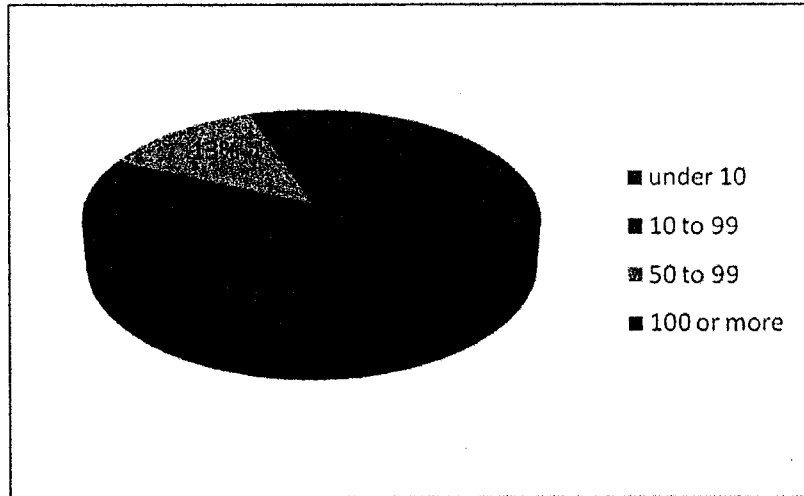


Chart 4-7 shows how many years the respondent's business has been in operation. The majority (60%) of organizations have been operating between 10 and 49 years, followed by

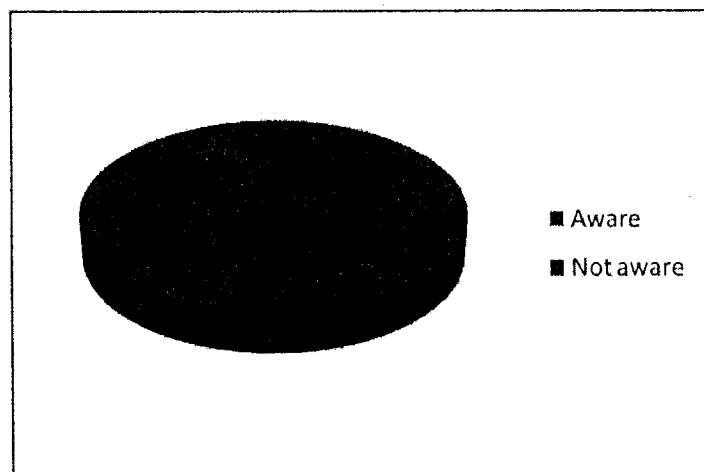
under 10 years (22%), and between 50 and 99 years (13%). To a lesser degree, a small number of the respondents (5%) reported their organizations have been operating more than 100 years.

Chart 4- 7: Number of Years Business in Operation



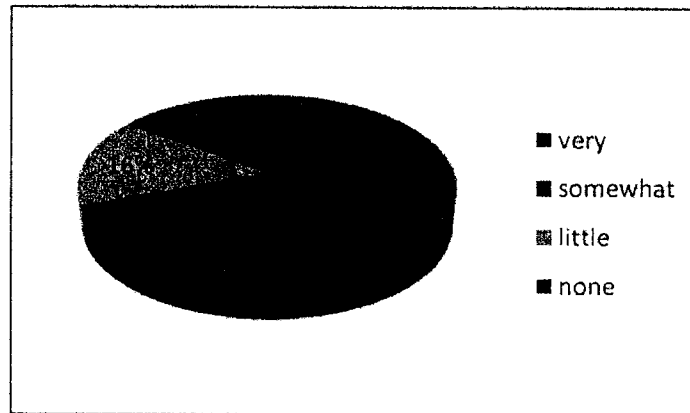
Participants were asked about their familiarity with the ADS process and awareness about ADS guidelines. According to Chart 4-8, 82% stated they are aware that Canada is in the process of developing an ADS guideline. Only a small percentage, 18%, did not know about the process.

Chart 4- 8: Awareness of ADS Process



Of those respondents who were aware of the ADS process, nearly 69% have some or extensive knowledge of the guidelines (Chart 4-9). Only about 31% had little or no knowledge of the guidelines.

Chart 4- 9: Familiarity with the ADS



4.2.2 Knowledge about Specific ADS Guidelines

There are six statements about personal knowledge of the ADS. The statements were designed to reflect the main points of the ADS.

Table 4- 1: Degree that respondents agree with the following statements about the ADS

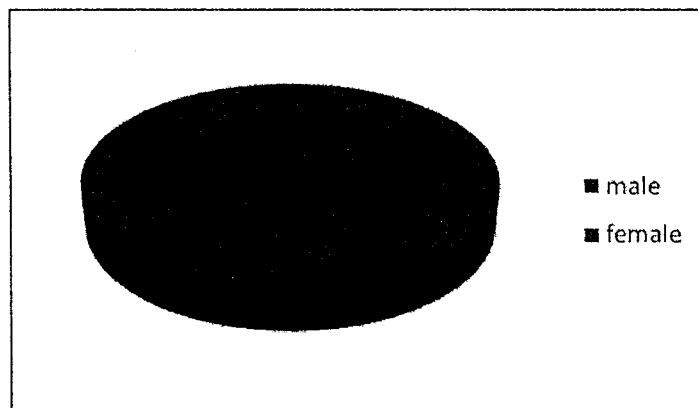
<u>Statements</u>	<u>Yes (%)</u>	<u>No (%)</u>	<u>DNK (%)</u>
(1) ADS is a bilateral agreement	83	3	14
(2) ADS allows Chinese people to easily apply for a visa	86	2	13
(3) ADS itineraries are fixed at the beginning of the trip	41	13	46
(4) ADS does not allow visitors to travel alone	45	18	37
(5) ADS allows travelers to extend their visit or apply for other types of visas	19	24	58
(6) ADS allows non-ADS operators to handle ADS visitors	16	45	39

A large proportion of respondents believed that the ADS is a bilateral agreement (83%) and that the ADS allows Chinese people to easily apply for a visa (86%). However, only 41% of respondents believed that ADS itineraries were fixed at the beginning of a trip and only 45% of respondents felt that the ADS did not allow visitors to travel alone. Even fewer respondents believed that ADS travelers' could extend their visit or apply for other visas (19%) and those non-ADS-approved operators were allowed to handle inbound ADS travelers (16%).

4.2.3. Knowledge about Chinese Travelers

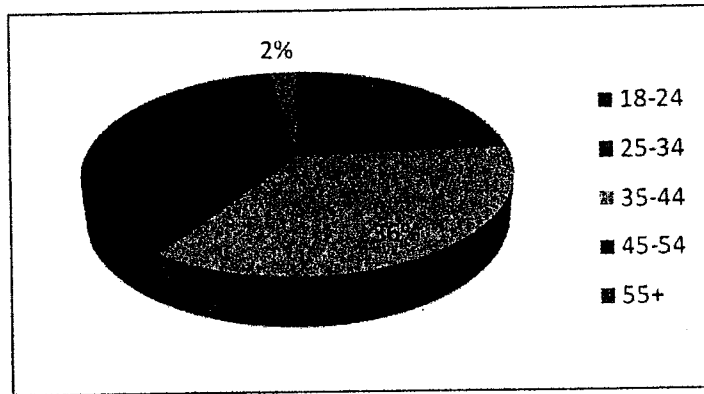
Chart 4-10 shows that 71% of tour operators believe that males dominate the Chinese inbound market while 29% of operators believe that females dominate the market.

Chart 4- 10: Perceived Dominance of Gender Types in the Chinese Outbound Market



Based on Chart 4-11, participants think people aged 45-54 represent the main age group for this inbound market (38%). The tour operators also responded that the age group 35-44 represents 36% of the travelers, followed by the 25-34 age groups with 17%.

Chart 4- 11: Perceived Dominance of Age Groupings in the Chinese Outbound Market



Respondents believe that married people represent 73% of the Chinese inbound market and singles about 25%. Two percent of respondents mentioned that single unmarried couples and mother and daughter comprise the market (Chart 4-12).

Chart 4- 12: Perceived Dominance of Marital Status Types in the Chinese Outbound Market

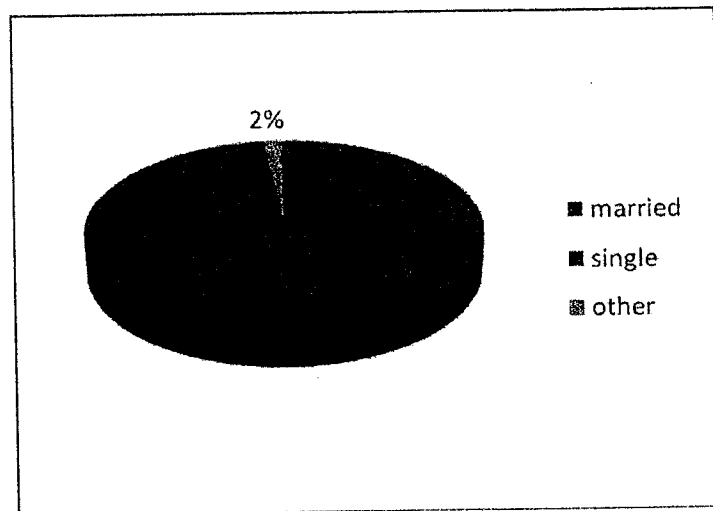
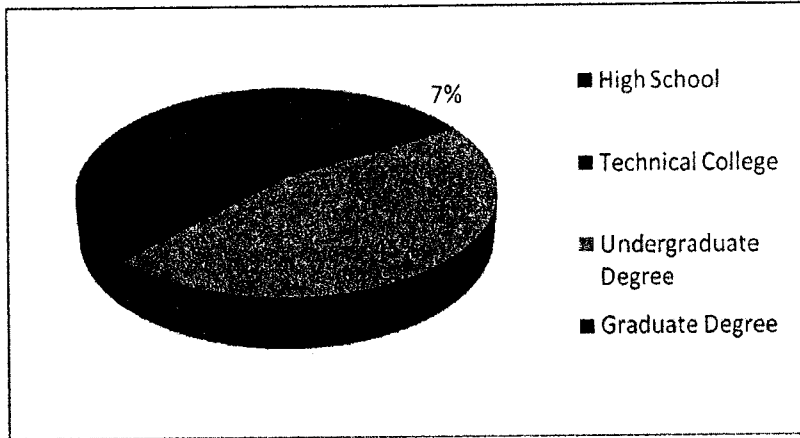


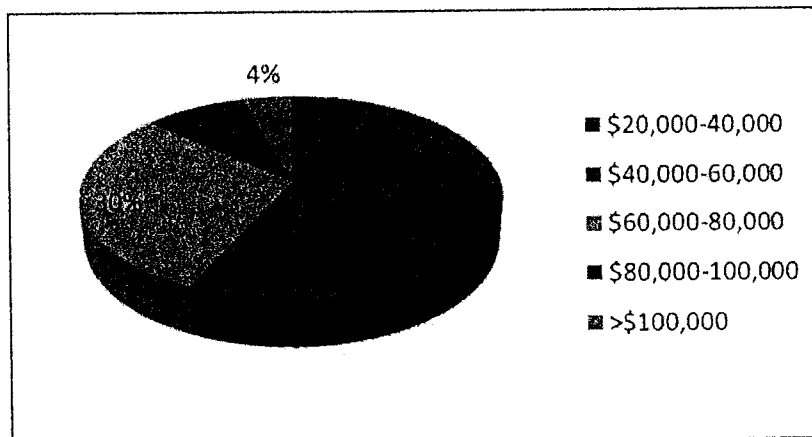
Chart 4-13 shows that respondents think that 45% of travelers have undergraduate degrees and 38% had graduate degrees.

Chart 4- 13: Perceived Dominance of Education Level in the Chinese Outbound Market



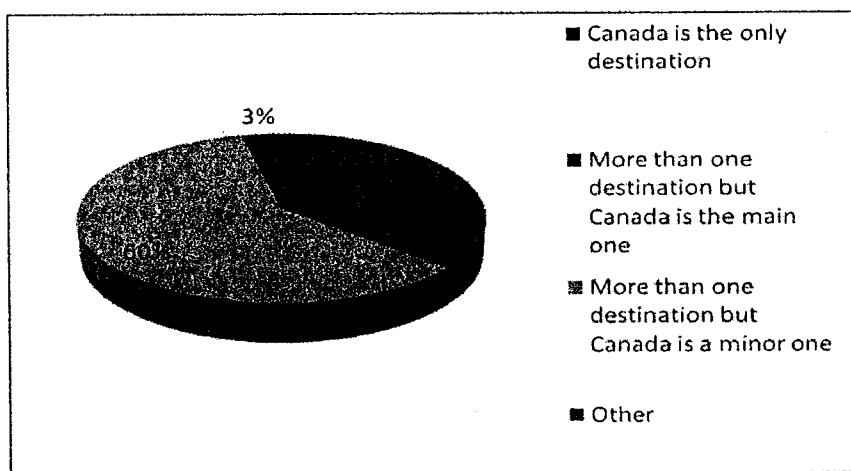
From Chart 4-14, nearly 68% of respondents think travelers' household income is between \$40,000 and \$80,000. About 19% respondents think travelers' household income is between \$20,000 and \$40,000, followed by \$80,000 to \$100,000 (9%) and \$20,000 to \$40,000 (4%).

Chart 4- 14: Perceived Dominance of Yearly Household Income of Chinese Outbound Visitors
(in Canadian dollars)



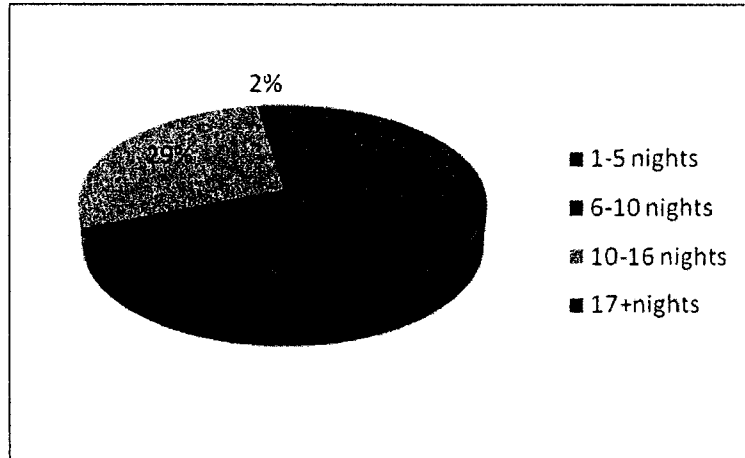
Based on Chart 4-15, of those who believe that Chinese travelers have more than one international travel destination when they visit Canada, 60% of respondents think that Canada is a minor destination and 21% believe that Canada is the main destination. Sixteen per cent believe that Canada is the only destination.

Chart 4- 15: Travel Itinerary of Chinese Visitors to Canada



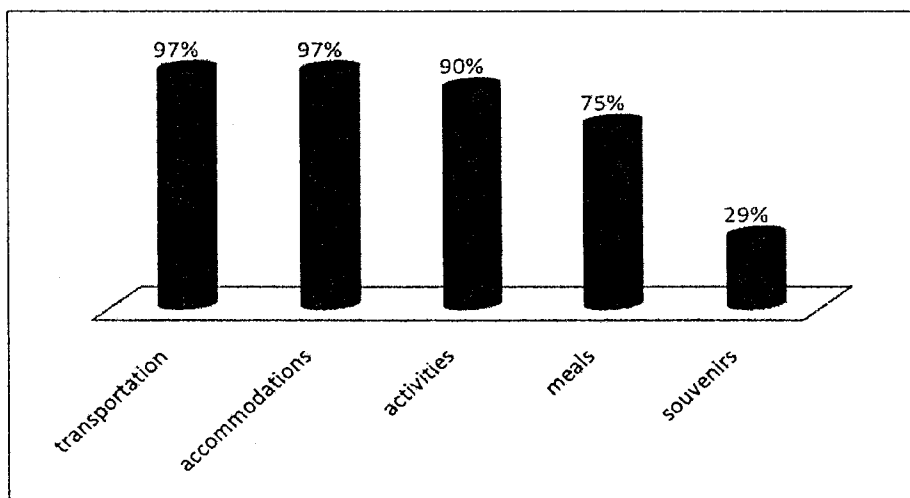
Study participants believed that the average trip length for the majority of Chinese inbound tourists was 6-10 nights (43%), followed by 1-5 nights (26%), and 10-16 nights (29%) (Chart 4-16). Few tour operators think that Chinese travelers had interest in visiting Canada for more than 17 nights (2%).

Chart 4- 16: Length of Stay of Chinese Inbound Visitors to Canada



Respondents described the items most likely to be included in travel packages purchased by Chinese travelers (Chart 4-17). Transportation (97%) and accommodations (97%) are the most common items included, followed by activities (90%) and meals (75%). Souvenirs were least likely to be seen to be included (29%).

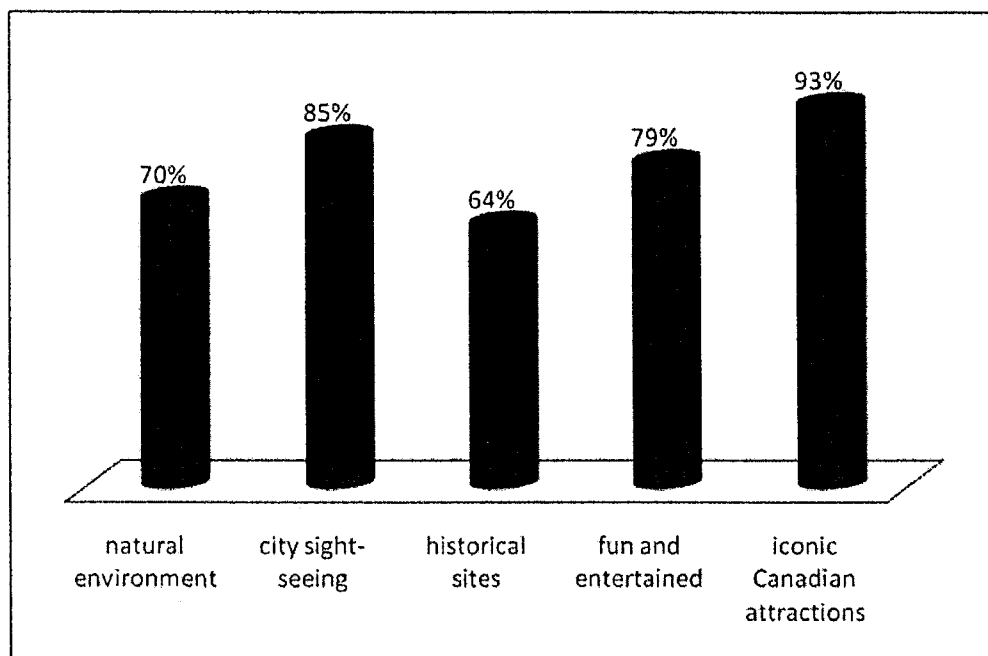
Chart 4- 17: Travel Package Contents



Note: Visitors were able to provide multiple responses.

The potential types of leisure activities that Chinese visitors prefer were examined. The results (Chart 4-18) showed that nearly 93% respondents thought that iconic Canadian attractions were the most important, followed by city sightseeing (85%) and being entertained (79%). The natural environment (70%) and historical sites (64%) were also important.

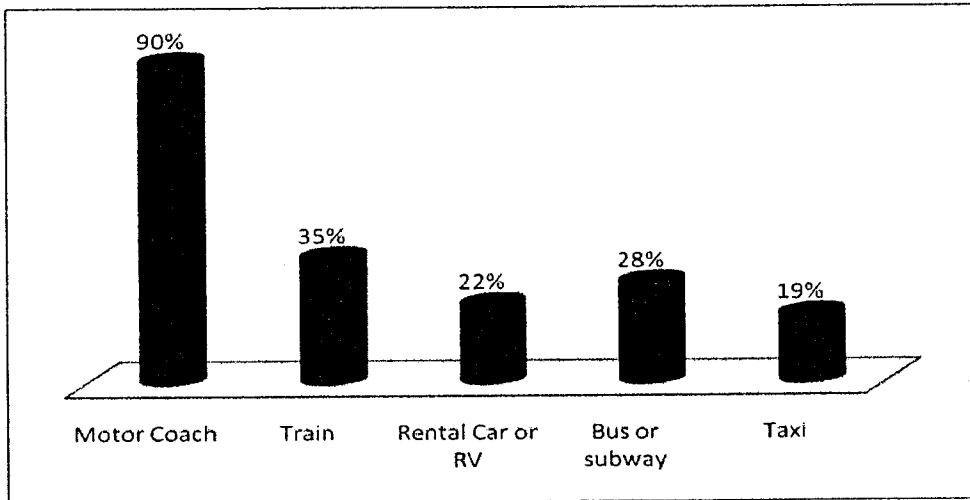
Chart 4- 18: Leisure Activities Contents



Note: Visitors were able to provide multiple responses.

Respondents were asked their opinion on Chinese visitors' preferences among five means of transportation: motor coach, trains, rental cars and RV, bus or subway, and taxi. It is notable that close to 90% of the respondents thought Chinese visitors would prefer motor coach. This may be because ADS visitors must travel in groups. Following motor coaches are trains (35%), bus or subway (28%), and rental cars and RV (22%) (Chart 4-19). This result is similar to the findings of Zou (2007), which stated that inbound Chinese tourists prefer motor coach as their travel tool.

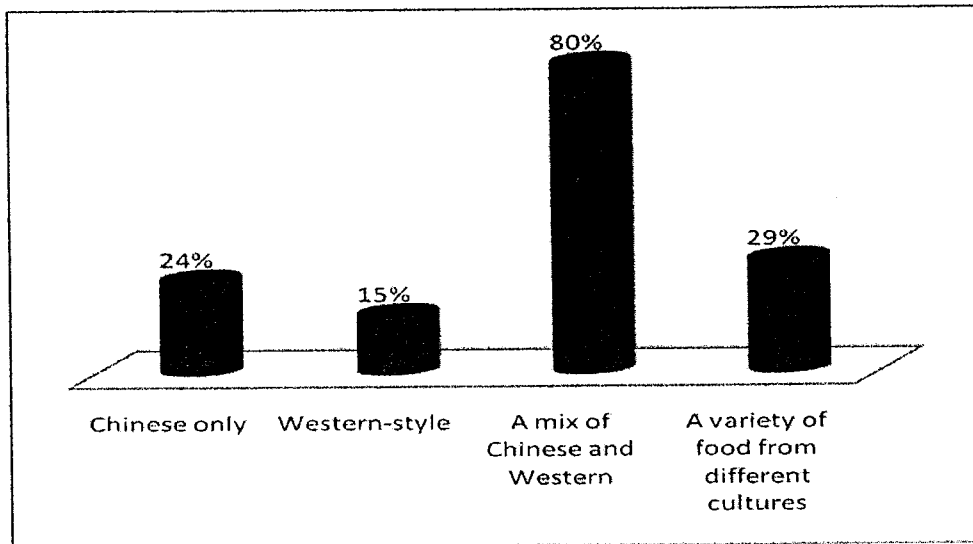
Chart 4- 19: Local Transportation Content



Note: Visitors were able to provide multiple responses.

According to Chart 4-20, respondents believe that Chinese visitors prefer both Chinese and Western cuisine (80%). About 29% also like “a variety of food from different cultures” at 29%.

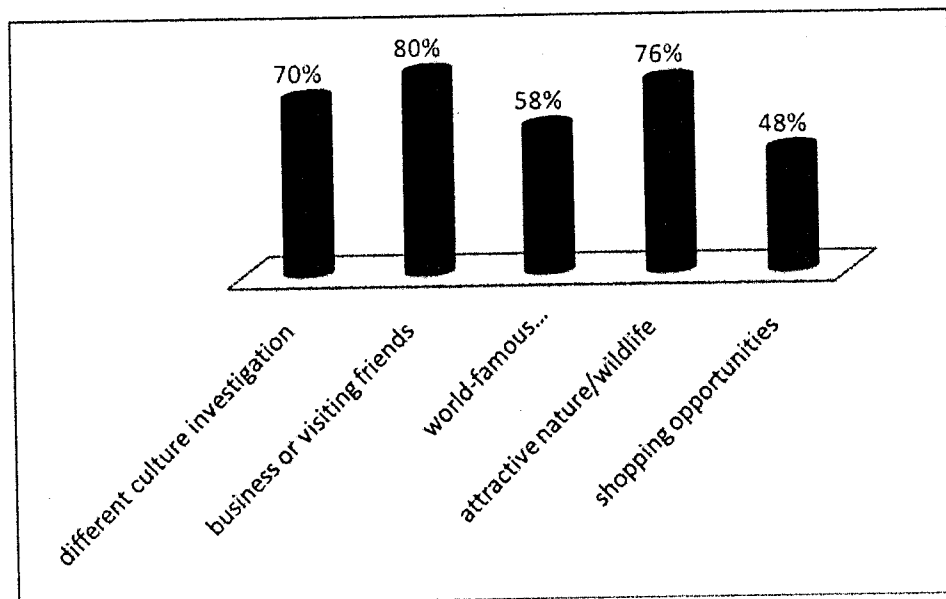
Chart 4- 20: Food Contents



Note: Visitors were able to provide multiple responses.

The majority (80%) of respondents think the principal motivation for Chinese visitors to visit Canada is for business or visiting friends. Attractive nature or wildlife (76%) and visiting different cultures (69%) are next in popularity. This is followed by seeing world-famous buildings/landscape (58%) and shopping opportunities (47%).

Chart 4- 21: Principal Motivation Contents



Note: Visitors were able to provide multiple responses.

4.2.4 Personal Views and Perceptions towards ADS Guidelines

This section examines the extent that respondents agree with certain statements that may be used in potential future ADS guidelines, and about opinions towards issues of fairness and appropriateness with regard to future ADS guidelines.

All the means in (Table 4-2) are between 4.4 and 4.6, which indicate that tour operators agree that the statements may be useful in potential future ADS guidelines.

Table 4- 2: Degree to which Statements Should Be Used In Future ADS Guidelines

Statements	Mean	Do not know
ADS operators should not charge fees to venues which are free to the public	4.5	5%
ADS operators should not charge on-site for services and entrance fees which have already been paid for	4.6	6%
ADS operators should hire Chinese-speaking tour guides	4.4	4%
Tour guides should allow ADS travelers to shop in outlets of their own choice	4.4	5%
ADS operators should provide each traveler a final itinerary	4.4	5%
ADS operators should not change the price/itinerary once finalized	4.4	5%

Note: Responses to each item were measured using a 5-point scale with the following scale point anchors: (1) strongly disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly agree

Respondents indicated that two out of the seven statements in Table 4-3 were appropriate in future ADS guidelines: “It will be beneficial for your company to follow ADS guidelines” and “It is a duty to follow the ADS guidelines since the tourism industry will benefit overall.” Respondents also disagree to those negative statements such as “The cost of following ADS guidelines would exceed the potential benefits.” It is notable that operators have positive perceptions towards issues of fairness and appropriateness of future ADS guidelines. It is also notable that the “do not know” percentage increased with statements having the lowest means.

Table 4- 3: Issues of Fairness And Appropriateness of Future ADS Guidelines

Statements	Mean	Do not know
It will be beneficial for your company to follow ADS guidelines	4.2	7%
The cost of following ADS guidelines would exceed the potential benefits	2.5	25%
It is impossible to implement the ADS guidelines	2.3	28%
ADS guidelines will be inappropriate for tour operators	2.0	26%

ADS guidelines will only benefit larger firms but not smaller operators	2.3	20%
Most operators would fail to some extent to follow the ADS guidelines	3.2	21%
It is a duty to follow the ADS guidelines since the tourism industry will benefit overall	4.0	10%

Note: Responses to each item were measured using a 5-point scale with the following scale point anchors: (1) strongly disagree (2) Disagree (3) Neutral (4) Agree (5) Strongly agree

Respondents were asked to indicate the degree that other operators would follow future ADS guidelines. The mean is 3.54, which shows that tour operators would possibly follow, to some extent, future ADS guidelines.

Table 4- 4: Degree That Other Tourism Operator Would Follow Future ADS Guidelines

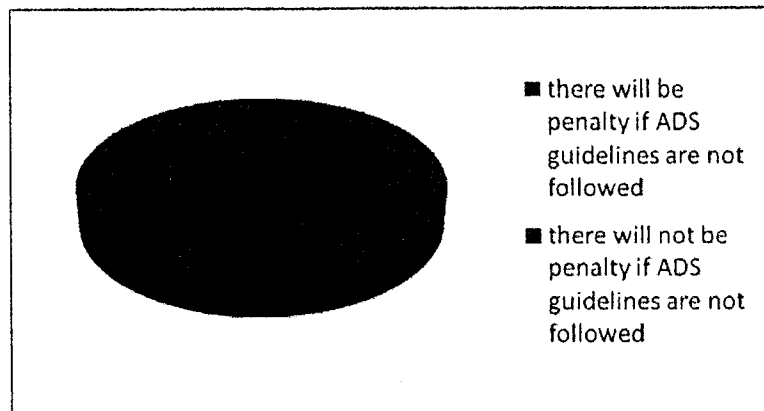
Statement	Mean
Follow future ADS guidelines	3.54

Note: Responses based on a scale: (1) Definitely not follow (2) Not follow (3) Neutral (4) Follow (5) Definitely follow

4.2.5 Perceived Sanctions and Enforcement

Respondents were asked about their opinion of penalties if the ADS guidelines are not followed. Eighty-two percent of respondents think that there should be some type of penalty, which shows a positive attitude towards enforcement of policy (Chart 4-20).

Chart 4-20: Respondents' Opinion of Penalty Should be Applied



Participants were asked to indicate their opinion about the effectiveness of various types of penalties. The four types of penalties are: suspension of operating ADS licenses, fines, publicizing the names of non-compliers, and requirement for additional education on the ADS (see Table 4-5). Results indicated that respondents think suspension of operating ADS license is the most effective penalty for non-compliance (mean=3.5), followed by applying fines to non-compliant operators (mean=3.0). Respondents consider requirement of additional education on the ADS and publicizing the names of non-compliers are less effective (mean=2.6, 2.7 respectively).

Table 4- 5: Respondents' Perception of Effectiveness of Some Penalties

Types of penalties	Mean
Suspension of operating ADS license	3.5
Fine	3.0
Requirement of additional education on ADS	2.6
Publicizing the names of non-compliers	2.7

Note: Responses to each item were measured using a scale with the following scale point anchors: (1) Not effective at all (2) Slightly effective (3) Somewhat effective (4) Very effective

4.2.6 Summary of Descriptive Results

The descriptive results suggest that that tour operators would comply with future ADS guidelines but their knowledge of Chinese inbound tourists is not consistent. The percentage of operators dealing with Chinese inbound tourists currently is very limited, at less than 1%. However, most of the tour operators feel positive about the future of the Chinese inbound tourist market, and most of the tour operators are aware that Canada is in the process of acquiring the ADS and designing ADS guidelines.

Overall, respondents know the general idea of the ADS but do not have much information about details of the program. Despite their limited knowledge of the ADS, most respondents are willing to comply with future ADS guidelines to some extent. However, nearly 37% of the tour operators (as third parties) agree that other operators would fail to some extent to follow the ADS guidelines.

Summing up the descriptive results in this way leads to the conclusion that tour operators would be motivated to comply with future ADS guidelines and that some types of penalties could, to some degree, be effective in preventing violations of these guidelines. However, there is not enough information here to allow for constructive suggestions for improving future ADS guidelines. It is much more important to understand what factors underlie the differences in attitudes towards and perceptions of future ADS guidelines.

4.3 Test of Compliance Model

This section will focus on the relationships between the independent and dependent variables as shown in Figure 4-1. This section presents the results of four regressions between dependent variable (motivational compliance) and four sets of independent variables (perceived enforcement and sanctions, knowledge of ADS and Chinese travellers, background information of a tour operator and/or business, and personal views and perceptions about the future ADS guidelines).

The analyses were conducted to elucidate the influence of inbound tour operators' background information, knowledge of ADS and Chinese inbound tourists, perceptions of sanctions and enforcement, and perceptions of their motivational compliance regarding future ADS guidelines. Significant factors were found and discussed accordingly.

4.3.1 Data Compilation and Analysis

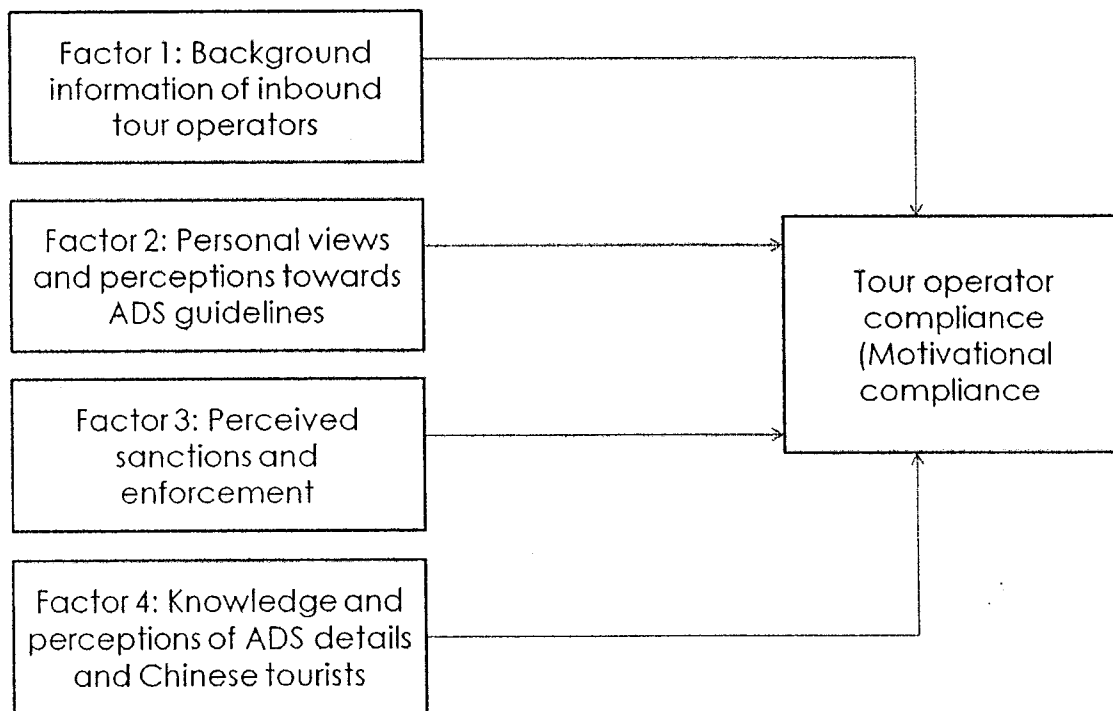


Figure 4- 1: An Integrative Model of Inbound Tour Operator Compliance

The concept of motivational compliance is complex. Sirakaya (1997) explained that asking respondents to evaluate their degree of compliance produced biased answers. In an effort to avoid this type of response bias, Sirakaya (1997) used a series of surrogate indirect measures that are integral to compliance. This study developed a motivational compliance index (dependent variable) from a direct measure and an indirect measure. The direct measure asked respondents the degree that *others* in the industry would comply with ADS. The indirect measure was developed by averaging the means from six questions related to following ADS related guidelines that were seen as critical to ADS success. The direct and indirect measures were summed up to produce an overall “compliance score” (points with higher scores indicated more agreement with future ADS guidelines). It is believed that the index has high face validity given that the measures were constructed in consultation with the TIAC (main designer of future ADS guidelines), the CITAP, and past compliance research (e.g., Sirakaya 1997).

Table 4- 6: Description of Dependent Variables in the Compliance Model

Indirect Measures of Compliance

- ADS operators should not charge fees to venues which are free to the public
- ADS operators should not charge for on-site services and entrance fees that were prepaid
- ADS operators should hire Chinese speaking tour guide
- Tour guides should allow ADS travelers to shop in outlets of their own choice
- ADS operators should provide each traveler a final itinerary
- ADS operators should not change the price/itinerary once finalized

Direct Measure of Compliance

- Degree that respondents believe that other businesses will follow future ADS guidelines

Table 4- 7: Description of Independent Variables in the Compliance Model

Factor 1 - Background Information of Inbound Tour Operators

- Industry representative
- Type of affiliation with the business
- Numbers of employees
- Part-time
- Full-time
- Years in business
- Deal with Chinese tourists currently
- Percentage of dealing with Chinese
- Dedicated Percentage of dealing with Chinese
- Familiarity with ADS process
- Awareness of developing ADS guidelines

Factor 2 - Operationalization of Personal View and Perceptions towards ADS Guidelines

- It will be beneficial for your company to follow ADS guidelines
- The cost of following ADS guidelines would exceed the potential benefits
- It is impossible to implement the ADS guidelines
- ADS guidelines will be inappropriate for tour operators
- ADS guidelines will only benefit larger firms but not smaller operators
- Most operators would fail to some extent to follow the ADS guidelines
- It is a duty to follow the ADS guidelines since the tourism industry will benefit overall

Factor 3 - Operationalization of Perceived Sanctions and Enforcement

- Suspension of operating ADS guidelines
- Fine application
- Requirement of additional education on ADS
- Publicizing the names of non-compliers

Factor 4 - Knowledge of ADS Details and Chinese Tourists

- ADS is a bilateral agreement between China and another country
- Countries with ADS allow Chinese people to more easily apply for tourism visas
- ADS requires that visas stipulate an itinerary that is fixed at the beginning of the trip
- ADS allows visitors to travel alone
- ADS allows travelers to extend their stay or apply for other types of visas

- ADS allows non ADS approved operators to handle inbound ADS travelers
- Gender they think dominates the Chinese outbound market
- Age group they think dominates the Chinese outbound market
- Marital Status they think dominates the Chinese outbound market
- Education level they think is most common among Chinese outbound visitors
- Average yearly household income of Chinese outbound visitors
- They think would be the most common travel itinerary for Chinese outbound visitors
- How long they think Chinese outbound visitors would stay in Canada
- What they think should be included in travel packages for Chinese outbound visitors
- Leisure activities they think that Chinese visitors would undertake
- Local transportation they think Chinese visitors prefer once they get into the city of another country
- Food they think Chinese visitors would prefer
- Principal motivation for Chinese tourists to visit Canada
- Belief that understanding Chinese inbound tourists would help a company better comply with future ADS guidelines

4.3.1.1 Background Information of Inbound Tour Operators

Factor 1 includes the background information of tour operators and the characteristics of the business. This factor (Table 4-8) explained nearly 65% of the variation in compliance scores ($R^2=0.654$). In summary, background information of tour operators could significantly affect their motivational compliance about future ADS guidelines.

Table 4- 8: Model Summary of Background Information of Inbound Tour Operators and Motivational Compliance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809 ^a	.654	.578	.97199

In Table 4-9, the p-value (significance value) is 0.035, which means there is a significant relationship between the background information of tour operators and motivational compliance. There is a limitation for this category of independent variables, as the supporting organization (TIAC) asked that participants' socio-demographic information (such as age, gender, and educational level) not be asked. Hence, this information was not included in the survey because the sensitive nature of the sample.

Table 4- 9: ANOVA –Significant Differences Between Background Information of Tour Operators and Motivational Compliance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.791	16	2.237	2.368	.035 ^a
	Residual	18.895	20	.945		
	Total	54.686	36			

From the coefficients table 4-10, two elements were found significantly related to motivational compliance of tour operators: familiarity with ADS ($p=0.002$) and being in the transportation industry ($p=0.016$). High t-scores for individual regression estimates show the relative importance of these variables in the model in explaining compliance behaviour. The regression coefficients indicate that familiarity with the ADS has a positive relationship with motivational compliance ($\beta =0.678$). Thus one could surmise that the more familiar an operator was with the ADS, the higher the compliance may be with future ADS guidelines. Being in the

transportation sector significantly increased compliance ($\beta=0.486$) with the ADS guidelines in comparison with industries such as lodging (reference category).

Table 4- 10: Regression Coefficients Result of Background Information of Tour Operators and Motivational Compliance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	B		
Familiarity with ADS	.797	.224	.678	3.552	.002
transportation industry	2.614	.998	.486	2.619	.016
Full-time employee	-.004	.002	-.866	-2.031	.056
Part- time employee	.005	.003	.658	1.592	.127
Partner	.784	.591	.320	1.327	.200
aware_ADS_guidelines	-.722	.550	-.255	-1.312	.204
recreation industry	-.762	.634	-.195	-1.203	.243
wholesale industry	-.887	.775	-.165	-1.144	.266
Percent dedicate Chinese	.011	.015	.210	.732	.473
Manager	-.423	.700	-.128	-.604	.553
Government organization	.439	.729	.099	.602	.554
Employee	.379	.729	.107	.520	.609
Years of operation	-.003	.007	-.080	-.437	.666
retail industry	-.354	.993	-.080	-.357	.725
Percent_deal_Chinese	-.004	.020	-.051	-.190	.852
marketing industry	-.170	1.039	-.023	-.164	.871

Note: Variables are listed based on the significance value

4.3.1.2 Operationalization of Personal View and Perceptions towards ADS Guidelines

The second factor, personal view and perceptions towards the ADS guidelines, focused on independent variables that reflect the opinions of tour operators toward the guidelines. In this factor (Table 4-11), independent variables explained nearly 48% of the variation in compliance scores ($R^2=0.482$).

Table 4- 11: Model Summary of Operationalization of Personal View and Perceptions Towards ADS Guidelines and Motivational Compliance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526 ^a	.482	.397	1.12215

The p-value of 0.048 (Table 4-12) indicates that the regression model with all the predictors included significantly affects noncompliance behaviour with ADS guidelines.

Table 4- 12: ANOVA Significant Difference between Operationalization of Personal View and Perceptions Towards ADS Guidelines and Motivational Compliance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.017	7	2.717	2.157	.048 ^a
	Residual	85.627	68	1.259		
	Total	104.644	75			

One significant relationship found in this factor was being beneficial for a company to follow the ADS guidelines ($p=0.039$). The positive relationship between belief that it will be beneficial for a company to follow ADS guidelines and operators' motivational compliance towards ADS guidelines was not surprising ($\beta=0.220$).

Table 4- 13: Regression Coefficients result of Operationalization of Personal View and Perceptions Towards ADS Guidelines and Motivational Compliance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	B		
Beneficial to follow ADS guidelines	.360	.215	.220	1.674	.039
ADS is inappropriate for operators	-.448	.305	-.258	-1.468	.147
Operators will fail to follow ADS	-.191	.149	-.165	-1.279	.205
ADS only benefits larger firms	.196	.185	.146	1.057	.294
Duty to follow	.148	.167	.121	.887	.378
Cost will exceed benefits	.168	.183	.123	.921	.360
Impossible to implement ADS	.129	.195	.099	.664	.509

Note: Variables are listed based on the significance value

4.3.1.3 Operationalization of Perceived Sanctions and Enforcement

The third factor, perceived sanctions and enforcement, focuses on variables that may affect compliance behavior. This factor explained nearly 52% of the variation in compliance scores ($R^2=0.516$). It means that in this category, independent variables accounted for 52% of the

variance in compliance scores. In summary, the data show a relationship between motivational compliance of tour inbound operators and perceived sanctions and enforcement.

Table 4- 14: Model Summary of Operationalization of Perceived Sanctions and Enforcement and Motivational Compliance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640 ^a	.516	.465	3.05373

In table 4-15, the p-value of 0.05 indicates that the regression model, with all the predictors included, significantly affects noncompliance behaviour with the ADS guidelines.

Table 4- 15: ANOVA Significant Difference Between Operationalization of Perceived Sanctions and Enforcement and Motivational Compliance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.781	5	2.556	2.302	.050 ^a
	Residual	97.711	88	1.110		
	Total	110.492	93			

While examining the elements (Table 4-16) that make up factor 3, two were found to be significant in their relationship with compliance: suspension (p=0.049) and additional education (p=0.030). High t-scores for each regression estimate show the relative importance of these variables in the model in explaining compliance behaviour with ADS guidelines. The regression

coefficients indicate that suspension has a positive relationship with compliance ($\beta = 0.174$). It means the greater the perceived certainty of suspending ADS license, the more the operators were inclined to have a positive opinion towards complying with ADS guidelines. The additional education factor also has a positive regression weight ($\beta = 0.245$). It means the greater the perceived certainty of requiring additional education on ADS, the more the operators were inclined to have a positive opinion towards complying with ADS guidelines. However, the other sanctions were not statistically significant in this regard.

Table 4- 16: Regression Coefficients Result of Operationalization of Perceived Sanctions and Enforcement and Motivational Compliance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	B		
Requirement of additional education on ADS	.300	.136	.245	2.212	.030
Suspension of operating ADS guidelines	.293	.173	.174	1.689	.049
Penalty applied	.758	.489	.157	1.549	.125
Fine application	-.140	.142	-.102	-.985	.327
Publicizing the names of non-compliers	.017	.117	.016	.142	.887

Note: Variables are listed based on the significance value

4.3.1.4 Knowledge of ADS details and Chinese Tourists

The fourth factor, knowledge of ADS and Chinese tourists, examines whether the level of knowledge of ADS and Chinese tourists will affect operators' motivational compliance.

Tables 4-17 and 4-18 show p-values of 0.156 and 0.208, respectively. These results indicate that the regression model, with all the predictors included, do not affect the level of noncompliance behaviour with ADS guidelines. This means that there is no significant relationship between knowledge of the ADS or knowledge of Chinese travelers and motivational compliance.

Table 4- 17: ANOVA Significant Difference Between Knowledge of ADS and Motivational Compliance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.809	5	1.762	1.769	.156 ^a
	Residual	24.900	25	.996		
	Total	33.710	30			

Table 4- 18: ANOVA Significant Difference Between Knowledge of Chinese Travelers and Motivational Compliance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	49.815	27	1.845	1.261	.208 ^a
	Residual	128.734	88	1.463		
	Total	178.550	115			

4.3.2 Content Analysis of Open-Ended Questions

An open-ended question asked participants their suggestions for keeping other tour operators from violating the ADS guidelines. A total of 18 respondents provided the following suggestions.

- The CTC has a duty to monitor tour operators.
- Well-staffed monitoring system with authority to sanction was needed.
- Tour operators should be licensed in their own province.
- Guidelines should be easier to follow and with no fee to access them.
- CTC should send the names of non-compliant operators to all wholesalers in China, asking them to stop sending business to these companies.
- All Chinese outbound tour operators should be required to only deal business with ADS-compliant operators
- Nationwide regulation of the ADS guidelines is necessary.

4.4 Hypotheses Testing

Figure 4-2 summarizes the compliance model results and the significance of the individual factors that comprise each hypothesis being tested. Below are the results of the hypotheses testing.

Null Hypothesis A: There is no relationship between the motivational compliance of operators and the characteristics of an operator and/or business.

This hypothesis was not supported, as a significant relationship was found. The demographic variables that influenced motivational compliance with the guidelines were familiarity with the ADS, and whether the provider worked within the transportation tourism industry.

Null Hypothesis B: There is no relationship between motivational compliance and the personal views and perceptions toward ADS guidelines.

This hypothesis was not supported, as a significant relationship was found. The variable of whether it will be beneficial for the company to follow ADS guidelines was found to be significant.

Null Hypothesis C: There is no relationship between the motivational compliance of operators and perceived sanctions and enforcement.

This hypothesis was not supported, as a significant relationship was found. Two variables within the perceived sanctions factor were found to be a major influence on motivational compliance in the model: suspension of the operating license, and putting additional education on ADS guidelines.

Null Hypothesis D: There is no relationship between motivational compliance and the knowledge of ADS and Chinese travellers

This hypothesis was supported as no significant relationship was found, and no variables within the factor were significant.

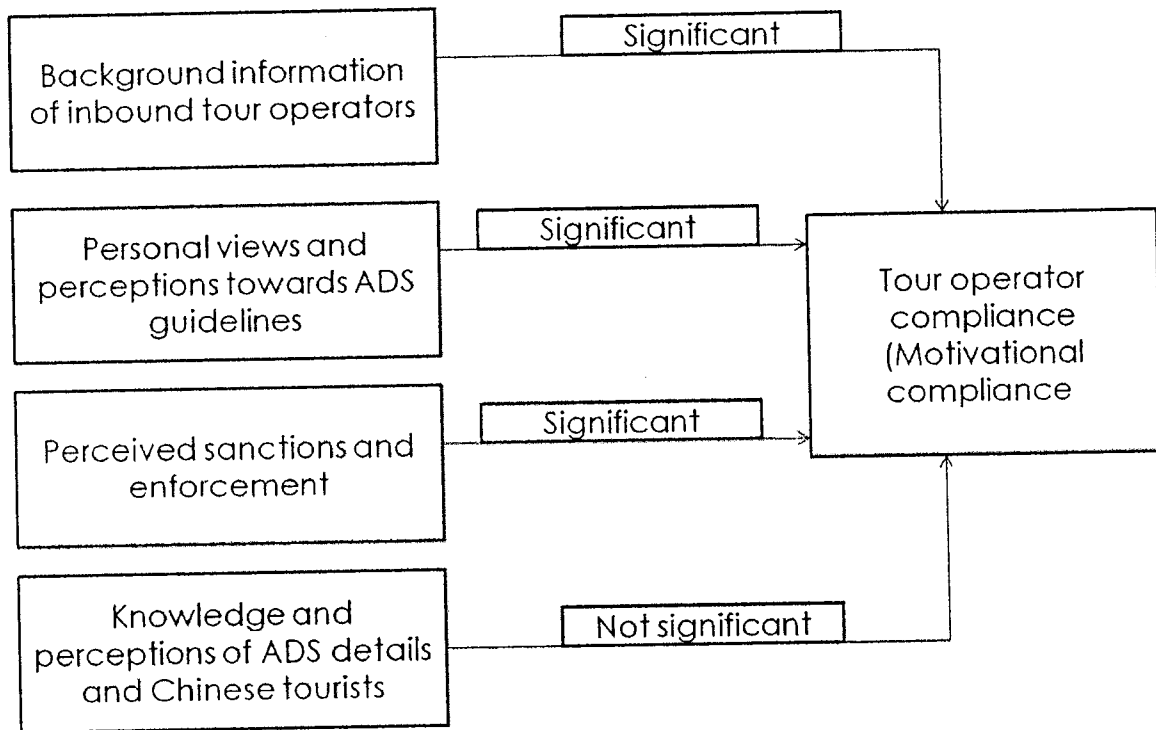


Figure 4- 2: Result of the Integrative Model of Inbound Tour Operator Compliance

Chapter 5: Discussion

This chapter will discuss the research results and address the research questions outlined in Chapter One, namely: (1) what are the underlying motives and characteristics that might explain the motivational compliance of tour operators with future ADS guidelines? and (2) What knowledge and perceptions do tour operators have of ADS and of inbound Chinese tourists?

Chapter Five consists of two sections; the first discusses the two research questions outlined above, and the second deals with the implications of the study.

5.1 Discussion of the Findings

This section provides a brief summary and discussion of the findings relating to the two research questions. Comparisons of the findings from this study are made to previous studies.

The factors and elements that significantly affect motivational compliance are displayed in descending order of influence in Table 5-1. All of the elements belong to three factors in the compliance model: 1) background information on inbound tour operators; 2) personal views and perceptions towards ADS guidelines, and; 3) perceived sanctions and enforcement. The factor relating to knowledge of ADS and Chinese tourists was not significant and will be discussed separately.

Table 5- 1: Factors and Related Elements with Significant Effects on Compliance

Significant Factors	Significant Elements	Results Supported by Literature	References
Factor 1: Background Information of Inbound Tour Operators			
	Familiarity with ADS process	Yes	Sirakaya & Mclellan,1998
	Business category (transportation industry)	Yes	Lewis, 1982
Factor 2: Personal Views and Perceptions Towards ADS Guidelines			
	Belief that it is beneficial for a person's company to follow ADS guidelines	Yes	Sirakaya & Mclellan,1998 Ehrlich, 1973
Factor 3: Perceived Sanction/Enforcement			
	Requirement of additional education on ADS	Yes	Lewis, 1982
	Suspension of operating ADS license	Yes	Sirakaya,1997 Grey & Deily,1995 Jackson & Milliron, 1986 DiMento, 1989
Factor 4: Knowledge of ADS details and Chinese Travelers (not found to be significant)		No	

According to Table 5-1, Factor 1 (background information of inbound tour operator) had two significant elements. The first one is familiarity with the ADS. This finding concurs with Sirakaya and Mclellan's (1998) finding that familiarity with The Ecotourism Society (TES)

guidelines contributes significantly to voluntary compliance. The second element, category of the business, was significant in affecting compliance. This study found that the transportation industry was more likely to comply with ADS guidelines. This finding is consistent with Lewis' (1982) research, which indicated different industry or people have different views towards compliance.

Factor 2 (personal views and perceptions towards ADS guidelines) was also found to be significant. This finding is consistent with Sirakaya (1996), who suggested that personal views and perceptions of ecotourism guidelines have a positive relationship with compliance behavior. The belief that a company would benefit if it followed ADS guidelines was also found to be a significant motivation for compliance. In a study on modeling tour operators' voluntary compliance with ecotourism principles by Sirakaya and Mclellan (1998), it was pointed out that the perceived economic benefit has a positive relationship with behavioral compliance and is an important factor in explaining the compliance behavior of ecotour operators. This finding is also consistent with Ehrlich (1973), who stated that cost and benefit aspects are a significant factor affecting compliance.

Factor 3 (perceived sanctions and enforcement) was found to be significant, indicating there is a degree of awareness that some type of sanction is necessary to increase compliance. The requirement for additional ADS education was found to be a positive element that significantly affected compliance in this study. This concurs with Lewis's (1982) study. In addition, the

suspension of a business' ADS operating license was also found to be significant, which is consistent with other compliance research (Sirakaya, 1996; Grey & Deily, 1995). However, not all the elements in this factor were found to be significant, so the effect of a particular sanction must be interpreted with caution.

Factor 4 (knowledge and perceptions of ADS details and Chinese tourists) was not found to be a significant motivation for compliance. The findings showed that tour operators have a general knowledge of ADS and Chinese tourists but that their level of understanding varies. Few studies have used this independent variable in their compliance model. As such, this factor is new to compliance theories and has not been studied in detail.

Two elements not found to be significant in this study but that were reported significant by other studies are perceived fairness and the practice of publishing the names of non-compliers. Sirakaya (1996) found that perceived fairness towards eco tourism guidelines and publishing the names of those who are non-compliant significantly affects ecotour operator compliance. The reason for the difference between the two studies may be due to the fact that the research topics were different. While this research focused on inbound tour operators interested in Chinese inbound tourism market, Sirakaya focused on ecotour operators and related ecotourism principles.

5.2 Implications of the Research Findings

5.2.1 Background Information on Inbound Tour Operators

5.2.1.1 Familiarity with ADS

Familiarity with ADS guidelines was found to be an important element affecting motivational compliance. However, the levels of familiarity were not consistent across all tour operators. Nearly 30% of the operators reported that they were very familiar with the ADS process, while about 40% claimed they were not familiar with it (See Chart 4-9). That only 30% (or just under one-third) of the respondents were very familiar with ADS may have been due to the fact that only about one-third of respondents are currently dealing with Chinese tourists. The results showed that the more familiar people were with the ADS, the more they would comply with ADS guidelines.

The results also showed that the retail sales sector is the least familiar with the ADS while the marketing sector was the most familiar with the process. The reason for this might be that marketing sectors are more detail-focused and retail sales sectors are more focused on their products. Specifically, the marketing industry is all about anticipating and identifying the wants and needs of a target market of consumers and then satisfying those needs in order to make a profit (BTEC Travel and Tourism, n/d). Therefore, the marketing industry which is interested in dealing with ADS Chinese travelers is more focused on customers and policies related to this market than those engaged in the sale of products from physical locations which warehouse and

display merchandise with the intent of attracting customers to make purchases on site (Farfan, n/d). In the tourism industry, the retail industry could include the souvenir industry or any retail industry that sells their products to tourists. This industry is more concerned about their products rather than policy changes. ADS-related organizations should organize their programs to suit these different sectors when they give lessons to tour operators. For example, marketing sectors should focus on more detailed knowledge of ADS and retail sectors should be presented with more general knowledge.

In regards to position, managers are more familiar with the ADS and front-line employees are less familiar with the ADS. The reason for this might be that managers are simply more informed than their employees and also have access to this type of information. It seems that information about the ADS has not been provided to junior staff to the degree necessary. As Mezias and Starbuck (2003) point out, organizational practices rely on managers' perceptions, and these form the basis for subsequent actions and strategies. It is suggested that tour operator companies should pay additional attention to educating junior staff when they implement actions and strategies related to the ADS. Education programs on the ADS should not only focus on upper management but also on front-line staff.

In terms of business size, there is not much difference between large companies and small companies in regards to their familiarity with the ADS. Companies who are currently dealing with Chinese inbound tourists are more familiar with the ADS than businesses that want to be involved in this market segment, regardless of size.

Some tour operators have suggested making the ADS guidelines easier to understand to keep other operators from violating them. Simpler content could lead to better understanding and subsequently help tour operators to be more compliant with ADS guidelines. It is suggested that the ADS designing organization have tour operators participate in the design process so that they may be able to give some valuable suggestions.

5.2.1.2 Category of the Business

This study found that the type of tourism business was a significant factor affecting compliance behaviour. The results showed that transportation companies were more likely to comply with ADS guidelines than other company types, such as accommodation or food service.

The transportation sector is very broad and includes the motor coach industry, airline industry, and cruise industry. The transportation type most closely associated with Chinese inbound visitors is the motor coach sector, which is often controlled by tour guide companies. Because of this, ADS guidelines have more requirements for this group. Generally speaking, the transportation sector can fundamentally affect Chinese inbound tourism, as it has the responsibility to get Chinese tourists to and from Canada, as well as transport them within the country.

This study found that the transportation sector accounted for 9% of the respondents. According to Table 5-2, it consists of large companies, and less than 5% of their business currently deals with Chinese inbound tourists. In the future, however, these businesses intend to

increase their dealings with Chinese inbound tourists 10-to-50%. The transportation sector has a degree of familiarity with ADS, and a general knowledge ADS and Chinese inbound tourists. They have positive perceptions towards future ADS guidelines and think there should be some type of penalty for those who do not comply with the guidelines.

Table 5- 2: General Description of Transportation Sectors

Size of companies	Large
Number of years business in operation	10-49 years
Percentage of currently dealing with Chinese inbound tourists	< 5%
Percentage of future focusing on Chinese inbound tourists	10-50%
Familiarity with ADS	Somewhat
Knowledge of ADS and Chinese inbound tourists	General
Perceptions towards future ADS guidelines	Positive
Perceptions towards sanction and enforcement	Positive

Note: This description represents about 80% of the transportation sectors' responses.

Since the study found that the transportation sector is more likely to comply with future ADS guidelines, and that these are large companies, ADS-related organizations should pay more attention to non-transportation companies and smaller operators. It is suggested that these companies be provided with specialized education programs that focus on the responsibility of the transportation sector and its need to ensure that Chinese inbound tourists are satisfied.

5.2.2 Personal Views and Perceptions toward ADS Guidelines

5.2.2.1 Benefits for a Company to Follow ADS Guidelines

The majority of tour operators think it will be beneficial to follow future ADS guidelines. Moreover, this is an important element in affecting motivational compliance. In a study on modeling tour operators' voluntary compliance with ecotourism principles by Sirakaya and Mclellan (1998), it was pointed out that the perceived economic benefit has a positive relationship with behavioural compliance.

It was found that sole owners pay more attention to this element. Since many tourism businesses are fairly small and have a sole owner status, this implies that the details necessary to understand the ADS and compliance may be higher for these types of businesses. On the other hand, larger companies must pay particular attention to ensure that their staff understands the ADS and its impact on the company.

The other element in this factor – “it is a duty to follow the ADS guidelines, since the tourism industry will benefit overall” – has a positive relationship with the element “it will be beneficial for the company to follow the ADS”. This aspect of developing a high degree of ethics transcends the individual company's benefit to develop a healthy and sustainable industry. There is a belief in the common good which will lead to better cooperation and compliance with the ADS. In educating tour operators, an emphasis should be placed on the harmful effects that may result if the guidelines are not followed. It is suggested that ADS guidelines convey a message

explaining that the ADS would have long-term economic benefits on their business and the entire market.

Further analysis found that the recreation and retail sales sectors have less of an overall sense of “duty” to the industry as a whole. Moreover, these sectors were found to have a negative relationship between the belief that the ADS would be beneficial for their company and compliance. In Canada, recreation industries cover golf courses and country clubs, skiing facilities, fitness and recreational sports centers, amusement parks and arcades and all other amusement and recreational industries, including gambling (Statistic Canada, 2006). As previously mentioned, retail sales sectors are more focused on their products other than any policies. According to King (2006), Chinese ADS tourists have two travel budgets, with the first covering the cost of travel including hotels, attractions, meals, transport and attractions. The second budget covers destination expenses such as shopping, entertainment, recreation and gambling. In general, the first budget is paid before ADS tourists travel to ADS countries, and thus tour operators have little or no say on how these funds are spent. The second budget is more flexible. Sometimes, tour operators can affect ADS tourists in determining their purchase behavior. Recreation and retail sales sectors belong to the second budget, where the ADS has less direct impact. Consequently, these sectors are less willing to follow future ADS guidelines and may engage in unsupportive behavior to achieve their economic goals.

It is suggested that a performance award system be set up in companies for general employees. A range of incentives should be available to those who closely follow ADS

guidelines. This method may increase the general staff's passion, focusing on their work in order to comply with ADS guidelines. The performance award system could also be used on the entire inbound tourism market to encourage tour operators' responsibility and consciousness. A number of performance measures could be used including the number of tourists who travel to Canada under the program or the annual revenue gained from dealing with Chinese ADS tourists. Performance awards should be given to both large and small companies in various tourism sectors.

5.2.3 Perceived Sanction and Enforcement

5.2.3.1 Requirement of Additional Education on the ADS

Receiving additional education on the ADS was found to be an element that significantly affects compliance. This means that when tour operators receive additional education on the ADS, they may comply more closely with the guidelines. Nearly half of the respondents think additional education would be effective in encouraging compliance with the ADS. However, marketing companies are less likely to believe that the requirement of additional education on the ADS will encourage compliance. Marketing people may believe they are sufficiently aware of the issue versus other operators. .

Two other elements were found to have negative relationships with this element – “percentage of dealing with Chinese inbound tourists” and “awareness of ADS guidelines.” People who already have a degree of knowledge about the ADS may not prefer to have

additional education on it. In contrast, those who do not have a large percentage of their business dealing with Chinese inbound tourists, and those who are not aware of ADS guidelines, are more willing to have additional education on the ADS. Moreover, they think additional ADS education will encourage compliance.

It is suggested that education programs should be based on the knowledge level of companies. The highest level program should focus on detailed ADS knowledge. Certain education programs should also be given before the ADS is finally granted to Canada in order for tour operators to be sufficiently prepared for it.

5.2.3.2 Suspension of Operating ADS License

More than 80% of the tour operators think that suspending the operating ADS license would be an effective way of discouraging violation of the ADS guidelines. This finding indicates that Canada should set up a sanction system, as has been done in Australia and New Zealand. The punishment should range from a warning to a suspension of ADS license at different levels according to different issues of ADS guidelines.

It was found that the perception of ADS guidelines significantly affects respondents' opinions on the suspension of a business's ADS operating license. Those who believe that the cost of following guidelines would exceed the potential benefits are least likely to agree that the suspension of an ADS license would be beneficial. This implies that the importance of proper licensing must be tied to the benefits an operator will receive.

Some operators also believe that the ADS guidelines will mostly benefit larger firms and not smaller companies. Larger companies are more likely to agree the ADS is fair to both large and small companies, while small companies believe the ADS caters more to larger companies. Consequently, smaller companies are less likely to agree on suspension, since they would have received fewer benefits in the first place. In other words, if people think ADS guidelines only benefit larger firms, they would not follow ADS guidelines and the suspension of their ADS license would mean less to them. These findings indicated that the ADS must be fair and appropriate for tour operators of all sizes. Otherwise, the aspect of penalties would be less of a deterrent.

5.2.4 Knowledge and Perceptions of ADS and Chinese Tourists

5.2.4.1 Perceptions of ADS

The majority of tour operators' general knowledge of the ADS is quite high. However, the level of tour operators' detailed knowledge of program varies. Tour operators failed two important knowledge questions: "ADS requires visas that stipulate a fixed itinerary at the beginning of the trip" and "ADS travelers must travel in a group format".

According to Grenke (2006), these are crucial points. If a traveler was found to have left the group, it may cause problems for immigration officials. Only 18% of respondents understood this aspect, including those from the lodging, marketing and government sectors. With respect to position, managers and employees had a slightly higher response to this question. One reason for

this lack of detailed knowledge might be that the ADS has not yet been granted to Canada.

Currently, tour operators deal with tourists visiting under government-imposed guidelines, which restrict travel to primarily visiting relatives or business travelers.

Another question used to test tour operators' knowledge of the ADS is whether Chinese inbound tourists can apply for other types of visas to extend their stay. Only 25% of the respondents understood this regulation. Of that 25%, only government and inbound receptive travel agents understood this point, while almost 80% of the other sectors failed this question. With respect to position, managers and employees have a better understanding of this rule than partners and sole owners.

A majority of respondents knew that the ADS allow non-ADS-approved operators to handle inbound ADS travelers. Compared with other sectors, the transportation sector had the lowest level of knowledge about this fact. From Australia's experience, allowing non-ADS operators to deal with Chinese inbound travellers in the early years of the ADS negatively impacted the whole tourism industry. In response, a more strict licensing system and an effective monitoring system were set up to reduce this problem.

It was found that the recreation and wholesale sectors have less detailed knowledge of the ADS than other sectors. These two sectors also do not deal directly or frequently with Chinese inbound tourists.

5.2.4.2 Perceptions of Chinese Tourists

Overall, Canadian inbound tour operators have only a small percentage of their business focused on inbound Chinese tourists. Most respondents think that understanding Chinese inbound tourists would help a company better comply with future ADS guidelines. The results showed that respondents have high growth expectations about this market. However, overall knowledge of characteristics of inbound Chinese tourists is inconsistent.

According to the analysis, the most important finding in this section is that tour operator perceptions of Chinese tourists are derived from their current dealing with Chinese tourists. This situation will drastically change from what people currently believe and experience after the ADS is finally granted.

This study found that tour operators think that males and older people dominate inbound Chinese tourism. Most respondents think Chinese outbound visitors have a fairly high yearly household income and are well-educated relative to other Chinese residents. It seems that tourism providers believe that Canada is not the main destination country for most Chinese outbound tourists who intend on visiting Canada. These results suggest that respondents think that Chinese visitors may not be interested only in Chinese or only in Western-style food on their trip. The transportation and retail sectors understood this aspect a little more than other sectors. As previously discussed, the reason for this might be that the ADS is not yet instituted in Canada.

Chinese tourists who have thus far have traveled to Canada are either visiting relatives or here for business purposes, and most of these visitors are males.

With respect to primary motivations for Chinese tourists to visit Canada, “business” or “visiting friends” are listed as the main ones. Previous studies found that Chinese travelers prefer traveling to a foreign country that has a long history and is culturally different from China. However, in this study, the motivation “different culture investigation” is listed in third place. The recreation sector had the greatest percentage of responses that identified that Chinese tourists’ main motivations were for business or visiting friends. Managers and sole owners are also more inclined to have this perception.

Another important finding is that the motor coach industry places great importance on dealing with Chinese ADS tourists. Tour operators think Chinese inbound tourists prefer to travel by motor coach and tend to stay on average for about two weeks. The finding is consistent with Zou’s (2007) and King *et al*’s (2005) research. The lodging, transportation and government sectors understand this aspect the best.

Chinese tourists prefer to travel by motor coach, as Chinese tourists prefer a trip where they do not have to drive or worry about making hotel reservations. As previously discussed, the transportation sector is more likely to comply with ADS guidelines, and most of them are operated by tour guide companies. ADS Chinese tourists must travel in a group format and therefore choose motor coaches. Accordingly, the transportation sector has the most

responsibility in controlling Chinese inbound tourists and should be closely involved with the formulation and implementation of the ADS agreement in Canada

With respect to leisure activities that tour operators think Chinese tourists would undertake, the two most popular ones, “activities related to iconic Canadian attractions” and “activities related to city sightseeing”, are consistent with past research CTC (2005a). Tour operators should pay close attention to this point when they design their travel packages for Chinese ADS inbound tourists. On the other hand, they could also choose to place more effort on promoting other less well-known but exciting activities.

Chapter 6: Conclusions

This chapter discusses the results of this research in the context of the conceptual framework outlined in the early chapters. It reviews the significant findings of this research and discusses practical applications of the conceptual components. It also provides recommendations for future research and management of future ADS operators.

6.1 Summary of Major Findings

The purpose of this research is to understand potential elements affecting tour operators' motivational compliance with future ADS guidelines, understand Canadian inbound tourism operators' perception and knowledge of ADS details and Chinese visitors' needs, and to encourage operators' adherence to the future ADS guidelines. A survey was conducted through two tourism organizations, the TIAC and the CITAP, to assess the elements that may affect tour operators' motivational compliance.

Results showed that five elements (suspension of operating ADS guidelines, requirement of additional education on ADS, economic benefit to follow ADS guidelines, familiarity of ADS, and category of the business) in the compliance model were related following a test for statistical significant and explained about half of the error variation in the compliance scores.

Familiarity with the ADS has a positive relationship with compliance. Retail sales sectors are least familiar with the ADS, while marketing sectors are most familiar. Management staff members are more familiar with the ADS than staff at lower levels of the company. The

transportation sector is most likely to comply with ADS guidelines compared with all other sectors. Additionally, it was found that transportation companies are primarily large companies that have been operated for more than ten years. While they currently do not have a large percentage of their business dealing with Chinese inbound tourists, they indicate that this percentage will increase in the future. They have positive perceptions about future ADS guidelines and sanctions.

The more tour operators think they will benefit from complying with the ADS, the greater the motivational compliance. Sole owners pay more attention to this element than other types of business ownership. Recreation and retail sectors show less regard for their duty to follow ADS guidelines.

More than 80% of the respondents think that suspending a business' ADS operating license would be an effective way of discouraging violation of ADS guidelines. Tour operators pay more attention to the fairness and appropriateness of ADS guidelines. Retail sectors were again found to have a negative relationship regarding suspension of the ADS operating license.

Tour operators do not like spending much time attending seminars or lessons, in general. Tour operators also suggested making the ADS guidelines easier and simpler to understand. Marketing companies believe that the requirement for additional ADS education is less effective in encouraging compliance with the ADS. It was also found that people who already have some knowledge of ADS have less of a need for additional education.

Tour operators have general knowledge of the ADS and Chinese tourists; however, the details of the program need to be improved. ADS-related organizations, planners, and policy-makers must be aware of these variables when designing and implementing ADS guidelines.

6.2 Managerial Recommendation

From a policy development standpoint, this study provides several suggestions for ADS-related organizations to address future compliance issues. This study presents four practical suggestions.

6.2.1 Education or Training System

First, an education or training system should be set up for future ADS operators. A suggestion is for ADS-related organizations to set up certification programs for inbound tour operators. Since membership in and compliance with the ADS is voluntary, ADS-related organizations cannot force tour operators to attend lessons. However, tour operators who want to apply as ADS tour operators should have to pass a test or get a certification that focuses on ADS guidelines. Operators should also be made aware that if they do not comply with ADS guidelines, certain penalties will result. The advantage of such a certification system is that it would allow ADS-related organizations to monitor inbound operators. The system would also allow a record of operator profiles to be kept which could be used to gain an understanding into the factors that may affect compliance. Tour operators should also be encouraged to be active members of a supporting ADS related organization.

The marketing and retail sectors should have additional emphases placed on them with regards to education on ADS guidelines. ADS organizations should let them know the importance of being aware of the guidelines and the financial consequences that may result if they misunderstand or ignore them. As with other sectors, the marketing and retail sector should be informed of the long-term economic benefits that will accrue if they choose to learn about and comply with the ADS. Retail sectors may perceive that ADS guidelines are less important to them since they have a relatively small amount of exposure to this group as compared to other business or organizations that host, invite or guide ADS travel groups. However, according to the ADS experiences of other countries, shopping does constitute an important component to a Chinese tourists visit. As such it would be very important for the retail sector to keep informed of Chinese tourists needs. Even those sectors that already have solid knowledge about the program should be encouraged to keep up-to-date on any changes that might affect them.

ADS education programs should not only focus on upper management but also on front-line staff. For larger companies, there should be one person who is in charge of ADS operations to ensure that all employees meet minimal knowledge standards on all facets of the program. It is especially important that this education training program begin now, before ADS is implemented. Being proactive about ADS training will ensure that systems and people are ready for what may be a significant increase in Chinese visitors.

To improve the incentive for compliance, tour operators need to be more involved into processes of management. More effective training programmes should be planned and offered.

Effective classroom instruction should be emphasized in an experiential setting. Effective and efficient delivery of the most important information will respect the time constraints that most of these providers operate under.

6.2.2 Monitoring and Sanction System

Second, a monitoring and sanction system should be set up for future tour operators. If tour operators are cognizant of the possibility of their ADS license being suspended, certain monitoring systems should be set up to encourage compliance. For example, ADS-related organizations should conduct random surveys of Chinese travelers to measure customer satisfaction and the tour operators' compliance with the requirements of ADS guidelines. Audits could be performed to determine whether any tourists have left the group in violation of ADS. The sanction system should be strict and follow a known procedure. The punishments may range from a warning to a suspension of ADS designation.

ADS-related organizations should pay particular attention to the retail sector when they implement the monitoring system, as this sector is most likely to be non-compliant. Surveys or audits should occur more often in this sector than others. As discussed previously, front-line staffs behave differently from management level employees in regards to motivation to comply. Therefore, the sanction system should not only apply to an individual company but also to individual employees who are found to be in violation. This could be an effective way to secure increased levels of compliance among employees at all levels.

Tour operators should have an incentive not to lose their ADS license, as it will have economic implications. When tour operators perceive there will be potential economic benefits by following the ADS guidelines, they will increase their compliance efforts. Operators must not feel that the cost of complying with the ADS guidelines will exceed the benefits, otherwise compliance will be low. There may be some companies who are willing to violate regulations to gain more economic benefit. As such, appealing to their moral obligation or using social influence may have little or no effect on their behavior. Changing economic incentives, by reducing the potential illegal gains or by increasing the expected penalty, may affect their illegal activity. In the absence of incentive programs, the only control mechanism for this subgroup is enforcement.

The ADS guideline makers should pay more attention to the fundamental issues of institutional design, as a variety of organizations will be affected by ADS. Federal organizations (i.e., Immigration Canada), tourism quality monitoring institutions (i.e., Canadian Tourism Commission), and others should co-operated together to make sure ADS is implement well in Canada.

6.2.3 Performance Award System

Third, a performance award system should be set up for future tour operators. It is suggested that an incentive program be applied to those companies that, through performance audits, exceed a predetermined level of compliance. This method can improve employees' desire to

follow ADS guidelines. The performance measures could include, for example, satisfaction measures, percentage of repeat customers, or return on investments.

It was found that tour operators who focus on benefiting the entire industry are more likely to comply with ADS guidelines. The belief in a common good helps tour operators increase the overall health of the industry, and in turn will receive commensurate benefits. ADS-related organizations should emphasize the moral responsibility of a tour operator at inbound tourism destinations in terms of what they should do for the entire tourism industry. Education focusing on persuasive communication centered on a code of ethics is suggested.

6.2.4 ADS Tour Guide Association

This research shows that front-line staff should be provided additional ADS training. An ADS tour guide association should be set up to help the front-line staff of a company to ensure ADS travelers receive high quality services. Such an organization could play an active role in maintaining the standards of the guiding service. It can also function as a communication forum among local tour guides, tour operators, the government and other related organizations. This will need the support of the government and the co-operation of the industry members.

6.2.5 Suggestions for ADS Guidelines Design

As ADS guidelines are currently in the design stage, it is suggested that the TIAC make the guidelines as easy to understand as possible. The KISS (“keep it short and simple”) principle should guide the design and ensure better understanding and greater compliance. The guidelines

should also be able to convey a message that it will be harmful to the entire tourism market if it is not complied with, and that there will be long-term economic benefits for their company if ADS guidelines are followed. The fairness of ADS guidelines should also be emphasized. The designers must seek to strike a balance between resource needs for the program and the effective results that it will produce. It is also suggested that the guidelines be published in English, French and Chinese. ADS guidelines should also encourage the inclusion and participation of both large and small businesses.

If possible, one set of guidelines should be developed that can be applicable to all provinces but keeping in mind the flexibility required to address provincial specific needs for certain industries. As discussed previously, different industries behave different towards ADS guidelines. Some management strategies should be designed specifically for certain tour operator industries.

Face-to-face consultation between operators and ADS designers should occur when implementing or modifying guidelines to ensure that operators have the opportunity to provide input into any changes. Any changes should then be clearly communicated to the industry related to the benefits received from compliance.

6.3 Future Research

Based on the results of this study, future research could focus on several areas.

First, further research that uses a qualitative approach is needed. It is assumed that there are some important factors not yet pin-pointed that may affect people's motivational compliance

towards future ADS guidelines. The factors given to respondents in this survey were chosen from previous compliance theory research regarding social and economic areas.

Qualitative methods could help build up the findings in this study in two aspects. First, through in-depth interviewing and focus groups, it is possible to capture the extent and manner in which tour operators are constrained in their compliance behavior. The underlying reasons, therefore, can be explored and transformed into policies. Second, qualitative methods might allow a researcher to investigate the constraints of specific groups such as transportation businesses. Interviewing certain groups of tour operators may allow the detailed nature and the scope of tour operators' compliance thinking to be known.

Second, this study shows that the characteristics of a business have a limited association with tour operators' motivational compliance. Research on compliance theory illustrates that socio-demographic information and social influence have significant impact on people's compliance attitude. Future research on compliance with ADS guidelines might explore the reasons for this phenomenon and the socio-demographic impact on tour operators' compliance behavior.

Third, this research followed Sirakaya's (1997) model using multiple regressions to test the adjusted compliance model. In essence, each factor was assumed to be independent of other factors in the model. Future research should develop a more interactive model that examines inter-factor effects. In addition, more direct questioning of compliance is needed. The dependent variable was developed through surrogate measures of elements thought to be important to

compliance. Future studies could ask operators directly their degree of compliance in a more qualitative manner.

Finally, the results of this study show that economic benefits help motivate compliance with ADS guidelines. Future research might explore economic factors or combine social and economic factors together as a model to test tour operators' compliance with the ADS. A cost benefit analysis could take place to determine at what economic cost or benefit level operators would see the advantage of greater compliance. Sutinen & Kuperan (1999) developed an economic model with theories from psychology and sociology to account for both tangible and intangible motivations that influence individual decisions whether to comply with a given set of regulations. Future research might develop a model with these elements that may offer greater understanding of compliance.

6.4 Limitations

First, the results were built on non-probability sampling. As such, this research should only be regarded as an exploratory study. The generalizability of the findings derived from this sample is restricted to this study (Tsai & Coleman, 1999). They may not be applied to other groups or populations.

Second, web-based survey methodologies have inherent limitations, such as internet access. Some tour operators may not have had the opportunity to access to the internet; likewise, a lack

of computer expertise could have been a source of error or non-response bias (Bosnjak & Tuten, 2001).

Third, there was limited variability on some responses. Hence statistical results need to be interpreted with caution. There is a need to better understand statistical inferences and management application.

Fourth, the motivational measures created in the study are new and require additional research to address questions of validity and reliability.

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Appendix 1: Questionnaire

1. Cover letter

Dear Participant.

Thank you for taking the time to participate in this important study. If your business benefits from Chinese tourists, your opinions are needed for this study. This research seeks to investigate how well Canadian inbound tourism operators and other tourism businesses understand the proposed Approved Destination Status (ADS) guidelines of China. This research may provide valuable information to help the industry better serve inbound Chinese tourists and provide higher service quality.

This research project is a part of a Master's thesis in the School of Outdoor Recreation, Parks and Tourism at Lakehead University, Thunder Bay, Ontario.

Participation in this project is voluntary. The questionnaire will take about 15 minutes to complete. You may omit any question you prefer not to answer. The data collected through this study will be kept for a period of 5 years in a secure area under the supervision of Dr. Mike Yuan at Lakehead University. The results of this study will be presented to the Tourism Industry Association of Canada (TIAC) and Canada Inbound Tourism Association Asia Pacific (CITAP).

There are no known or anticipated risks to participate this study. Your answers will be kept confidential and all identifying information such as your name and email address will be removed before any analysis is completed.

If you have any questions or concerns, please feel free to contact myself, my supervisor or the Lakehead University Research Ethics Board at the numbers listed below.

We thank you in advance for your participation and look forward to receiving your responses.

Yours sincerely,

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2. Consent Form

- I have read and understood the following information:
 - I am volunteering and can withdraw from the study at any time
 - I have read the cover letter and understand the purpose of the study
 - I understand that the information provided will be securely stored at Lakehead University for five years
 - I will remain anonymous in any public communication of the research findings and my information will stay confidential.
 - I understand that in this study there are no apparent physiological or psychological risks.
 - I understand that I may choose not to answer any questions asked of me and/or withdraw from the study at any time, even after signing this form, and this will in no way affect me.
- 1. I agree to participate
 - Yes
 - No

3. Section 1: Background information of your business

2. Which part of the tourism industry do you work for or represent?
 - Lodging
 - Food Service
 - Transportation
 - Recreation / Amusement
 - Retail Sales
 - Wholesale
 - Marketing/consulting
 - Government
 - Other (Please Specify)
3. Which category best describes your situation?
 - Sole Owner
 - Partner
 - Manager
 - Employee
 - Other (Please Specify)
4. How many employees does your company/agency/organization employ?
 - Part Time
 - Full Time

5. How many years has your organization been in operation?
 Years
6. Does your organization currently deal with Chinese inbound tourists?
 Yes (go to question 7)
 No, but interested in dealing with Chinese inbound tourists in the future (go to question 8)
 No (go to question 9)
7. If you answered YES to question 6, approximately what percentage of your company's business involves inbound Chinese tourists?
 Percentage
8. If you would like to increase your business with Chinese tourists, what percentage of your business would you like to dedicate to this group in the future.
 Percentage
9. How familiar are you with the Chinese Approved Destination Status (ADS) process?
 Very
 Somewhat
 Little
 None
10. Are you aware that Canada is in the process of developing an ADS guidelines?
 Yes
 No

4. *The following questions ask about your personal knowledge of ADS* We are interested in understanding how well ADS is known in the tourism industry.

11. ADS is a bilateral agreement between China and another country?
 Yes
 No
 I do not know
12. Countries with ADS allow Chinese people to more easily apply for tourism visas?
 Yes
 No
 I do not know
13. ADS requires that visas stipulate an itinerary that is fixed at the beginning of the trip?
 Yes
 No
 I do not know

14. ADS allows visitors to travel alone?
Yes
No
I do not know
15. ADS allows travelers to extend their stay or apply for other types of visas?
Yes
No
I do not know
16. ADS allows non ADS approved operators to handle inbound ADS travelers?
Yes
No
I do not know

5. Section 2: Background knowledge of Chinese travelers Please indicate your knowledge of Chinese outbound tourists.

17. Which gender do you think dominates the Chinese outbound market?
Male
Female
18. Which age group do you think dominates the Chinese outbound market?
18-24 25-34 35-44 45-54 55+
19. What kind of Marital Status do you think dominates the Chinese outbound market?
Single
Married
Other (Please Specify)
20. What education level do you think is most common among Chinese outbound visitors?
No Formal Schooling
Elementary School
High School
Technical College
Undergraduate degree
Graduate degree
Other (Please Specify)
21. What is the average yearly household income of Chinese outbound visitors? (Cdn)
\$20,000-40,000
\$40,000-60,000
\$60,000-80,000
\$80,000-100,000
>\$100,000

22. What do you think would be the most common travel itinerary for Chinese outbound visitors?
- Canada is the only destination
 - There is more than one destination but Canada is the main one
 - There is more than one destination but Canada is a minor one
 - Other (Please Specify)
23. How long do you think Chinese outbound visitors would stay in Canada?
- Day trip
 - 1-2 nights
 - 3-5 nights
 - 6-10 nights
 - >10 nights
 - 13-16nights
 - 17 nights +
 - Other (Please Specify)
24. What do you think should be included in travel packages for Chinese outbound visitors?
- Choose as many as apply.
- Transportation
 - Activities
 - Accommodations
 - Meals
 - Souvenirs
 - Other (Please Specify)
25. Which of the following leisure activities do you think that Chinese visitors would undertake?
- Choose as many as apply.
- Activities related to natural environment (Go to the beach, Visit National or State parks, botanical or other public gardens)
 - Activities related to city sight-seeing (Visit highly developed cities)
 - Activities related to historical sites (Visit Bethune Memorial House, Museums, military sites)
 - Activities related to having fun and being entertained (Eat out at restaurants/cafes, Shopping, Casinos and other gambling)
 - Activities related to iconic Canadian attractions (Visit CN Tower, Niagara Falls, The Rocky Mountains, Capilano Suspension Bridge & Park etc)
 - Other (Please Specify)
26. What kind of local transportation do you think Chinese visitors prefer once they get into the city of another country? Choose as many as apply.
- Motor Coach
 - Train
 - Rental Car or RV

Bus or subway

Taxi

Other (Please Specify)

27. What type of food do you think Chinese visitors would prefer? Check as many as apply

Chinese only

Western Style

A mix of Chinese and Western

A variety of food from different cultures

Other (Please Specify)

28. What do you think is the principal motivation for Chinese tourists to visit Canada? Check as many as apply

Different culture investigation

Business or visiting friends

World-famous buildings/landscape

Attractive nature/wildlife

Shopping opportunities

Other (Please Specify)

29. Do you think understanding Chinese inbound tourists would help a company better comply with future ADS guidelines?

Yes

No

6. Section 3: Operationalization of beliefs and perceptions towards future ADS guidelines

30. The following statements may be used in potential future ADS guidelines. Please indicate the extent to which you agree or disagree with each of the following statements.

	1= strongly disagree	2= disagree	3= neutral/ neither	4= agree	5= strongly agree	6= do not know
ADS operators should not charge fees to venues which are free to the public						
ADS operators should not charge on-site for services and entrance fees which have already been paid for						
ADS operators should hire Chinese speaking tour guide						

Tour guides should allow ADS travelers to shop in outlets of their own choice						
ADS operators should provide each traveler a final itinerary						
ADS operators should not change the price/itinerary once finalized						

31. The following ask about your opinions towards issues of fairness and appropriateness of future ADS guidelines. Please indicate the extent to which you agree or disagree with each of the following statements.

	1= strongly disagree	2= disagree	3= neutral/ neither	4= agree	5= strongly agree	6= do not know
It will be beneficial for your company to follow ADS guidelines						
The cost of following ADS guidelines would exceed the potential benefits						
It is impossible to implement the ADS guidelines						
ADS guidelines will be inappropriate for tour operators						
ADS guidelines will only benefit larger firms but not smaller operators						
Most operators would fail to some extent to follow the ADS guidelines						
It is a duty to follow the ADS guidelines since the tourism industry will benefit overall						

7. Section 4: Operationalization of perceived sanctions and enforcement The following questions ask you about the compliance issues towards future ADS guidelines

32. To what degree do you think companies will follow future ADS guidelines?

	1=Definitely follow	2	3	4	5=Definitely not follow
Degree					

33. Do you think there should be some type of penalty if ADS guidelines are not followed?

Yes

No (please go to Section 5 on next page)

34. It is important that operators are encouraged to not violate the ADS guidelines. Here are some possible types of penalties for non-compliance. Please indicate how effective they may be in encouraging compliance with ADS.

	1=not effective at all	2=slightly effective	3=somewhat effective	4=very effective
Suspension of operating ADS license				
Fine				
Requirement of additional education on ADS				
Publicizing the names of non-compliers				

35. Do you have any suggestions for keeping other tour operators from violating the ADS guidelines?

36. Would you like to receive a result of this study?

Yes

No

If yes, please indicate your e-mail address _____