Current Trends in Macao Visitor Satisfaction and Profile

2011 Press Conference on the results of research conducted by the International Tourism Research Centre, IFT

The International Tourism Research Centre (ITRC) of Institute for Tourism Studies (IFT) conducts research on Macao Tourist Satisfaction Index (MTSI) and Visitor Profile Study (VPS) regularly to monitor tourist satisfaction and to profile visitors. Up-to-date major findings of these studies are:

Macao Tourist Satisfaction Index (MTSI)

1. Compared to the first half of 2010, the current trend for overall visitor satisfaction in Macao is declining.
2. Because satisfaction is driven by visitor's expectations, perceived service performance, and perception of value, it is our opinion that the main causes for declining visitor satisfaction are: high expectations of visitors, low service performance, and /or low perceived value (value is measured by time/money spent in relation to the service and product received).
3. Looking at only the most recent data, almost all sectors' performance in the first half of 2011 have not been as good compared to the whole of 2010. However, looking at all the eight quarters of data we have collected, the long term performance of the various sectors are as follows:
    - **Sectors performing above average:** (a) events, (b) heritage and (c) non-heritage attractions. Over the last eight quarters, these sectors have scored above average on the MTSI. Events shows a small long term trend toward improving further but the heritage and non-heritage attractions sectors are showing long term trends of declining satisfaction.
    - **Sectors with average performance:** (a) casinos, (b) retail shops, (c) tour guides/operators, and (d) transportation. The trend for casinos and transportation is stable—they are somehow able to maintain an average level of satisfaction even if the quarterly figures fluctuate. For retail shops and tour guide operators, however, the long term trend over the last 8 quarters is negative with satisfaction showing a declining trend for retail shops and tour guides/operators.
    - **Sectors with below average performance:** (a) hotels, (b) immigration and (c) restaurants. The long term trend for hotels seems improving, restaurants is stable, but immigration shows a tendency to be declining over the long term.

4. Comparing Macao with other destinations for 2011, the following TSIs are reported:
   - Hong Kong: 72.6
   - Macao: 67.3 (for the first half of 2011 only)
   - Shenzhen: 65.1
5. Unless vulnerable sectors adopt strategic, managerial and operational intervention, the overall long-term outlook for visitor satisfaction in Macao may continue to deteriorate for the future.

Macao Visitor Profile Study (VPS)

6. Research shows that the types of visitors that spend the longest time visiting Macao are VFR (by purpose of visit), non-FIT (by trip type), first time visitors (by frequency of visit), S E Asian excluding those from Mainland China, Hong Kong and Taiwan China (by source market), or group size of two people. On the other hand, visitors with the shortest length of stay are: shopping visitors, FIT, repeat visitors or those from Hong Kong.
7. Non-gambling visitors surveyed by ITRC report that their primary activities when visiting Macao are shopping and cuisine. There appears to be a growing trend for other tourism activities, such as attending MICE business, shows and concerts, especially among visitors from Taiwan China. On the other hand, SE Asian and Westerners exhibit a greater tendency for visiting Macao's heritage sites.
8. Only very small proportion of respondents shows unwillingness to visit Macao again.
9. For those who are unlikely to visit Macao again, their primary purpose of visit is visiting attractions; visitors that travelled as non-FIT and from the S E Asian countries.

About the Macao Tourist Satisfaction Index (MTSI) Study

Background

The International Tourism Research Centre (ITRC) of IFT has been measuring the level of tourist satisfaction in Macao across various sectors in the tourism industry each quarter since mid-2009. Results across all sectors are combined to form an overall Macao Tourist Satisfaction Index (MTSI). The ten tourism related sectors measured include (a) casinos, (b) events, (c) heritage attractions, (d) hotels, (e) immigration services, (f) non-heritage attractions, (g) restaurants, (h) retail shops, (i) tour guides/operators, and (j) transportation services.

The MTSI research is undertaken by ITRC in collaboration with Prof. Haiyan Song and his research team at the Hong Kong Polytechnic University School of Tourism and Hotel Management, which developed the model used for measuring tourist satisfaction and also conducts the same research in Hong Kong (PolyU Tourist Satisfaction Index). Together and with similar research conducted by partners in other countries, results obtained in Macao can be compared with those in Hong Kong , Singapore and Shenzhen (to date), thereby allowing a certain degree of comparison in terms of competitive performance of various tourism destinations in the region.

Methodology

The MTSI is measured using a field survey in which respondents are selected and interviewed based on a systematic sampling technique. Interviews with visitors are conducted at major tourist sites and transport terminals. Altogether, 2001 interviews were conducted for 2010 and 1264 interviews have been conducted in the first two quarters of 2011. The TSI is an index comprised of the average responses to three questions asked in the survey for all sectors: the overall satisfaction, evaluation when being compared with tourists' expectations and sectors' ideal performance. Results for each sector are transformed and reported on a scale ranging from 0- to 100-points wherein the higher the score on the index, the more satisfied the tourists. The overall TSI for Macao is the average of all ten sectoral TSIs. Beginning September 2011, results of the overall MTSI are reported as quarterly to capture the overall tourist satisfaction whereas sectoral TSI results will be released in annual basis. Nevertheless, the quarterly compiled data will suggest more clearly directions of seasonal and the long-term trends.

Results

The latest findings covering the last eight quarters (Q3 2009 to Q2 2011) shows a decline of MTSI from 70.4 (Q3 2009) to 68.5 (Q2 2011). In addition, the most recent data collected over 2010 to present indicate the following satisfaction levels for each of the 10 sectors in Macao as well as overall (with 100 being the highest score):

Table 1: Quarterly sectoral TSIs and overall MTSI (Q2 2009 to Q2 2011)

	2009		2010				2011	
Sector	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Casinos	67.9	66.4	73.0	73.9	70.3	75.2	67.0	66.4
Events	75.6	69.8	72.0	75.1	77.2	77.5	69.5	75.4
Heritage	77.5	71.4	73.0	76.2	78.3	76.8	73.3	71.3
Hotel	67.1	66.3	63.8	65.3	68.0	77.3	67.7	68.1
Immigration	67.7	71.4	68.9	72.5	67.0	70.2	58.9	69.4
Non-heritage	68.8	68.6	78.7	72.8	73.6	75.7	69.9	64.8
Restaurants	64.7	65.1	68.6	69.7	66.3	68.9	65.0	65.1
Retail shops	75.8	73.8	68.2	72.8	70.9	70.9	61.9	69.5
Tour Guides/ Operators	71.1	71.5	69.2	73.0	71.3	71.4	63.8	63.4
Transportation	68.0	67.2	76.2	70.5	68.5	73.2	63.9	72.0
Total/Average	***70.4***	***69.2***	***71.2***	***72.2***	***71.1***	***73.7***	***66.1***	***68.5***

What this means for Macao's tourism industry

- In light of the Central and Macao SAR Government's thrust to transform Macao into a Global Center of Tourism and Leisure, there is an urgent concern to ensure that the different sectors making up Macao's tourism industry remain competitive and aware of their service performance levels in satisfying visitors.
- Given that more data over a longer period of time has been collected by ITRC, it is becoming clear that some service sectors are more vulnerable or less capable in satisfying visitors over time. Interventions in terms of initial and ongoing training of front-line staff, enhancing quality of recruitment and reviewing the myriad and complex factors driving service performance of front line staff be initiated by institutions relevant in each sector and conducted in collaboration with relevant public agencies.
- In the mean time, service providers need to replace some of their labor-intensive operations by automated systems.
- Since the tourism and hospitality industries are "people-oriented", we may need to rethink about the labor policy. The current policy seems to affect the small and medium firms (e.g., restaurants and retail shops) the most especially during public holidays because many of them would rather close their business during holidays due to high labor cost. Yet, these are usually peak periods with record high tourist arrivals. As a result, tourists, and residents to some extent, would flock to restaurants and stores that remain open during holidays. This creates a vicious cycle, which further deteriorates the service performance and value of the tourism offerings.

About the Visitor Profile Study (VPS)

Methodology

Data comes from field surveys of visitors conducted between Q4 2009 to Q2 2011 with a sample size of 5,016 visitors. Location interviews are carried out at popular tourist attractions and border entry points.

Details of results

The average length of stay for VFR and business visitors is 3.1 days and 2.4 days with 81% and 72% stay over 1 day respectively; non-FIT (average 2.5 days) with 88% stay over 1 day; first time visitors (average 2.6 days) with 79% stay over 1 day; and S E Asian visitors (average 3.3 days) with 89% stay over 1 day. On the other hand, visitors with the shortest length of stay are: pleasure visitors (average 2.0 days), FIT (average 2.1 days), repeat visitors (2.1 days) and those from Hong Kong (1.7 days). (Table 2)

Table 2: The trip characteristics segmented by length of stay

(in percentage)	Same day	2 days	More than 2 days	Grand Total
Purpose of visit				
Shopping	46	35	19	100
Cuisine	39	45	16	100
Gambling	29	47	24	100
Business	27	49	24	100
Attractions	27	39	34	100
Pleasure	21	48	31	100
VFR	19	35	46	100
Trip type				
FIT	36	39	25	100
Non FIT	12	48	40	100
Frequency of visit				
First time	21	41	38	100
Repeat	37	39	24	100
Source Market				
Mainland China	38	38	24	100
Hong Kong	41	48	11	100
Taiwan China	10	30	60	100
Other SE Asian countries	11	36	53	100
Western countries	26	30	44	100

Shopping and cuisine are the main activities of visiting Macao. The trend of other activities is mixed. Other tourism activities include MICE business, visiting world heritage sites as well as attending shows, concerts and special events. There are seasonal fluctuations for the overall trend of attending MICE business. There is a notable growth among visitors from Mainland China and Taiwan China. For Q2 2011, the proportion increased by 300% and 57%

year-on-year respectively. As for the Shows, Concerts and Special Events, there is a steady growing trend among visitors from Mainland China, Hong Kong and Taiwan China. For Q2 2011, the proportion increased by 350%, 250% and 220% year-on-year respectively. The overall proportion for visiting Attractions and Heritage remained above 40% from Q2 2010 to Q2 2011. Visitors from other SE Asian and Western countries showed the most significant increase with a year-on-year growth of 11% and 38% respectively. (Table 3)

Table 3: The proportions* of visitors who undertake the following activities during their visits in Macao

	2009	2010				2011	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
MICE Business							
Mainland China	1	3	1	7	7	2	4
Hong Kong	6	5	2	6	5	2	6
Taiwan, China	4	5	7	8	10	15	11
Other SE Asian Countries	0	9	12	5	9	11	7
Western Countries	0	4	11	9	0	3	0
Grand total	5	5	3	7	7	4	5
Shows, Concerts and Special Events							
Mainland China	5	5	2	7	5	7	9
Hong Kong	7	4	5	6	11	15	14
Taiwan, China	9	5	5	12	13	13	16
Other SE Asian Countries	7	0	4	20	7	19	8
Western Countries	23	7	5	27	19	17	0
Grand total	11	5	3	10	8	11	11
Attractions and Heritage							
Mainland China	26	39	44	37	39	46	47
Hong Kong	24	34	48	36	32	36	39
Taiwan, China	44	40	58	64	67	45	57
Other SE Asian Countries	38	30	57	70	76	61	63
Western Countries	17	50	45	66	88	67	62
Grand total	27	37	48	44	45	45	48

*multiple responses, % expressed in terms of total respondents

Regarding the revisit intention, there are only 4% of the total respondents indicated that they are unlikely to visit Macao again. Among those visitors, 33% of them came to Macao mainly for visiting attractions and 20% mainly for shopping. More than 40% of them are first-time visitors. As for the source market, visitors from Hong Kong are likely to revisit Macao again while Taiwanese and other SE Asian are relatively unlikely to return. (Table 4)

Table 4: Intention of revisit Macao again segmented by trip characteristics

Unlikely	Likely
Source Market : - S E Asia (20%); Taiwan China (15%)	Source Market: - Hong Kong (32%)
Trip Type : - Non FIT (28%)	Trip Type: - FIT (88%)
Purpose of Visit : - Attractions (33%)	Purpose of Visit: - Shopping (21%); Cuisine (20%)

Implications

- Results show that visitors from Taiwan and other S E Asia stay the longest and more of them among those who appear to be unlikely to revisit Macao. However, the trend shows that the former has an increase interest to attend the MICE business while the latter has an interest to visit world heritage attractions. It would be beneficial to putting more effort in promoting the MICE business and world heritage activities to meet their interest accordingly.
- As per the current trend in tourism activities by overall visitors, there is a potential to diversify the tourism activities by increasing effort to promote shows and concerts because there is a steady growth in the year-on-year trend especially among visitors from Mainland China, Hong Kong and Taiwan China.
- As those with the primary purpose of visiting attractions are unlikely to revisit Macao, the government, industry and relevant agencies should work together to develop more attractions so as to retain this market.
- Relatively, non-FIT visitors stay longer than FIT visitors, but about 10% of them are unlikely to visit Macao again. There is a need to attract them by diversifying tourism activities in addition to the existing tour package.