Operationalizing Psychological Distance in Tourism Marketing

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Abstract

International tourism has emerged as an important earner industry for a country's economy. It has a significant position in national economic development and needs a continuous evaluation. To do so, it is imperative to understand the dynamics of global tourists' behaviours, perceptions and the ways that tourists evaluate their destinations. The present research endeavours to consider the application of psychological distance in tourism marketing. Psychological distance has been applied in marketing research and refers to the gap or differences that an individual perceives between his/her home country and a foreign country. In tourism context, this gap can be regarded as a perceived gap between tourists' home country and the destination. The current review aims to investigate the application of psychological distance in tourism context. Furthermore, the presented measuring items for psychological distance are adopted from marketing-related studies; in addition to the further measuring items which were suggested through reviewing tourism-related literature.

Keywords: psychological distance, cultural distance, tourism, psychological distance measurement

1. Introduction

The concept of psychological distance or psychic distance refers to a gap or differences that an individual might perceive between his/her own country and the destination. The concept has been used to explain and predict important variables in international marketing. Dow (2009) noted that international business researchers have invoked this concept to explain issues dealing with the international business phenomena such as: making decision on exporting, selecting suitable markets for exporting as well as foreign direct investment, entrance mode alternatives, taking into account together the level of control and the use of acquisitions versus green field entries; international performance; and the degree of adaptation in foreign markets.

As the business of tourism is becoming more worldwide and international, the destination planners and marketing managers are facing more challenges. To remain competitive in international business, it is essential to launch new products and services for new segments. Due to the variety in life standards and consumers' behaviour in different countries, entering in the new international market is a challenging issue (Albaum & Tse, 2001; Lu & Beamish, 2001; Penaloza & Gilly, 1999; Pornpitakpan, 1999; Sousa & Bradley, 2005). Hence, multicultural marketing could be assisted by measuring and understanding psychological distance (Clark & Pugh, 2001; Evans, Treadgold, & Mavondo, 2000; Eriksson, Majkgard, & Sharma, 2000; Grosse & Trevino, 1996; Sousa & Bradley, 2006).

Both psychic and cultural distance concepts are used as the indicators to measure the perceived differences between two countries. So far, the existing literature might have caused confusion by offering different definitions of cultural and psychic distance and the relationship between these two. Hence**,** this paper aims to do an overall review on previous studies related to the relationship of these two as well as proposing the application of and measuring items for psychic distance in tourism marketing.

2. Psychic Distance

Johanson & WiedersheimI-Paul (1975, p. 308) described psychic distance as some factors that can prevent information from flowing between a firm and the market in which it operates; these factors can be recognized as different languages, political systems, and cultures as well as the dissimilarities in educational level, and the level of industrial growth, etc.

Those factors that are commonly cited by researchers include language, culture, religion, climatic conditions, lifestyle, customers' purchase power, and the level of literacy and education (Evans et al., 2000; Johanson & Vahlne, 1977; Sousa & Bradley, 2006). Dow and Karunaratna (2006) defined perceived psychic distance as the decision makers' perceptions of psychic distance stimulus or Macro-level factors namely environmental and cultural factors. Moreover, differences in personal backgrounds and experiences are believed to have influence over the psychic distance stimuli.

Although, the geographic distance is correlated with psychic distance, this cannot be generalized in all cases. For instance, in the British Commonwealth, there are some countries like England and Australia that geographically are far apart but have similarities in many aspects of psychic stimuli. On the other hand, U.S.A and Cuba are geographically close but as a result of political differences they are recognized to be quite distinctive with regards to psychic distance (Johanson & Wiedersheim-Paul, 1975). Psychic distance can be, therefore, referred to as the difficulties of learning of existing chances in a foreign market and the barriers to the ways of functioning in it; according to O'Grady and Lane (1996, p. 330), the level of vagueness of a firm about a foreign market, which is caused by cultural differences in addition to a variety of business problems, will cause some barriers to learning of a market and operating in it.

3. Cultural Distance

Human characteristics and behaviours are affected by cultural background of individuals. Hence, marketing researchers have been studying the relation between culture and consumer behaviour over years. Consumers as the members of societies are influenced by the cultural features of their own societies. The features which make distinctions between one culture and the other will equally affect individuals' characteristics and behaviours. On the other hand, individuals could be known based on their distinct identities which have been influenced by their specific cultural factors. Hofstede (1997) described culture as civilization or the result of refinement of the mind. This refinement refers to education, art, literature and custom. Also, culture can be defined as a as a process of cooperative programming of minds that causes a group of individuals to be different from others A culture shared by members of a society or organization is comprised of some meanings, norms, rituals, and traditions.

This is what Litvin & Kar (2004) referred to the collective programming of the mind. Every group of individuals has its own culture and the cultural background and 'variations' are regarded as a focal point in the international marketing. Culture is said to have wide effects on every aspects of an individual's daily life; thus, it can affect buying behaviours, attitudes and customers' decision making process. The challenge for international marketing in globalization age is to pinpoint the preferences, demands and priorities of customers from specific cultural group and to adapt the right management and marketing strategies (Sousa & Bradley, 2005). Tourism market is not an exception hence it is also essential in tourism to do cultural customization while setting marketing strategies for the services and products.

Schiffman and Kanuk (2000, p. 322) defined culture in consumer behaviour context as "the sum total of learned beliefs, values, and customs that serve to direct the consumer behaviour of members of a particular society". Trandis (1989, p. 509) declared that "culture includes language, technology, economic, political, and educational system, religious and aesthetic patterns, social structures, and so on". In international marketing research, cultural differences between two markets have been a focal point (Kogut & Singh, 1988; Pothukuchi, Damanpour, Choi, Chen, & Park, 2002; Shenkar, 2001).

Researchers in the area tourism have also studied the connection between culture and travel destination choice. Jackson, White, and Schmierer (2000) have done an empirical research on this relation using national level secondary data based on Hofstede's (1980) cultural dimensions. The results of Jackson's study show that people who come from highly individualist nations like Australia and Canada prefer to choose destinations with similar culture, people from collectivist countries tend to visit culturally dissimilar destinations. Reviewing the literature related to different disciplines including tourism and marketing as well as psychology, Ng, Lee, & Soutar (2007, p. 1498) identified four elements of culture which can affect tourists' destination choice:

1) The tourist's national culture

2) The tourist's internalized culture

3) The destinations culture

4) The ''distance'' between tourists' home country's culture and the tourist's destination culture.

National culture explains differences in tourists' travel pattern and behaviours which are affected by their specific culture (Cho, 1991; Pizam & Jeong, 1996).

Culture also draws attentions as one of the destination attributes. O'Leary & Deegan (2003) referred to the culture as tangible and intangible heritages namely museums, music, historical sites, and traditional heritages.

Cultural similarity has been hypothesized to be an influential factor in visiting a destination (Abooali & Mohamed, 2011; Lee, Lee, & Wicks, 2004; Pearce & Lee, 2005; Yuan & McDonald, 1990). As an evidence of this notion, Basala & Klenosky (2001) mentioned that people are willing to visit a novel destination on the condition that their native language is spoken at that destination. This discussion is an endorsement of the fact that less cultural distance between home country and travel destination will result in more reassurance and travel satisfaction.

4. The Relationship between Psychic and Cultural Distance

Both psychological distance (psychic distance) and cultural distance were applied to measure the differences between two countries in international marketing. It is worth mentioning that there are different understandings of these concepts. Several authors argued that psychic and cultural distances are indistinguishable (Kogut & Singh, 1988). In contrast to this idea, some others recognize them as two distinct concepts. Hakanson and Ambos (2010) investigated the antecedent of psychic distance and concluded that their study failed to validate the result of Kogut and Singh's (1988) study in which it was claimed that psychic distance and cultural distance are essentially similar. In line with those who accepted the difference between these two, Sousa and Bradley (2006) discussed the relation of psychic and cultural distance. Based on their explanations, psychic distance is known as the apparent distance that can be detected in individuals' minds. Their understanding of the world and the considered differences between their home country and the foreign country leads to the formation of psychic distance. Based on the current discussion, psychic distance has to be measured at the individual level.

In contrast to psychic distance, cultural distance refers to the level of difference between cultural standards and values existing in a country from those in another (Sousa & Bradley, 2005). This gap or distance should be assessed at the country level.

Notwithstanding the fact that psychic distance and cultural distance are conceptually distinguishable and should be measured at different levels of analysis, they are recognized to be two related concepts (Earley & Mosakowski, 2002; Lau & Murnighan, 1998; Lee & Jang, 1998). Explaining the relation between these two concepts, Sousa & Bradley (2005, P. 53) stated that; cultural distance can affect the individuals' psychic distance. When the cultural distance of the home country and the destination country becomes greater, there will be less possibility of achieving information on the new atmosphere

Moreover, to measure psychic distance, there are contrastive approaches. Sousa & Lages (2011) have categorized the operationalization of psychic distance into three groups. The first group has adapted Kogut and Singh's (1988) model which is based on Hofstede's (1980) cultural difference dimensions to measure psychic distance. This method is in contrast with Sousa & Bradley (2006) that reported both concepts being conceptually different.

In the second group, researchers used national level indicators based on publicly available data. However, Dow and Larimo (2009) criticized this approach for not considering the differences amongst individuals and the level of their prejudices Prime et al. (2009, p. 189) also noted that "a major problem is that measurement development procedures do not take into account the perceptual nature of the phenomenon".

Other researchers operationalized psychic distance by emphasizing the definition stating that "it is the mind's processing, in terms of perception and understanding of cultural and business differences which form the basis of psychic distance" (Evans et al., 2000). In line with this, some researchers measured psychic distance by asking questions from firms' decision makers (Sousa & Bradley, 2005, 2006). Therefore, perceptual measurement of psychic distance can contribute better to indicating psychic distance compared to secondary data (Dow & Larimo, 2009; Whitelock & Jobber, 2004; Zhao, Luo, & Suh, 2004).

Although, the influential factors on psychological distance have been repeated in most of the articles as language, political and legal system, educational system, economic and industrial development, marketing infrastructure, and culture, most researchers use a small sub-set of these factors while measuring psychic distance. Sousa and Lages (2011) have proposed a multi-dimensional scale. Their construct is defined based on the individuals' understanding of distinctions between their own country and the destination country with respect to both countries' and people's characteristics.

The countries' characteristics' components which are cited in the literature for so many times, (e.g. Prime, Obadia, & Vida, 2009; Sousa & Bradley, 2006; Sousa & Bradley, 2008) have been selected by Sousa & Lages (2011) which include; 1)Level of economic and industrial development, 2) Communication infrastructure, 3)

Marketing infrastructure, 4)Technical requirements, 5) Market competitiveness; and 6) Legal regulation.

Furthermore, to measure the second component of psychological distance, in line with many studies related to psychic distance (e.g. Johanson & Wiedersheim-Paul, 1975; Prime, et al., 2009; Sousa & Bradley, 2006), Sousa & Lages (2011) stated that the people's characteristics dimension consists of; 1)Per capital income, 2) Purchase power, 3) Lifestyle, 4) Consumer preference, 5) Level of literacy and education, 6) Language and; 7) Cultural values, beliefs, attitudes, and traditions (Figure 1).
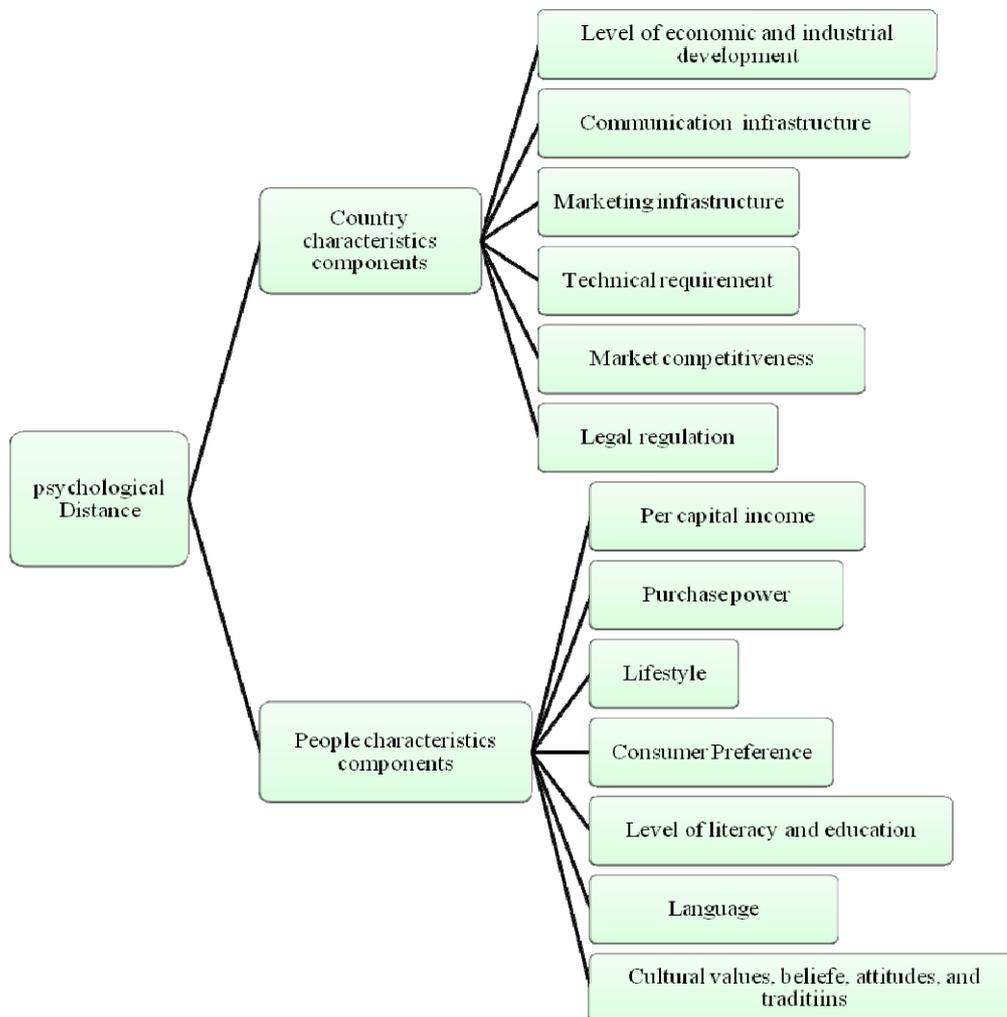

Figure 1. Psychological distance components

Source: Modified based on Sousa and Lages (2011)

Concluding preceding discussion, this could be assumed that these two concepts are prominently interrelated. The perception of an individual of a foreign country would be established based on the information which one has about that country. Meanwhile, psychic distance prevents the flow of information between two market counterparts as noted by Johanson & WiedersheimI-Paul (1975).

Moreover, cultural similarity is the influential factor to shorten the individual's perceived gap with regards to other countries rather than their home country. This notion applies in tourism as well, Henderson (2003) mentioned that the attacks which happened on September 11th - 2001 in the United State of America, has affected both Muslim and Western tourist behaviour. Now, the safest places for Muslims are Muslim countries while Westerners intend to visit Western countries due to safety issues. He concluded that the greater cultural similarities are, the less cultural distance will exist in the destination being selected by tourists. On the basis of the preceding discussion, to measure psychological distance, the cultural distance should be considered as one of the contributing factors.

5. Psychological Distance in Tourism Marketing

During preceding discussion, this issue has been raised up that some researchers believe that cultural distance is the only component of psychological distance which could be applied in tourism marketing (Ng et al., 2007). Meanwhile, previous researches are the evidence that cultural distance is one of the factors which causes psychic distance (Evans & Mavondo, 2002; Johanson & Vahlne, 1977).

In international marketing the concept of psychological distance has been applied widely, for instance, as an influential factor over managers' decisions to invest in a foreign country (Harzing, 2004). It applies to the tourists who are the investor during a trip. Their final decision obviously is a destination with less psychological distance as this reduces "Uncertainly Avoidance" factors and increases "Security and Reassurance". By the time that decision for a trip is made and when the journey starts, at this time yet, the effect of psychological distance should not be ignored. As an example, language and cultural difference, being known as two of the psychological distance items, have negative effects on both quality and outcome of the interactions between tourists and host community which can cause dissatisfaction (Tomljenovic, 2010) (Figure 2).
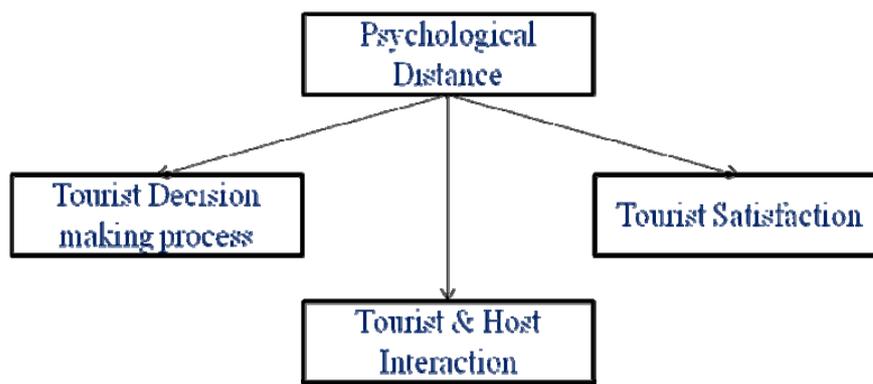

Figure 2. Application of psychological distance in tourism

The unique attributes of destination which make it different from tourists' home country may be a driven factor during tourists' decision making (O'Leary & Deegan, 2003). But, it is essential for tourist marketers to know to what extent tourists have perceived the gap. For sure, when the psychological distance exceeds from its acceptable level, it will result in dissatisfaction and this is what should be eliminated from travel experience.

Psychological distance in tourism context should be measured using the items which are related to the tourism nature. The current psychological distance items are from business and marketing point of view and some cannot be applied into tourism. In searching for the items that are specific to tourism, it was observed that there is not any specific list for tourism destination attributes and indicators (Enright & Newton, 2004; Kim, 1998). Therefore, the most cited items revealed by tourism literature have been summarized as indicated in Table 1.

Table 1. The measurement items for tourism destination attributes

Researcher (s)	Study	Items
Chon (1991)	Used the traveller behaviour model presented by Gunn to examine how the tourist destination image and tourist perceptions are modified and enhanced through travelling to the destination.	Level of safety
Echtner and Ritchie (1993)	Examined the concept of destination image aiming to design more appropriate and rigorous techniques for its measurement	Level of safety
Baloglu and McCleary (1999)	Demonstrated a model of destination image formation and its important determinates	Level of hygiene and cleanliness, Quality of infrastructure (accommodation and transportation), value for money, level of safety, food

Chen and Hsu (2000)	Identified image-related attributes measuring the total attractiveness of overseas destinations to Korean tourists. They also investigated image-related attributes affecting Korean tourist choosing behaviours of trip planning, time frame, budgeted travel costs, and length of trip.	Value for money
Kastenholz (2002)	Examined The role and marketing implications of destination images on tourist's behaviour: The case of northern Portugal	Level of hygiene and cleanliness
Tapachai and Waryszak (2000)	Used beneficial image as a framework to analyze the destination image for a decision to visit a country for vacation.	Quality of infrastructure (accommodation and transportation), Value for money, food
Deslandes (2003)	Studied consumer perceptions of destinations and assessed the necessary first step in the destination branding process	Level of hygiene and cleanliness
Echtner and Ritchie (2003)	Extended the relationship between self-concept and evaluation of product concept by considering this relationship in a service context, using restaurant and hotel.	Level of hygiene and cleanliness, Quality of infrastructure (accommodation and transportation), Value for money, Level of safety, food
Beerli and Martín (2004)	Developed and empirically validated a model which explains the different factors which form the post-visit image of a destination.	Level of hygiene and cleanliness, Quality of infrastructure (accommodation and transportation), Level of hospitality and services
Enright and Newton (2004)	Studied relevant factors to the destination competitiveness of both destination attractions and its tourism industry to develop an instrument to survey Hong Kong tourism practitioners.	Quality of infrastructure (accommodation and transportation), Level of safety, Legal regulation (tax, immigration procedures and custom), Life style
Konecnik (2005)	Investigated differences in image evaluations perceived by tourism	Level of hygiene and cleanliness, Quality of infrastructure (accommodation and transportation), Value for money, Level of safety, food
Choi, Lehto, and Morrison (2007)	Surveyed the image of representations of Macau on the internet by analyzing the contents of a variety of web information.	Quality of infrastructure (accommodation and transportation), food
Tasci and Gartner (2007)	Reviewed a large body of literature on destination image and a comprehensive conceptualization of destination image was modelled.	Quality of infrastructure (accommodation and transportation)
Chang (2008)	Assessed the effects of destination branding on tourists' attitudes toward Tamshui	Level of hygiene and cleansiness
Nadeau, Heslop, O'Reilly, and Luk (2008)	Provided greater substance to destination research by contextualizing and expanding the scope of relevant constructs through the use of knowledge from product-country research.	Quality of infrastructure (accommodation and transportation), Value for money, Level of safety, food, Level of hospitality and services
San Martín and Rodríguez del Bosque (2008)	Examined the multi-dimensional nature of destination image as well as analyzing the relationship between psychological factors and perceived image of a tourist destination.	Quality of infrastructure (accommodation and transportation), Value for money, Level of safety,

Bigné Alcañiz, Sánchez García, and Sanz Blas (2009)	Surveyed the cognitive component of the image of a destination from a composition by positing three positions on continuum; functional, mixed, and psychological and the influence of these three on tourists' overall image of a destination and their future behaviour	Level of hygiene and cleanliness, Quality of infrastructure (accommodation and transportation), Value for money, Level of hospitality and services
T. H. Lee (2009)	Examined a behavioural model of wetlands tourism using variables of destination image, attitude, motivation, satisfaction and future behaviour.	Quality of infrastructure (accommodation and transportation), Level of safety
Pike (2009)	Reviewed 74 destination branding publication by 102 authors during 1998-2007.	Quality of infrastructure (accommodation and transportation), food,
Pike, Bianchi, Kerr, and Patti (2010)	Aimed to test the effectiveness of a model of consumer-based brand equity (CBBE) for a country destination.	Level of hygiene and cleanliness, Quality of infrastructure (accommodation and transportation), Level of safety

The multidimensional scale which Sousa and Lages (2011) introduced to measure psychological distance can be modified for tourism application by adding tourism related factors. The applicable factors for tourism are proposed to be as follows: level of economic and industrial development; communication infrastructure; quality of infrastructure (accommodation and transportation); value for money; legal regulation (tax, immigration procedures and custom); level of safety; lifestyle; level of literacy and education; language, cultural values, beliefs, attitudes and traditions; level of hospitality and services; and food.

6. Conclusion

This paper was a conceptual review on the psychological distance theory and its conceptualization in tourism context. A review on related literature on both marketing and tourism field shows that there are no specific measuring items to apply psychological distance into tourism. Hence, reviewing literature related to the tourism destinations and their attributes, this paper proposed some measuring items. The proposed measuring items that have been drawn from tourism literature need empirical examination to be confirmed. It is recommended that further studies focus on the use of psychological distance theory in tourism marketing

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