

## **Could virtual reality be a viable option to replace physical travel if inflation and cost of living continue to rise?**

### **I. Introduction**

The growth of technology, particularly virtual reality, has had a profound impact on the tourism industry as it is revolutionizing how people are able to approach travel. Virtual reality places users in a seemingly realistic virtual world where interaction occurs via the use of sounds, physical sensations, and imagery. While virtual reality has been available for nearly a century, the tourism industry has only recently noticed its benefits and has begun incorporating technology into industry practices, such as through virtual tours. The most notable benefit of these virtual tours is their ability to provide travel experiences to those who are not able to travel and allow users to explore various destinations at their leisure.

The growing use of virtual reality in the tourism industry was predicted by the Technology Acceptance Model which highlights the perceived usefulness of VR in tourism, therefore, promoting the use of VR for traveling purposes (Schiopu *et al.*, 2022). The tourism industry has put an emphasis on virtual reality to enhance and entice a physical travel experience because VR provides sensory experiences including audio support facilitated by computerized simulation that can impress upon users the intrigue that a particular destination has to offer; essentially it serves as an influential marketing agent (Lin *et al.*, 2020). VR allows various destinations, hotels, and even tour operators to provide immersive experiences for users at a low cost, even in the comfort of their own home. VR can evoke both mental and even physical reactions denoted by a rise in heart rate or even sweating in the user (Skard *et al.*, 2021). Theme parks, museums, and even art galleries utilize virtual reality to enhance a users' perception of an attraction. Studies have shown that VR materials can bolster the intentions and improve favorable feelings of a user to visit the destination (Perdana Kusumah *et al.*, 2022). Recent research in the tourism industry has helped to deepen our knowledge of how mental stimulations using virtual reality can bolster brand experience (Skard *et al.*, 2021).

### **II. Purpose and Justification**

A significant hinderance that the tourism industry is currently facing is the financial burdens that people carry as a result of the tumultuous economy. Because of record-high gas prices, escalating airfare, and a significant increase in living expenses, people have less money to spend on leisure activities such as traveling. In fact, inflation in the United States increased by 6.5% from December 2021 to December 2022 while workers' salaries went down 1.7% from December 2021 to December 2022 (USA Facts, 2023). As a result of inflation, travelers may choose to spend less on food and activities while traveling, pick a less expensive destination, defer travel plans, or even cancel their vacation completely. For the tourism industry to remain relevant, companies must provide cheaper travel opportunities that are cost effect for travelers. Moreover, according to the report from Statista (2023), it shows that 47% of respondents planned not travel until the end of the year as of September 2022 is because the cost of travel had grown to be too expensive, and 18% of respondents said that the economy was too weak to support travel. Therefore, in this study, I aim to comprehend people's decisions to use virtual reality in lieu of physically traveling because they have less discretionary income for leisure activities.

The goal of this research is to gain an understanding of travelers' intentions to use virtual reality in lieu of costly, physical traveling. Specifically, this study aims to 1) investigate people's overall travel preferences, 2) what they believe should be included in the VR travel program, 3) why people would not want to use VR as a travel alternative if that was their preference, and 4) why they would choose to use VR to travel if this was their desired option. The result of this proposed study will be valuable to the tourism industry as it will help professionals to understand the potential benefits of using virtual reality for traveling purposes, particularly using it in place of physical travel, given the current status of the economy. Additionally, the result will fill the research gap by connecting people's financial standing with the growing prevalence of virtual reality in the tourism industry and determining if using VR to replace expensive, physical travel is a plausible option.

### **III. Methodology**

A qualitative semi-structured interview will be adopted in which the researcher would ask participants open-ended questions. This approach is appropriate when our aim is to expand our understanding of VR travel and capture the travelers' profound experiences/thoughts. The interviews will be audio-recorded digitally after getting participant's consent. Then, the researcher will convert the audios to transcript for content analysis. To increase the reliability and credibility, the researcher would interview 20 participants across following age brackets: Baby boomer or older (57 years or older), Generation X (41-56 years), Generation Y (24-40 years), Generation Z (18-24 years). To ensure the trustworthiness, participants must have varying backgrounds and know the VR travel to eliminate bias. The expected duration for each interview will be 15 minutes. Participants who successfully complete the interview will receive a \$10 gift card. The compensation distribution process will be overseen by my faculty mentor, Dr. Liu. Each participant receiving compensation must complete a distribution form with their printed name, email, date, and signature. The interview would consist of the following questions:

- 1) What is currently prohibiting you from traveling? Does your financial standing and the inflated economy play a factor in this decision?
- 2) How familiar are you with virtual reality? (If not, researcher will provide an explanation of VR travel.)
- 3) How do you think VR travel impacts your overall travel experience? What are the differences of experience/motives between VR travel and physical travel?
- 4) What are the benefits and concerns you see with VR travel?
- 5) Would you use virtual reality in lieu of physical travel? Why or why not?

### **VI. Collaboration with Faculty Mentor**

Dr. Liu agreed to serve as my faculty mentor throughout this project, which is developed from her THM 4300 Issues and Trends to THM course. She has been guiding me in preparing for the CITI certification and IRB application. I will assume the primary role of student investigator responsible for conducting interviews and analyzing the data. Dr. Liu will provide guidance and assistance in data collection and content analysis for this research. She will also oversee and guide me in the gift card distribution process. We will have biweekly meetings to facilitate feedback and address any challenges that may arise.

## V. References

- Anonymous. (2023, March 20). *2023 current state of the union: US economy*. USA Facts. Retrieved April 21, 2023, from <https://usafacts.org/state-of-the-union/economy/>
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- Lin, L.-P. (L., Huang, S.-C. (L., & Ho, Y.-C. (2020). Could virtual reality effectively market slow travel in a heritage destination? *Tourism Management*, *78*, 104027. <https://doi.org/10.1016/j.tourman.2019.104027>
- Skard, S., Knudsen, E. S., Sjøstad, H., & Thorbjørnsen, H. (2021). How virtual reality influences travel intentions: The role of mental imagery and happiness forecasting. *Tourism Management*, *87*, 104360. <https://doi.org/10.1016/j.tourman.2021.104360>
- Perdana Kusumah, E., Hurriyati, R., Disman, D., & Gaffar, V. (2022). Determining revisit intention: The role of virtual reality experience, travel motivation, travel constraint and Destination Image. *Tourism and Hospitality Management*, *28*(2), 297–314. <https://doi.org/10.20867/thm.28.2.3>
- Statista. (2023). Impact of inflation on travel and tourism worldwide. Statista. <https://www.statista.com/topics/9662/impact-of-inflation-on-travel-and-tourism-worldwide/#topicOverview>

### Tourism Research Timeline

Date	Activity
<b>September 1<sup>st</sup> – September 7<sup>th</sup>, 2023</b>	Primary student investigator completed the CITI training and received the certification.
<b>September 8<sup>th</sup> – September 30<sup>th</sup>, 2023</b>	<ul style="list-style-type: none"> <li>• September 8<sup>th</sup> – September 11<sup>st</sup>: Meet with Dr. Liu for guidance for IRB submission.</li> <li>• September 12<sup>th</sup>: Develop interview questions and prepare for IRB submission.</li> <li>• September 15<sup>th</sup>: Meet with Dr. Liu to receive feedback on IRB submission.</li> <li>• September 21<sup>st</sup>: Submit IRB</li> </ul>
<b>October 1<sup>st</sup> – October 20<sup>th</sup>, 2023</b>	<ul style="list-style-type: none"> <li>• Meet with Dr. Liu to ensure the interview process and questions.</li> <li>• Deploy interview at pre-determined locations across MTSU campus (Mentor will be present during survey process):               <ul style="list-style-type: none"> <li>• October 3<sup>rd</sup>: 2 hours tabling at Student Union lobby, target to interview 7 participants.</li> <li>• October 5<sup>th</sup>: 2 hours at Keathley University Center, target to interview 7 participants.</li> <li>• October 10<sup>th</sup>: 2 hours at Walker Library, target to interview 6 participants.</li> </ul> </li> </ul>
<b>October 21<sup>st</sup> – November 26<sup>th</sup>, 2023</b>	Analyze the oral data using content analysis.
<b>November 27<sup>rd</sup> – December 8<sup>th</sup>, 2023</b>	Develop research report/article

**Tourism Research Budget**

<b>Item</b>	<b>Quantity</b>	<b>Price per Gift Card</b>	<b>Total Price</b>	<b>Reason</b>
<b>Starbucks Gift Card</b>	4	\$10	\$40	Participating in survey
<b>Chick-fil-a Gift Card</b>	4	\$10	\$40	Participating in survey
<b>Target Gift Card</b>	4	\$10	\$40	Participating in survey
<b>Amazon Gift Card</b>	4	\$10	\$40	Participating in survey
<b>Walmart Gift Card</b>	4	\$10	\$40	Participating in survey
<b>Total Price</b>			\$200	