

A STRUCTURAL MODEL OF DESTINATION IMAGE, TOURISTS' SATISFACTION AND DESTINATION LOYALTY

Mahadzirah Mohamad

Universiti Malaysia Terengganu (UMT) Malaysia

E-mail: mmohamad@umt.edu.my

Abdul Manan Ali

Universiti Malaysia Terengganu (UMT) Malaysia

E-mail: amali@umt.edu.my

Nur Izzati Ab Ghani

Universiti Malaysia Terengganu (UMT) Malaysia

Malaysia

E-mail: gsk0920@pps.umt.edu.my

-Abstract-

According to the World Travel and Tourism Council, the main problem of Malaysia's tourism industry is image. As a consequence, Malaysia lags behind other leading competitive destinations in the region in terms of international tourism receipts. This study develops a model to examine the relationships among Destination Image, Customer Satisfaction and Destination Loyalty of tourists. Factor Analysis was used to test the factorial validity of constructs and Structural Equation Modelling was used to test the goodness of the proposed hypothesised model. The empirical results of this study provide tenable evidence that the proposed model is acceptable. The findings indicated that Malaysia was perceived as offering natural scenic beauty supported by good facilities for food and accommodation. The results also show that Destination Image is the antecedent to Tourist Satisfaction which, in turn has an effect on Destination Loyalty.

Key Words: *Destination Image, Tourist Satisfaction, Loyalty Intention*

JEL Classification: M31

1. INTRODUCTION

Malaysia's tourism business outlook is ranked as the fifth (scoring 60 out of 100) after Thailand, Singapore, Hong Kong, and China (Malaysia Tourism Report Q2,

2010). Therefore, the understanding of tourists' perception of Malaysia as a travel destination would help the nation to formulate marketing strategies and position itself as a choice destination, particularly in this part of the world. Marketing literatures (Cronin and Taylor, 1992; Kozak and Rimmington, 2000; Yoon and Uysal, 2005) provide empirical evidences that tourist satisfaction is a good predictor of customer intention to revisit and recommend the destination to other people (Destination Loyalty). Destination loyalty, which is measured through 'intention to return' and "willingness to recommend it" has not been thoroughly investigated (Oppermann, 2000). Instead of using the term "destination loyalty", Chen and Tsai (2007) use the term "behavioural intention" to reflect intention to revisit and the willingness to recommend. Hence, the purposes of this study are, firstly, to construct a more integrated model of destination image, tourist satisfaction and loyalty intention. Secondly, to examine the causal relationships among destination image, tourist satisfaction and destination loyalty. The findings of this study will provide insights to tourism planners and marketing professionals to develop the appropriate selling proposition or "offer" that fits the requirement of their target tourist market.

Malaysia faces stiff competition from several neighbouring countries in the region that share similarities in term of natural resources, tourism infrastructure, culture, traditions and hospitality (Badaruddin, 2009). Malaysia is blessed with abundant natural resources, such as agriculture, minerals, and forestry. Therefore, "nature" as a selling proposition has a great appeal to entice foreign tourists to Malaysia. Badaruddin (2009) stated that in the 70s Malaysia's effort to position itself as 'A Tropical Paradise' failed to distinguish itself from the more established tourist destinations such as Hawaii and Bali. In the nineties, Malaysia started to focus on its immense natural resources such as nature tourism, adventure tourism and agrotourism to portray its image abroad using the slogan 'To Know Malaysia is to Love Malaysia' during Visit Malaysia Year 1990 campaign, domestically and internationally (<http://www.i2media.com.my/gallery/articles/malaysian-business/1990-07-30-visit-malaysia-year.pdf>). In its effort to diversify, in the mid nineties, Malaysia introduced 'A Shopping Paradise' slogan which positioned itself as a value-for-money destination (Badaruddin, 2009). Nevertheless, the theme 'Malaysia: Truly Asia' that was launched since 1999 had been capitalised on until today because it has become an identifiable image recognised by the international tourism community (Ninth Malaysia Plan 2006 - 2010). The tagline of 'Malaysia, Truly Asia' captures and defines the essence of the country' unique diversity of cultures, festivals, traditions and customs.

(http://corporate.tourism.gov.my/trade.asp?page=malaysia_truly&subpage=history).

2. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

Destination image is generally defined as the general impression that a tourist has about a destination (Rynes, 1991). Destination image is also described as well-defined geographical areas such as a country, an island or a town (Hall, 2000). Echtner and Ritchie (1993) define destination image as consisting of two main components: attribute-based and holistic. Each of these components contains functional, more tangible aspects of destination image, and psychologically represent the more abstract aspects of destination image. Later, the definition of destination image expands to include a perceptual concept of destination. It is a subjective interpretation of a place by tourists depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience, and has six destination components as follows (Buhalis, 2000): attractions (natural, man-made, artificial purpose built, heritage, special events), accessibility (entire transportation system comprising routes, terminals and vehicles, amenities (accommodation and catering facilities, retailing, other tourists services), activities (all activities available at the destination and what consumers will do during their visits) and ancillary services (services used by tourists such as banks, telecommunications, post, newsagent, hospitals, etc).

Chi and Qu, (2008) suggest that positive destination image will result in tourist's satisfaction and has an influence on tourist behavioural intentions. This view supported the notion postulated by Yu and Dean (2001) that emotions (satisfaction) might be a better predictor of behaviour than perceptual evaluation (destination image). It is argued by Baker and Crompton (2000) that tourism satisfaction is the emotional state of tourists after exposure to the opportunity or experience. The Confirmation-disconfirmation theory defines customer satisfaction as a post-purchase evaluative judgement concerning a specific buying decision (Homburg and Giering, 2001). In the tourism context, it refers to tourist's evaluation of a destination. Edvardsson et al. (2000) defined customer loyalty as a customer's predisposition to repurchase from the same firm again, which in this case is travellers' predisposition to revisit. Kuenzel and Katsaris (2009) described post-visit behaviour as intention to return (purchase intention/loyalty) and recommendation through word-of-mouth (WOM). Customer loyalty or destination loyalty can be described as the behavioural intention of the customers to revisit and disseminate positive word of mouth about a particular destination to

others. Studies such as Cronin and Taylor, (1992) and Kozak and Rimmington (2000) suggested that tourist satisfaction is a good predictor of customer intention to revisit and recommend the destination to other people (Destination loyalty. Moreover, Lee et al. (2005) stated that individuals who perceived a positive destination image would lead to greater satisfaction level and behavioural intention. Chi and Qu (2008) suggest that destination image is the antecedent of satisfaction which in turn has an influence on destination loyalty. Based on this premise, this study proposes the research hypotheses set out below:

H1: The more favourable the destination image, the higher the tourist satisfaction.

H2: The higher the tourist satisfaction, the more positive the loyalty intention.

3. RESEARCH METHODOLOGY

This study adopted a causal research design using a cross-sectional sample survey. It was organised into four major parts. Part 1 of the questionnaire deals with the measurement of destination image. In accordance with the previous research in the field (Tasci, 2007; Castro et al., 2007) a multi-attributes approach was chosen for this study using quantitative items on image of Malaysia using a 7-point Likert scale ranging from 1 as strongly disagree to 7 as strongly agree. The 72 items to measure the image of Malaysia as a tourist destination were adapted from the work of Echtner and Ritchie (1993). Part 2 of the questionnaire contains items to measure traveller's satisfaction. Satisfaction in tourism is often evaluated through the characteristics of tourism offers which are measured by creating a pool of destination attributes and asking respondents to evaluate them on a "satisfaction scale" Dmitrovic' et al. (2009). 17 scaled items on destination attributes encompassing seven domains of tourism activities: accommodation, dining, shopping, attractions, activities and events, environment, and accessibility were developed in relation to the different aspects related to tourists' travel to Malaysia on a 7-point Likert scale ranging from 1 as very unsatisfied to 7 as very satisfied. The third part of the questionnaire investigates tourist customer loyalty (behavioural intention) using a 7-point Likert scale ranging from 1 as not at all likely to 7 as extremely likely. Five items measuring customer loyalty were adapted from Zeithaml et al. (1996). Finally, the last part of the questionnaire contains questions pertaining to the demographic data of respondents.

Data were collected using personal interviews performed by trained interviewers at Kuala Lumpur International Airport (KLIA) and the Lower Cost Carrier Terminal (LCCT) using self-administered questionnaires. The population was defined as the international tourists, (in this case tourists from European countries)

who visited Malaysia for leisure or business and stayed for at least one day but less than one year (Mill and Morisson, 1985). European tourists visiting Malaysia at the time of the survey were considered to be the target population. The collecting of data was conducted in the month of May 2009. Confidence interval approach was used to determine the sample size (Burns and Bush, 2010). A total number of 1000 questionnaires were distributed at the international departure halls and 842 questionnaires were obtained, resulting in a response rate of 84.2%. Since accurate data pertaining to the size of this population was not available, we engaged in creating our own sampling frame as suggested by Burns and Bush (2010). A sampling frame was created based on the 842 returned questionnaires. Statistical Package for Social Science (SPSS) software was used to select respondents using "Random Sample of Cases". From the created sampling frame, a total of 420 cases (representing approximately 50 percent of the population in the sampling frame) were selected for the study. After a data-cleaning process, a total of 344 cases were subjected to further analysis.

4. DATA ANALYSIS AND RESULTS

Analysis of the data revealed that the majority of the respondents were identified into age groups of between 20 - 36 (68%) years old and male tourists comprised the majority of respondents (62%). Most of the respondents interviewed (82%) indicated that the purpose of their visits to Malaysia were to spend their holidays, travelling either with their spouse or friends (60%). The majority of the respondents (58%) indicated that this was their first trip to Malaysia and 13% indicated that the trip was their second visit. The collected data were subjected to exploratory factor analysis (EFA) to determine the underlying dimensions of the constructs in this study. CFA and structural equation modelling (SEM) were applied to the data set to test the conceptual model and examined the relationships between each pairs of variables as suggested in the hypothesis. Composite reliability analysis was conducted to measure the degree to which items are free from random error and therefore yield consistent results. The composite reliability of Destination Image, Satisfaction and Destination Loyalty are 0.63, 0.72 and 0.86 respectively.

Table 1: Reliability of Items measuring Destination Image, Satisfaction and Destination Loyalty

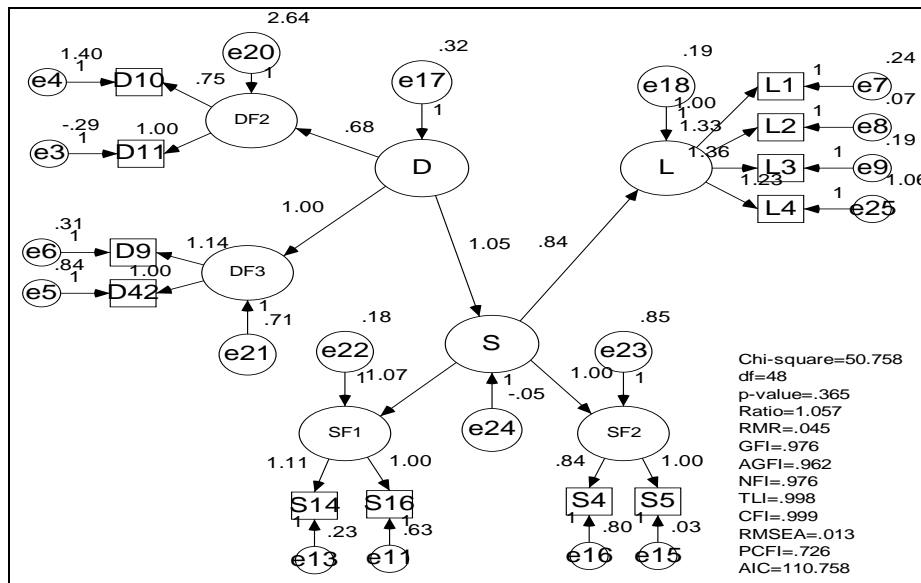
Constructs	Items	Mean (SD)	Factor Loading
Image	Factor 1: Amenities (DF2)		
	There are few first class hotels in Malaysia (D10)*	4.87 (1.72)	0.84
	There are few first class restaurants in Malaysia (D11)*	4.88 (1.58)	0.87
	Factor 2: Natural attractions (DF3)		
	Malaysia is a good place to go for the beaches (D9)	5.45 (1.28)	0.94
	Malaysia has nice beaches for swimming (D42)	5.39 (1.37)	0.69
Satisfaction	Factor1: Tourist natural attractions (SF1)		
	Tourist attraction and destinations in Malaysia (S14)	5.65 (0.94)	0.76
	Scenes in Malaysia (S16)	5.68 (1.08)	0.74
	Factor 2: Accessibility (SF2)		
	Transportation in Malaysia (S4)	5.31 (1.27)	0.78
	Moving around in Malaysia (S5)	5.38 (1.09)	0.76
Destination Loyalty	Will say positive things about Malaysia to other people (L1)	6.19 (0.81)	0.80
	Suggest Malaysia to friends and relatives as a vacation destination to visit (L2)	6.10 (0.89)	0.95
	Encourage friends and relative to visit Malaysia (L3)	5.98 (0.97)	0.92
	Consider Malaysia as your choice to visit in the future (L4)	5.63 (1.29)	0.69

Note: * Reverse item

Figure 1 illustrates the Structural model. The model suggests that there are two underlying factors of Destination Image labelled “amenities” and “natural attraction”. Similarly, Satisfaction is measured by two underlying factors identified as “tourist natural attraction” and “accessibility”. Destination Loyalty is manifested by four observed variables (see Table 1). SEM is applied to explain the relationships among these multiple variables (Hair et al., 2006). Insignificant p-value (0.365) suggests that we fail to reject the null hypothesis. Thus there is no significant difference between the actual and predicted metrics (Ho, 2006).

Universally-accepted statistical indexes, such as Goodness-of-Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI), were used to assess the goodness-of-fit of the proposed model, with values closer to 1 indicating good fit (Byrne, 2001). The values of Goodness-of-Fit Index (GFI) and Adjusted Goodness-of-Fit Index (AGFI) attained for the proposed model are 0.98 and 0.96 respectively. It is therefore concluded that the hypothesised model proposed in the study fits the sample data adequately well.

Figure 1: Structural Model of Destination Image, Satisfaction and Destination Loyalty



Baseline comparisons indexes, Normed Fit Index (NFI), Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI), another set of goodness-of-fit statistics, are used to support the fitness of the hypothesised model. The value of Normed Fit Index (NFI), Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI) ranges from 0 to 1, with values closer to 1.00 being indicative of good fit (Byrne, 2001). In this case, NFI, TLI and CFI values of 0.97, 0.99 and 0.99 respectively, are consistent in suggesting that the hypothesised model represented an adequate fit to the data. The value of Root Mean Square Error of the Approximation (RMSEA) for the proposed model is 0.013, less than 0.08, indicating reasonable error of approximation, implying that the model is acceptably fit (Hair et al, 2006). Based on the above goodness-of-fit statistics, there are enough supports to

conclude that the hypothesised model fits the data gathered well and further analysis can be done. The path coefficients for the full model as illustrated in Table 2 are positive and significant (p-value < 0.05). The findings of the study indicate that there is a positive significant relationship between Destination Image and Satisfaction; and Satisfaction and Destination Loyalty. According to the above findings, the research hypotheses are confirmed.

Table 2: Regression Weights: (Group number 1 - Default model)

Variable	Path	Variable	Estimate	S.E.	C.R.	P
S	<---	D	1.053	.427	2.464	.014
L	<---	S	.843	.117	7.193	***

4. CONCLUSION AND IMPLICATIONS

The study empirically tested a model to examine the relationships among Destination Image, Satisfaction and Destination Loyalty. The overall image of Malaysia as a tourist destination is positive and the findings of the study also indicated that tourists were satisfied with their visits to Malaysia. The findings of the study suggest that Malaysia was perceived by international tourists as offering natural scenic beauty, especially its beaches, and good facilities such as providing good-quality restaurants and hotels. The study proposes that natural scenic beauty is the competitive advantage to Malaysia and should be highlighted in promoting Malaysia as a tourist destination, which is not limited to its beaches but also its tropical forests. Additionally, Malaysia was also perceived to be offering adequate facilities meeting tourists' needs for food and accommodation. Thus, the findings of the study imply that Malaysia should capitalise on these competitive advantages in positioning itself as a nature-based tourism destination by differentiating itself from the neighbouring countries such as Singapore, Thailand and Indonesia.

The findings of the study also indicated that Destination Image is the antecedent to Satisfaction which in turn has a significant effect on tourists' intentions to revisit and disseminate positive-word-of-mouth. Therefore, it is important to deliver what was promised to them. The image of a destination moulds tourist expectations before the actual visit. Satisfaction/dissatisfaction is derived from tourist's experience with the tourist destination. This study provides empirical evidence supporting the assumption that if tourists are satisfied with their travel experience, they are more willing to revisit a destination and spread positive word-of-mouth. Hence, the study would propose positioning Malaysia as a travel

destination that promises to deliver natural scenic beauty and there is enough evidence to target this particular group of international tourists to attract them to Malaysia by designing an appropriate marketing mix for this group. A note of caution to readers: the research was undertaken not without limitations. These limitations would probably become opportunities for future research. Firstly, the survey was conducted only over a period of 10 days in the month of May and failed to capture tourists visiting Malaysia the year round. Secondly, measurement of image was only conducted among current tourists visiting Malaysia and excluded potential tourists.

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