

Examining Structural Relationship between Destination Image, Tourist Satisfaction and Destination Loyalty

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Abstract

The aim of the present study is to investigate the relevant causal relationships on travel motivation, information sources, destination image, tourist satisfaction and destination loyalty during the Visit Perak Year promotional campaign. Data was collected using structured questionnaires that were distributed to the PLUS highway users who were intercepted at several rest areas in Perak. A total of 241 usable questionnaires were returned. The data was analyzed using the structural equation model and all parameters were estimated using the maximum likelihood method. Empirical evidence results indicate that destination image building directly affects destination loyalty through tourist satisfaction.

Keywords: destination image, tourist satisfaction, destination loyalty, structural relationship.

1. Introduction

Tourist destinations with multiple attractions have become more important than individual attractions as a result of better highways and state roads for travelers over the past three decades in Malaysia. As a result, short holidays during the weekends seem to be favored by the locals with multiple vacation experiences. Thus, much effort is needed to establish and improve strategic marketing and operating procedures by the managers with the aim to influence and bring in more visitors among competing destinations. To develop strategic and tactical marketing plans, it is crucial for managers to deeply understand the stimulus factors

and dimensions of tourist behavior. The understanding of this process is viable to reposition unfavorable destinations and improve higher demand and supply of repeat visits with the intention to make profit. Constant improvements are made to develop a unique destination in order to deliver satisfaction. To gain satisfaction, tourists have to be satisfied with all the services they should receive. Satisfied visitors will surely repeat their visits to the same destinations. However, visitors' attitudes and behavior are difficult to predict and measure, hence making it difficult to create an effective travel motivations and emotional promotions image. The need to build strong and consistent images as a long term entity will eventually create a strong perception to all destinations.

This study attempts to extend the theoretical and empirical evidence on the casual relationship between destination image, tourist satisfaction and destination loyalty undertaken by the state of Perak through the "Visit Perak Year" campaign. Research hypothesis were proposed to test the study. It is hope that the results derived from this model will serve as the basis for the development of destination marketing strategies. 'Yours to Discover' was the theme coined to create awareness and stimulate travelers to the destinations throughout Perak. Ten icon destinations were identified as the "pulling factors" to Perak by local planners to spur and uplift the image of the state of Perak as the preferred tourist destination in Malaysia. The campaign is aimed to bring in five million visitors with an estimated return on investment of about RM2.5billion.

2. Literature Review

2.1 Destination Image

Destination image is a mental perception made by tourists through multiple sources of information. There are many ways that image is built upon however, there is no specific agreements among researchers since most empirical investigation were derived mostly from factor analysis. Furthermore, the measurement scales of destination image are made up of too many tough factors (Coban, 2012). The literature examination results points out that the principal contents in determining the formation of destination image are innate, attainable, cultural resources, and security cannot be denied to strengthen the result. However, Baloglu & McCleary (1999), Lobato et al. (2006) and Prayang (2008) claim that there are two main elements of image; the cognitive image and affective image (emotions). Cognitive image was described as the beliefs and information that visitors have about a place. This element evaluates the community who live in that place and the events happening in that place. Affective image evaluates and describes what visitors feel about the place. It is about the like and dislike of the destination. Emotional image that people have about the destination, such as knowledge, beliefs and thoughts can be said to be connected to the cognitive image (Coban, 2012). Hence, the vast differences among destination image are the different uniqueness, culture, and bonded either by human made or natural environment. Fredericks & Salter (1995) view that image is an ingredient of the customer value package that comes in together with price, product quality, service quality, innovations and determines the extent of loyalty. Eskildsen et al. (2004) also concludes that image determines the influence of perceived value, customer satisfaction and customer loyalty. A favorable image is viewed as a critical aspect of a company's ability to maintain its market position in the competitive industry.

2.2 Tourist Satisfaction

Tourist satisfaction is defined as the degree of positive feelings' activated from the experience at the destination. The main focus of evaluating satisfaction is the increase in itself when customers compare their sensations to their initial expectations with the "disconfirmation theory" (Yuksel & Yuksel, 2002; Prayang, 2008). This theory reveals that customers would compare between 'performance' of the destination organization and their 'expectations' through information that they have received such as promotions and word-of-mouth. A satisfied tourist would be happy when he perceives a higher service performance than the service expectation. However, if the perceived service performance is lower than the service expectation, it is considered as discontentedness of the customers' experience (Coban, 2012). Literature has proven that satisfied customers will always want to buy more. However, a number of scholars have noticed a high customer defection despite of high satisfaction rating (Oliver, 1999). This phenomena, has led scholars to look into what goes beyond satisfaction. Recently, satisfaction

measurement has been displaced by customers' loyalty since it is seen as a better predictor of actual behavior (Chi & Qu, 2008). They also found that there are statistically significant relationships between destination image, overall satisfaction and destination loyalty. Yuksel (2007) also supported that the existence of tourists' shopping satisfaction has a direct effect on loyalty intention.

2.3 Destination Loyalty

Loyalty refers as committed behavior that is manifested by propensity to participate in a particular recreation service (Backman & Crompton, 1991). Researchers do agree that destination loyalty emphasizes on longitudinal perspective. It is about looking at lifelong visitation behavior of travelers rather than just a cross-sectional perspective in which today's visitation might not necessarily be related to previous visit. Destination loyalty is desired by destination providers, because it secures the relationship between visitors and destination providers when the visitors are faced with increasingly attractive destination competitive offers, or by their own shortcomings. Loyal visitors are more likely to identify, have trust in, and be committed to the destinations that they prefer when faced with adversity. Further, if there is an error made in the provision of the destination, loyalty travelers or the visitors are willing to give a second chance to the destination provider. According to Weiner (2000) loyal customers will generally attribute service errors to 'unstable factors' (i.e. uncontrollable factors) instead of factors that are controlled by the destination provider, thus remaining loyal in spite of dissatisfying experiences by the visitors. According to Lobata et al. (2006), the measurement of loyalty can be classified into two; firstly, it is about tourist attitude on repeat purchasing, and secondly, on tourist tendency towards tourism destination. This is a more complete measurement since it includes the two elements of tourist 'attitude' and tourist 'manner' towards a destination.

3. Research Methodology

This study employed a causal research design using a cross-sectional sample survey. All these variables involve tourist behavior where by it is difficult to measure directly as it involves attitude, feelings and emotions. Since measuring behavior was difficult, the use of structural equation model (SEM) was considered feasible since SEM could measure all variables simultaneously. All measurement instrument variables were developed on the basis of a review on the related literature and were modified to apply the research objectives and target population. The survey questionnaire consisted of the following major sections: tourist characteristics, destination image, tourist satisfaction and destination loyalty. The survey questions relating to visitors' indicators used a seven point Likert scales from '0' for 'not satisfied/fully disagreed' to '7' for 'very satisfied/fully agreed'.

Questionnaires were distributed to PLUS highway users who were intercepted at two rest areas in Tapah, Perak, namely the north bound rest area and the south bound rest area. All of the respondents have visited Perak as their holiday destination. A two stage sampling approach was used: proportionate stratified sampling was applied to decide on the strata sample size, and systematic random sampling (SRS) was used to select the survey participant within each stratum. Stratified sampling involved choosing every k^{th} element after a random start. The samples were collected during the weekends and weekdays for a period of seven days during the last week of January of 2012. A total of 241(73%) questionnaires were analyzed out of 330 questionnaires distributed. All questionnaires were screened and cleaned to suit the procedure of normality test.

An exploratory factor analysis (EFA) was employed to determine the underlying dimensions of all investigated variables by analyzing the patterns of correlations among items attributes. Principle component analysis with varimax rotation was employed (Hair et al., 2010). Next the study employed structural equation modeling approach using AMOS (version 18) model fitting program to test the result. The study assesses the validity of the measurement model, the confirmatory analysis of the destination image, tourist satisfaction and destination loyalty. Next, the researchers examine the good fit of the full-fledge. The hypothesis model were estimated using the covariance matrix derived from the data, thus, the estimation procedures satisfied the underlying statistical distribution and yielding estimates of the desirable properties. The study adopted maximum likelihood estimation ingenerating estimates of the full fledge model. Once a model was estimated, the researchers applied a set of conventionally accepted criteria to evaluate its goodness of fit.

3.1 Conceptual Model

The formation theory on the determinant of destination image by Baloglu (1999) on visitation intention found that information sources are the antecedent of cognitive image and the overall formation of destination image. While the socio-psychological and the travel motivation factors are considered the antecedent of affective image and overall formation of destination image. He found that the formation of visitation intention is dependent on the different roles played by the informational, motivational and image elements in the process of where image is the major concept of predicting travel behavior. On the other hand Coban (2012) reveals that cognitive image and emotion image is the antecedent of satisfaction and have an impact on destination loyalty. Mahadzirah et al. (2011) investigated found that the two underlying factors of destination image are natural attraction and accessibility on Malaysia seem to have a strong causal relationship where image directly have impact on satisfaction and on loyalty among foreign tourist that visited Malaysia.

On the other hand a structural model developed by Yoon & Uysal (2005) supported that destination loyalty has a causal relationship between motivation and satisfaction. Chen & Tsai (2007) also provided empirical evidence that tourist satisfaction influences behavioral intention. Bigne et al. (2001) also supported that satisfaction does influence the intention to return and make tourists willing to recommend the destination to other future visitors. Lee et al. (2004) found that there was a significant difference between first time visitors and repeat visitors in respect of satisfaction levels where repeat visitors' satisfaction is higher than first visitor's satisfaction. As a result, a conceptual relationship model of this study is proposed and three hypotheses are made as follows;

H 1: Destination image has a direct positive influence on tourist satisfaction.

H 2: Tourist satisfaction has a direct positive influence on destination loyalty.

H 3: Destination image has a direct positive influence on destination loyalty.

3.2 Measurement Model

Descriptive analysis was conducted to test the normality of the variables before testing the measurement variables and structural model. The results showed the skewness and kurtosis to be within an acceptable range, and thus the assumption of normality was not violated. Measurement models are commonly used to assess construct validity. After the EFA process, all variables were measured for confirmatory factor analysis (CFA) to establish confidence in the measurement model, as it specifies the expected relationships of the observed variables to the underlying construct. The purification of items was conducted for the purpose of searching for model specifications (Hair et al., 2010; Byrne, 2010). The process of item purification is applied through multiple iterations of CFA, using maximum likelihood estimation (MLE) method.

The modification was performed by observing the standardized regression weight on the highest modification index (MI) value. Unfitted items were omitted from the measurement model. Modification of the hypothesized model was done using indicators such as modification indices ($MI \geq 4$), standardized residuals ($< |4.0|$), path estimates ($\geq .5$: ideally $\geq .7$; and be significant), and squared multiple correlations (reliability $\geq .3$). Modification was done by removing indicators that showed cross loading between them. These indicators were then dropped in the next CFA. These model diagnostics are used to suggest model changes, which are known by specification search, whereby an empirical trial and error approach was used in this study (Hair et al., 2010; Byrne, 2010). The final results of 'Goodness of Fit Measures' were recorded in table 1.

3.3 Structural Model Test

With confidence in the proposed measurement model established, structural equation model was developed to test the model on the collected data. Referring to Table 2, the goodness of fit index based on the initial result showed by chi-square value of 145.223 with DF of 52. The result of the model showed that there was a degree of freedom that has fulfilled the recommended 'fit' value with over 0.00. The RMSEA (Roots Mean Square of Approximation) at 0.089, was fit as the recommended value which must be less than 0.08 (RMSEA < 0.08). AGFI (Adjusted Good of Fit Index) at 0.861, GFI (Good of Fit Index) at 0.911, TLI

(Tucker Lewis of Coefficient) at .873, and CFI (Comparative of Fix Index) at .903 values were more than 0.90. Therefore, this proposed model is recommended to be modified to fit the 'goodness of fit index'.

Hence, modification was performed on the proposed model by observing the regression weight on the highest modification index (MI) value. Indicators that showed cross loading between them were removed. This modified model was better fit as compared to the proposed model after a review was made where, factor 3(affective) of destination image item 1 and 5 of tourist satisfaction and item 1,2,6 and 7 of destination loyalty were dropped out from the proposed model. Improvements from the proposed hypothesis model were made and the modified model turned out to be better fit. The results showed that the Chi-square(χ^2) value was at 149.797, AIC=215.797, RMSEA=0.067, TL=0.928, CMIN=149.797, DF=72, CMIN/DF=2.081, CFI=0.943 (Table 3). This shows that the model is better 'fit' because it fulfilled the recommended value (Byrne, 2010). Given that both the measurement model and the structural model were within an acceptable AMOS-SEM level, the final results were employed to examine the structural relationships among the construct.

3.4 Findings of the Construct Relationships

As presented in Table 2, the results offered support and showed the relationships on all constructs and confirm the research hypothesis;

H1: Destination image has a direct positive influence on tourist satisfaction.

There is a direct positive relationship between destination image (DI) and tourist satisfaction (TSA), as indicated by the standardized regression coefficient of $\beta=0.511^{**}$. The squared multiple correlations for tourist satisfaction were 0.26 indicating that 26% variance can be predicted from destination image. This shows that destination image in structural model is significant and is a predictor of changes in tourist satisfaction. This result is similar to the investigation made by Lee (2009) in his research at Cigu, Taiwan where destination has an impact on satisfaction with a result of $\gamma=.27^{***}$.

H2: Tourist satisfaction has a direct positive influence on tourist loyalty.

There is a direct positive relationship between tourist satisfaction and tourist loyalty, as indicated by the standardized regression coefficient of $\beta=0.475^{**}$. The variance of destination loyalty is shown by the changes in destination loyalty and the overall of variance error. This shows that destination image in the structural model is significant and is a predictor of change in destination loyalty.

H3: Destination image has a direct positive influence on destination loyalty.

There is a direct positive relationship between destination image (DI) and destination loyalty (D Loy) as indicated by the standardized regression coefficient of $\beta=0.355^{**}$. The squared multiple correlations for destination loyalty is 0.52 indicating that 52% variance can be predicted from destination image and tourist satisfaction. This proves that destination image in the structural model is significant and is a direct predictor of change in destination loyalty.

4. Findings

The findings confirmed that tourist destination loyalty was enhanced by positive destination image and tourist satisfaction which were consistent with the hypothesis guided in this study. The results of this study provided tenable evidence on the proposed structural equation model designed to consider simultaneously destination image, tourist satisfaction and destination loyalty. This study proved that customer satisfaction is an important mediating factor of destination loyalty. However, this study revealed that destination image, in addition, executes a strong impact on tourist satisfaction $\beta=0.511^{**}$, as compared to destination image and destination loyalty which were only $\beta=0.475$. This result indicated that positive destination image would create tourist satisfaction better than destination image towards destination loyalty. Satisfaction was a better predictor towards loyalty as compared to image. Therefore, satisfaction and image were the basis for loyalty. This notion is supported by a study made by Coban (2012). Consequently, it can be concluded that a destination that provides proper facilities such as accommodation and transportation to faithful tourists who repeat periodically, there is bound to have a spin-off effect whereby employments opportunities and economic benefits will be created to the community. It will also contribute to form a solid foundation of destination loyalty in the long-term development of the region.

5. Conclusion

The overall result of the Perak destination image remains positive, but it gives a challenge to the public and private sectors to distinguish itself from other states in Malaysia where specific image of tourist destination has already been in existence such as the wilderness, nature and culture of the indigenous people in Sabah and Sarawak. The result of this study showed that tourist who came to Perak made their decision based on the cognitive image of the destination image rather than the affective image component of destination image when deciding the value of experience that they would receive. The motivating factors such as experience, knowledge, relaxation and socialization are the stimulus that pulls tourists to Perak. Indeed, these groups of visitors seem to know and have specific reasons on how destinations are selected. The result shows that visitors who visited Perak are concern and clear about what they want during vacations. The cognitive image of Perak needs to have more strategies in designing higher tourist satisfaction. The commercial advertising campaign should fulfill all promises and expectations to create the desired satisfaction thus, ensuring higher repeat visits and loyalty to all destinations. The marketing share of destination image and tourist satisfaction should be able to increase revenues as a result of the retaining of loyal visitors who make repeat visits to these destinations.

In conclusion, there are relationship of the destination images thus, leading to a positive tourist satisfaction and destination loyalty. The casual relationships reveal that destination image is the predictor of destination loyalty through tourist satisfaction as mediating variable. Assessing this model contributes to confirm the casual relationship proposed model by Yoon & Uysal (2005) on the formation of destination image on the effects towards satisfaction and loyalty. This study also demonstrated that all variables are significantly and directly affect destination image, tourist satisfaction and destination loyalty. This yields an important finding that can enhance the understanding of causal relationship in tourism destinations. An application of the model to other setting will help to produce reliable indicators and further validate the construct thus, producing a more robust and stable model.

6. Limitations of the Study

This study has three key limitations. First, respondents' samples need to be increased in order to have a better understanding of tourist behavior at the rest areas. Secondly, pre-visits and post visits were not shared among visitors and comparison among visitors and non-visitors were also not compared. Thirdly, destination image attributes were based on the literature review only. A series of focus groups and field pretests was not taken into account. It would be more interesting to be investigated. Thus, for future research it is recommended that using a combination of structured and unstructured method (Martin & Rodriguez 2008; Murphy, 1999) such as an open ended survey question will be more relevant to measure images and unique features (Echtner & Ritchie, 1993; Tasci et. al., 2007).

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Table 1: Goodness of Fit Measures for the Measurement Model of each Construct after Modification

Construct	Chi-square	DF	TLI	CFI	GFI	CMIN/DF	RMSEA	AIC
D. Image	140.990	62	0.939	0.951	0.920	2.274	0.073	198.990
T. Satisfaction	9.282	5	0.984	0.992	0.985	1.856	0.060	29.282
T. Loyalty	4.684	2	0.980	0.993	0.794	2.342	0.750	20.684

Table 2: Goodness -of- fit Indices for Modified Measurement Model (N=241)

Goodness of Fit measures	Cut of Value	Theoretical Model(Before)	Model Criteria	Model 1	Model Criteria
Chi-square(x ²)	Better smaller	145.223	Good fit	149.797	Good fit
RMSEA	≤ 0.08	.089	Poor Fit	.067	Good fit
GFI	≥ 0.90	.911	Good fit	.922	Good fit
DF	> 0.00	50	Good fit	72	Good fit
AGFI	≥ 0.90	.861	Poor Fit	.887	Good fit
AIC	Better smaller	201.223	Good fit	215.797	Good fit
TLI	≥ 0.90	.873	Poor Fit	.928	Good fit
CFI	≥ 0.90	.903	Good fit	.943	Good fit

GFI=goodness of fit index; RMSEA=root mean square error of approximation; AGFI=adjusted goodness of fit; CFI=comparative fit index; DF=degree of freedom; AIC= Akaike Information Criterion and TLI= Tucker Lewis of Coefficient