# Analyzing the impact of perceived quality and value of tourist destinations on tourists' satisfaction and loyalty (Case study: Pool kojour city in Mazandaran province of northern Iran)

Dr. Mohammad Hossein Moshref Javadi[1], Ahmad Abedini[2], Javad Khazaei Pool[3], Javad Shabani naftchali[4]

[1]Assistant professor of management, Department of Management, school of administrative sciences and economics, University of Isfahan, Iran
E-mail: MHMJ20032003@yahoo.com
[2]MS student, Financial Management, Department of Management, school of administrative sciences and economics, University of Isfahan, Iran
[3]MS student, marketing Management, Department of Management, school of administrative sciences and economics, University of Isfahan, Iran
[4]MS student, Business management, Department of Management, school of administrative sciences and economics, University of Isfahan, Iran

**Abstract:** Tourists' perception from quality and value of tourist destination, their satisfaction level and loyalty are vital for successful marketing and management of destination. Objective of the present survey is to discover complicated relations among these variables by means of structural equations modeling (SEM). This survey was conducted using descriptive-field method and is of correlation type. Statistical population included tourists who had traveled Pool kojour city in 2011 and two-hundred twenty (220) tourists were selected by accessible random sampling method. Structural equations modeling was used to measure reliability of the model and the relation among research variables was confirmed based on path analysis results. Valuation of the conceptual model confirms research hypotheses. Given to obtained results perceived quality and perceived value of tourists affect their satisfaction. Also this affects loyalty level of tourists positively. Findings of this survey are resulted in a better perception of behavioral mechanisms and incentives which show an acceptable basis to enhance and maintain tourism at regional and national level.

**Key words:** perceived quality, perceived value, satisfaction, loyalty, tourist destination

## 1- Introduction

Tourism is one of the sectors that has nowadays been considered seriously by various countries due to positive social, cultural and economical impacts. Tourism industry is going to be converted into the first industry in the world in terms of income and its impact on economic growth of countries so that many countries seek to utilize advantages of this industry by creating appropriate substructures and grounds. Tourism for most countries is regarded as an important resource for commercial activities, earning income, employment and foreign exchanges (Haber and Lerner, 1998). Many of these countries obtain a high income annually from this industry, for example Australia has obtained 50 billion dollars during the two recent decades from this sector (Foster, 1997). This industry is called clean industry because of luck of pollution and its negative consequences. Other countries have considered the motivation to develop this sector following successful countries in tourism industry in order to enjoy its advantages. But achieving relative advantages in this sector requires establishment of appropriate substructures, providing tourists' needs and creating desirable facilities of tourism. Given to multiplicity of tourist needs as tourism attraction and development factors extending this sector requires to recognize such needs and provide them on behalf of destination party.

Destination countries should take action to provide necessary substructures with regard to their cultural and geographical characteristics and convert them into tourists' destination in their scope in order to be successful in attracting. This requires a comprehensive approach with regard to tourist sector to provide the field for tourism development through preparing and providing the intended facilities. Existence of required facilities is the first step in attracting and keeping tourists. Tourists' expectations from the region are formed based on experience of previous trips, advertisements and others' encouragement. Quality of services, facilities and

received and perceived values have a direct impact on quality of travel, tourism experience and their demand level in the future (Uysal, 2003). In other words, possibility of tourists' return and re-demanding depends on their satisfaction level from destination and providing their satisfaction will enhance their loyalty to destination. An evolutional circle and an increasing cycle will be created due to such action-reaction that its result would be enjoyment of destination from obtained benefits in different economic, social and cultural scopes.

The present survey seeks to provide appropriate information and decision-making grounds to develop tourism industry in Pool kojour city by studying effective factors on tourists' satisfaction and their loyalty, so that a desirable ground is created for stable development of tourism in the region by exploiting such factors and considering them in tourism policy-makings.

## 2- Research literature
### 2-1 Tourists' satisfaction and loyalty

Although many definitions have been presented about satisfaction but it is determined generally by satisfaction or dissatisfaction level of a customer from previous purchase of a product or service. About travel Moutinho (1987) suggested that satisfaction or dissatisfaction from previous travel is related to its experience. Pizam, Newman and Richel (1987) stated that tourist's satisfaction is related to the comparison between his experience about the visited place and his expectation about that place (Foster and Truong, 2006). Studying tourists' satisfaction is an important issue for managers, academicians and tourists. According to accomplished studies life satisfaction depends on individual satisfaction from health, job, family and recreation (Botti et al, 2008). Consumption experience in tourism like other services is complicated because of their intangibility, dynamism and mentality. Consumption experience of tourism includes a complicated combination of tangible and objective as well as symbolic, sensitive and pleasure elements (Williams and Soutar, 2005). Experience quality of a customer is effective on impressive success of organizations through positive results of satisfaction arising from possibility of re-visiting and word of mouth advertising. Also these results may be negative because of tourists' dissatisfaction (Laws, 1998). Offering services with high quality and ensuring customer satisfaction has been recognized as one of the most important factors for success of tourism industry. High quality services and tourists' satisfaction and loyalty to a destination have a close relationship with each other (Hui, Tak Kee and Wan David, 2007).

## 2-2 Perceived value

Perceived value is total evaluation of customer from utility of the product or service based on perception of what he has received and the amount that he has paid (Zeithaml, 1998). It means that a transaction is occurred between perceived received benefits and perceived paid expenses (Lovelock, 2000). Holbrook (1999) suggests a typology of value based on three dimensions: self-oriented versus altruist, active versus passive and external versus internal. Recent studies demonstrate that perceived value may have a better predictability from re-visiting of destinations rather than satisfaction and quality level (Cronin et al, 2000). Perceived value could be analyzed with one-dimensional and multi-dimensional scales (Petrick and Backman, 2002; Sheth and Gross, 1991). But one-dimensional measurement has always been criticized. On the other side, multi-dimensional scale could eliminate the problem of credit by operationalization of perceived value.

## 2-3 Perceived quality

Quality in tourism is defined by service offering process (friendship, good will, efficiency, reliability and employees' competency) and results of services (for example housing, food and leisure time facilities). Gronroos (1984) suggests that services have two quality dimensions: 1- technical dimension that refers services' results (what the customer obtains), 2- functional quality that refers service offering process (how the customer obtains such services). Perceived services in this framework are "result of the customer's idea about dimensions of a service package that includes two dimensions: technical and quality. It is not possible to measure functional quality like technical quality".

Importance of quality in service industries as customer's perceived value has been leaded to extensive researches in this field. Probably SERVQUAL is a tool which has extensively been used to evaluate quality of the applied services and was developed in the mid 1980's (Parasuraman et al, 1988). SERVQUAL has been used in service industries like tourism during the two recent decades (Armstrong et al, 1997; Atilgan et al, 2003; Hsieh et al, 2008; Hui et al, 2007). But using this tool is useless when objective of study is to evaluate experiences of visitors in a tourist destination and not quality of services by a provider of a special service (like hotel, restaurant, tour and

etc). SERVQUAL is based on evaluation of five service dimensions (reliability, assurance, sympathy, responsiveness and tangible properties) and when these tools are used to evaluate services some important factors of services at destination level

(like tourism attractions, recreation, cultural experiences and etc) are not considered in tourism process. Therefore, most tourism studies use characteristics of service product as a resource to evaluate quality of tourism products. For instance Baker and Crompton (2000) used four dimensions to measure quality of a festival: "general characteristics of festival, special characteristics of recreation, information resources and means of comfort". Lee et al (2007) perceived that tourism product at destination level is a set of elements that includes means of comfort, travel, food, recreation and so on.

## 3- Research model and hypotheses

Figure (1) shows conceptual model of survey that is proposed based on the literature related to perceived value, perceived quality, satisfaction and loyalty. Impact of two variables of perceived value and perceived quality on tourists' satisfaction and loyalty has been considered in this model.
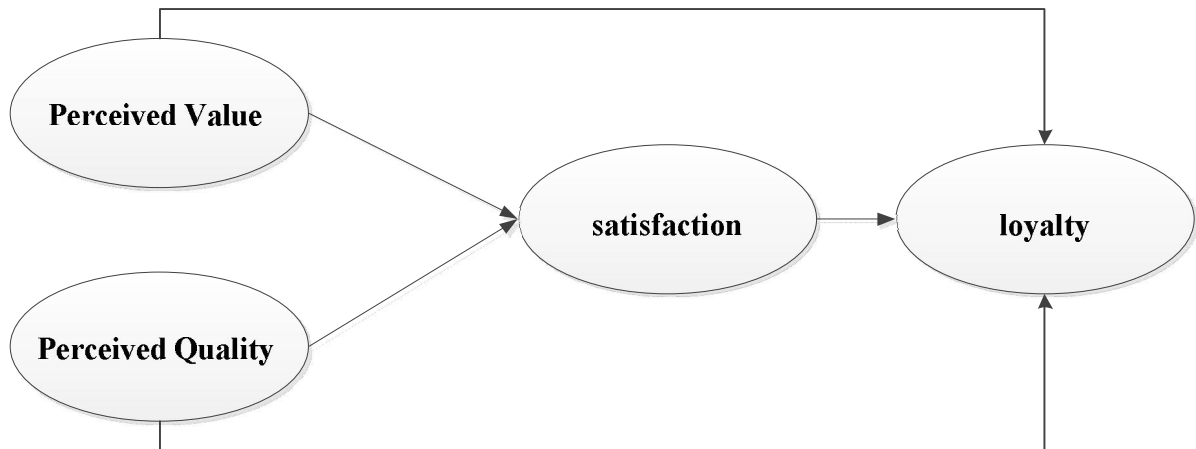


**Figure 1- conceptual model of research**

The following hypotheses are proposed based on the above model (figure 1):

H1: perceived value of tourist destinations has a positive impact on tourists' satisfaction.

H2: perceived quality of tourist destinations has a positive impact on tourists' satisfaction.

H3: perceived value of tourist destinations has a positive impact on tourists' loyalty.

H4: perceived quality of tourist destinations has a positive impact on tourists' loyalty.

H5: perceived satisfaction of tourists from tourist destinations has a positive impact on their loyalty.

## 4- Research methodology

The present survey is considered an applied in terms of purpose and is correlation in terms of method. Statistical population included tourists who had traveled Pool kojour city during year of in 2011. Accessible random sampling was used given that number of tourists (statistical population) was not determined and two-hundred twenty (220) persons were selected as statistical sample.

Questionnaire is the primary tool for data collection that has been designed based on Likert five-option scale. Therefore, Lee et al. questionnaire (2011) was used to measure tourists' satisfaction and loyalty, Chen and Chen's questionnaire (2010) was used to measure perceived value and McKenzie's questionnaire (2005) was used to measure perceived quality.

Content validity was used to confirm validity of the questionnaire so that the primary questionnaire was reviewed by gaining experts and specialists' views in the field of tourism about number of questions, how to propose questions, transposition of questions and response-options scale. At last, final questionnaire was compiled after several revision phases and conducting an experimental phase. Reliability coefficient was calculated through cronbach alpha method. Amount of the calculated cronbach alpha was equal to 85% that indicated high reliability of the questionnaire.

Data analysis was conducted using SPSS 18 and Amos 18 software. Path analysis test was used in this survey to analyze hypotheses and structural equations modeling was used to examine total goodness of research model. Adaptation level of research data and conceptual model were studied in structural equations modeling from one side that whether it has suitable goodness or not and significance of relations is tested from the other side. Suitable goodness indexes of the model include $X^2/df$, RMSEA, GFI, AGFI, NNFI (TLI), NFI, CFI and IFI. Given to these indexes a model has suitable goodness in which amount of $X^2$ to degree of freedom (df) was less than 3, amount of RMSEA was less than

10%, amounts of GFI, AGFI, NNFI (TLI), NFI, CFI and IFI were more than 90% and amount of PNFI was more than 50%.

**5- Findings**

Summary of obtained results from demographic data analysis based on descriptive statistics is illustrated in table (1) separately.

All measurement models should first be analyzed separately in order to determine indexes that were acceptable to what extent for measurement models. According to such method four measurement models that were related to variables tested separately. Total goodness indexes for measurement models are indicated in table 2.

Table 1- Results of frequency distribution of demographic data related to respondents

| Variable's name | | Frequency | Percentage | Variable's name | | Frequency | Percentage |
|---|---|---|---|---|---|---|---|
| Education | Below diploma | 28 | 0.13 | Place of residence | Hotel | 8 | 0.04 |
| | Diploma | 56 | 0.25 | | Lodging house | 36 | 0.16 |
| | B.A | 85 | 0.39 | | Relatives' house | 44 | 0.20 |
| | M.A | 34 | 0.15 | | Settlement staffs | 87 | 0.40 |
| | PhD | 17 | 0.08 | | Using tent | 45 | 0.20 |
| Job | Unemployed | 15 | 0.07 | Distance in km | Below 300 | 31 | 0.14 |
| | Housekeeper | 23 | 0.10 | | 301- 400 | 25 | 0.11 |
| | Self-employed | 96 | 0.44 | | 401- 500 | 85 | 0.39 |
| | Governmental job | 55 | 0.25 | | 501- 600 | 36 | 0.16 |
| | Other | 31 | 0.14 | | More than 600 | 43 | 0.20 |
| Income in Rial | Below 3000000 | 8 | 0.04 | Purpose of travel | Business work | 37 | 0.17 |
| | -3010000 4000000 | 36 | 0.16 | | Recreation and leisure | 113 | 0.51 |
| | -4010000 5000000 | 44 | 0.20 | | Visiting relatives | 42 | 0.19 |
| | -50100000 6000000 | 87 | 0.40 | | Treatment | 6 | 0.03 |
| | More than 6000000 | 45 | 0.20 | | Other | 22 | 0.10 |

Table 2- Total goodness indexes of measurement models

| Indices Name | $\chi^2$/df | GFI | AGFI | NNFI | NFI | CFI | IFI | PNFI | RMSEA |
|---|---|---|---|---|---|---|---|---|---|
| perceived value | 2.33 | 0.931 | 0.943 | 0.922 | 0.926 | 0.972 | 0.916 | 0.666 | 0.026 |
| perceived quality | 2.25 | 0.952 | 0.903 | 0.928 | 0.915 | 0.926 | 0.956 | 0.735 | 0.033 |
| satisfaction | 1.74 | 0.915 | 0.953 | 0.945 | 0.927 | 0.908 | 0.963 | 0.602 | 0.054 |
| loyalty | 1.91 | 0.931 | 0.924 | 0.926 | 0.967 | 0.942 | 0.970 | 0.741 | 0.051 |
| Recommended Value | 3> | >%90 | >%90 | >%90 | >%90 | >%90 | >%90 | >%50 | <10% |

Given the results of the above table it is possible to conclude that measurement models have a suitable goodness and in other words total indexes confirm that data support the model well.
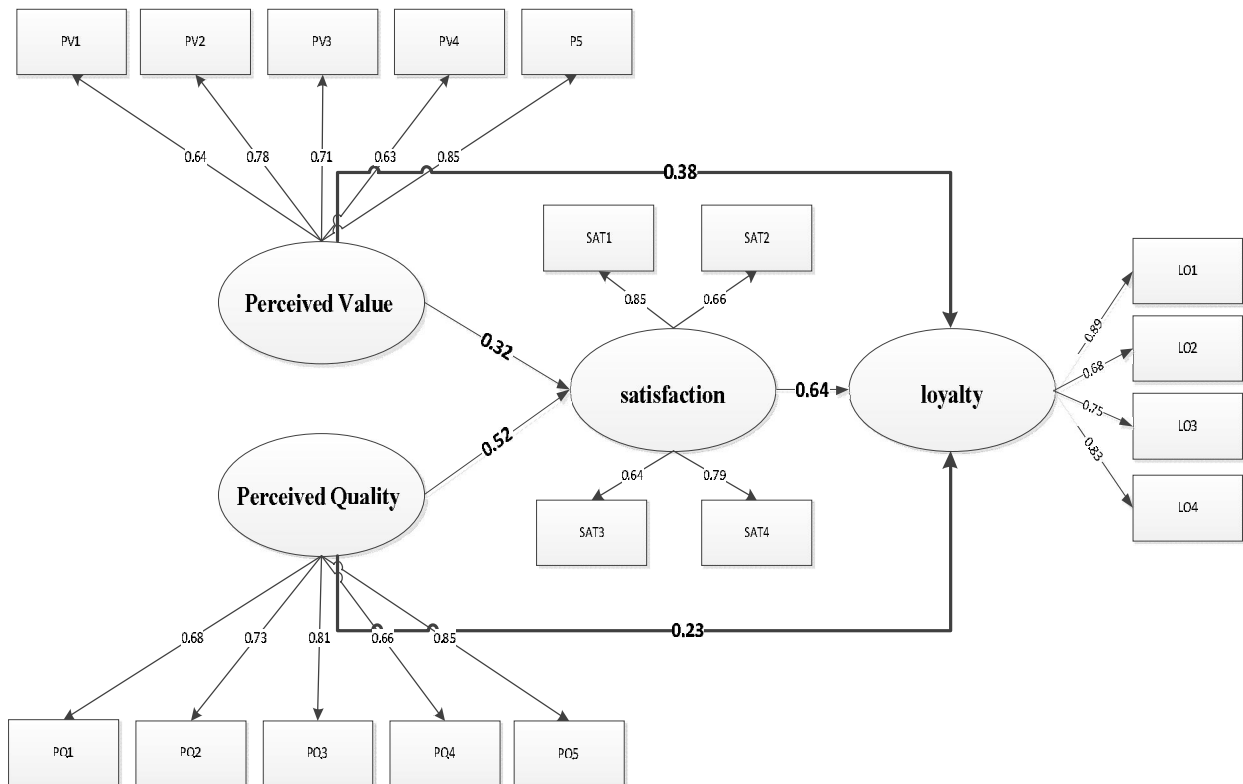
After studying and confirming measurement models in the first step path analysis was used in the second step to test hypotheses. Total goodness indexes of path analysis are illustrated in table 3.

**Table 3- Total goodness indexes of the conceptual model**

| Indices Name | χ2/df | GFI | AGFI | NNFI | NFI | CFI | IFI | PNFI | RMSEA |
|---|---|---|---|---|---|---|---|---|---|
| study model | 2.66 | 0.924 | 0.953 | 0.952 | 0.977 | 0.935 | 0.971 | 0.753 | 0.025 |
| Recommended value | 3> | >٪90 | >٪90 | >٪90 | >٪90 | >٪90 | >٪90 | >٪50 | <10٪ |

Given the above issues we can conclude that total indexes indicate suitable goodness of the model by data or in other words it could be said that the collected data supports the model well. Structural equations model and regression coefficients are represented in figure (3).



**Figure 3-Structural equations model of survey**

After studying and confirming the model, two partial indexes of critical ratio and P are used to test hypotheses' significance. Critical ratio is obtained by dividing "regression weight estimation" by "standard error" which must be more than 1.96 based on significance level 0.05. Parameters less than this amount are not important in the model. Also P amounts of less than 0.05 reveals significant difference of the calculated amount for regression weights equal to zero at confidence level 0.95. Hypotheses with regression coefficients and amounts of partial indexes related to each hypothesis are shown in table 3.

**Table 3- Regression coefficients and results of hypotheses' testing**

| Hypothesis | Variable | Path | Variable | Estimate | C.R. | P | Result |
|---|---|---|---|---|---|---|---|
| H1 | perceived value | → | satisfaction | 0.32 | 3.04 | * | Supported |
| H2 | perceived quality | → | satisfaction | 0.52 | 6.31 | * | Supported |
| H3 | perceived value | → | loyalty | 0.38 | 3.24 | * | Supported |
| H4 | perceived quality | → | loyalty | 0.23 | 2.49 | * | Supported |
| H5 | satisfaction | → | loyalty | 0.64 | 7.33 | * | Supported |

Note: Significant at *p < .05*

Given to the obtained results in table (3) all five hypotheses have been confirmed with 95% confidence.

**6- Discussion and conclusion**

Experimental validity of relations among perceived value, perceived quality, satisfaction level and loyalty was confirmed for a sample of tourists in tourist destination of Pool kojour city. Results of this survey showed a distinct continuation from evaluation processes, affective reactions and comparative responses. Perceived value and perceived quality of offered services in the destination are adopted from cognitive aspect of behavior. Tourist's satisfaction level variable includes both cognitive and affective aspects while final variable (loyalty) shows conative element of visitors' behavior from tourist destinations. Findings demonstrated consistency of relations in theoretical cognitive-affective-conative framework through which satisfaction level of visitors affected behavioral purposes to some extent (indirectly) by the impact of quality. These findings confirm Cronin et al's results (2000) and show that measuring satisfaction level of visitors alone is not sufficient to predict behavioral reactions of tourists. Also research findings are consistent with results of other studies in tourism field (like Baker and Crompton, 2000; Cole and Illum, 2006). Chi and Qu (2008) confirm the impact of satisfaction on loyalty to destination. In their model destination was regarded prior to satisfaction feature. They asserted that although this final model might haven't been reached the best desirable level of proportionality of an optimal model but it may show the best available model until future researches identify advances in theoretical relations or measurement of variables. Model of this survey included a combination of perceived value, perceived quality and tourists' satisfaction variables with regard to tourist destinations that can explain an important part of changes in tourists' loyalty and shows consistency level of measuring the synthetic model. Unlike results of this survey, Chen and Tsai (2007) demonstrated in their studies that quality is not directly related to satisfaction level and behavioral purposes. They estimated a model which links destination image, quality of travel to destination, perceived value, satisfaction level and behavioral intention with each other. This study confirmed the hypothesis that perceived value and perceived quality determine loyalty towards behavioral purposes. This is while some variables might affect the existing relation exogenously (independent) (for example climatic conditions, natural attractions and etc).

Importance and level of each index could be evaluated by focusing on personal parameters for perceived value of services. However, considering some points is necessary in evaluation of these results. This survey intended to develop theory through proving that how perceived value and perceived quality of destination could act and be modeled as one variable to predict tourists' satisfaction level and loyalty. But it is not possible to claim universally that these characteristics could form tourists' satisfaction and loyalty, because perceived values and qualities may have different importance in various cultures of nations. Researchers assumed that there was no optimal and universal competitive model for all destinations (Omerzel Gomeselj and Mihalic, 2008). Variables were related to a special destination and could not be generalized to all destinations. Relations among the four variables could be generalized which was one of researchers survey's objectives as well. According to obtained

results, perceived quality and perceived value had much importance at tourist destination level to create satisfaction, long-term relationship and loyalty of tourists.

**References**

[1]. Armstrong, R. W., Mok, C., Go, F. M., & Chan, A. (1997). The importance of crosscultural expectations in the measurement of service quality perceptions in the hotel industry. International Journal of Hospitality Management, 16(2), 181–190.

[2]. Atilgan, E., Akinci, S., & Aksoy, S. (2003). Mapping service quality in the tourism industry. Managing Service Quality, 13(5), 412–422.

[3]. Baker, D. A., & Crompton, J. L. (2000). Quality, satisfaction and behavioral intentions. Annals of Tourism Research, 27(3), 785–804.

[4]. Botti, Laurent; Peypoch, Nicolas and Solonandrasana, Bernardin (2008), Time and tourism attraction, Tourism Management 29, Pp. 594–596 .

[5]. Cole, S. T., & Illum, S. F. (2006). Examining the mediating role of festival visitors' satisfaction in the relationship between service quality and behavioral intentions. Journal of Vacation Marketing, 12(2), 160–173.

[6]. Chen ,C.F., ChenF.S.,(2010), Experience quality, perceived value, satisfaction and behavioral intentions for heritage tourists , Tourism Management, Volume 31, Issue 1, Pp. 29-35.

[7]. Chen, C.-F., & Tsai, D. (2007). How destination image and evaluative factors affect behavioral intentions? Tourism Management, 28, 1115–1122.

[8]. Chi, C. G.-Q., & Qu, H. (2008). Examining structural relationship of destination image, tourist satisfaction and destination loyalty: an integrated approach. Tourism Management, 29, 624–636.

[9]. Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value and customer satisfaction on consumer behavioral intentions in service environments. Journal of Retailing, 76(2), 193–218.

[10]. Foster, David & Truong, Thuy-Huong (2006), Using HOLSAT to evaluate tourist satisfaction at destination: The case of Australian holidaymakers in Vietnam,

Tourism Management, Volume 27, Issue 5, pp 842-855.

[11]. Foster, David(1997), Measuring Customer Satisfaction In The Tourism Industry, Third International & Sixth National Research Conference on Quality Management, The Centre for Management Quality Research at RMIT University, Melbourne, Victoria, Australia.

[12]. Gronroos, C. (1984). A service quality model and its marketing implications. European Journal of Marketing, 18(4),Pp 36–44.

[13]. Haber, Sigal and Lerner, Miri(1998), Correlates of Tourist Satisfaction, Annals of Tourism Research, Vol. 25, No. 4, Pp. 197_201.

[14]. Holbrook, M. B. (1999). Introduction to customer value. In M. B. Holbrook (Ed.), Consumer value: A framework for analysis and research (pp. 1–29). New York: Routledge.

[15]. Hsieh, L.-F., Lin, L.-H., & Lin, Y.-Y. (2008). A service quality measurement architecture for hot spring hotels in Taiwan. Tourism Management, 29, 429–438.

[16]. Hui, Tak Kee & Wan David(2007), Tourists satisfaction, recommendation and revisiting Sungapore, Tourism Management, No. 28, Pp. 32-57.

[17]. Laws, Eric, (1998), Conceptualizing visitor satisfaction management in heritage settings: an exploratory blueprinting analysis of Leeds Castle, Kent. Tourism Management, Vol. 19, No. 6, Pp. 42-91.

[18]. Lee, S. Y., Petrick, J. F., & Crompton, J. (2007). The roles of quality and intermediary constructs in determining festival attendees' behavioral intention. Journal of Travel Research, 45(4), 402–412.

[19]. Lee ,S., Jeon,S.,Kim ,D., (2011), The impact of tour quality and tourist satisfaction on tourist loyalty: The case of Chinese tourists in Korea, Tourism Management 32 , Pp.1115-1124.

[20]. Lovelock, C. H.(2000). Service marketing (4th ed.). NJ: Prentice Hall International. McDougall, G. H., & Levesque, T. (2000). Customer satisfaction with services: putting perceived value into the equation. Journal of Services Marketing, 14, Pp.392–410..

[21]. MacKenzie, S. B., Podsakoff, P. M., & Jarvis, C. B. (2005). The problem of measurement model misspecification in behavioural and organizational research and

some recommended solutions. ,Journal of Applied Psychology, 90(4), Pp.710–730.

[22]. Moutinho, L. (1987). Consumer behavior in tourism. European Journal of Marketing, 21(10),Pp. 1–44.

[23]. Omerzel Gomezelj, D., & Mihalic T. (2008). Destination competitiveness –applying different models, the case of Slovenia. Tourism Management, 29, 294–307.

[24]. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality. Journal of Retailing, 64(Spring), 12–40.

[25]. Petrick, J. F., & Backman. (2002). An examination of the construct of perceived value for the prediction of golf travelers' intentions to revisit. Journal of Travel Research, 41(1), 38–45.

[26]. Pizam, A., Neumann, Y., & Reichel, A. (1978). Dimensions of tourism satisfaction with a destination area. Annals of Tourism Research, 5,Pp 314–322.

[27]. Sheth, J. N., Newman, B. I., & Gross, B. I. (1991). Consumption values and market choice. Cincinnati, OH: South Western Publishing Company.

[28]. Uysal, Muzaffer(2003), Satisfaction Components in Outdoor Recreation and Tourism Settings, e-Review of Tourism Research (eRTR), Vol. 1, No. 3, Pp. 2-29.

[29]. Williams, Paul and Soutar, Geoffrey (2005), Customer Value and Tourism Satisfaction: a Multidimensional Perspective, ANZMAC 2005 Conference: tourism Marketing. 129-138.

[30]. Zeithaml, V. A. (1988). Consumer perceptions of price, quality and value: a means-end model and synthesis of evidence. Journal of Marketing, 52, Pp.2–22

2/19/2022