

Iva Bulatovic

Testing a holistic model of tourist destination loyalty

Abstract

The purpose of the present study is to test a holistic destination loyalty model using the case of Budva in Montenegro. The model combines the following six variables: tourist satisfaction, loyalty and preferences, destination performance, perceived value and destination image. The structural equation modelling (SEM) approach is adopted. Model tests confirm good fit of the data to the proposed model and it is recommended to further validate the model using other destination settings.

Key words: satisfaction; loyalty; preferences; image; perceived value; destination

1. Model background

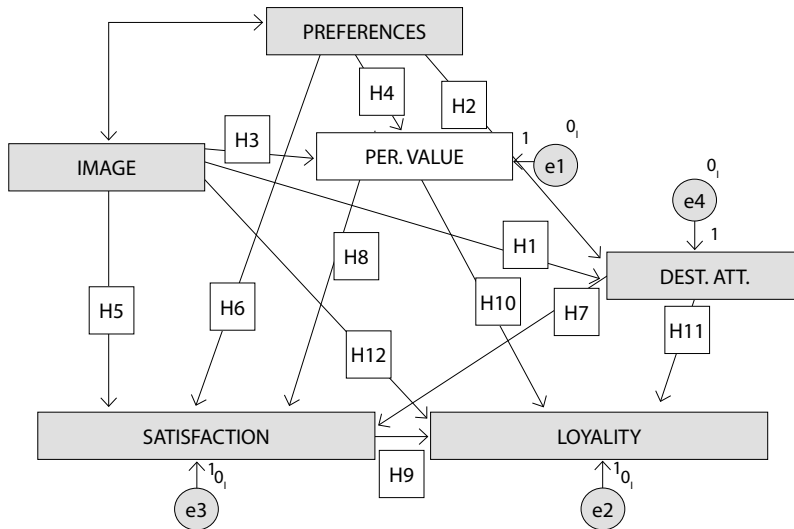
Tourist satisfaction is usually defined as the level of satisfaction associated with different aspects of the experience provided by a tourist destination (Pizam, Neumann, & Reichel, 1978; Kozak & Rimmington, 2000; Martin, Saayman, & du Plessis, 2019). The connection between tourist satisfaction and loyalty to a destination has long been a topic of some interest to researchers (Chi, Huang, & Nguyen, 2019; Dedeoğlu, 2019; Al-Ansi & Han, 2019; Padlee, Thaw, & Zulkiffli 2019; Almeida-Santata & Moreno-Gil, 2018; González, Parra-Lopez, & Buhalis, 2017; Sangpikul, 2017; Wu, 2016; Ramseook-Munhurrun, Seebaluck, & Naidoo, 2015; Zhang, Fu, Cai, & Lu, 2014; Sun, Chi, & Xu, 2013; Marcussen, 2011; Da Costa Mendes, 2010; Prayag, 2009; Chi & Qu, 2008; Yoon & Uysal, 2005; Cai, Wu, & Bai, 2004; Echtner & Ritchie, 2003; Oppermann, 2000).

In summary, previous research has confirmed the relationship between tourist satisfaction and loyalty. The relationships between destination image, perceived value, satisfaction, and loyalty have also been the subject of extensive research (Ramseook-Munhurrun et al., 2015; Chen & Tsai, 2007; Chi & Qu, 2008), as have the relationships between overall satisfaction and destination attributes satisfaction (i.e. tourist satisfaction at the destination attribute-level), and between destination attributes satisfaction, loyalty and destination image.

The present study seeks to complement previous analyses by proposing and testing a holistic model of destination loyalty that incorporates six key variables: overall satisfaction (SATISFACTION), destination attributes satisfaction (DESTINATION ATT.), loyalty (LOYALTY), destination image (IMAGE), preferences (PREFERENCES) and perceived value (PERCEIVED VALUE). The proposed model is depicted in Figure 1.

Iva Bulatovic, PhD, Assistant Professor, Faculty of Business, Higher Colleges of Technology, Abu Dhabi, United Arab Emirates;
e-mail: ibulatovic@hct.ac.ae

Figure 1
Proposed model of tourist destination loyalty



- H1: Destination attributes satisfaction depends on destination image.
- H2: Destination attributes satisfaction depends on tourists' preferences.
- H3: Perceived value of tourists depends on destination image.
- H4: Perceived value of tourists depends tourist preferences.
- H5: Overall tourists satisfaction depends on destination image.
- H6: Overall tourists satisfaction depends on tourists' preferences.
- H7: Overall tourists satisfaction depends on destination attributes satisfaction.
- H8: Overall tourists satisfaction depends on perceived value.
- H9: Tourists' loyalty depends on overall tourist satisfaction.
- H10: Tourists' loyalty depends on perceived value.
- H11: Tourists' loyalty depends on destination attributes satisfaction.
- H12: Tourists' loyalty depends on destination image.

2. Sample and methodology

A structured questionnaire was developed based on previous variable operationalizations and distributed to 350 tourists in Budva Municipality (Montenegro). Overall, 216 questionnaires were completed and entered the subsequent data analysis stage. Data collection took place from June to August 2017. The average profile was as follows. Tourists' average stay in Montenegro was 9.25 days. The majority travelled alone, and for leisure purposes. Almost 45% arrived in Montenegro by plane. 87.53% of the surveyed tourists were foreigners, mainly from Russia and Serbia, the Montenegrin key markets (Monstat, 2019). 25% were in Budva for the first time, while 26.9% were there for the second time. 40.3% had a bachelor degree, whereas 48% were aged between 35 and 44. The questionnaire sought responses on general information, travel preferences and level of satisfaction with the Budva Municipality tourist offer. In addition, several batteries were created to assess Budva's image as a tourist destination. Structural Modelling Analysis (SEM) was used to test the interrelationships between destination image, tourist satisfaction, destination attributes satisfaction, tourist loyalty, preferences and perceived value. Principal component extraction was used to reduce the data in order to establish the variables required for testing the proposed model. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) showed that the use of PCA represented a reasonable approach.

The preferences variable was measured by assessing the importance of different attributes of the destination, i.e. Beauty of nature, Friendliness of host and local people, Quality of accommodation, Feeling of personal safety, Quality of restaurants and cafes, Sightseeing possibilities and cultural offerings, Quality of public transportation, Cleanliness, Ecological preservation, Nightlife and evening entertainment, Shopping possibilities, Easy transport accessibility, Architecture, Atmosphere, Beauty of nature and Sports activities and other active tourism offerings (KMO = 0.822). The destination attributes satisfaction construct was measured by assessing the level of tourist satisfaction in connection with different destination attributes, i.e., the same attributes described in relation to tourists' general preferences, but this time specifically in relation to Budva (KMO=0.919). The satisfaction variable was measured by assessing tourists' overall satisfaction with their stay in Budva and the extent to which the destination met their expectations (KMO=0.798). The perceived value variable was measured by assessing the destination's expensiveness, and the value tourists were getting for this, i.e. whether or not Budva is a good deal (KMO=0.856). The destination image variable was measured by assessing different attitudes. For example, 'Budva has a good name and reputation', 'Budva is a very famous destination', 'The characteristics of Budva come to my mind quickly', 'When I think about an attractive destination to visit, Budva comes to my mind immediately', 'Many people know this tourist destination', 'This destination fits my personality', 'My friends will think highly of me because I visited Budva', 'The image of this destination is consistent with my own self-image' (KMO=0.915). The loyalty variable was measured by assessing overall tourist loyalty, tourists' intentions to visit Budva again or recommend it to their friends, and whether Budva was tourists' preferred choice for a vacation (KMO=0.790).

3. Results and discussion

The test of absolute fit shows that the proposed model fits the data well (Chi-square = 4.144; Degrees of freedom=2; Probability level $p=0.126$). Tests of relative fit also turn out positive: NFI=0.994, IFI=0.997, TLI=0.969, CFI=0.997 (NFI>0.95; IFI>0.95; TLI>0.95; CFI>0.95; Hu and Bentler, 1999) and RMSEA=0.071 (RMSEA<0.08; MacCallum et al., 1996).

These results correspond with previous research. For instance, the connection between destination attributes satisfaction and destination image confirms the result obtained by Chi and Qu (2008). This means it can be confidently concluded that destination attributes satisfaction depends on destination image (H1). The same authors (Chi & Qu, 2008) also found that destination attributes satisfaction depends on tourists' preferences (H2), which is also confirmed in our case. That perceived value depends on destination image (H3) further confirms others' findings (Chen & Tsai, 2007; Ramseook-Munhurrin et al., 2015). The finding that overall tourist satisfaction depends on destination image (H5) is in line with the results of e.g. Prayag (2009), Ramseook-Munhurrin et al. (2015) and Wu (2016), but not with those of e.g. Chen and Tsai (2007).

This study further confirms a significant positive relationship between overall tourist satisfaction and destination attributes satisfaction (H7), which is in line with Chi and Qu (2008). The finding that overall satisfaction depends on perceived value (H8) supports e.g. Ramseook-Munhurrin et al. (2015) and Chen and Tsai (2007). The results related to H9 (i.e. Tourist loyalty depends on overall tourist satisfaction) are also in line with previous research (e.g. Wu, 2016). Neither the findings of the present research nor those of Ramseook-Munhurrin et al. (2015) and Chi and Qu (2008) confirm H10 (i.e. Tourist loyalty depends on perceived value), which is an interesting finding. Likewise, H11 (i.e. Tourist loyalty depends on destination attributes) has not been confirmed in the present analysis, but this relationship is supported by Chi and Qu (2008). Additional research is thus needed to define the nature of this relationship. Moreover, H12 (i.e. Tourist loyalty depends on destination image) has

been confirmed by the present study, which supports the findings by e.g. Wu (2016), but not those by e.g. Ramseook-Munhurrun et al. (2015). Finally, neither H4 nor H6 have been tested in previous research, but these relationships were not found to be significant in the present study, but may be tested in future studies as well.

References

- Al-Ansi, A., & Han, H. (2019). Role of halal-friendly destination performances, value, satisfaction, and trust in generating destination image and loyalty. *Journal of Destination Marketing & Management*, 13, 51–60.
- Almeida-Santana, A., & Moreno-Gil, S. (2018). Understanding tourism loyalty: Horizontal vs. destination loyalty. *Tourism Management*, 65, 245–255.
- Cai, L.A., Wu, B., & Bai, B. (2004). Destination image and loyalty. *Tourism Review International*, 7(3–4), 153–162.
- Chen, C.-F., & Tsai, D. (2007). How destination image and evaluative factors affect behavioural intentions? *Tourism Management*, 28, 1115–1122.
- Chi, C. G. Q., & Qu, H. (2008). Examining the structural relationships of destination image, tourist satisfaction and destination loyalty: An integrated approach. *Tourism Management*, 29(4), 624–636.
- Chi, H. K., Huang, K. C., & Nguyen, H. M. (2019). Elements of destination brand equity and destination familiarity regarding travel intention. *Journal of Retailing and Consumer Services*, 52. doi:10.1016/j.jretconser.2018.12.012
- Da Costa Mendes, J., Oom do Valle, P., Guerreiro, M. M., & Silva, J. A. (2010). The tourist experience: Exploring the relationship between tourist satisfaction and destination loyalty. *Tourism: An International Interdisciplinary Journal*, 58(2), 111–126.
- Dedeoğlu, B. B. (2019). Shaping tourists' destination quality perception and loyalty through destination country image: The importance of involvement and perceived value. *Tourism Management Perspectives*, 29, 105–117.
- Echtner, C. M., & Ritchie, J. R. B. (2003). The meaning and measurement of destination image. *Journal of Tourism Studies*, 14(1), 37–48.
- González, J. A. M., Parra-Lopez, E., & Buhalis, D. (2017). The loyalty of young residents in an island destination: An integrated model. *Journal of Destination Marketing & Management*, 6(4), 444–455.
- Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), 1–55.
- Kozak, M., & Rimmington, M. (2000). Tourist satisfaction with Mallorca, Spain, as an off-season holiday destination. *Journal of Travel Research*, 38(3), 260–269.
- MacCallum, R. C., Browne, M. W., & Sugawara, H. M. (1996). Power analysis and determination of sample size for covariance structure modeling. *Psychological Methods*, 17, 23–41.
- Marcussen, C. H. (2011). Determinants of tourist satisfaction and intention to return. *Tourism: An International Interdisciplinary Journal*, 59(2), 203–221.
- Martin, J. C., Saayman, M., & du Plessis, E. (2019). Determining satisfaction of international tourist: A different approach. *Journal of Hospitality and Tourism Management*, 40, 1–10.
- Oppermann, M. (2000). Tourism destination loyalty. *Journal of Travel Research*, 39, 78–84.
- Padlee, S. F., Thaw, C. Y. & Zulkiffli, S. N. A. (2019). The relationship between service quality, customer satisfaction and behavioural intentions. *Tourism and Hospitality Management*, 25(1), 121–139.
- Pizam, A., Neumann, Y., & Reichel, A. (1978). Dimensions of tourist satisfaction with a destination area. *Annals of Tourism Research*, 5(3), 314–322.
- Prayag, G. (2009). Tourist's evaluation of destination image, satisfaction and future behavioural intentions – the case of Mauritius. *Journal of Travel & Tourism Marketing*, 26, 836–853.
- Ramseook-Munhurrun, P., Seebaluck, V. N., & Naidoo, P. (2015). Examining the structural relationships of destination image, perceived value, tourist satisfaction and loyalty: Case of Mauritius. *Procedia-Social and Behavioral Sciences*, 175, 252–259.

- Sangpikul, A. (2017). The influences of destination quality on tourists' destination loyalty: An investigation of an island destination. *Tourism: An International Interdisciplinary Journal*, 65(4), 422–436.
- Sun, X., Chi, C. G. Q., & Xu, H. (2013). Developing destination loyalty: The case of Hainan Island. *Annals of Tourism Research*, 43, 547–577.
- Wu, C. W. (2016). Destination loyalty modeling of the global tourism. *Journal of Business Research*, 69(6), 2213–2219.
- Yoon, Y. & Uysal, M. (2005). An examination of the effects of motivation and satisfaction on destination loyalty: A structural model. *Tourism Management*, 26, 45–56.
- Zhang, H., Fu, X., Cai, L. A. & Lu, L. (2014). Destination image and tourist loyalty: A meta-analysis. *Tourism Management*, 40, 213–223.

Received: 03/09/2019

Accepted: 02/07/2020