

The Impact of Destination Image on Value, Satisfaction, and Loyalty: Moderating Effects of Tourists' Characteristics and Involvement

Patcharaporn Mahasuweerachai
School of Hotel and Restaurant Administration
Oklahoma State University

and

Hailin Qu
School of Hotel and Restaurant Administration
Oklahoma State University

ABSTRACT

This study investigates the effect of destination image on perceived destination value, satisfaction and destination loyalty. This study also examines the moderating effects of tourist characteristics and involvement on the relationships between destination image and its outcomes. A total of 783 completed questionnaires were analyzed using structural equation modeling technique. The findings indicate that destination image has significant effects on perceived value, satisfaction and loyalty. The results also reveal that the strength of the effects do not depend on tourists' gender or material status; however they do depend on tourists' age, income, and level of involvement.

Keywords: *destination image, perceived value, tourist satisfaction, loyalty, tourist involvement.*

EXTENDED ABSTRACT

Although, there is no doubt that destination image influences a tourist's destination choice, and positive destination image leads to favorable outcomes, such as satisfaction and revisit intention (Chen & Tsai, 2007), a number of unanswered questions concerning the explanation of the complexity of this interrelationship still remain. For example, how do tourist socio-demographics affect the strength of the interrelationships among constructs in the destination image model? What is the role of tourist involvement in the destination image model? To answer these questions, the purposes of this study were: 1) to extend the theoretical and empirical evidence on the structural interrelationships among destination image and its outcomes, including perceived destination value, satisfaction, and destination loyalty; and 2) to investigate the moderating role of tourists' characteristics and involvement on the relationships between image and its outcomes.

LITERATURE PREVIEW

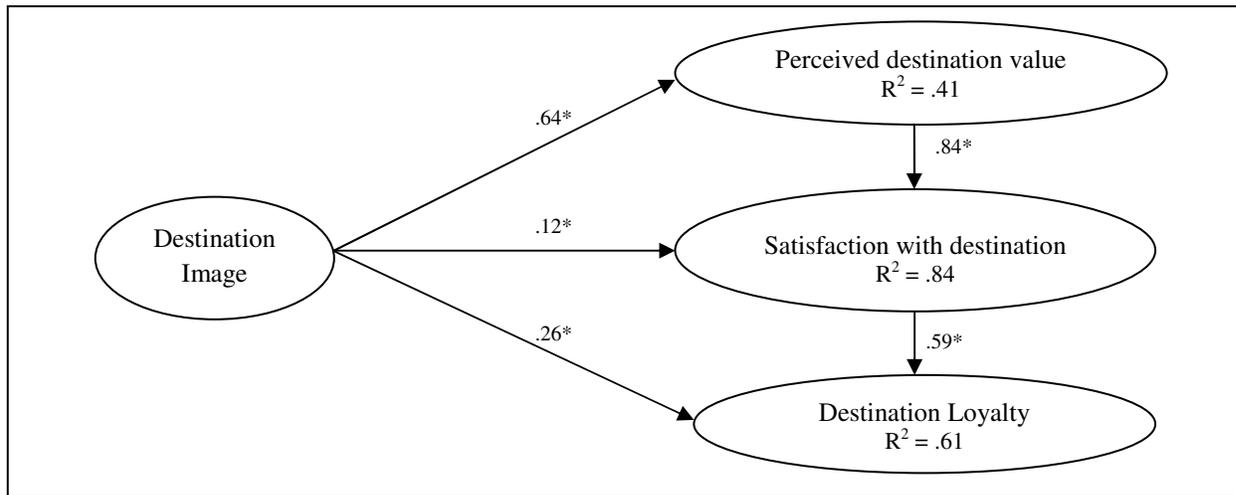
A review of the consumer behavioral literature reveals that there are relationships among image, perceived value, satisfaction, and loyalty. Much research has suggested that image has both direct and indirect effects (through value) on customer satisfaction (Bigne, Sanchez, & Sanchez, 2001; Lai, Griffin, & Babin, 2009). Images also have been found to have significant

direct and indirect effects (through satisfaction) on customer loyalty (Back, 2005; Chi & Qu, 2008). In addition, previous research reveals that tourists' involvement and characteristics—gender, age, annual income, and marital status moderated the perception of destination image and its impact on tourist behavior (Chen & Tsai's, 2007; Heung, Qu, & Chu, 2001; Walmsley & Jenkins, 1993). There fore, this study posit that tourists' characteristics and involvement moderate the effects of destination image on perceived destination value, satisfaction with destination and loyalty.

METHODOLOGY AND RESULTS

Data collected using an online survey. A total of 783 completed questionnaires were tested using a confirmatory factor analysis (CFA) and structural equation modeling (SEM). The results of CFA showed that the measurement model fits the data reasonably well. In addition, the estimated coefficients of all indicators were significantly twice greater than their standard errors and the composite reliability values ranked between .8 and .9, and surpassed the threshold value of .70 (Fornell & Larcker, 1981), supporting the convergent validity and composite reliability of the measurement model. The results of SEM showed that destination image had direct effects on value, satisfaction, and loyalty, and a direct effect on loyalty through value and satisfaction (see Figure 1).

Figure 1
Results of Testing Hypothetical Model



* $p < .001$

After confirming the main effects of destination image on perceived value, satisfaction, and loyalty, multiple group analyses were performed to test the moderator effects of tourists' characteristics. The results of Chi-square ($\Delta\chi^2$) test showed that gender and marital status do not have moderating effects on the paths, image \rightarrow value, image \rightarrow satisfaction and image \rightarrow loyalty; whereas age and income do.

The moderating effects of tourists' involvement were tested using the Latent Moderated Structural (LMS) approach used by Mplus. The results suggested that involvement only has a significant moderating effect on the relationship between image and perceived value ($\beta = -0.371$,

$p < .01$). A negative sign of the interactive coefficient implies that the effect of destination image on perceived value is weaker when the level of involvement is high. This means that for tourists who spend more time searching for information, the perception of what is received and what is given for visiting a destination is less influenced by their feelings and impressions of a destination. This might be because high involvement tourists, who possess greater knowledge about a destination, have strong motivation to avoid post-purchase dissatisfaction (Richins & Bloch, 1991).

CONCLUSIONS

The findings from this study indicate that destination image has positive impacts on perceived value, satisfaction, and loyalty. This implies that the more favorable the image of a destination, the more likely tourists will become loyal to the destination. The strength of this relationship does not depend on tourists' gender or marital status; however, it does depend on tourists' age, income, and level of involvement.

As an implication for management, this study signifies that destination loyalty can be built through satisfaction, and perceived value and destination image. In addition, it provides destination managers with a detailed knowledge of the factors that moderate the link between image and loyalty. This information could help marketers better design destination campaigns to attract existing and new travelers.

REFERENCES

- Back, K.J. (2005). The Effects of image congruence on customers' brand loyalty in the upper middle-class hotel industry. *Journal of Hospitality & Tourism Research*, 29(4), 448-467.
- Bigne, J. E., Sanchez, M. I., & Sanchez, J. (2001). Tourism image, evaluation variables and after purchase behaviour: Inter-relationship. *Tourism Management*, 22, 607-616.
- Chen, C. F., & Tsai, D. (2007). How destination image and evaluative factors affect behavioral intentions?. *Tourism Management*, 28(4), 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, 624-636.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Heung, V. C. S., Qu, H., & Chu, R. (2001). The relationship between vacation factors and socio-demographic and travelling characteristics: the case of Japanese leisure travellers. *Tourism Management*, 22(3), 259-269.
- Lai, F., Griffin, M., & Babin, B. J. (2009). How quality, value, image, and satisfaction create loyalty at a Chinese telecom. *Journal of Business Research*, 62(10), 980-986.

Walmsley, D. J., & Jenkins, J. M. (1993). Appraisive images of tourist areas: application of personal constructs. *Australian Geographer*, 24(2), 1-13.