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Chen, Chun-Chu; Lai, Ying-Hsiao; and Petrick, James F., "The Discriminant Effect of Perceived Value on Travel Intention: Visitor vs. on-Visitors" (2016). *Travel and Tourism Research Association: Advancing Tourism Research Globally*. 19.

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## **The Discriminant Effect of Perceived Value on Travel Intention: Visitor vs. Non-Visitors**

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### **ABSTRACT**

*This research examines the discriminant effects of perceived value on travel intention while comparing the differences between previous visitors and non-visitors, using the data obtained from a list of individuals who had requested information about Florida Keys. The results indicated that previous visitors had significant higher perceived values than non-visitors did, while some previous visitors had low intentions to revisit Florida Keys because they wanted to visit other destinations in the foreseeable future. This highlights the importance of perceived value as well as novelty seeking in the formation of travel intention.*

**Keywords:** *perceived value, travel intention, discriminant analysis.*

### **INTRODUCTION**

Potential tourists may consider what they will receive as well as what they have to pay when making destination-choice decisions. However, previous tourism research has frequently studied tourists' perceptions of what they will receive (e.g. destination image) or they had received (e.g. quality or satisfaction) without considering their perceptions of cost (Gallarza & Saura, 2006). Specifically, much attention has been paid to the concept of tourist destination image (Gallarza, Saura, & García, 2002). Even though it has been shown that destination image has positive relationships with travel intention, while potential tourists might not visit the destination because the price is too high. Similarly, the concepts of quality and satisfaction have been extensively examined in the field of tourism (Baker & Crompton, 2000), but these concepts as indicators of revisit intention are also limited (Gallarza & Saura, 2006).

To decrease this gap, recent research (Gallarza & Saura, 2006; Petrick, 2004; Petrick & Backman, 2002) has perceived value, a concept that assesses "the utility of a product based on the perceptions of what is received and what is given" (Zeithaml, 1988, pp.14). Given that perceived value provides a more comprehensive assessment, it has been shown to be a very good predictor of visit or revisit intention (Gallarza & Saura, 2006; Petrick, 2004; Petrick & Backman, 2002). Therefore, this research attempted to examine the relationships between perceived value and travel intentions while comparing the differences between previous visitors (those who have visited the destination) and non-visitors (those who have never visited the destination). This was done as destination perceptions might be modified through actual visitation (Baloglu, 2001; Gallarza et al., 2002).

More specifically, this research segmented all respondents into four groups by their travel intention and past experience, including: (1) previous visitors who have high revisit intentions, (2) previous visitors who have low revisit intentions, (3) non-visitors with high visit intentions, and

(4) non-visitors who have low visit intentions. This research examined the discriminant effect of perceived value on these four segments. The authors were especially interested in three pairs of comparison or relevant issues for destination marketers: (1) among previous visitors, why some intend to revisit again while the others do not (segment 1 vs. segment 2), (2) among non-visitors, why some intend to visit the destination while the others do not (segment 3 vs. segment 4), and (3) among those who had high visit intentions, what the difference is between previous visitors and non-visitors (segment 1 vs. segment 3).

## METHODS

The study population was a list of individuals who had requested information about the Florida Keys via the Monroe County Tourist Development Council's (TDC) visitor information service between January 1, 2009 and March 31, 2009. A total of 1,700 individuals in the list were invited to participate in the survey. Questionnaires were mailed to these individuals using a modified Dillman technique in three mailing waves (initial survey, postcard, second mailing of survey). A questionnaire, cover letter, and self-addressed stamped envelope were included with both the first and last mailing. Since 149 addresses were found to be undeliverable, the affective sample size was 1,551. As a result, 565 responses were collected, which resulted in a response rate of 36.4% (565/1551).

The survey questionnaire included 12 questions assessing the value of a Florida Keys and Key West vacation as perceived by respondents (please see table 1), one question of whether they visited in the past 12 months, and one question for future travel intentions. For travel intentions, respondents were asked to check one of the following choices: (1) probably visit the destination in the next year, (2) probably visit it in the next 3 years, (3) probably visit it but in the next three years, and (4) probably not visit it. Respondents who answered (1) were defined as high visit intention customers, and respondents who answered (2) and (3) were defined as low visit intention customers. Since only a few respondents answered (4) (21 respondents), they were excluded from further analysis. Furthermore, respondents who had low visit intentions were asked to freely express why they did not plan to visit the destination in the foreseeable future. These responses were also analyzed and are reported in the next section.

## FINDINGS

The analysis of the study consisted of three steps. The first step involved segmenting respondents into the above-mentioned four segments. The second step involved comparing the differences in perceived value among segments with the use of ANOVA tests. The final step was a discriminant analysis on three pairs of comparison, using perceived value as the dependent variable. Results of the first and second-steps are displayed in table 1. A total of 105, 140, 150, and 79 respondents were categorized into segment 1 (high-intention previous visitors), segment 2 (low-intention previous visitors), segment 3 (high-intention non-visitors), and segment 4 (low-intention non-visitors) respectively. The results of ANOVA tests indicated the means in 9 out of 12 items measuring perceived value were significantly different across segments. Generally speaking, the values perceived by previous visitors were higher.

In the next step, 9 variables related to perceptions of value (from SERV-PERVAL, Petrick, 2002 and other literature) were included in a step-wise discriminant analysis. As shown in table 2, three variables significantly discriminated segment 1 and segment 2, including "worth the cost to travel via car" (Wilks' Lambda=0.975; p-value=0.019), "fairly priced" (Wilks' Lambda=0.951; p-value=0.004), and "outstanding quality" (Wilks' Lambda=0.930; p-value=0.001). Among these three variables, respondents in segment 1 had higher scores in 2 variables (outstanding quality and worth the cost to travel via car), while respondents in segment 2 had higher score in the other variable (fairly priced). Therefore, we may conclude that some people were willing to visit the destination again even though they had visited it in the past 12

months because of high perceptions of value; however, some previous visitors did not want to visit the destination again in the foreseeable future not because of low perceptions of value in that the average scores of segment 2 was fairly high (see table 1). Therefore, the results of the open-ended question were examined. Among 140 respondents in segment 2, 60 respondents answered this question. More than half of 60 respondents answered that “they wanted to visit other destinations” (39/69= 56.5%), while only three tenths of respondents answered “expensive and financial problems” (20/69=29.0%) and few answered, “poor travel experience” (2/69=3.0%). Therefore, novelty seeking might be the reason that some previous visitors did not plan to visit the destination again.

**Table 1**  
**The Differences in Perceived Value among Segments**

Variables	Segment <sup>a</sup>				Mean	p-value
	1 (n=105 <sup>b</sup> )	2 (n=140)	3 (n=150)	4 (n=79)		
A good buy	3.62	3.77	3.57	3.51	3.63	0.237
Easy to purchase	4.18	4.23	3.92	3.81	4.05	0.000*** <sup>c</sup>
Outstanding quality	4.06	3.88	3.65	3.5	3.78	0.000***
Worth the money	4.03	4.03	3.76	3.67	3.89	0.002**
Fairly priced	3.46	3.68	3.34	3.34	3.47	0.025*
Easy to shop for	4.08	4.14	3.88	3.63	3.96	0.000***
Excellent	4.26	4.16	3.83	3.75	4.01	0.000***
Worth the cost of the places to stay	3.62	3.78	3.51	3.39	3.60	0.036*
Worth cost to travel via air	3.35	3.51	3.47	3.39	3.44	0.917
Worth the cost to travel via car	4.01	3.68	3.70	3.37	3.71	0.001**
Includes activities worth the cost to do	3.81	3.87	3.75	3.58	3.77	0.155
Offers dining out at fair prices	3.80	3.85	3.49	3.38	3.65	0.000***
Mean	3.82	3.86	3.64	3.51	3.72	0.001**

Note: <sup>a</sup> Segment 1: previous visitors who had high revisit intention; Segment 2: previous visitors who had low revisit intention; Segment 3: non-visitors who had high visit intention; Segment 4: non-visitors who had low visit intention.

<sup>b</sup> The sample sizes varied because of missing values.

<sup>c</sup> \*\*\* represents significant at 0.001 level ; \*\* represents significant 0.01 level; \* represents significant at 0.05 level.

The results of the other three pairs of comparison indicated that the values as perceived by previous visitors and respondents who had high visit intentions were higher. Specifically, the variable “worth the cost to travel via car” significantly discriminated segment 3 and segment 4, (Wilks’ Lambda=0.975; p-value=0.028). Given that respondents in segment 3 had higher scores in this variable, high-perceived value may explain why some non-visitors intended to visit the destination in the near future. Moreover, segment 1 and segment 3 were significantly discriminated by the variable “excellent” (Wilks’ Lambda=0.920; p-value<0.001), which indicated that perceived value might explain the differences between previous visitors and non-visitors among high-intention respondents. Similarly, segment 2 and segment 4 were

significantly discriminated by two variables, including “easy to shop for” (Wilks’ Lambda=0.911; p-value=0.001), and “offers dining out at fair prices” (Wilks’ Lambda=0.874; p-value=0.004).

**Table 2**  
**The Results of Discriminant Analysis**

Step	Variable	Wilks' Lambda	p-value
<i>Segment 1 vs. Segment 2</i>			
1	Worth the cost to travel via car	0.975	0.019
2	Fairly prices	0.951	0.004
3	Outstanding quality	0.930	0.001
<i>Segment 3 vs. Segment 4</i>			
1	Worth the cost to travel via car	0.975	0.028
<i>Segment 1 vs. Segment 3</i>			
1	Excellent	0.920	0.000
<i>Segment 2 vs. Segment 4</i>			
1	Easy to shop for	0.911	0.000
2	Offers dining out at fair prices	0.874	0.000

### CONCLUSION

This research examined the relationships among perceived value, travel intention, and past experience. Results revealed that previous visitors had higher perceptions of value than non-visitors did, which indicated that positive travel experiences might increase perceptions of value. Furthermore, high-intention consumers also had higher perceived values, which echoed previous research that perceived value is an indicator of travel intentions (Gallarza & Saura, 2006; Petrick, 2004; Petrick & Backman, 2002).

However, positive travel experiences and high perceived values might not assure high travel intentions. As shown in this research, many previous visitors did not want to visit the destination in the foreseeable future not because they had negative experiences or low perceived values but they just wanted to see other destinations. As argued by Urry (1990), tourists are seeking something extraordinary. The sense of novelty and extraordinariness might decrease after actual visitation. Like the law of diminishing marginal utility, when a person increases consumption of a product, there is a decline in the marginal utility that person derives from each additional unit of that product (Lieberman & Hall, 2000). This is especially true when the product is a tourist destination far away from our homes. As per research that has utilized the gravity model to study tourism, it is difficult to induce people to spend long vacations in the same destination over and over again unless this destination can provide superior values.

Given that some people are novelty-seekers, destination managers should endeavor to maintain high perceived values as well as the feeling of novelty. They should provide novel products or services and communicate this information to those novelty-seekers. On the other hand, it is of interest to rethink the definition of perceived value. Is it the total utility or marginal utility? Consumers are possibly making the decision based on marginal utility. If the concept measured in previous research was total utility, the results might be biased. Furthermore, if perceived value is measuring marginal utility, it is also of interest to investigate the relationships between perceived value and novelty seeking. For example, future studies may apply Plog’s (2003) allocentric and psychocentric model to compare the differences between the venturer and the dependable in terms of their perceptions of value.

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