

A structural approach towards perceptions and satisfaction of revisit intentions

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Abstract

This paper identifies the key antecedents of revisit intentions to Western Australia's (WA) South-West Region. Four antecedents namely, perceived attractiveness, quality, value and risk are examined. Consumer satisfaction is proposed to mediate the relationship between these antecedents and revisit intentions to WA's South-West Region. A research model is developed together with an agenda of five hypotheses. The findings suggest that perceived attractiveness, quality and value are significant predictors of consumer satisfaction and subsequently, revisit intentions. In conclusion, some managerial implications for destination managers and tourism operators are outlined to help them better understand tourists' destination choices, while a few limitations are noted for future research.

Introduction

Travel and tourism is one of the world's largest service industries (Hui, Wan, and Ho, 2007), indicating the importance of this segment to Australia (Tourism Australia, 2008). Understanding why tourists visit and return to a holiday destination are fundamental issues for many destination managers (Hui, Wan, and Ho, 2007).

Tourist perceptions about a holiday destination can help to determine the destination's success or failure (Formica, 2002; Kozak and Rimmington, 2000) since loyal customers can produce more sales revenue (Hennig-Thurau and Hansen, 2000) and minimise marketing costs (Gitelson and Crompton, 1984; Kozak, 2001; Murphy and Pritchard, 1997; Opperman, 2000). On the one hand, the perceived attractiveness (Um, Chon, and Ro, 2006), quality (Atilgan, Akinci, and Aksoy, 2003), value (Sanchez et al., 2006) and low risk (Aqueveque, 2006) of a holiday destination can influence repeat visitations, contributing to increased employment and modern infrastructure (Darnell and Johnson, 2001). On the other hand, negative occurrences that pose as high risk such as bad weather, poorly organised promotions, events and negative word-of-mouth can distort perceptions of the holiday destination, resulting in tourists opting to travel to other destinations (Formica, 2002).

While many destinations rely heavily on repeat visitations, little research has been conducted on revisit intentions and its antecedents (Um, Chon, and Ro, 2006). In addition, domestic tourism has remained one of the most neglected and under-researched areas in tourism that is still viewed as representing one homogenous market (Hudson and Ritchie, 2002). This paper aims to examine how consumer satisfaction with perceived attractiveness, quality, value and low risk impact on revisit intentions to Western Australia's (WA) South-West Region. Food, wine, natural scenery, arts, culture and history are amongst the region's most popular attractions, attracting a total of 2,078,700 visitors in 2007 (Tourism Australia, 2008). The relevant literature will be reviewed, leading to the development of hypotheses. This is followed by a description of the research method and a discussion of the analysis and findings. Finally, the concluding comments, managerial implications and limitations of the study are highlighted.

Relevant Literature, Theory and Hypotheses

Lazarus' (1991) theoretical framework was utilised to explain the relationships between perceptions, satisfaction and behavioural intentions. According to this framework, attitude is linked to behavioural intentions following the sequence: appraisal (perceptions) → emotional response (satisfaction) → coping (revisit intentions) (Bagozzi 1992; Yuan and Jang, 2008).

A destination's perceived attractiveness (PA) refers to its perceived ability to deliver individual benefits (Mayo and Jarvis, 1981). PA is a cognitive evaluation as to whether the destination can meet specific holiday criteria (Hu and Ritchie, 1993; Um, Chon, and Ro, 2006). PA associated with a holiday destination has the potential to directly affect satisfaction (SAT) (Kozak and Rimmington, 2000) and subsequently, revisit intentions (RVI) (Murphy, Pritchard, and Smith, 2000; Um, Chon, and Ro, 2006) to Western Australia's (WA) South-West Region. As such, it can be proposed that:

H₁ – SAT will have a mediating effect between PA and RVI to WA's South-West Region.

Perceived quality (PQ) of a holiday destination is a combination of the tourists' trip experience and perceived service received in relation to their expectations of the actual service performance (Bolton and Drew, 1991). PQ associated with a holiday destination is likely to impact on SAT (Tsoukatos and Rand, 2006) and subsequently, RVI (Dube, Renaghan, and Miller, 1994; Murphy, Pritchard, and Smith, 2000) to the destination. As such, it can be proposed that:

H₂ – SAT will have a mediating effect between PQ and RVI to WA's South-West Region.

Perceived risk (PR) is defined as a "subjective expectation of a loss" (Sweeny, Soutar, and Johnson, 1999, p. 81). Individuals may view risk differently due to geographical and cultural differences (Aqueveque, 2006) and travel experiences (Kozak, Crofts, and Law, 2007). The PR associated with a holiday destination has the potential to directly affect SAT (Fornell et al., 2006; Yuksel and Yuksel, 2007) and subsequently, RVI (Gitelson and Crompton, 1984; Sonmez and Graefe, 1998) to the destination. As such, it can be proposed that:

H₃ – SAT will have a mediating effect between PR and RVI to WA's South-West Region.

Perceived value (PV) is "a measure of a provider's output" (Baker and Crompton, 2000, p. 787). PV is a cognitive evaluation of the time and/or money invested in a trip in comparison to the tourist experiences that are gained (Murphy, Pritchard, and Smith, 2000; Venkatraman and Price, 1990). PV associated with a holiday destination are likely to impact on SAT (Chen and Tsai, 2007; Deslandes, 2003) and subsequently, RVI (Jen and Hu, 2003; Petrick, 2004) to the destination. As such, it can be proposed that:

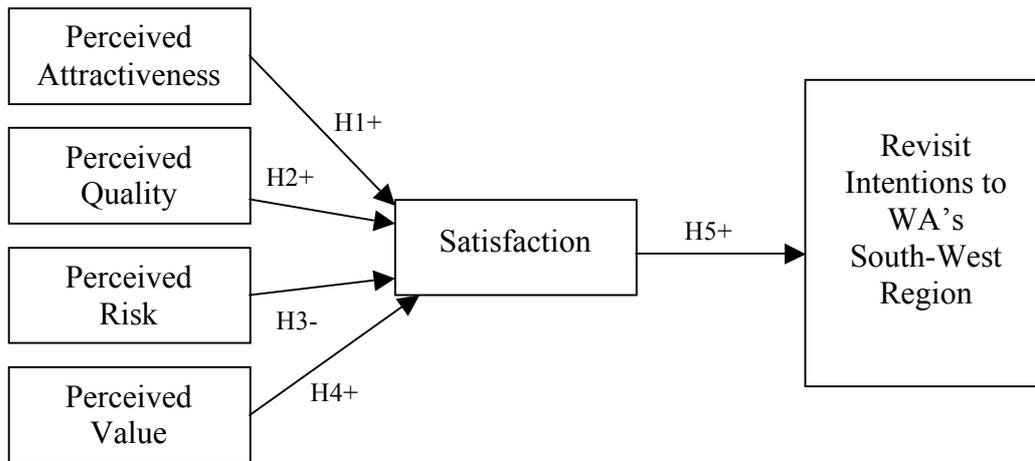
H₄ – SAT will have a mediating effect between PV and RVI to WA's South-West Region.

SAT refers to a post-consumption emotion that a consumer experiences following their purchase (Um, Chon, and Ro, 2006; Westbrook and Oliver, 1991). SAT is a tourist's emotional state after experiencing a trip (Baker and Crompton, 2000; Sanchez et al., 2006) that is a positive consequence (Aron, 2006). Since RVI is a "visitor's judgment about the likeliness to revisit the same destination" (Chen and Tsai, 2007, p. 1116), RVI has been attributed to SAT with the purchase of a product or service (Alcaniz, Garcia, and Blas, 2005; Deslandes, 2003). As such, it can be proposed that:

H₅ – SAT will have a positive effect on RVI to WA's South-West Region.

The research model is summarised in Figure 1.

Figure 1: Perceptions and satisfaction in the revisit intentions model



Methodology

Data were collected from a convenience sample of 378 students from a large Australian university and 228 surveys (60%) were usable. From the sample, 124 respondents (54%) were local visitors to Western Australia's (WA) South-West region, while 104 respondents (46%) were international visitors, giving a fairly even representation of both groups of visitors. The majority of international visitors were from Singapore, Malaysia, Thailand, Indonesia, China and Hong Kong. There was no significant difference in age between the two groups although there were more female respondents (64%) in the local visitors group.

A questionnaire administered to the sample adapted established scales that measured perceived attractiveness and perceived quality (Buhalis, 2000; Chen and Tsai, 2007), perceived financial risk (Stone and Winter, 1987; Sweeney, Soutar, and Johnson, 1999), perceived value (Deslandes, 2003; Sweeney and Soutar, 2001), satisfaction (Deslandes, 2003; Oliver, 1997) and revisit intentions (Deslandes, 2003). Exploratory factor analysis and structural equation modelling tested the hypotheses in the model.

Result

Initially, the scale items were examined with exploratory factor analysis using a VARIMAX rotation. The final 10-factor solution explained 74% of the variance with a KMO of 0.80 and Bartlett's Test of Sphericity of 0.001. The 10 factors related to revisit intentions (RVI), satisfaction (SAT), the perceived attractiveness of the beaches and landscape (PABEA) and climate and accessibility (PACLI), the perceived quality of the infrastructure (PQINF), wineries and cottage industries (PQWIN), accommodation (PQACC) and food and beverage (PQFNB), perceived risk (PR) and perceived value (PV). All factors demonstrated reliabilities above the acceptable value of 0.70 (Hair et al., 2006).

Next, structural equation modelling was used to examine the effects perceived attractiveness (PA), perceived quality (PQ), perceived risk (PR) and perceived value (PV) had on satisfaction (SAT) and revisit intentions (RVI).

In examining the effect of SAT on the PA-RVI relationship, firstly, the perceived attractiveness of the beaches and landscape (PABEA) was examined for its direct and indirect

effects on RVI, with SAT as the mediating variable. The model was a good fit ($\chi^2=81.64$; $df=32$; $p=0.01$; $RMSEA=0.08$; $NNFI=0.94$; $CFI=0.96$; $GFI=0.94$). PABEA produced a significant positive effect on SAT and SAT a significant positive effect on RVI, supporting H₅. Since PABEA did not produce a direct effect on RVI, this suggested SAT had a mediating effect on the PABEA-RVI relationship, supporting H₁. Secondly, the perceived attractiveness of the climate and accessibility (PACLI) was examined for its direct and indirect effects on RVI, with SAT as the mediating variable. Again, the model was a good fit ($\chi^2=81.48$; $df=32$; $p=0.01$; $RMSEA=0.08$; $NNFI=0.94$; $CFI=0.96$; $GFI=0.94$). However, PACLI did not produce a significant positive effect on SAT nor did it produce a direct effect on RVI, suggesting no mediating effect of SAT on the PACLI-RVI relationship. In this case, H₁ was rejected.

In testing the effect of SAT on the PQ-RVI relationship, firstly, the perceived quality of the infrastructure (PQINF) was examined for its direct and indirect effects on RVI, with SAT as the mediating variable. The model was a good fit ($\chi^2=94.45$; $df=46$; $p=0.01$; $RMSEA=0.07$; $NNFI=0.93$; $CFI=0.96$; $GFI=0.94$). However, PQINF did not produce a significant positive effect on SAT nor did it produce a direct effect on RVI, suggesting no mediating effect of SAT on the PQINF-RVI relationship. Thus, H₂ was rejected. Secondly, the perceived quality of the wineries and cottage industries (PQWIN) was examined for its direct and indirect effects on RVI, with SAT as the mediating variable. Again, the model was a good fit ($\chi^2=90.93$; $df=46$; $p=0.01$; $RMSEA=0.07$; $NNFI=0.94$; $CFI=0.97$; $GFI=0.94$). This time, PQWIN produced a significant positive effect on SAT and SAT a significant positive effect on RVI, supporting H₅. Since PQWIN did not produce a direct effect on RVI, this suggested SAT had a mediating effect on the PQWIN-RVI relationship, supporting H₂.

In assessing the effect of SAT on the PR-RVI relationship, the perceived financial risk associated with the region (PR) was examined for its direct and indirect effects on RVI, with SAT as the mediating variable. The model was a good fit ($\chi^2=51.79$; $df=25$; $p=0.01$; $RMSEA=0.07$; $NNFI=0.95$; $CFI=0.97$; $GFI=0.95$). However, PR did not produce a significant negative effect on SAT nor did it produce a direct effect on RVI, suggesting no mediating effect of SAT on the PR-RVI relationship. Thus, H₃ was rejected.

In analysing the effect of SAT on the PV-RVI relationship, the perceived social value of visiting the region (PV) was examined for its direct and indirect effects on RVI, with SAT as the mediating variable. The model was a good fit ($\chi^2=52.93$; $df=25$; $p=0.01$; $RMSEA=0.07$; $NNFI=0.95$; $CFI=0.97$; $GFI=0.95$). PV produced a significant positive effect on SAT and SAT a significant positive effect on RVI, supporting H₅. Since PV did not produce a direct effect on RVI, this suggested SAT had a mediating effect on the PV-RVI relationship, supporting H₄.

In summary, a model predicting revisit intentions to Western Australia's (WA) South-West Region will need to take into account tourists' perceived attractiveness of its beaches and landscape (PABEA), the perceived quality of its wineries and cottage industries (PQWIN), its perceived value (PV) and tourists' satisfaction (SAT) with these attributes. A final measurement model taking into account these constructs produced a good fit ($\chi^2=117.78$; $df=42$; $p=0.01$; $RMSEA=0.09$; $NNFI=0.90$; $CFI=0.93$; $GFI=0.92$).

Conclusion

Conceptually and methodologically, the results suggest that tourists' perceptions and satisfaction impact on revisit intentions, showing support for Lazarus' (1991) theoretical framework of appraisal (perceptions) → emotional response (satisfaction) → coping (revisit intentions). In addition, the study contributes to the tourism literature by extending the destination choice process model suggested by Um, Chon, and Ro (2006) in two ways. Firstly, it introduces the perceived risk construct to the existing model. Secondly, it adopts a multidimensional approach by introducing multiple-item scales that measure each construct with the aim of ensuring psychometric consistency. Accordingly, the proposed structural equation model designed to simultaneously examine perceived attractiveness, quality, risk, value, satisfaction and revisit intentions was deemed acceptable.

Findings from the survey suggest a few managerial contributions. Categorising the perceived attractiveness of a destination's attributes can help to differentiate it from other similar destinations, thus increasing the likelihood of it being considered and chosen in the consumer travel decision process. Identifying and selecting the attributes of perceived quality that predict satisfaction may allow businesses to better serve their customers by moving resources to these areas (e.g., improving the quality of the wineries and cottage industry experience). Segmenting customers who are risk-seeking and risk-avoiding can help tourism marketers to design specific campaigns for each target market. Destination managers and tourism operators keen to retain loyal international customers may need to adopt a proactive approach by designing packages that are perceived to offer value for money to their major source markets.

There are a number of limitations in this study. Culture and nationality may be issues in influencing the revisit intentions decision-making model. Subsequent cross-national or cross-cultural studies may shed new light on these issues. Other data collection methods, sample size and demographics may elicit different results. Finally, the present study is limited due to its exploratory nature. There remains scope for further research to explore other antecedents in the model such as the specific time frame taken to revisit a destination, distance in travelling to a previously visited destination and the costs incurred.

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