

## **CHAPTER II**

### **LITERATURE REVIEW & PAST RESEARCH**

This chapter reviews the literature in eight main areas: (1) pattaya information, (2) the role of tourist loyalty, (3) destination images (4) the perceived value, (5) service quality, (6) satisfaction, (7) tourist loyalty and (8) past researches.

#### **2.1 Pattaya information**

Pattaya is one of the most famous tourist destinations in Thailand and perhaps in South-east Asia. Pattaya is in Chonburi Province which is 147 km from southeast city of Bangkok, facing the Gulf of Thailand. Pattaya is Asia's premier beach destination attracting families, couples and single visitors. Different parts of Pattaya offer distinguished atmospheres to suit a wide range of preferences. Family travelers may prefer a quiet atmosphere of Jomtien. Worldly known as entertainment city, Pattaya offers a variety of vibrant nightlife for fun-loving visitors with a number of nightclubs, bars, pubs and shows in South Pattaya and something in between will also find the likes easily here (pattaya.sawadee.com 2015).

Also Pattaya offers accommodation range from luxurious hotels with superb convention facilities to simple guesthouses. Plenty of sports and activities on land, in water or even in the sky are available including golf, fishing, Jet Ski, kite surfing, and paragliding. Sightseeing opportunities are plentiful such as museum, theatre, gardens, zoos, amusement parks and many more for leisure activities and entertainment for all family members. (Pattaya net, 2015).

For gourmets, Pattaya's cookeries offer at reasonable prices a wide range of superlative fresh seafood and various styles of cuisine such as Thai, Chinese, Japanese, Korean, French, Italian, German, Scandinavian, Mexican, American, Indian, Russian, etc. And for night owls, Pattaya is lively nightlife caters for every taste. The most brightly colorful spot is South Pattaya where all kinds of nightly entertainment are offered. In additional, Pattaya is the place for all (Real Estate Pattaya, 2015). Not surprisingly, Pattaya can be brash, bold, beautiful and bucolic, and offers everything an authentic international beach resort can (pattayainformation.com, 2015).

Accordingly above source, Patthaya, within twenty years, has been transformed from a sleepy fishing community into an international resort often referred to as the 'Thai

Riviera'. Literally Pattaya is a place where East meets West, both in color and character, and is probably the most cosmopolitan place in Thailand after Bangkok.

## **2.2 The role of tourist loyalty**

Consumer loyalty has been pointed out in the marketing literature as one of the major driving forces in business success because every aspect of a business system is importantly influenced by the level of customer loyalty (Valle & Silva 2010). For example according to Alizadeh (2014), in a traditional approach, loyalty depends on customers' repeated purchase of a product or service. Further author proposed an integrated loyalty framework that portrays loyalty as a relationship between the relative attitude toward an entity (e.g. a brand) and patronage behavior. Moreover, in an attitudinal view, customer loyalty depends on a continuous relationship with the service provider.

Loyalty is one of the most frequently studied concepts in business and hospitality fields. Several researchers studied loyalty to identify and understand its antecedents and its influence on customers repeat purchase and positive word of mouth (WOM) behaviors (Chang, 2013; Prayag & Ryan, 2012). Further they mentioned that the emphasis on destination loyalty can be explained by the fact that success depends not on the first purchase but on repurchase. According to them, unlikely any brand can survive over time without some degree of loyalty. Loyalty is also considered as a critical antecedent of customer recruitment and retention, and a factor that improves customers' willingness to pay more and reduces servicing costs (Valle & Silva 2010). Therefore, understanding how consumers form their destination and brand loyalty, and the factors could affect their loyalty formation is important for the success and survival of any business.

In marketing and tourism analyses, re-visits have generally been regarded as desirable. Because it is thought that first, in marketing costs, it is needed to attract tourists revisit, because of its cost will be lower than the tourists who need access for the first time. Second, the return is a positive indicator of tourist's satisfaction. Third, the inertial attitude of tourist increases the likelihood to Return. According this author, loyalty is one of the most important factors that cause people to revisit that destination (Zhang, 2012). In marketing research, customer loyalty is customer frequently purchase products or recommend others to buy. Loyalty is a deep-rooted tendency to re-patronize a brand or service consistently in the future (Mechinda, 2010).

Thus, in order to reap the benefits from tourism industry, tourist loyalty plays important role because Tourist loyalty is reflected through their intentions to revisit the destination and their willingness to disseminate positive word of mouth about the destination (Mohamad et al., 2014). According to Kandamarachchi (2014) Customer loyalty is main key element of customer relationship management and illustrates the loyalty which is built between the customer, organization, persons, products or brands. Customer loyalty is the key determinant of an organization's success.

In customer research, customer loyalty is commonly measured by three different indicators, its include customer intention to continue buy the same products, intention to buy more of the same product and willingness to recommend the product others. Some state tourist destination as a product, tourists can return to that destination or recommend to friends and relatives or some potential tourists. Some research has reflected that good quality services and satisfaction are able to make tourists re-visit more likely and influence the expectations of tourists regarding future to re-visit the same or similar destination (Xiaoli & Chirapanda, 2013). However, other studies have chosen two indicators to measure destination loyalty, such as tourist intention to revisit the destination and willingness to recommend it to others as a favorable destination (Song, 2011).

Therefore customer loyalty can be explained as, when people choose to use one unique product rather than shopping for other products by different companies. Customer loyalty can be exhibited when customers buys a same brand for an extensive period of time. For an example, some customers stick to the same travel agent due to the positive experiences they have had with their services (Kandamarachchi, 2014). Author view that when a tourists who visits a hotel and if the services that are provided are satisfying him, he will spread a positive word-of-mouth to at least 10 people. According to Ishaq (2012) undeniable, Customer loyalty provides growth, and continued survival for the companies because Superior customer loyalty in service industries will lead to better productivity.

A numerous hospitality and tourism scholars studied the loyalty concept in the past. According to Ngoc & Trinh (2015) different research brought out different sets such as novelty seeking, natural and cultural environment, safety and security, leisure and entertainment, local cuisine, infrastructure, accessibility, price, negative attributes destination image and tourists' destination satisfaction to be considered as important to have profound impacts on tourists' return intention. However, in this research, only four factors such as destination image, perceived value, service quality and satisfaction are

taken as tourist loyalty or revisit intention because according to Chi and Qu (2010), destination image plays a positive impact on quality and satisfaction which subsequently impacts on tourists' behavioral intentions.

In conclusion, creating loyalty tourist is at the heart of every tourism destination. The term tourist loyalty is used to describe the behavior of repeat tourist and those who give good ratings, reviews or testimonials. Some tourist do a great service to a particular company by offering favorable word of mouth publicity regarding a product, telling friends and family, thus adding them to the number of loyal tourists. However, a tourist loyalty includes much more. It is a process, a program or a group of program geared towards keeping clients happy, so that they provide more business. Hence it is no doubt that loyalty has significant for present and future value for company benefit and survival (Dasgupta, 2011).

### **2.3.1 Destination image**

Destination image is an essential factor for tourist places and better image of the destination bring more tourist towards destination (Haque & Khan 2013). Destination image has influenced tourists' behaviors because Tourists make their choices of where to travel based on the destination images that come from many different sources, including sometimes past experiences with a destination (Banyai, 2010). A positive image can stimulate tourists' desires and actions to visit the destination. Destination images are not only formed from common attributes, they are also influenced by personal and situational factors as well by symbolic meanings of what the destination represents or means to the tourists, to which previous studies have not given enough consideration. The important thing here is that the destination does not stop when the image is formed, but is more significant after the visitation takes place as it causes the image to be more realistic in the mentality of the tourist. Image is therefore the most important concept for interpreting the choices made by tourists (Srikram, 2015).

### **2.3.2 Definition of destination image**

Destination image plays a vital role in selecting a tourist destination and has been one of the key areas of tourism research for more than four decades (Rajesh, 2013). Several researchers have defined 'destination image' with different meanings. Destination image is usually defined as set of beliefs, ideas and impressions that people have about some place

or destination (Rajan, 2015). According to Puh (2014) a great number of scholars focus their attention on holistic nature of image, defining destination image as the expression of all knowledge, impressions, prejudices and emotional thoughts that individual or group of people has about particular object or place. Banyai (2010) further defines destination image as;

The sum of beliefs and impressions people holds about place. Images represent a simplification of a larger number of associations and pieces of information connected to a place. They are a product of the mind trying to process and pick out essential information from huge amounts of data about a place.

### **2.3.3 Components of Destination Image**

Based on above, although a great number of scholars focus their attention on holistic nature of image, defining destination image as the expression of all knowledge, impressions, prejudices and emotional thoughts that individual or group of people has about particular object or place but recent studies view that destination image is made up of two components organic and reduced. Organic image is formed by individuals themselves through past experiences with destination and unbiased sources of information (i.e news, reports, newspaper articles, Movies and information from friends, and family) (Taylor & Francis, 2015). Induced images are created through information received from external sources, including destination advertising and promotion (Rajesh, 2013).

According to Aliman & Hashim (2014), destination image encompasses only cognitive image components. Cognitive image refers to the beliefs or knowledge that a person has of the characteristics or attributes of tourism destinations. The attributes are the elements of destination that attract tourist to visit a destination while affective image refers to the tourist's feelings towards destination (Puh, 2014). Destination image is then formed as a result of the knowledge the tourist acquired about the destination (cognitive component), the feelings or attachment he develops towards the destination (affective) and his intention or behavior on the future (cognitive). After that, an overall image comprehending functional and psychological characteristics of destination is created by tourists. So the difference between is that Cognitive component made up of the sum of beliefs, impressions, ideas and perceptions that people hold of an object. The affective component deals with how a person feels about the objects (Rajesh, 2013).

### **2.3.4 Attributes of destination image**

There are numerous attributes linked among a specific destination; therefore it is unfeasible that all attributes are vital in travelers' preference for a place to visit. According to Mohamad et al. (2014) the destination image researchers however, used following attributes to measure the destination image, the attributes were scenery or natural attractions, costs or price levels, climate, tourist sites or activities ,nightlife and entertainment, sports facilities or activities, national parks or wilderness activities, local infrastructure, transportation, architecture or buildings, historic sites, museums, beaches, shopping facilities, accommodation facilities, cities fairs, exhibits, festivals, facilities for information and tours, crowdedness ,cleanliness, personal safety, economic development or affluence, accessibility, degree of urbanization, extent of commercialization, political stability, hospitality or friendliness or receptiveness, different customs or culture, different cuisine or food and drink, restful or relaxing, atmosphere, opportunity for adventure, opportunity to increase knowledge, family or adult oriented ,quality of service and fame or reputation.

According to Munhurrun et al. (2014) he mentioned that Island destinations are immersed in images of the “exotic” associated including both tangible and intangible elements such as pristine beaches, white sand, blue sea, rivers, landscape, biodiversity, brown skin and colorful culture to attract Western visitors. Beaches are considered as one of the major attractions of the tourism industry and are one of the most important motivators for tourists to visit island destinations.

In fact, Chi (2010) viewed that the destination brings together all aspects of tourism demand, transportation, supply, and marketing in a useful framework. It represents the most important element of the tourism system because destinations and their images attract tourists, motivate the visits and therefore energize the whole tourism system.

Based on above notion, destination image is about all emotional qualities include experiences, beliefs, ideas, recollection, and impressions (Xiaoli & Chirapanda, 2013). Tourist's behavioral intention relies on the image that they have of destinations. Image will influence tourists in the process of choosing a destination, the subsequent evaluation of the trip and in their future intentions. Destination image has a positive influence on perceived quality and satisfaction. A positive image deriving from positive travel experiences would result in a positive evaluation of a destination. Tourist satisfaction

would improve if the destination as a positive image and destination image also affects tourists' behavioral intention (Assaker et al., 2011).

To sum up, destination image plays a vital role in selecting a tourist destination. If any tourism authority can create positive image of the destination on tourist mind then it is easy to be successful in tourism business. A strong destination image gives competitive advantage from the competitors. Destination image or image of the country has great influence on the decision making process of the tourist. If the tourist perceive positive and favorable destination image on their mind then they like to often visit their desired tourist place (Haque & Khan, 2013). Hence, destination image are important since they strongly influence the decision making behavior of potential tourists and the satisfaction based on tourist experience. So recognizing the perceived destination image is crucially important to become successful in tourism industry.

#### **2.4.1 Perceived value**

According to economic theory and practical experience, the importance of the perceived value of products and services grows during periods of economic recession. In such circumstances, customers are more sensitive to value-for-money deals. It is well known that it is unreasonable for marketers to increase the perceived value of their offerings by lowering prices, while increasing the benefits of offerings for customers can be more effective. From this perspective, the quality and image of offerings are among the most important objects in which marketers can invest (Korda, 2010). Clearly, the tourism industry is not excluded from global recession trends, since tourism as a household activity falls into the category of a luxury cost. In this sense, the perceived value deserves particular attention and is a key factor in strategic management.

Perceived value is common and very essential issue of marketing area and is an important element in relationship marketing. Perceived value is defined with comparison of the benefits or output with the prices of products or services and is related with customer satisfaction (Haque & khan, 2013). According to Atikahamba (2014) many studies on perceived value revealed that it has a strong effect on future intention to revisit or repurchase products or services. For example, with regarding the relationship among entertainment travelers' past vacation behavior, vacation satisfaction, perceived vacation value, and future behavioral intentions. Chang (2013) says that perceived value is a good predictor of travelers' revisit intention toward a destination. Author, further, demonstrated

that perceived value does play a significant role on influencing the level of tourist satisfaction and future behavioral intentions with regarding a tourist behavior model by including destination image and perceived value into the “quality, satisfaction, behavioral intentions” paradigm to examine the relationship between tourists’ destination image, trip quality, perceived value and satisfaction and future behavioral intentions.

#### **2.4.2 Definition of perceived value**

A number of studies have been defined perceived value meaning differently. According to Mechinda (2010) one of the most cited definitions of perceived value is presented by Zeithaml that he has defined perceived value as the consumers overall assessment of the utility of a product based on perceptions of what is received and what is given. This view posits perceived value as a unit dimensional construct that can be measured simply by asking respondents to rate the value that they received in making their purchases. However, other authors have suggested that this conceptualization of value (as simply a trade-off between benefit and sacrifice) represents a narrow approach to the concept; these authors have argued that perceived value is a multidimensional construct in which a variety of notions (such as perceived price, quality, benefits, and sacrifice) are all embedded (Shen et al., 2014).

According to Alshibly (2015) Conceptualization of consumer perceived value is the most used and implemented in the literature. He identified its meaning into four ways: (1) value is low price, (2) value is whatever one wants in a product, (3) value is the quality that the consumer receives for the price paid, and (4) value is what the consumer gets (quality) for what they give (price). The majority of tourism research has focused on the fourth meaning of value. Briefly defined, perceived value is the result or benefits customers receive in relation to total costs which include the price paid plus other costs associated with the purchase.

#### **2.4.3. Measurement of Perceived value in tourism**

In recent years perceived value has been the object of attention by researchers in tourism. Different dimensions have been examined; perceived quality through social value, emotional elements (perceived quality of the product) and the functional value (price and value for money). In the case of a tourism package, the consumer has a holistic



notion of its perceived value which is more complex than simplistic notions of quality and price, since affective elements have a key role to play (Huang et al., 2015).

According to Lexhagen (2010), Customer value must be seen as differently depending on whether the product or service is valued for its value as contributing to a means to- an-end value, or if its perceived value is based on the pure possession of the product or service. Firstly at the attribute level, customers are concerned with defining the product in terms of its attributes; while secondly, at the consequence level customers define what the product can do for them, i.e. outcomes of user/product interaction. At last level, desired end-states are customers' core values, purposes and goals, i.e. the basic and fundamental motivators. With this perspective on value the authors claim that a richer and more meaningful understanding of customer needs and desires can be developed.

Based on above consideration, Service quality and its communication is an important hindrance for services to compete on the basis of price and the offer of service business is difficult for customers to assess and understand. Because of the intangibility of services, customers place great stress in the trust on a service without quality assurance, low price has little or no effect. Rather, a low price is likely to give a negative perception to customers regarding Quality. Quantitative examples relating to service sectors are more than in the manufacturing sector and most studies revealed the trend towards reduced customer satisfaction levels (Malik, 2012). Thus it is necessary to make straightforward measurement of price changes with respect to customers' perceptions on the quality of the products and services. If consumers think price is unfair; they will not be able to pay it. A firm should not mainly focus on competitors' prices rather firms should focus on providing the right quality at the right price to the customer.

To be concluded here, Customer perceived value played an important role in improving the competitiveness of tourism enterprises and promoting the sustainable development of the tourism industry. Tourist perceived value can effectively enhance the market share of a tourism enterprise and function as the predictor of tourists' behavioral intention such as tourists' revisit intention. Improving customer perceived value can cultivate the loyalty of customers in tourist destination and can help achieve the tourist destination's operation goal (Shen et al., 2014).

### **2.5.1 Service quality**

For a long time, the scholars at home and abroad have deeply researched the relationship among the service quality, customer satisfaction and loyalty. The service quality is a kind of general experience that the customers' feeling for the service provided by the enterprises (Qin, 2012).

Service quality is in a way to manage business processes in order to ensure total satisfaction to the customer on all levels (internal and external). It is an approach that leads to an increase of competitiveness, effectiveness and flexibility of the entire company. Better service quality brings more customers and generates more revenue. In general, elements of quality, the product or service have to satisfy specific elements of quality, according to the demands of the profession in their pertaining activity. Today quality is the result of growing and increasingly diverse needs of the consumers, along with a highly increasing competition, market globalization and the development of modern technology (Grzanic, 2010). Another aspect of service quality that is often used by companies to enhance loyalty of customers is the attempt to achieve sites that offer benefits to consumers in conditions of occasion and attempt. It is indicated that recreation participants' perceptions and evaluations of service quality may be related to their loyalty to a recreation service (Movafegh, 2013).

According to Ebrahimpour (2010), Managers in tourism try to improve the quality of their services and the level of customer satisfaction in the belief that this effort will create loyal visitors. Loyal visitors will return to the destination and recommend it to others.

### **2.5.2 Definition of service quality**

While investigators have studied about service for numerous decades, there is no agreement regarding the conceptualization of service quality. Diverse investigators have focused on unlike dimensions of service quality. There is no universal, parsimonious, or all-encompassing definition or model of quality. The mainly general description is the usual concept that sights excellence as the purchaser's insight of service fineness. That is to state, quality is defines by the purchaser's feeling (Movafegh, 2013).

Based on above consideration, the supposition behind this description is that clients form the insight of service excellence according to the service routine they experience. It is the purchaser's view that categorizes service quality. Several investigators acknowledge this approach to service quality. For example, Siddiqi (2011) define service quality as “a global judgment or attitude relating to a particular service; the customer's overall

impression of the relative inferiority or superiority of the organization and its services. Ebrahimpour (2010) defined Service quality as a gap between the customer's expectations of a service and the customer's perceptions of the service received. The consumer satisfaction literature views these expectations as predictions about what is likely to happen during an impending transaction, whereas the service quality literature views them as desires or wants expressed by the consumer. Quality is defined in a diversity of behavior and comprises: Movafegh (2013) defines quality including: a) satisfying or delighting the customer or exceeding expectations; b) product of service features that satisfy stated or implied needs; c) conformance to clearly specified requirements; and d) fitness for use, whereby the product meets the customer's needs and is free of deficiencies.

### **2.5.3 Measurement of service quality**

When visiting a destination, tourists interact with many different components of the destination (resort) product, which is a package of diverse attributes that includes not only the historical sites and spectacular scenery, but also service and facilities catering to the everyday needs of tourists. The quality of these interactions and experiences, with numerous encounters in the total holiday experience, forms the basis for overall holiday dis/satisfaction and future travel decisions. Quality of performance, which may also be termed quality of opportunity, refers to the attributes of a service which are primarily controlled by a supplier. It is output of a tourism provider (Bastic & Gojcic, 2011).

Qin (2012) used a two-dimensional model to study the quality of service. The first dimension was technical-quality by which the outcome of service performance was meant. The second dimension was functional-quality, meaning subjective perceptions of how service is delivered. Functional quality reflects consumers' perceptions of their interactions with the service providers. The model of Qin compares the two dimensions of service performance with the expectations of customers. Finally, Qin comes to conclusion that each single customer has its own single perception of the quality of a service.

A few years later, many researchers have studied the measurement of service quality. The most well known instrument for measuring service quality is SERVQUAL introduced by Parasuraman. The model is based on the definition of quality as a comparison of the expected and the obtained as well as a consideration of gaps in the process of service provision (Grzanic, 2010). SERVQUAL has been widely applied in many industries for measuring customer perceptions of service quality. These five major dimensions of service

quality encourage greater customer satisfaction: 1) reliability, which is the ability to carry out services accurately and in timely manner. 2) responsiveness is the destination tourism agencies should be willing to help visitors and provide prompt services. 3) Assurance where the employees should be able to relay trust and confidence. 4) Empathy which involves provision of caring, individualized attention to tourists. 5) Tangibles-the appearance of physical facilities, personnel, equipment, and communication materials ( Saha & Zhao, 2010). The results show that it will lead to higher customer satisfaction if the provider can control few dimensions.

#### **2.5.4 Measurement of service quality in tourism**

Service quality is an important aspect of tourist satisfaction. The measurement of customer satisfaction is not an easy task as it is related to an individual's perception. Since the tourist experience takes place in phases i.e. planning the trip, travelling from and to the destination, experiencing the destination; consequently, various aspects of the trip should be examined because they affect overall satisfaction (Beqiri, 2014)

There were several researchers who studied the measurement of service quality in tourism. The tourism literature has revealed various attempts to make sense of how tourists evaluate the quality of services they receive while on vacation, travel agency quality, and hotel quality (Ebrahimpour, 2010). According to Haghkhah et al. (2011), he conducted a study to investigate the role of service quality on tourism industry. In his study, the researchers formed the following dimensions of service quality: Destination (the location should be highly accessible), hotel (the location of the hotel, the ease of access to the room, restaurant, transportation stations, etc.), accommodation quality, interactions (with accommodation provider's personnel or other guests taking place during the stay at the accommodation unit), environment (i.e. physical evidence of the hotel), value (the value of accommodation worth to the paid cost). The results showed that such dimensions as quality of accessibility (destination, transportation, hotel), accommodation (environment, interaction, value), and venue/setting (environment, interaction, value) had significant, direct, and positive relationship with satisfaction of tourists, their intent to return and eventually development of tourism industry in a region.

Furthermore, Supitchayangkool (2012) reviewed the development of a scale to measure and benchmark service quality in tourism consisted of ten dimensions: 1) Core-tourism experience: the primary item that tourists want to get consists of; natural beauty,

good climate etc 2) Information: information required by tourists including information about destination available at the airport, places to stay etc. 3) Hospitality: the courteousness, friendliness, trustworthiness, and reliability of hotel staff and local people, 4) Fairness of price: the fairness of products' cost at tourist spots and shops as well as local conveyances. 5) Hygiene: the cleanliness and hygiene of a place to stay, 6) Amenities: the availability of internet, telecommunication services and money exchange facilities. 7) Value for money: the value for money with respect to the tour package, accommodation, domestic flight, food at restaurants, 8) Logistics: the accessibility of tourist spots as well as conditions of infrastructure. 9) Food: The taste of local food and availability of food. 10) Security: free from terrorist attacks. This study showed that such dimensions as quality of Core-tourism experience, Information, Hospitality, and Fairness of price, Hygiene, Amenities, and Value for money, Logistics, Food, and Security had significant, direct, and positive relationship with satisfaction of tourists, their intent to return and eventually development of tourism industry in a region.

To sum up, by considering the importance of service quality of tourist destinations, managers of every tourist destinations are very concern to improve the quality of the service. By improving the service, managers can satisfy their tourist and make them loyal towards the destinations. Poor service quality of any particular service industry hamper the potentiality of that business and it influence customers to switch service providers. It is also applicable for tourism industry. If any particular tourist destination fails to provide better service then customers will switch to another destination (Haque & khan, 2013).

### **2.6.1 Satisfaction**

Understanding tourist satisfaction is of utmost importance for the tourism industry, especially because of its effect on their future economy (Prebensen, 2010). In tourism literature, Tourists' satisfaction is significant to achieve high visitors' intention in revisiting the same destination. Satisfying customers can encourage customer's loyalty and foster word of-mouth advertising. Tourists satisfaction depends on the results of the goodness of fit with their expectations about their perception of the destination experience, which is result of comparison between their previous images of the destination and what they actually sees, feels, and achieved at the destination. In this sense, destinations that can identify attributes that satisfy tourists increase their chances of having loyal tourists. The

more satisfied a visitor is, the more likely he or she will revisit a destination, recommend it to others, or say positively about the destination (Xiaoli & Chirapanda, 2013).

Moreover, Customer satisfaction is the necessary foundation for the company to retain the existing customers. The customers who are unsatisfied with the received services would not be expected to have long run relationships with the company. Poor services can also cause to dissatisfaction. Like Inherently poor services or satisfactory level of services, which cannot achieve customer, expectation may be cause of dissatisfaction in customers. Customer satisfaction thus, is an important element in service delivery because understanding and satisfying customers' needs and wants can generate increased market share from repeating customers and referrals. Therefore, it has a significant effect on future purchase intentions and customer loyalty (Qin 2012).

### **2.6.2 Definition of satisfaction**

Traditional literature within consumer behavior pinpoints that customer satisfaction is the result or the final step of a psychological process from need recognition to evaluation of experienced products. Although this recognition of a motivational based process is agreeable, researchers within the area of satisfaction including tourist satisfaction tend to only focusing on perception of products and product elements, by focusing on the level of satisfaction received (Prebensen, 2010). According to puh (2014) one of the most cited definitions given by Oliver is that satisfaction is defined as pleasurable fulfillment. That means that the consumer senses that consumption fulfils some need or desire and that this fulfillment is pleasurable. In the case of tourism destination, tourists value the degree of pleasurable fulfillment of their needs and wishes on a full range of services, products, image etc offered in a destination so satisfaction depends on the experience they have with using those services. To summarize puh's theory, Tourism satisfaction is based on the coincidence of the expectations tourist have before visiting destination and the results of experiences achieved in the destination which represents a compilation between previous image tourist had about destination and those he really sees, feels and remembers about destination.

### **2.6.3 Measurement of tourist Satisfaction**

In the terms of satisfaction measurement most authors agree it is important to differentiate overall destination satisfaction and attribute satisfaction on the destination

level. In the tourism literature two major approaches are employed to measure tourists' satisfaction namely, disconfirmation theory and performance-only approach. Disconfirmation theory is based on the post-purchase concept, which is a comparison between pre-travel expectations with actual travel experience. For instance, Tourists take a trip to visit the destination to consume the products or experiences that it offers, to have good memories to share with their friends and they form their judgment of the destination by comparing their actual experiences with their expectations (Vetitnev et al., 2013).

The performance-only approach considered the tourist satisfaction construct as the tourists' evaluation of destination attributes. Previous researchers used multi-attribute model to explain tourist satisfaction. They measured different dimensions of quality like security, safety, appearance (aesthetics), service orientation, accessibility of service and variety (fun), in several ranges of tourism activities including attractions, shopping, food and accommodation, and transportation (Reuben, 2010).

According to Song et al. (2012), he founded the following factors of destination items to measure tourist satisfaction: Lodging, dining, shopping, attractions, activities and events, environment, and accessibility. Furthermore, he reviewed tourist satisfaction with ski resorts using six satisfaction indicators: ease of access, situation at ticket selling points, level and variety of prices, cableways and ski lifts, skiing area, skiing runs, services, and restaurants. Based on the above results and our personal experiences, Vetitnev et al. (2013) has chosen the following 12 attributes that constitute satisfaction destinations: accommodation, food, city transport, medicine entertainment, shops, beach, attractions, excursions, staff, environment (ecology) and cleanness. The results indicated that factors such as accommodation, food, city transport, medicine entertainment, shops, beach, attractions, excursions, staff, environment (ecology) and cleanness attempt tourists' satisfaction.

Additionally, there were some studies investigating about novelty seeking' role in tourists' satisfaction as well as their revisit intention. Ngoc & Trinh (2015) reviewed that in the field of tourism, natural environment comprises of many factors such as weather, beach, lake, mountain, desert, etc. They further mentioned that cultural environment includes quality of life; language barriers; local residents' hospitality and friendliness; festival or concert; religion; historic attractions; customs and ways of life. The results show that natural environment factors such as weather, beach, lake, mountain, desert, etc, affected tourist satisfaction that makes tourists revisits

Infrastructure is tools which are quite transparent for most people. It consists of many aspects, such as deciding with whom to travel, what destination to travel to, where to buy the product, etc. The journey, from leaving home to return, consists of a series of elements, including infrastructural aspects, activity amenities, as well as service elements: transportation, hotel, restaurants, types of activity, number of activities, service level in general, specific activities, the nature/surroundings, travel party, food, etc. After the journey all these elements are viewed as possible influences on overall satisfaction (with the destination) and subsequently on the intention to re-visit and communicate via positive word of mouth (Prebensen, 2010).

According to Paunovic (2014), leisure refers to time spent doing what you enjoy when you are not working or studying while entertainment is defined as films/ movies, music, etc used to entertain people. Leisure and entertainment consists of outdoor activities, adventure activities, shopping as well as nightlife, etc. besides entertainment, for destination food providers, it is essential to enlarge knowledge about tourists' food culture (including their eating habits, their tastes, custom, etc) to make the foods become congruous with tourists' habits. This will effectively help improve the food service also enhance customer satisfaction (Ngoc & Trinh, 2015).

To be concluded here, tourist satisfaction come in various ways by different satisfaction factors. Rajesh (2013) reviews that attributes like perceived attractions, perceived quality, perceived risk and perceived value used measure the satisfaction of tourists. Attributes like comfort facilities, safety & infrastructure, cultural attractions & shopping, tourist attractions & ambience and variety & accessibility affects tourist satisfaction. Author also defined Overall destination image, destination image (i.e. attractions, accommodation, accessibility, amenities, activities, local community and shopping) impact on tourist satisfaction. The results showed that in turn, those factors affected tourist loyalty.

### **2.7.1 Tourist loyalty**

Consumer loyalty has been considered a significant asset to an organization. In a normal situation each company wants to have loyal customers. Loyal customers have a high repeat purchase behavior and a positive attitude towards a company (Van Es, 2012). Many previous loyalty studies indicated that higher customer loyalty often results in higher profitability and more stable customer basis. Loyal customers not only represent a



stable source of revenue, but also act as free word-of-mouth advertising channels that informally link networks of friends, relatives and other potential consumers to a product/service. Furthermore, it has been argued that it was five to seven times more expensive to attract new customers than to retain old ones (Taylor & Francis, 2015). This statement shows the importance of customer loyalty. Siddiqi (2011) mentioned that it is better to look after the existing customer before acquiring new customers. Therefore, loyalty has been considered as one of the major driving forces in the competitive market.

### **2.7.2 Definition of loyalty**

Generally, Consumer loyalty has been defined in behavioral terms as repeat purchasing frequency or relative volume of same-brand purchasing. Also he defined loyal customers as those who re-buy a brand, consider only that brand, and do no brand-related information seeking. Furthermore he defined loyalty as consumers' intentions or actual behavior to repeatedly purchase certain products or services (Ngoc & Trinh, 2015). Rajesh (2013) defined loyalty as a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future despite situational influences or marketing efforts having the potential to cause switching behavior. This definition includes two aspects of behavioral and attitudinal loyalty. The behavioral perspective focuses on tourist's consumption behavior such as repeat visitation while the attitudinal perspective refers to tourist's attitude toward a destination or attraction. Author further defined loyalty at a higher level, which he termed 'ultimate loyalty', as those consumers who fervently desires to re-buy a product or service, will have no other, and will pursue this quest against all odds and at all costs.

### **2.7.3 Conceptualization of Loyalty**

The concept of consumer loyalty has been extensively investigated in the marketing literature with the underlying goal of understanding customers' needs and wants so as to secure repeat purchase of particular brands and products. The large majority of market researchers view loyalty as a multi-dimensional concept, however there is debate as to how many dimensions, this is two or three. According this author, loyalty can be measured by utilizing only one indicator that is willingness to recommend (Donnelly, 2010). Hence, understanding the behavioral intention is very critical in understanding and predicting the

future intention of travelers and their loyalty toward a special destination (Alizadeh, 2014).

#### **2.7.4 Measurement of Loyalty**

Loyalty is a multidimensional construct that has been conceptualized in many different ways in the marketing literature. Generally, Loyalty has been measured in the following ways: (1) the behavioral approach, (2) the attitudinal approach, and (3) the composite approach (Toyama & Yamada, 2012).

Behavioral approach is related to consumers' brand loyalty and has been operationally characterized as sequence purchase, proportion of patronage, or probability of purchase. This loyalty measurement does not attempt to explain the factors that affect customer loyalty (Anuwichanon, 2010).

In the attitudinal approach based on consumer brand preferences or intention to buy, consumer loyalty is an attempt on the part of consumers to go beyond overt behavior and express their loyalty in terms of psychological commitment or statement of preference. Tourists may have a favorable attitude toward a particular product or destination, and express their intention to purchase the product or visit the destination. Thus, loyalty measures consumers' strength of affection toward a brand or product, as well as explains an additional portion of unexplained variance that behavioral approaches do not address (Bastic & Gojcic, 2011).

Lastly, the composite or combination approach is an integration of the behavioral and attitudinal approaches. The reviewed literature suggests that a full understanding of loyalty need to consider both motivation and satisfaction constructs simultaneously (Yoon and Uysal, 2011).

In customer research, customer loyalty can be measured from three different indicators, its include customer intention to continue buy the same products, intention to buy more of the same product and willingness to recommend the product others. Author further state tourist destination as a product, tourists can return to that destination or recommend to friends and relatives or some potential tourists. Some research has reflected that good quality services and satisfaction are able to make tourists re-visit more likely and influence the expectations of tourists regarding future to re-visit the same or similar destination (Zhang, 2012).

### **2.7.5 Measurement of Loyalty in tourism**

Generally it is believed that satisfaction leads to repeat purchase and positive word-of-mouth recommendation, which are main indicators of loyalty. Marketing literature has paid much attention to the relationship between customer satisfaction and loyalty. According to this author, number of studies has confirmed a significant positive relationship between customer satisfaction and loyalty/retention. If consumers are satisfied with the product/service, they are more likely to continue to purchase, and are more willing to spread positive word of mouth to friends, relatives and others as potential tourists (Shirazi, 2013).

Satisfaction can be used as a measure to evaluate the products and services offered at the destination (Valle & Silva, 2010). In tourism industry, there are empirical evidences that tourists' satisfaction is a strong indicator of their intentions to revisit and recommend the destination to other people Satisfied tourists are more likely to return to the same destination, and are more willing to share their positive traveling experience with their friends, relatives and others to visit the destination they have visited (Chi, 2010).

To sum up, overall destination image such as attractions, accommodation, accessibility, amenities, activities, local community and shopping impact on the tourist loyalty (Rajesh, 2013). Tourism managers use these attributes to stimulate the positive perception of the destination. If tourist gets better service from any tourist destination then tourist will be loyal towards the destinations (Haque & khan, 2013). Taylor & frantic (2015) stated that Truly loyal customer must not return to the firm or had a sense of behavioral loyalty but at the same time, the customer will feel emotionally attached that he/she felt no other company can fulfill his/her needs and consequently resist them to switch another providers. The author pointed out the loyal customers had acted as marketing agents for the company by recommending the company to others. Besides this, tourist loyalty spread their positive word of mouth to other customer as well as their friends and relatives. These annotations point to the significance of customer loyalty, which provides growth, and continued survival for the companies.

### **2.8. Past researches**

Many past researchers have studied destination image, perceived value, service quality and satisfaction in effect of tourist loyalty on tourist destination. In the following,

the authors show each variable and its relation to revisit intention. All relations have a positive form.

### **2.8. H1: Destination image has a positive influence on tourist loyalty**

Image can have significant influence on tourists' subjective evaluation of destinations, consequent behavior, and destination choice (Chi, 2011). The destination image affect the tourist's perceived value of a destination. It means that when a destination image is favorable, it results in the higher perceived value. The perceived value can be measured by three items which are money value, time value and effort value. In this sense, the more favorable the destination is, the more a tourist values his/her effort, time and money spent for visiting the destination (Alizadeh, 2014).

Previous Studies strongly suggest a significant relationship between destination image and behavioral intentions of tourists (Kim et al., 2012). For example, Mahasuweerachai & Qu (2011) proposed a significant relationship between the image and visitors' intention to revisit the same destination in the future. Further, their studies reported that image tends to have a significant impact on perception of service quality, satisfaction, and customer loyalty in evaluation of services. Castro et al. (2010) proposed on one hand that both the perception of service quality and/or tourist satisfaction is likely to moderate the relationship between image and destination loyalty. Chen and Tsai (2010) also proposed that perceived image of a destination is the most critical determinant of individuals' behavioral intentions i.e., revisit intentions and positive worth of mouth behavior.

### **2.8. H2: Perceived value has a positive influence on tourist loyalty**

Perceived value is a significant factor that plays an important role in consumers' decision making process: they also revealed differences in value perceptions of business and leisure travelers (Zhang & Mao, 2012). Customer perceived-value is defined as the perception about quality, social psychology, benefit and money (Ishaq, 2012). Several studies have pointed out that tourists' perceived value is positively related to revisit intention. For instance, Chang (2013) explored the impact of brand equity on customers' perceived value and revisit intent to a mid-priced U.S. hotel and found that perceived value is positively related to customers' revisit intention. Author further had pointed out that perceived value has a positive impact on both future behavioral intentions and behaviors. Alizadeh (2014) have proposed a model in which perceived value has a direct

impact on the customer's satisfaction and then results in future behavioral intentions. Author argued that Customer's future behavioral intention is determined by some variables which perceived value is an important factor among them. On the other hand, customers will be motivated to buy a service or product when they evaluate whether they have received value for the service or not. Therefore, it can be argued that a tourist's perceived value can influence his/her future behavioral intentions to visit a destination.

### **2.8. H3: Service quality has a positive influence on tourist loyalty**

Perceived service quality is viewed as a key determinant of satisfaction with potential consequences for repeat patronage. Author stated that market communications that increase client's viewpoint concerning the service quality of a given company are probable to make stronger replicate support. Confidence with a service supplier is often a key to loyalty, and reminding consumers of past purchases may be critical in building or maintaining loyalty. Offering personalized services and enacting company policies to build consumer confidence are ways that companies can try to induce attitudinal loyalty in customers (Movafegh, 2013).

Ishaq (2012) described service quality as the customers' overall judgment of the excellence of service offering. Service quality is also affected by the ability of an organization to satisfy customers' needs, according to their expectation level. Several studies have shown a positive relationship between consumer loyalty and consumers' perceptions of service quality. These authors have offered suggestions for companies to increase their quality of service in direct to support increased participant loyalty (Movafegh, 2013). Mason & Nassivera (2013) proposed that there is a positive relationship between service quality and satisfaction. Furthermore, they proposed that quality service and satisfaction can lead to loyalty. According to them, having direct impact on loyalty, the impact of service quality is likely to be mediated by customer satisfaction. For example, Chen and Tsai (2010) proposed that the relationship between service quality and behavioral intentions are fully mediated by customer satisfaction. The results indicated that perception of quality and customer satisfactions are both important determinants of customer loyalty (Zabkar et al., 2010). Bastic & Gojcic (2011) found a positive relationship between service quality and the willingness to a pay a higher price and the intention to remain loyal in case of price increase. Perceived quality has a stronger total effect on behavioral intentions than satisfaction. According this author, service

quality appeared to be a significant predictor of return intentions for the first-time visitors and service quality acts on service loyalty via customer satisfaction and that customer satisfaction performs a mediating role in the link between service quality and service loyalty.

#### **2.8. H4: Satisfaction has a positive influence on tourist loyalty**

Satisfaction is considered as one of the most critical determinants of loyalty because of its significant impact on the destination selection, the selection of activities and services, the future visitation intentions and the decision to recommend to others (Ozdemir et al., 2012). Several previous studies in tourism examined the relationship between satisfaction and loyalty. Prentice (2013) proposed in their studies that tourist satisfaction can lead to positive behavioral reactions from tourists such as repeat visits and positive word of mouth. According to them, Tourist satisfaction is a critical determinant of the success (or failure) of a destination because satisfactory experiences will lead revisit intentions/loyalty and/or positive recommendations to friends and relatives about the destination (Song et al. 2012). Can (2013) found that in many tourism and leisure studies, overall satisfaction positively affects behavioral intention and recommendation of the destination to other people? Highly satisfied tourists are more likely to revisit the same destination, and to share their positive experiences with their friends and relatives. According to Alizadeh (2014), in order to achieve customer loyalty firms need to focus on the satisfaction as an important objective. Moreover, author argued that travelers evaluate the performance of the firm and then compare with their expectations. When the performance is higher than expectation, satisfaction will occur which results in the customer loyalty.

Based on the literature review above, the proposed model was built involving four predictor variables: destination image, perceived value, and service quality and tourist satisfaction. Each of these variables had a direct link to revisit intention. This study therefore, has been taken as influence factors towards tourist loyalty which is focusing on the destination of pattaya, Thailand.