Relationship of Tourist Satisfaction on Destination Loyalty: A Meta-Analysis

Abstract

Based on the results of 19 published and 3 working papers, this study used meta-analysis to examine the relationship between tourists’ satisfaction and destination loyalty. Generalizable relationships were found that tourists’ satisfaction has a positive impact on the level of loyalty on destination. Surprisingly, the moderator analyses show that relationship between tourists’ satisfaction and destination loyalty does not vary depending on different types of satisfaction measure. One implication of this study is that marketing managers should consider that the tourists’ satisfaction plays a direct role of developing destination loyalty.

I. Introduction

Customer satisfaction has been widely believed to be the best predictor of customer’s future loyalty (Anderson et al., 1994) and has been considered as an essential business goal. Numerous studies have shown that higher levels of customer satisfaction lead to a greater customer loyalty (Anderson and Sullivan, 1993; Oliver, 1999; Chaudhuri and Holbrook, 2001). This is also true for the tourist satisfaction and loyalty. Chi and Qu (2008) and McDowall (2010), for example, note a strong correlation between tourist satisfaction and destination loyalty. Similarly, Oppermann (2000) shows that the tourist’s loyalty to the destination has
strong positive relationships with their intentions to revisit the destination and their willingness to recommend it to other people. While the relationship between tourist’s satisfaction and loyalty has been widely investigated empirically in the marketing and tourism areas, there are large variations in these findings in the statistical significance, magnitude or directions. Consequently, a meta-analysis of the evidence allows us to advance understanding the average effects of the significance, magnitude and directions. By the meta-analysis, we can also check if the variance in effect sizes and moderating variables have some effects on the variance in the satisfaction and loyalty relationships.

The objective in this study is to advance understanding the relationship between tourist’s satisfaction and loyalty by conducting a meta-analysis and discussing the results. First, the rationale of the relationship between tourist’s satisfaction and loyalty and potential moderators of customer satisfaction are overviewed. Second, the methodology is described to identify the population of empirical studies on tourist’s satisfaction and loyalty. Then the meta-analysis is conducted to cumulate the empirical results across the studies. Findings from our meta-analysis of 22 empirical studies reporting 25 correlations are presented and discussed. We conclude with the limitations of the study, suggestions and directions for the future research.

II. Theoretical Background

1. Relationships of Tourists’ Loyalty on Destination with Satisfaction

Many studies have been conducted on relationships between tourists’ satisfaction and loyalty (Oliver, 1997; Oliver, 1999; Yi, 1990) and have suggested that customer satisfaction influences loyalty. Current study used Yoon and Uysal (2005)’s conceptual model of tourists’ satisfaction and loyalty as a baseline framework which empirically investigate the magnitude and direction of relationships between tourists’ satisfaction and loyalty.

Customer satisfaction has received considerable attention from researchers and practitioners in marketing and relevant areas (Oliver, 1997; Yi, 1991; Anderson et al., 1994). Satisfaction is commonly defined as a post-purchase evalu-
satisfaction dependent upon perceived quality or value, expectations, confirmation or disconfirmation which is the degree of discrepancy between actual and expected product quality (Kotler, 1991; Oliver, 1980). Confirmation or disconfirmation is mostly widely used measure of satisfaction, common to studies of customer satisfaction (Yi, 1991). Any perceived discrepancy between pre-purchase expectation and post-purchase evaluation leads to the increased or decreased satisfaction (Oliver, 1980).

Diverse research on loyalty in marketing and tourism has been conducted. The importance of customer loyalty has been a top priority of most practitioners as well as academic researchers. The conceptual definition of loyalty commonly adopted in the relevant areas is a deliberate prior tendency to purchase a brand, often coming from positive past experiences (Brown, 1952; Kahn, 1989). Perhaps because it’s relatively easy to collect behavioral data, most brand loyalty measures used in marketing and tourism areas are behavioral (Jacoby and Chestnut, 1978). What they basically assume is, if a consumer keeps buying a particular brand repeatedly or revisiting a certain destination, she or he is more likely to be loyal to that brand or destination. In other words, we can infer brand loyalty by actual behaviors of repeat purchasing.

Customer satisfaction is a key driver to the customer loyalty. Numerous studies have shown that there is the positive relationship between customer’s satisfaction and repeat purchasing (Zeithaml et al., 1996; Mittal and Kamakura, 2001). Satisfied customers are more likely to repurchase a product or service and recommend it to other people. As a consequence, firms can attenuate the volatility of revenues by reducing the acquisition costs of new customers (Srivastava et al., 1999).

The direct effect of consumer satisfaction on loyalty is consistent with the existing literature on attitude-behavior consistency. Evaluations based on direct experience are strong predictors of behavior (Fazio and Zanna, 1981). Because satisfaction is based on direct past experience, it is likely to affect behavioral intentions independent of other considerations.

Concepts and relationships of satisfaction with loyalty are also true for the tourism that success of destinations strongly depend on a thorough analysis of tourist satisfaction and loyalty (Yoon and
Uysal, 2005). Travel destinations can be considered as products, and tourists may revisit or recommend travel destinations to other potential tourists such as friends or relatives. In the last decade, a variety of studies in tourism or leisure researchers have incorporated the concept of consumer loyalty into tourism products, destinations and have shown that tourist satisfaction is one of key determinant of tourist loyalty which play an important role in destination success (Backman and Crompton, 1991; Kozak, 2000; Baloglu, 2001; Selin et al., 1988).

2. Potential Moderators of the Satisfaction-Loyalty Relationship

Although it's generally accepted that the tourists’ satisfaction have a positive impact on repeat visit on destinations, there often is wide variation in the magnitude of the correlation reported for the relationships of satisfaction with loyalty. Because customers’ or tourists’ satisfaction could be measured by an overall (global) or attribute level evaluations, this study investigated whether the relationships varied by the different types of satisfaction measure. Overall satisfaction and attribute satisfaction are distinct, though related, constructs (Oliver, 1993). While overall satisfaction is measured by a single item about a tourist’s overall or global satisfaction with product or service, attribute level of measurement is conducted by multiple items about tourist’s satisfaction toward a specific aspect of the product or service. Because the particular characteristics of destinations have a notable effect on tourist satisfaction, it is important in tourism to distinguish overall satisfaction from individual attributes satisfaction (Seaton and Benett, 1996).

III. Methods

1. Meta-Analytic Procedure

Meta-analytic procedures of Hunter and Schmidt (2004) were used to correct observed correlations between tourists’ satisfaction and loyalty for sampling error and unreliability in measures of satisfaction and loyalty. The Hunter-Schmidt Meta-analysis Programs V1.1 was then used to run the meta-analysis which provides the meta-analytic estimates of the
mean correlations and variability of relationships between satisfaction and loyalty. Correlations were corrected for sampling error and unreliability in both variables using alpha coefficients.

The variability in the corrected correlations across studies was also investigated. 80% credibility intervals and 90% confidence intervals around the estimated population correlations are reported. It’s important to report both because confidence intervals estimate variability in the mean correlation, whereas credibility intervals estimate variability in the individual correlations across the studies (Judge, Heller, and Mount, 2002).

Hunter and Schmidt (2004) emphasize that when more than 25 percent of the variance remains after accounting for variance due to sampling error and unreliable scales, a search for moderator variable is justified. In the beginning of designing this study, potential moderator effects were expected that the magnitude of the correlations between tourists’ satisfaction and destination loyalty varies dependent on the types of satisfaction measures. In addition, moderator analyses were carried out to see whether different types of satisfaction measures lead to the different results.

2. Rules for Inclusion in the Meta-Analysis

To identify all possible studies (published articles, dissertations, and unpublished working paper) of the relationship between the tourists’ satisfaction and loyalty, electronic databases in ABI/Inform, WILS, UMI, among others are used for key words searches using tourist’s satisfaction and destination loyalty. Also manual searches are used in the leading academic journals in which research on the relationships between tourists’ satisfaction and destination loyalty would most likely be published such as Tourism Management, Annals of Tourism Research, Journal of Marketing, Journal of the Academy of Marketing Science, Journal of Travel Research, the Journal of Tourism Studies and Asia Pacific Journal of Tourism Research. The search process ends up with 31 published articles and 11 working papers. After I removed the papers which didn’t report the reliability measure or sometimes correlations, 19 published articles and 3 working papers are identified which report 33 correlations involving the tourist’s satisfaction and destination loyalty. For each study, the correlation between
tourist’s satisfaction and loyalty was coded. In addition, whether satisfaction was measured by overall level or attribute level was coded for use as moderators. Sang Uk independently coded all studies and double-checked it.

IV. Results

1. Meta-Analysis

<Table 1> below indicates the results of meta-analysis of tourists’ satisfaction to destinations loyalty. Tourists’ satisfaction is strongly correlated with destinations loyalty (ρ = 0.72). Both the credibility intervals and confidence intervals exclude zero which implies that these positive correlations could be generalized across studies.

In our datasets, variation of sample sizes is large from 24 to 6172. One concern of this is that studies with a large sample size are likely to dominate the meta-analysis results. To avoid this problem, this study followed the Huffcutt et al. (1996)’s method as Judge, Heller and Mount did: weight of 1 is assigned to the studies with sample size less than 75, weight of 2 with sample size between 75 and 200 and weight of 3 if the sample size is larger than 200. This alternative weighting scheme lead to the slightly higher correlation (ρ = 0.74) which indicates that the variations of the sample size were not an issue in our analysis.

2. Moderators of the Tourists’ Satisfaction and Loyalty Relationships

The meta-analysis results with moderators by tourists’ satisfaction measures are shown in <Table 2>. Hunter and Schmidt (2004) suggested that if more than 25% of variance in correlations across studies remains after accounting for variance due

<Table 1> Meta-Analysis of the Relationships of Tourists’ Satisfaction to Destinations Loyalty

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>80% CV</th>
<th>90% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>k</td>
<td>N</td>
<td>r</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>28</td>
<td>29040</td>
<td>0.62</td>
</tr>
</tbody>
</table>

Note) k = number of correlations; N = combined sample size; ρ = estimated true score correlations; SD_ρ = standard deviation of true score correlation; CV = credibility intervals; CI = confidence interval.
<Table 2> Methodological Moderators of the Tourists’ Satisfaction and Loyalty Relationships

<table>
<thead>
<tr>
<th>Measures</th>
<th>Overall</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
<td>0.69</td>
<td>0.72</td>
</tr>
</tbody>
</table>

to sampling error and unreliable scales, the use of moderator variables is justified. Standard deviation of true score correlation ($SD_{\rho} = 0.16$) in <Table 1> implies that the moderator effect is not necessarily considered in our study. <Table 2> provides the results of the moderator. Even though tourists’ satisfaction with attributes measure has slightly higher correlation with destination loyalty, relationship between satisfaction and loyalty did not differ much in overall and attributes measure of tourists’ satisfaction. It is a somewhat surprising result when we consider that the different effect of types of satisfaction measures on destination loyalty have been widely discussed in tourism areas for the last decades.

V. Conclusions

Results of this study make it apparent that the tourists’ satisfaction has a positive impact on the destination loyalty ($\rho = 0.72$). Despite the common belief in marketing that customer’s satisfaction is a key determinant of loyalty, there have been some doubts on their relationships and magnitudes in the tourism area. In this sense, this study is very meaningful to generalize the current knowledge and quantify the magnitude of their relationships.

The moderator analyses did not show that there is a significant difference in the effect of satisfaction measures on the loyalty. While the different impacts of overall and attribute satisfaction on customers’ loyalty has not been made much in the marketing area, researchers in the tourism have thought that the attributes satisfaction plays more important roles in the destination loyalty than the overall satisfaction. In this sense, results of this study are somewhat surprising to the tourism researchers. In other words, this raises the question of whether we need to consider the different effects of satisfaction measures on loyalty in the tourism research.

Managerial implication of this study is that marketing managers should consider that the tourists’ satisfaction plays a direct role of developing destination loyalty.
That is, if tourists are satisfied with their travel experiences, they are more likely to revisit a destination which reduces the overall customer acquisition cost of firms. This study provided that cumulative knowledge shows the strong empirical evidence that satisfaction has a direct positive impact on destination loyalty. Therefore, tourists’ satisfaction management should be the focus of marketing managers as to create tourists’ revisit on destination and finally financial benefits.

There are several limitations of this study. Even though some of empirical studies didn’t report the correlations or reliability measure of variables, I didn’t request the authors of the studies about the correlations and reliability due to the limitation of time. The inclusion of these data would strengthen the reliability of findings of this study. Second, different measures of loyalty should be considered. For example, the differentiation of repeat purchase intention and behavior may result in more detailed results than ours which allow us to advance understanding the procedure.

For the future research, many issues need to be examined in more details. The relationships between different satisfaction measures and also different loyalty measures should be examined to advance understanding. Another avenue for the future research is to do the meta-analysis about the drivers of tourists’ satisfactions. While the drivers of customer’s satisfactions have been widely discussed in the marketing area, there are few empirical studies in the tourism research. This future direction of this research is important for the practitioners and researchers in the tourism in the sense that this approach allows us to understand why tourists are satisfied or dissatisfied and what level of these satisfaction means to the success of the business.

References


