CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION TO THE STUDY

The service sector accounts for approximately two thirds of the GDP in developed economies. In the developing economies, services are contributing on a larger scale than before. Some developing countries like Egypt, India and Malaysia, Thailand have revealed a comparative advantage in tourism. Tourism remains one of the single largest sources of foreign exchange earnings from services for many countries. In the times of growing global competition, tourism destinations are continuously seeking ways to improve the destination’s competitiveness. The goal of every destination is to create a good product and offer a value for money holiday experience so that satisfied tourists’ would communicate their positive experiences to people known to them to visit such places and/or may revisit the destination. At a global level new and existing destinations are competing for the International traveler’s market segment.

Research is an ongoing process in destinations that want to maintain a competitive edge for the destination. Kozak & Rimmington (2000) maintained that tourist satisfaction has the greatest impact on destination choice, consumption of tourism products and services and the decision to revisit. Millions of dollars are spent each year on destination marketing by National and State tourism, airlines and resorts and includes expensive advertising and promotional campaigns. The need to promote word of mouth
and repeat visits is highly recognized and that can be achieved only by ensuring that the destination’s offerings satisfy the tourists’ needs, expectations and desires. The tourism industry is grappling with the issue of service quality and has come to understand that the way to ensure successful positioning of a destination would be to provide a valuable framework to compare the efforts of the individual enterprises and that of the industry as a whole. Governments are now recognizing the importance of assessing the success of their programs in terms of outcomes rather than inputs.

The present study explores the International traveler’s motives, preferences and experience and its impact on satisfaction and destination loyalty in the context of Kerala, a Southern state of India.

1.2 OBJECTIVES OF THE STUDY

1) To identify the push and pull motivation factors of foreign tourists to Kerala as they demonstrate different domains of behavior, which may have important marketing implications to the country.

2) To analyze the relationship between travel motives, overall satisfaction and destination loyalty in terms of intention to revisit and to recommend others.

3) To understand the effect of the service experience on overall satisfaction and destination loyalty.

4) To study the tourist destination attributes that are perceived as important and their satisfaction with their holiday experience in Kerala using Importance Performance Analysis.
5) To measure the difference between perception and experience with regard to service parameters based on Kerala’s 6 S framework

1.3 MOTIVATION AND NEED FOR THE STUDY

Learning about the interests and activities of potential visitors is vital to the planning and marketing of tourism products. Failure to recognize such touch points like travel motives, nature of holidays preferred, most fulfilling moments in a holiday, and interest in emerging kinds of tourism would lead to blind marketing and may fail to evoke consumer satisfaction. If tourism service providers and State Governments are able to understand what prompts people to leave their homes and choose Kerala as a holiday destination, the most preferred activities in a Kerala holiday, their holiday experience and perceived service quality, then it is possible to develop approaches that will help them to manage the tourists and their impacts and plan an enjoyable experience for them. It is also important to recognize the fact that knowing the importance of the push and pull factors can help destinations meet the desired needs of individual travelers from different markets. At the same time, knowledge of traveler’s motivation is critical to predict future travel patterns.

Travel satisfaction has been used as an assessment tool for evaluating travel experiences (Bramwell 1998). Also, tourist’s positive experiences of service, products and other resources provided by tourism destinations could produce repeat visits and positive word of mouth to other potential tourists like friends and relatives (Bramwell 1998; Opperman 2000). Recommendations by tourists who have visited the place is considered to be the most reliable source of information for other potential tourists. People interested in travelling are most interested in talking to people who have
visited the destination. Obviously, a satisfied customer acts as an unpaid salesman for the destination.

It is hoped that the study would help the destination planners and service providers better understand and serve the International tourism market.

Although Kerala is one of the popular destinations for travel, there is no empirical study on identifying international travelers’ travel motives, their travel behavior and perception towards Kerala as a holiday destination. This study aims to fill that gap. Another rationale of doing this study is because tourist’s travel characteristics and behavioral patterns change over time. Frequent and constant change influences the choice of tourism activities and the destinations at which they are undertaken. Thus, it is one of the study intentions to acknowledge the latest developments related to tourism activities and expectations within Kerala and identify possible proactive actions that could be undertaken to meet with the current International tourist’s needs and demand.

Kerala has been rated as —one of the fifty destination to be visited in one’s lifetime” by the National Geographic Channel. Moderate climate, rich art, colorful festivals, diverse natural and cultural attractions are causing tourism to flourish in Kerala. This diversity offers tourists a range of attractions and experience such as beaches, backwaters, mountains, riverbeds, wildlife, evergreen forests, and diverse flora and fauna of Kerala. It is often projected as the _Green Gateway_ to India.

Understanding tourist’s preferences and their perception of the destination are considered essential inputs in tourism planning and marketing efforts. The literature on tourist’s satisfaction with Kerala revealed that though there are few studies on motives and satisfaction, there are hardly any studies
integrating the mentioned concepts with destination loyalty. With this in mind, this study analyses the relationship between travel motives, overall travel satisfaction and destination loyalty which is measured in terms of intention to recommend and intention to revisit Kerala. The study employs the Importance Performance Analysis to evaluate the destination attractiveness and analyzes the service quality as perceived by the international tourists visiting Kerala.

1.4 RESEARCH METHOD

The study aims at testing a theoretical framework and exploratory research was considered most appropriate to address the research aim and objective of the study. Due importance is given to sample selection, calculation of sample size and developing the research instrument.

1.4.1 Sampling Technique

The respondents for this study were the international tourists visiting Kerala for places like Trivandrum, Kollam, Alapuzzha, Munnar, Varkala, and Cochin. Fearing low response rate, more than 600 questionnaires were distributed among International tourists with the help of help desks in various places of stay and the response rate was surprisingly good. 513 respondents responded to the questionnaires. Deliberate sampling method was employed.

1.4.2 Sample Size

The general formula for deciding the sample size required to do the study accepted by researchers is Equation (1.1).

\[ n = \left( \frac{Zs}{e} \right)^2 \]  

(1.1)
where \( Z \) represents \( Z \) score from normal distribution normally taken at 95% confidence level. The table level at this level for \( Z \) is 1.96 and \( \sigma \) represents the Standard Deviation and for a five point rating scale by using thumb rule it can be estimated by dividing range 5-1/6 = .67.

\[ \epsilon \text{ represents the tolerable error and if we put the value at } + \text{ or } -0.25 \text{ for the present study, the sample size required can be estimated by substituting these values in the above formula we get Equation (1.2).} \]

\[
\begin{align*}
n = \left( \frac{1.96 \times 0.67}{0.25} \right)^2 = (5.2528)^2 = 28
\end{align*}
\]

(1.2)

The above formula suggests at least 28 respondents required in each destination. As the study was conducted in six major destinations of equal importance (Munnar, Kovalam, Varkala, Cochin, Trivandrum, Allepey) and adjoining areas, the researcher considered equal number of respondents in each destination. Therefore the required sample size (28x6=168) is arrived at. Thanks to the cooperation of the International tourists, the actual sample size (513) is more than three times the required sample size.

### 1.4.3 Questionnaire Design

The survey instrument was designed to achieve the objectives. Firstly, the questionnaire captured the international tourist’s demographic information like age and gender, followed by their travel characteristics, namely travel companion and duration of travel.

Secondly, the questionnaire captured the International traveler’s \( \text{ push} \) motives that impel him to leave home on a holiday and \( \text{ pull} \) motives in choosing Kerala as a holiday destination. Close end questions offered a range of answers to choose from and the Likert type Scale was given to
respondents in order for them to rate between 1= Least important to 5 Most Important for each of the statements included in the questionnaire.

Thirdly, questions were framed to assess tourist’s perceived importance in holiday activities and satisfaction level concerning a list of destination attributes. Importance was rated between 1=Least Important and 5= Most Important. Satisfaction was rated between 1= Highly dissatisfied and 5= Highly satisfied.

Fourthly, answers were solicited for analyzing the tourist’s perception before the trip and their actual experience with respect to the service variables. The responses were rated on a 5 Point Likert type Scale ranging from 1= Very bad to 5 = very good.

Fifth, answers were solicited for analyzing the satisfaction of international tourists with their Kerala holiday in terms of expectation/satisfaction, time/effort, overall satisfaction with holiday and comparison with other holiday destinations visited. Overall satisfaction was rated on a 5 point Likert scale type ranging from 1= Not at all satisfied to 5= Very Satisfied.

Sixth, destination loyalty was measured on the basis of two indicators. One is related to re-visitation and the other indicator pertaining to recommendation to friends and relatives. Intention to revisit and recommend were rated on a 5 point Likert type scale ranging from 1=Most unlikely to 5= Most likely.

Open end questions solicited freewheeling of thoughts towards analyzing what characterizes the best and worst moments during their Kerala holiday.
1.4.4 Pilot study and reliability analysis

After the questionnaire was developed, it was pretested on 110 foreign tourists. The pilot study helped in suitably rephrasing certain questions for better understanding. The data thus collected has been tested using Cronbach’s Alpha for its reliability. The questionnaire consists of three sections. The Cronbach’s Alpha for the first section of the questionnaire which tested the motives was .847. The second section tested the experience and had a Cronbach’s Alpha of .741 and the third section tested satisfaction and had an alpha of .821. Since all the variables had coefficients value above 0.70, the questionnaire was found suitable to administer for the study.

1.4.5 Research Variables

Travel motivation was studied in terms of push and pull motives. Push factors are the factors that make one want to travel to satisfy certain needs. Pull motive, on the other hand, refers to the natural and man-made attractions that a destination has to offer.

1.4.5.1 Push motives constructs

The 28 push motives constructs were, to spend quality time with family, to get away from a normal environment, to reinforce family ties, to find thrills and excitement, to experience a new way of life, to learn about new culture/history/art, to increase knowledge about a foreign destination, to develop new abilities, to be close to nature, to escape from an monotonous environment at home and work, to relax myself surrounded by idyllic locations is my idea of holiday, to refresh body and soul, to perform challenging and daring acts, to have fun, to feel like I have achieved something, to improve status and prestige, to visit someplace fashionable, to experience solitude and calm, to have a novel experience, to experience inner
harmony and peace in my holiday, to improve beauty and well being, to rejuvenate myself, to experience spiritual well being, to improve fitness and get in shape, to experience luxury/pampered lifestyle, to improve romantic life, to experience the fantasy of travel and to search for authentic experiences.

1.4.5.2 Pull motives constructs

The 22 pull motives constructs were included based on review of literature. The variables were slightly modified wherever required to be relevant to the area of study. The constructs were Beach, Back waters, Ayurveda and spa, Mountains/ hill stations, yoga, Heritage and art, Handicrafts, Adventure water sports, Yachting /cruising/fishing. Activities for children, Sunbath, City walks, Historical sites, Road drives, Special events (Ex: boat race) and festivals, Wildlife, Shopping, Nightlife, Participating in musical shows/ live theatres, Experiencing local cuisine, Museums and galleries and Learning a local recipe.

1.4.5.3 Service parameters constructs

27 variables were included to study the tourism service parameters developed on the basis of the 6 S Frame work. The constructs were variety of accommodation options, distinctive/unique accommodation, quality and cleanliness of accommodation, friendly and competent staff, reasonable price of accommodation, cleanliness and hygiene, cleanliness of tourist spots, clean and neat toilets and amenities, well maintained tourist spots, hygienic amenities near tourist spots, information on important tourist sites to visit, signboards to find the way around, knowledge of information points, knowing whom to contact in case of emergency, useful and informational promotion material, safety of tourist destination, safety in accommodation, safety in tourist spots, safety in travel, local people & food, warm and friendly locals,
helpful locals, variety of food, quality of food and restaurants, facilities at the airport, ease of communicating in English, quality of local transport, ease of exchanging currency, availability and knowledge of guides and tour operators.

1.4.5.4 Overall satisfaction and destination loyalty constructs

Satisfaction was studied in terms of expectation/satisfaction, worth the time/effort and comparison with other destinations. Destination loyalty was studied in terms of intention to recommend and recommendation to friends and relatives.

1.5 HYPOTHESIS

H$_1$:
The destination attributes will positively influence the overall satisfaction of the tourists.

H$_2$:
The aspects that influence an individual to yearn for a holiday influences overall satisfaction of the tourists.

H$_3$:
Destination loyalty can be improved with an increase in overall satisfaction.

H$_4$:
The satisfaction with tourism service parameters like accommodation, cleanliness and hygiene, information, safety, local people & food and conveniences are good predictors of overall satisfaction.

H$_5$:
The satisfaction with tourism service parameters like accommodation, cleanliness and hygiene, information, safety, local people & food and conveniences are good predictors of destination loyalty.
Apart from the main hypotheses, suitable hypotheses were formulated for testing the demographic variables on all the parameters of the study.

1.6 THEORETICAL FRAMEWORK

The theoretical framework chosen for this study was based on the model developed and tested by Yoon & Uysal (2005). They examined the effects of motivation and satisfaction on destination loyalty in Cyprus using the model depicted in Figure 1.1.

![Diagram](image)

**Figure 1.1  Theoretical framework based on the model developed by Yoon & Uysal (2005)**

The relationships between satisfaction and destination loyalty is referred to as tourism destination loyalty theory. Review of related literature reveals that customer loyalty is influenced by customer’s satisfaction (Bitner 1990; Oliver 1999), and satisfaction is influenced by travel motives (Ross & Iso-Ahola 1991; Pearce & Hughes 1992). The model proposes that travel motives influences travel satisfaction which in turn affects destination loyalty. The variables used in the study are based on the review of literature.
1.7 TOOLS FOR ANALYSIS

The tools for analysis employed in the study were as follows:

1.7.1 Path Analysis

The technique of path analysis is based on a series of multiple regression analysis with the added assumption of causal relationship between independent and dependent variables. This technique lays heavier emphasis on the use of visual diagram, technically described as a path diagram. Path analysis makes use of standardized partial regression coefficients, known as beta weights, as effect coefficients. Through path analysis a simple set of equations can be built up showing how each variable depends on preceding variables. The main principle of path analysis is that any correlation coefficient between two variables or a overall measure of empirical relationship can be decomposed into a series of parts: separate paths of influence leading through chronologically intermediate variable to which both the correlated variables have links. The merit of path analysis is that it makes possible the assessment of the relative influence of each antecedent or explanatory variable on the consequent or criterion variables by first making explicit the assumptions underlying the causal connections and then by elucidating the indirect effect of the explanatory variables.

The structural Equation 1.3 for testing a causal model with three explicit variables can be written as:

\[
\begin{pmatrix}
X_1 \\
X_2 \\
X_3
\end{pmatrix} =
\begin{pmatrix}
e_1 \\
p_{21}X_1 + e_2 \\
p_{31}X_1 + p_{32}X_2 + e_3
\end{pmatrix} = pX + e
\]

(1.3)
The X variables are measured as deviations from their respective means. $p_{21}$ may be estimated from the simple regression of $X_2$ on $X_1$ i.e., $X_2 = b_{21} X_1$ and $p_{31}$ and $p_{32}$ may be estimated from the regression of $X_3$ on $X_2$ and $X_1$ as under: (Equation 1.4)

$$X_3 = b_{312} X_1 + b_{21} X_2$$ (1.4)

Where, $b_{312}$ means the standardized partial regression coefficient for predicting variable 3 from variable 1 when the effect of variable 2 is held constant.

In path analysis the beta coefficients indicates the direct effect of $X_j$ ($j=1,2,3,\ldots,p$) on the dependent variable. Squaring the direct effect yields the proportion of the variance in the dependent variable $Y$ which is due to each of the $p$ number of independent variables $X_j$ ($i=1,2,3,\ldots,p$). After calculating the direct effect, one may than obtain a summary measure of the total indirect effect of $X_j$ on the dependent variable $Y$ by subtracting from the zero correlation coefficient $r_{y,X_j}$ the beta coefficient $b_j$ i.e., Indirect effect of Equation (1.5).

$$X_j \text{ on } Y = c_{jy} = r_{yX_j} - b_j$$ (1.5)

For all $j = 1,2,\ldots,p$.

Such indirect effects include the unanalyzed effects and spurious relationships due to antecedent variables.

In the present study, path analysis was employed to test the theoretical framework that the travel motives influences travel satisfaction which in turn affects destination loyalty.
1.7.2 Regression Analysis

Regression analysis studies the relationship between among two or more variables. The relationship can be described and measured in a functional form. If the relationship between two variables, one dependent and the other independent variable is a linear function then the linear function is called a simple linear regression. The basic relationship between independent variable X can affect dependent variable Y, the basic relationship between X and Y is given by Equation (1.6).

\[ Y = a + b X \]  \hspace{1cm} (1.6)

Where, the symbol Y denotes the estimated value of Y for a given value of X. This equation is known as the regression equation of Y on X.

When there are two or more than two independent variables, the analysis concerning relationship is known as multiple correlation and the equation describing such relationship as the multiple regression equation. Multiple regression equation assumes the form (Equation 1.7).

\[ Y = a + b_1 X_1 + b_2 X_2 \]  \hspace{1cm} (1.7)

Where \( X_1 \) and \( X_2 \) are two independent variables and \( Y \) being the dependent variable, and the constants \( a, b_1 \) and \( b_2 \) can be solved using three normal equations.

In the present study, Multiple Regression Analysis was employed to test if satisfaction with tourism service parameters like accommodation, cleanliness and hygiene, information, safety, local people & food and conveniences are good predictors of overall satisfaction and destination loyalty.
1.7.3 **Factor Analysis**

Factor analysis is a multivariate statistical technique used to describe the covariance relationships, if possible, among many variables in terms of few underlying, but unobservable, random quantities called factors. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance that is observed in much larger number of manifest variables. Factor analysis is done mainly for two reasons:

- To identify a new, smaller set of uncorrelated variables to be used in subsequent multiple regression analysis. In this situation, the Principal Component Analysis is performed on the data.

- To identify underlying factors that are unobservable but explains correlations among a set of variables. In this situation, the Common Factor Analysis is performed on the data.

Exploratory factor Analysis is a technique that is used when a researcher has no prior knowledge about the number of factors that the variables will indicate. In such cases computer based techniques are used to indicate appropriate number of factors. In the present study, Exploratory Factor analysis was employed to analyze the push and pull travel motives of the International tourists.

1.7.4 **Importance Performance Analysis (IPA)**

IPA involves assessing different aspects of the destination attributes in terms of the customer’s perception of importance and the satisfaction with the same. IPA was developed by Martilla & James (1977) as a tool to ease management
decisions. IPA combines measures of the importance and performance attributes of a given product in a two-dimensional matrix, resulting in four quadrants. It is represented by a 2x2 grid, where the first quadrant reveals poor performance on extremely important dimensions and is an indication to —Concentrate here”. Quadrant two, reveals excellent performance on the most important dimensions for maintaining a competitive advantage and is an indication to —Keep up the good work”. Quadrant three, reveals fair performance on slightly important dimensions that it may not be necessary to focus additional effort to these attributes and indicates —Low priority”. Quadrant four, reveals dimensions that are only slightly important but are excellent in performance and implies that the resources could be better utilized elsewhere and is an indication of —Possible overkill”. Figure 1.2 depicts the IPA matrix.
In the present study, IPA was employed on the destination attractions of Kerala.

1.7.5 Paired t Test

Paired t test is done for any statistical hypothesis in which the test statistic follows a Student's $t$ distribution if the null hypothesis is supported. It can be used to determine if two sets of data are significantly different from each other, and is most commonly applied when the test statistic would follow a normal distribution if the value of a scaling term in the test statistic were known. When the scaling term is unknown and is replaced by an estimate based on the data, the test statistic (under certain conditions) follows a Student's $t$ distribution. The number of points in each data set must be the
same, and they must be organized in pairs, in which there is a definite relationship between each pair of data points. A paired t-test looks at the difference between paired values in two samples, takes into account the variation of values within each sample, and produces a single number known as a t-value. The difference between the observations is calculated for each pair, and the mean and standard error of these differences are calculated. Paired t test was employed to reveal the difference in the perception and experience with respect to the service parameters based on the 6 S Frame work.

1.7.6 Analysis of Variance (ANOVA)

ANOVA is an extremely useful technique concerning researchers when multiple sample cases are involved. The ANOVA technique is used in situations when we want to compare more than two populations. ANOVA investigates the differences among the means of all the populations simultaneously.

One-way ANOVA was employed to test for homogeneity in travel duration and i) overall satisfaction ii) likelihood of recommending Kerala to friends and relatives and iii) Intention to revisit

Two-way ANOVA was employed to test for homogeneity of age and gender on i) overall satisfaction ii) likelihood to revisit and iii) likelihood to recommend

1.7.7 t Test

t test is based on t distribution and is considered as an appropriate test for judging the significance of a sample mean or for judging the significance of difference between the means of two samples. t test is used
when the researcher compares the respondents’ average responses of two groups on one variable.

t tests was employed to test for differences in perceptions of tourists overall satisfaction and destination loyalty across genders.

1.7.8 Chi Square Test

The cross tabulation table is the basic technique for examining the relationship between two categorical (nominal or ordinal) variables, possibly controlling for additional layering variables. The Cross tabulation procedure offers tests of independence and measures of association and agreement for nominal and ordinal data. Additionally, it can be obtain estimates of the relative risk of an event given the presence or absence of a particular characteristic. The chi-square test measures the discrepancy between the observed cell counts and what you would expect if the rows and columns were unrelated. The value of the test-statistic is Equation (1.8).

\[
\text{Chi-square test } (\chi^2) = \sum \frac{(O - E)^2}{E}
\]

(1.8)

With Degree of Freedom = (c-1) (r-1) where,

\[
O = \text{Observed frequency},
\]

\[
E = \text{Expected frequency},
\]

\[
c = \text{Number of Columns},
\]

\[
r = \text{Number of Rows}.
\]

In the present study, chi square tests were administered to test the association between age, gender, travel companion and the duration of the trip.
1.8 SCOPE OF THE STUDY

The present study covers the motives, preferences and experience among International tourists visiting Kerala state in South India. This study analyses the factors behind satisfaction and destination loyalty. The study was conducted only in select destinations as the number of International tourists frequenting these places is high. Understanding what contributes towards satisfaction and destination loyalty would help tourism planners develop new products, experiences, cater to the interest of diverse segments of tourists and prepare the industry to make a quantum jump in the International market.

1.9 LIMITATIONS OF THE STUDY

This study focused only towards the motives, preferences and experience of International tourists. Domestic tourists were excluded in the present study. As the study was not conducted over a period of time, the change in opinion of the visitors over a period of time was not taken into consideration. Moreover, the opinion of tourists visiting other destinations in India was also not taken into consideration due to time constraint. Therefore, any generalizations drawn from the study should be used with caution.