Examining Destination Image, Satisfaction and Loyalty Relationships of Tourists to Malaysia using Structural Equation Modelling and Bootstrapping Procedure

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Abstract: The aim of this study was to ascertain factors that could improve international tourist’s loyalty to Malaysia as a travel destination using structural equation modelling and bootstrapping procedure. Tourism industry continues to be one of the major sectors that contribute to the economy of Malaysia. Recently, the industry experienced a decline in destination loyalty among international tourists based on several evidences such as the growth rate of the international tourist arrivals fluctuating in a declining pattern. Moreover, the industry experienced a reduction in the average length of stay and repeat-visit international tourists to Malaysia. As suggested by previous researchers, this study was conducted to ascertain the effects of destination image, perceived value and satisfaction on the loyalty of international tourists visiting Malaysia. The collection of data was conducted at the Kuala Lumpur International Airport using a simple random sampling method. The respondents were tourists from United Kingdom and Australia. A total of 337 respondents were subjected to data analysis. Results of the measurement model uncovered that destination image and perceived value were highly correlated and they were treated as one construct, labelled as overall destination image. A revised structural model was proposed that linked overall destination image, tourist satisfaction and destination loyalty. The analysis of the structural equation modelling supported the proposed hypothesis. Bootstrapping analysis also supported the mediation role of satisfaction. The findings make a novel discovery of the new structural equation model which contributed to the theoretical implication and suggested practical strategies to enhance loyalty.

Key words: Overall destination image, tourist satisfaction, destination loyalty, perceived value, measurement model, structural equation modelling

INTRODUCTION

In most countries around the world, the travel and tourism sector remains to be an important economic activity (Anonymous, 2018a, b). In the case of Malaysia, tourism sector is recognised as one of the twelve National Key Economic Areas (NKEAs) to achieve the government’s vision to be a high-income nation by 2020. As in most countries Bhuiyan et al. (2013), Chen and Tsai (2007) the sector became one of the major sectors that generates Foreign exchange earner, contributes to the economic growth, attracts investments and provides employment. It was reported that the sector contributed 13.7% to the GDP and 12.0% of the total employment in 2016 (Anonymous, 2018a, b).

Although, travel and tourism became one of the major sectors that supported the national economy, this sector encountered several factors indicating there was a decrease in the international tourist’s destination loyalty. Recently, the sector experienced a fluctuating declining trend of growth rate in the international “tourists” arrivals between 2001 and 2017 (http://mytourismdata.tourism.gov.my). Hence, one of the challenges was to maintain a stable arrivals growth rate among international tourist. The unstable and declining rate of tourist’s arrivals indicated that the tourism industry was very competitive. In a competitive market it is very important to focus on examining tourist destination loyalty exhibited through their intention to return and recommend through word-of-mouth (Mohamad et al., 2012).

The second challenge faced by the Malaysian tourism sector was to sustain and/or enhance the international tourist’s average length of stay. It was noted that within the 5 years period from 2008 until 2012, international tourist’s average length of stay in Malaysia showed a positive performance where it increased from 6.4
nights to 7 nights. However, the average length of stay started to decline to 6.8 nights in 2012 to 5.5 nights in 2015 (Anonymous, 2010, 2011, 2012, 2013, 2015). The decrease in the average length of stay revealed that international tourist’s interest to spend more nights in Malaysia declined. The third challenge was to retain the existing international tourists to ensure a continuous revenue from the existing customer as postulated by the bucket theory of marketing (Mohamad et al., 2012). According to the theory there would be a “hole in the bucket” and the situation was reflected by a decrease in the arrivals of repeat-visit tourist. The international tourists to Malaysia from 2010-2013 were mostly by repeat-visit tourists. However, there was a drastic change of this situation in 2015 where the incoming of first-time tourists was higher than the repeat-visit tourists (Anonymous, 2011b, 2012, 2013, 2015). In addition, the study by Mohamad et al. (2015) also uncovered that the majority of the respondents were first-visit tourists. The challenge required attention in order to ensure the “a hole in the bucket” situation could be prevented from occurring in the sector. In the case of non-repeat-visits, it created a “hole in the bucket” and would affect the opportunities to increase revenues from the existing tourists. In addition, it is widely noted that to serve loyal and satisfied customers is easier and/or cheaper than to serve new customers.

Based on the above background, it was crucial to embark on studying Malaysia’s destination loyalty in order to enable a thorough understanding of Foreign tourist’s post-behavioural intentions (destination loyalty) which could provide some insights in developing appropriate marketing strategies that could support a consistent strong, positive and recognisable image to attract and retain Foreign tourists visiting Malaysia. Previous studies Yoon and Uysal (2005), Kim et al. (2013) and Sun et al. (2013) proposed several predicting factors that influenced destination loyalty such as destination image, perceived value and tourist satisfaction. These factors were considered to be important phenomenon to ensure sustainable growth in tourism sector and Malaysia remained as one of the most popular tourist destinations among the ASEAN countries (Mohamad et al., 2014).

Different marketing strategies are required to tackle different tourist market groups. Usually, tourists had a limited knowledge of a destination that they had never visited (never-visit tourist). Most often, a secondary image formed in the minds of never-visit tourist which was induced usually by the promotion of the destination (formal image) and/or informal image based on information received unintentionally. For example, positive word-of-mouth from friends and relatives who had visited the destination, history, geography books and documentary films about the destination. Moreover, the study of destination image was important because it influenced tourist’s selection of holiday destination. Su et al. (2011) revealed that during the decision-making choice process, tourists would decide whether to make repeat visits or switch to other destinations. Their decisions to a certain extent would be dependent on the experience from their previous visits. Thus, correct marketing strategies were required to influence tourists to make repeat visits to Malaysia. Most repeat-visit tourists had primary image of the destination based on their previous experiences visiting the destination (Lopes, 2011). The research by Sun et al. (2013) and Chen and Tsai (2007) suggested that destination image significantly influenced tourist satisfaction and destination loyalty, respectively.

The reason for every organisation’s existence is to offer values to their customers. Generally, perceived value is described as the assessments made by tourists with respect to the trade-offs between benefits received and costs incurred or sacrifices made by them (Chen and Tsai, 2007). Perceived valued was proposed to be the fundamental marketing activity and became a useful weapon to entice and retain customers (Sanchez-Fernandez and Iniesta-Bonillo, 2007). It was also suggested by Parasuraman and Grewal (2000) that perceived value was one of the important tools in gaining competitive advantage in the sense that it could attain customer loyalty. Therefore, Woodruff (1997) suggested that in order to promote and improve the long-term success, marketing managers were urged to implement strategies that offered values as desired by the consumer. Perceived value is identified as the predicting variable that influenced tourist satisfaction (Kim et al., 2013) and destination loyalty (Petrick, 2004; Gallarza and Saura, 2006; Chen and Tsai, 2007).

Studying tourist satisfaction was identified to be an essential requirement in any organizations regardless of the organisation type in all sectors. Understanding satisfaction was established to be crucial as it was associated to contribute to business opportunities, better financial performance and greater competitiveness (Wang, 2016). In this case, measuring and explaining tourist satisfaction was carried out to understand the needs of visitors and ascertain aspects of improvements that could contribute to attracting and retaining foreign tourists. Moreover, Chi and Qu (2008) noted that tourist satisfaction was considered to be the ultimate goal of any business entity because satisfied tourists would lead to loyalty. Similarly, Eid (2015) postulated that customer satisfaction had a significant influence on customer loyalty. Therefore, the aims of this study are as follows:
To examine the effect of destination image on tourist satisfaction and destination loyalty
To examine the effect of perceived value on tourist satisfaction and destination loyalty
To examine the effect of tourist satisfaction on destination loyalty
To examine the mediating role of tourist satisfaction in the relationship between destination image and destination loyalty and between perceived value and destination loyalty

Conceptual framework and hypothesis: Figure 1 presents the conceptual framework of this study and establishes the relationships among variables in the study: destination image, perceived value, tourist satisfaction and destination loyalty. The framework proposed that there are three exogenous variables (destination image, perceived value and satisfaction) and one endogenous variable (destination loyalty). The proposed model was developed based on the works of several researchers mentioned in the literature.

Destination loyalty: The study of destination loyalty was highlighted as one of the most vital subjects in tourism researches (Som et al., 2011). The concept of destination loyalty has been used by academics and practitioners for a long time as a significant benchmark for developing valuable business strategies (Serenko and Stach, 2009, Oppermann, 2000). Loyal tourists tend to identify having trust in and be committed to the destinations that they prefer when they face an unpleasant situation (Jamaludin et al., 2012). It was established that the purpose of studying consumer loyalty was to gain insights into customer needs and wants in order to assure repeat purchase of particular brands and products (Chen and Gursoy, 2001). Destination loyalty was described by most researchers as willingness to recommend to others, repeat visitation or repeat visitation intention by satisfied tourist (Mohamad et al., 2014) to incorporate both the attitudinal and behavioural aspects of loyalty. On the other hand, Wang et al. (2009) defined destination loyalty from the attitudinal approach where satisfied tourists would recommend the destination to others. The definition by Wang et al. (2009) was to capture the notion that in cases where repeat purchases were uncommon where not all loyal tourists would return because they seem not to be restricted to one sector. Most likely, they intend to go to other destinations in their next holiday trip to get a new and different destination experience. Examining loyalty using composite approach (attitude and behaviour) could provide better management of tourist’s relationship and achieve a higher level of tourist loyalty.

Destination loyalty could be measured in three dimensions: Behavioural approach, attitudinal approach, and composite approach. Behaviour approach was measured using the number of repeat visit (Mechinda et al., 2009) or respondent’s intention to revisit (Campo-Martinez et al., 2010). Attitudinal approach was measured through tourist’s recommendation of the destination to others and positive word-of-mouth (Rauynen and Miller, 2007). In addition, Chi (2005) found that the recommendation to other people (word-of-mouth) was perceived to be the most reliable information source for tourists and one of the most effective type of information that could draw people’s interest in travelling. Composite approach was a combination of behavioural and attitudinal approach that was used to describe the whole idea of customer loyalty (Mechinda et al., 2009; Rauynen and Miller, 2007).

Destination image: Destination image was defined as the sum of beliefs, attitudes and impressions that individuals or groups hold towards tourist destinations or aspects of destination (Weaver and Lawton, 2010). Destination image has two components: cognitive and affective component (Del Bosque and Martin, 2008). These researchers defined cognitive component as beliefs and knowledge a person has of a destination attributes. The affective part refers to the tourist feeling of a destination. A study on destination image was established to be important as it could provide useful insights in understanding the destination selection process by tourists Hung et al. (2012) and Choi et al. (2011). In addition, to improve and market tourism destination, the role of destination image could affect the demand towards the destination (Alsow and Kyoei, 2011). The main goal of destination promotion and competitiveness was to form a new image or strengthen the existing positive image of a destination in the tourist’s mind (Uysal et al., 2000). In relation to this in the marketing process, a study on destination image provides important information about how a destination was perceived by the tourists (Ispas and Saragea, 2011). This premise was supported by Xiang and Hans who stated that it is important for tourism...
management to investigate the image held in the mind of tourists as image identification process will figure out the most representative objects and descriptors of the destination which has the most marketing potential. Image vehicles/ mediums and promotion tools strategies should be consistent with established positive images as tourists would compare their image to what they actually. A recent study by Meng et al. (2011), Mohammadi et al. (2012), Ramseook-Munhurr x et al. (2015), Tosun et al. (2015), Allameh et al. (2015) and Chiu et al. (2016) suggested that destination image has a positive relationship with tourist satisfaction and destination loyalty. Thus, the following hypotheses were developed:

- $H_1$: destination image has a direct effect on tourist satisfaction
- $H_2$: destination image has a direct effect on destination loyalty

**Perceived value:** Perceived value is an important marketing concept that takes into account the customer subjective perception in relation to price and other costs. Wen defined perceived value as the costs including monetary and non-monetary given up by the consumer to acquire a product or services. Monetary costs refer to the price paid by the customer. Whereas, non-monetary costs include time, convenience, effort and psychology. Chen and Tsai (2007) specifically defined perceived value in the context of tourism and described it as the visitor’s overall assessment of the net worth of the trip based on the trade-off between the benefits they received and the costs incurred and/or sacrifices made by them. Since 1990’s, studies on perceived value have been one of the important subjects in business field (Sanchez-Fernandez and Iniesta-Bonillo, 2007) and it continues to be the subject of interest in several recent studies (Yoon et al., 2010; Lo and Lee, 2011; Wang et al., 2012, Moutinho et al., 2012, Kim et al., 2013; Sun et al., 2013).

There are two approaches of measuring perceive value: multi-faceted and uni-dimensional. According to Gallerza and Saura (2006), the concept of value is multi-faceted and complex. In relation to that fewer studies applied the multi-dimensional approach compared to the uni-dimensional approach (Sanchez-Fernandez and Iniesta-Bonillo, 2007). It is important to measure perceived value according to the multi-dimensional perspective (Gallerza and Saura, 2006) compared to single item such as “value for money” because multi-dimensional perspective performed better in explaining tourist satisfaction and choice of destination (Lee et al., 2007). Sweeney and Souther (2001) developed the PERVAL framework to measure perceived value which comprises four dimensions functional value (performance/quality), monetary value (the price paid to an offering), emotional value (affective state that a destination generates) and social value (the extent to which a destination enhances the tourists to connect with others). Lee et al. (2007) developed three dimensions of perceived value: emotional, functional and overall value. Recently, consumer value was regarded as one of the constructs crucial in determining tourist satisfaction and loyalty (Bradley and Sparks, 2012). Many studies in tourism treat perceived value as the antecedent of tourist satisfaction and tourist loyalty (Lee et al., 2007; Chen and Chen, 2010; Mulfener et al., 2011; Meng et al., 2011; Lee et al., 2012; Kim et al., 2013). Thus, the following hypotheses were developed:

- $H_3$: perceived value has a direct effect on tourist satisfaction
- $H_4$: perceived value has a direct effect on destination loyalty

**Tourist satisfaction:** Tourist satisfaction is defined as the degree of positive feelings activated from the experience at the destination (Jamaludin et al., 2012). Maximizing travel satisfaction in tourism destination management the main focus as it of the utmost importance for a successful business (Mohammadi and Som, 2010). Most studies that focused on analyzing the relationship between tourist satisfaction and destination loyalty found that there is a strong relationship between tourist satisfaction and destination loyalty (Lee et al., 2007; Chen and Chen, 2010; Meng et al., 2011; Jamaludin et al., 2012; Lee et al., 2012; Sun et al., 2012; Eid, 2013; Kim et al., 2013; Ramseook-Munhurr x et al., 2015; Mao and Zhang, 2014; Arashi and Baradarani, 2014; Allameh et al., 2015). It was deliberated that a customer who was satisfied with the destination would choose the same destination again compared to other competing destinations. In addition, consumer value is one of the constructs that is often regarded as crucial in determining tourist satisfaction and loyalty (Bradley and Sparks, 2012). Many studies in the tourism field (Lee et al., 2007; Chen and Chen, 2010; Mulfener et al., 2011; Meng et al., 2011; Lee et al., 2012; Kim et al., 2013) uncover that perceived value is the antecedent of tourist satisfaction and tourist loyalty. Thus, the following hypotheses were developed:

- $H_5$: tourist satisfaction has a direct effect on destination loyalty
- $H_6$: tourist satisfaction mediates the relationship between destination image and destination loyalty
- $H_7$: tourist satisfaction mediates the relationship between perceived value and destination loyalty
MATERIALS AND METHODS

Survey instrument: The research adopted a survey method of collecting primary data using closed-ended structured questionnaires. It consisted of four major parts to capture the measurement of destination image perceived value, tourist satisfaction and destination loyalty. The first study of the questionnaire was to measure destination image. This study was adapted from the research of Echtner and Ritchie (1993) and consisted of five items. The questionnaire of perceived value was adapted from the research by Lee et al. (2007) and the items measuring perceived value comprised four items. The questionnaire on the evaluation of tourist’s satisfaction was adapted from the research by Kim et al. (2013) and it comprised three items. The questionnaire of destination loyalty was adapted from the research by Sun et al. (2013) and it consisted of four items. All items measuring each construct used the interval scale ranging from 1 (strongly disagree) to 10 (strongly agree) to ensure the data are more independent and fulfil the requirement for parametric analysis (Awang, 2015; Mohamad et al., 2018).

Data collection method: The target population for the current study were international tourists from the United Kingdom and Australia who visited Malaysia for a holiday, business trip, conference, meeting friends or relatives for at least one day but <1 year (Mill and Morrison, 1985). The selection of Foreign tourists from the United Kingdom and Australia as the target population in this study was based on the three criteria countries listed in Malaysia’s top ten tourists generating markets in year 2012 and 2013. It was reported that Australia and the United Kingdom were ranked 8th and 10th, respectively, in the list (Tourism Malaysia, 2012) repeat visits of <50%. Both Australia and United Kingdom recorded 41 and 47% of repeat-visit, respectively, English as the country’s official language. The English language is the official language for both the United Kingdom and Australia.

Data collection was conducted at the Kuala Lumpur International Airport (KLIA) as it is the major entrance and departure point of the international tourists visiting Malaysia. Two stages of probability sampling techniques were applied in this study. The first sampling technique used was systematic random sampling. A systematic sampling method was used where after a random starting point, every 5th intercepted respondent was included in the study. A total of 500 questionnaires were distributed at the international departure halls to each group of respondents. A sampling frame was created based on the 694 returned questionnaires. The second stage applied to select the survey respondents was by simple random-sampling method. Statistical Package for Social Science (SPSS) Software was used to select respondents using “Random Sample of Cases”. A total of 347 respondents were drawn using a simple random-sampling approach from a sampling frame containing 694 respondents (representing approximately 50% of the population in the sampling frame). Data cleaning was performed to the dataset by removing invalid data containing missing items and outliers. A total of 337 respondents were subjected for further analysis after the data-cleaning process and considered to be sufficient to provide statistical power for further analysis as suggested by Burn et al. (2017) who used the confidence interval method to determine the sample size using the following equations:

\[ n = \frac{Z^2(pq)}{e^2} \]

Where:
- \( n \) = The sample size
- \( Z \) = Standard error associated with the chosen level of confidence (1.96)
- \( p \) = Estimated percent in the population
- \( q \) = 100- \( p \)
- \( e \) = Acceptable sample error

The recommended sample size using confidence interval method with \( p \) (estimates percent in the population) = 50%, \( q \) (100- \( p \)) = 50% and \( e \) (acceptable sample error expressed as a percent) between ±5 and ±10% at 95% level of confidence. The calculated sample size (\( n \)) is between 96 and 384. Thus, the sample size of 337 met the requirement as proposed by Burn et al. (2017).

Data analysis procedure: Descriptive, inferential and predictive analysis were subjected to the data set. The analysis procedure in SPSS was applied to run Exploratory Factor Analysis (EFA) using pilot study data to reduce items measuring all constructs in the study to a smaller set of variables. Confirmatory Factor Analysis (CFA) was performed to assess the unidimensionality, reliability and validity of the items manifesting the latent constructs in the study destination image, perceived value, tourist satisfaction and destination loyalty. Structural Equation Modelling (SEM) was applied to the data set in order to determine the inter-relationships among destination image, perceived value, tourist satisfaction and destination loyalty. This study applied Preacher and Hayes (2008) method of bootstrapping indirect effect as suggested by Mahadzirah et al. (2014) to determine the mediation role of satisfaction in the proposed model.
RESULTS AND DISCUSSION

Profile of respondents: The data revealed that the respondents were equally represented by both tourists from the United Kingdom and Australia. Approximately, 55% of the tourists were from United Kingdom and 45% were from Australia. Majority of the tourists were female (56.7%) and most of them were young adults in the age group between 25-44 years old. Majority of the tourists (57.3%) indicated that their visits to Malaysia were their first visit. The purpose of their visits to Malaysia mostly was to have holidays (91%) with their spouses or partners (57%). On average, most tourists spend between 6-10 days in Malaysia. The two main information sources of reference by international tourists before travelling to Malaysia were internet (55%) and word-of-mouth from family and friends (45%). Hotels became their preference of accommodation whilst on holiday in Malaysia. The results of an independent t-test indicated that there is no statistically significant difference between the means of United Kingdom and Australia tourists on the dependent variable (destination image).

Validating the measurement model: The results of EFA suggest that there were five items measuring destination image, four items measuring perceived value and destination loyalty and three items measuring tourist satisfaction. The CFA for pooled measurement model was performed. Figure 2 depicted the first pool measurement model of destination image, perceived value, tourist satisfaction and destination loyalty. The results in Fig. 2 suggested that one item manifesting destination image was deleted while others remained as identified in EFA.

The procedures of assessing the measurement model was conducted by performing unidimensionality, reliability and validity test. Unidimensionality was assessed through the standardised factor loadings of each variable in the measurement model (Hair et al., 2014; Awang et al., 2015). The standardised factor loadings values of variables for the respective construct in the model exceeded the cut-off point of 0.6, suggesting that the constructs of destination image, perceived value, tourist satisfaction and destination loyalty achieved the unidimensionality requirement. Reliability of the measurement model was ascertained by examining Average Variance Extracted (AVE) and Composite Reliability (CR). The values of AVE and CR in Table 1 suggest that the model achieved the acceptable level of reliability, since, AVE and CR values surpassed the acceptable cut-off point of 0.5 and 0.6, respectively.

Validity of the measurement model was ascertained by examining convergent (exceeded by AVE), construct (measured by Goodness-of-fit indexes) and discriminant validity (the values of square root of AVE of each construct should be higher than the values of the correlations between each construct). The measurement model met the requirements of the convergent validity test, since, the values of AVE are >0.5. In addition, the goodness-of-fit indexes indicated that the model met all the requirements of construct validity. Goodness-of-fit measurement validity was assessed through three types of goodness-of-fit indices which are absolute fit indices.
Table 1: Validity and reliability of the destination image, perceived value, tourist satisfaction and destination loyalty-first pool measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor loading</th>
<th>CR (minimum 0.6)</th>
<th>AVE (minimum 0.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destination image:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia has many interesting places to visit (D1)</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia is a fascinating place to visit (D2)</td>
<td>0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia has many natural scenic beauty (D3)</td>
<td>0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is little to see in Malaysia (D4)*</td>
<td>0.61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived value:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I obtained good results from visiting Malaysia (P1)</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia is a place where I want to travel (P2)</td>
<td>0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia is a destination that I enjoy (P3)</td>
<td>0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visiting Malaysia gave me pleasure (P4)</td>
<td>0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourist satisfaction:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall, I am satisfied with Malaysia (S1)</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with Malaysia compared with my expectation (S2)</td>
<td>0.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied with Malaysia when considering time and effort I invested (S3)</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Destination Loyalty:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will recommend Malaysia to friends (L1)</td>
<td>0.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will recommend Malaysia to family members (L2)</td>
<td>0.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will encourage other people to visit Malaysia (L3)</td>
<td>0.97</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: The discriminant validity-first pool measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Destination image</th>
<th>Perceived value</th>
<th>Tourist satisfaction</th>
<th>Destination loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destination image</td>
<td>0.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived value</td>
<td>0.83</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourist satisfaction</td>
<td>0.69</td>
<td>0.78</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>Destination loyalty</td>
<td>0.67</td>
<td>0.76</td>
<td>0.78</td>
<td>0.99</td>
</tr>
</tbody>
</table>

Table 3: Validity and reliability test for second measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor loading</th>
<th>CR (minimum 0.6)</th>
<th>AVE (minimum 0.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall destination image</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Destination image</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived value</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Destination image</td>
<td></td>
<td>0.839</td>
<td>0.568</td>
</tr>
<tr>
<td>Malaysia has many interesting places to visit (D1)</td>
<td>0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia is a fascinating place to visit (D2)</td>
<td>0.80</td>
<td></td>
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<td>There is little to see in Malaysia (D4)*</td>
<td>0.61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I obtained good results from visiting Malaysia (P1)</td>
<td>0.90</td>
<td>0.939</td>
<td>0.793</td>
</tr>
<tr>
<td>Malaysia is a place where I want to travel (P2)</td>
<td>0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia is a destination that I enjoy (P3)</td>
<td>0.92</td>
<td></td>
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<tr>
<td>Visiting Malaysia gave me pleasure (P4)</td>
<td>0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tourist satisfaction</td>
<td></td>
<td>0.953</td>
<td>0.871</td>
</tr>
<tr>
<td>Overall, I am satisfied with Malaysia (S1)</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am satisfied with Malaysia compared with my expectation (S2)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied with Malaysia considering time and effort I invested (S3)</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Destination loyalty</td>
<td></td>
<td>0.984</td>
<td>0.954</td>
</tr>
<tr>
<td>I will recommend Malaysia to friends (L1)</td>
<td>0.98</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will recommend Malaysia to family members (L2)</td>
<td>0.98</td>
<td></td>
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</tr>
<tr>
<td>I will encourage other people to visit Malaysia (L3)</td>
<td>0.97</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

($\chi^2$, RMSEA, GFI), incremental fit indices (TLI, CFI) and parsimony fit indices ($\chi^2$/df) as suggested by Hair et al. (2014) and Awang (2015). The results in Fig. 2 illustrates that these indices meet the acceptable respective cut-off points. Discriminant validity was used to measure the extent to which a construct is really different from other constructs (Hair et al., 2014). The results as illustrated in Table 2 indicate that the model does not meet the requirement for discriminant validity where the AVE values of destination image (0.75) is lower than the values of the correlations between destination image and perceived value ($r = 0.83$). In this case, there is a high correlation between destination image and perceived value ($r = 0.83$) indicating that these constructs are related and should be treated as one construct. Thus, a revised pool measurement model was proposed and tested by creating a new construct labelled as “overall destination image”. Perceived value and destination image were treated as the sub construct manifesting “overall destination image”.

Figure 3 illustrates the second measurement model and it achieved the acceptable level of unidimensionality and goodness-of-fit test requirements. The findings in Table 3 suggested that the second measurement model

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Table 4: The discriminant validity-second pool measurement model

<table>
<thead>
<tr>
<th>Construct</th>
<th>ODI</th>
<th>TS</th>
<th>DL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Destination Image (ODI)</td>
<td>0.91</td>
<td>0.93</td>
<td>0.99</td>
</tr>
<tr>
<td>Tourist Satisfaction (TS)</td>
<td>0.81</td>
<td>0.78</td>
<td>0.78</td>
</tr>
<tr>
<td>Destination Loyalty (DL)</td>
<td>0.78</td>
<td>0.78</td>
<td></td>
</tr>
</tbody>
</table>

Table 5: The regression weights and their value of significance

<table>
<thead>
<tr>
<th>Construct</th>
<th>Path</th>
<th>Construct</th>
<th>Estimate</th>
<th>SE</th>
<th>CR</th>
<th>p-values</th>
<th>Results</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourist Satisfaction (S)</td>
<td></td>
<td>Overall Destination Image (ODI)</td>
<td>0.597</td>
<td>0.062</td>
<td>16.031</td>
<td>***</td>
<td>Significant</td>
<td>Hypothesis 1</td>
</tr>
<tr>
<td>Destination Loyalty (L)</td>
<td></td>
<td>Overall Destination Image (ODI)</td>
<td>0.598</td>
<td>0.099</td>
<td>6.024</td>
<td>***</td>
<td>Significant</td>
<td>Hypothesis 2</td>
</tr>
<tr>
<td>Destination Loyalty (L)</td>
<td></td>
<td>Tourist Satisfaction (S)</td>
<td>0.451</td>
<td>0.078</td>
<td>5.783</td>
<td>***</td>
<td>Significant</td>
<td>Hypothesis 3</td>
</tr>
</tbody>
</table>

Table 6: Confirming the mediation effect of tourist satisfaction in the overall destination image and destination loyalty relationship

<table>
<thead>
<tr>
<th>Variables</th>
<th>Lower Bound (LB)</th>
<th>Upper Bound (UB)</th>
<th>Two-tailed significance</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct effect on destination loyalty</td>
<td>0.334</td>
<td>0.566</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Indirect effect on destination loyalty</td>
<td>0.245</td>
<td>0.428</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Type of mediation</td>
<td>Partial mediation occurred, since, direct effect is significant</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

achieved the requirement of the composite reliability and convergent validity. Moreover, Table 4 illustrates that none of the correlations surpassed the respective squared AVE values and are <0.85 indicating that the second pool measurement model achieved the requirements for discriminant validity.

Structural equation modelling: After the pool measurement model achieved the requirements for unidimensionality, reliability and validity of all constructs involved in the study, the following step was to model the construct into a structural model for further analysis using SEM (Kashif et al., 2016). The purpose of developing structural equation model was to test the hypothesis of the study. Prior to analysing the data, the study proposed 7 hypothesis. However, after examining the second measurement model, the hypothesis of the study were revised. The newly proposed hypothesis were reduced to four as follows, corresponding to the relationships in the second measurement model as discussed in the above section:

- H_1: the overall destination image has a direct effect on tourist satisfaction
- H_2: the overall destination image has a direct effect on destination loyalty
- H_3: tourist satisfaction has a direct effect on destination loyalty
- H_4: tourist satisfaction mediates the relationship between overall destination image and destination loyalty

Figure 4 illustrates the structural model of overall destination image, tourist satisfaction and destination loyalty. The model's goodness-of-fit fitness was ascertained before progressing to the next step of analysis (Mohamad et al., 2014). The goodness-of-fit indices of the structural model as illustrated in Figure 4 indicates that the model achieved the adequate level of goodness-of-fit ($\chi^2/df = 1.392$, GFI = 0.961, CFI = 0.995, TLI = 0.993 and RMSEA = 0.034) suggesting that the study fits the sample data adequately well. The first three hypothesis ($H_1, H_2$) were tested by examining the regression path coefficients and their significance. $H_4$ was tested using bootstrapping analysis and mediation analysis. The results of the hypothesis testing as illustrated in Table 5 indicates that the three proposed direct hypothesis were supported.

Mediation analysis using bootstrapping procedure: Maximum likelihood bootstrapping procedure with bootstrap sample of 1000 and bias correlation confidence interval of 95% was applied to the data set to test the mediation effect of tourist satisfaction. Preacher and Hayes (2008) claimed that if the values of indirect effect (upper bound/lower bound) do not straddle a 0 in between indicating there is a mediation effect. The result of the bootstrapping in Table 6 reveals that the indirect effects 95% boot confidence Interval (LB = 0.334, UB = 0.566) did not straddle a 0 in between indicating that tourist satisfaction mediates the overall destination image and loyalty relationship. The type of mediation was identified as a partial mediation since the results of direct effect was significant at p = 0.001. Therefore, $H_4$ was supported whereby satisfaction mediates the relationship between overall destination image and destination loyalty. Malaysia is experiencing a decline in destination loyalty. Thus, the primary objectives of this study were to investigate and develop a theoretical relationship among destination image, perceived value, tourist's satisfaction.
Fig. 3: Final pool measurement model

and destination loyalty using structural equation modelling to address the issue. In order to gain a better understanding of satisfaction’s role in this relationship, the study also embarked on testing the mediating role using bootstrapping procedure. The initially proposed measurement model was revised, since, it did not achieve the requirements of discriminant validity test. The measurement model was revised and a new measurement model (second model) was proposed by treating destination image and perceived value as the sub constructs to measure the newly proposed construct, labelled as the overall destination image. Therefore, the new measurement model (second model), consisting of overall destination image, tourist satisfaction and destination loyalty were tested and it achieved the requirements of unidimensionality, reliability and validity tests. The rest of the study was based on the second model.

This study uncovered respondent’s mental images of Malaysia consisting of both functional and affective parts
of destination image. The overall destination image was manifested by the cognitive or functional component reflecting the beliefs and knowledge the tourists had about the destination attributes. They perceived Malaysia as a fascinating destination that had many interesting places to see and visit whilst having natural scenic beauty. The second part of the overall destination image component was the affective or emotional aspects that reflects the tourists feeling towards a destination. They felt that they had enjoyed their visit to Malaysia, obtained excellent outcomes from the visitation and the travel experience in Malaysia delivered pleasure which affected their post-behavioural decision that considered Malaysia as the destination that they would want to visit again. The findings of the study upheld the work of Del Bosque and Martin (2008) who postulated that destination image consisted of two components namely cognitive and affective component. In this case in order to sustain an upward demand towards Malaysia and a long-term success among the United Kingdom and Australian tourists as a travel destination, destination promotional strategies should focus on the functional aspect of the destination by highlighting the natural scenic beauty of Malaysia in order to gain competitive advantage. In addition, the study also urged marketing managers to implement strategies that offered values as desired by the tourists. That is to focus on the emotional aspects of perceived value by projecting Malaysia as a destination that delivered good outcomes which promised enjoyable and pleasurable feelings.

The findings of the current study also suggested that overall destination image had a direct effect on tourist satisfaction and destination loyalty supporting hypothesis 1 and 2, respectively. Such condition supported the importance of studying destination image as postulated by Pavlovic and Behlilo (2007) and Nicoletta and Servidio (2012) who claimed that examining destination image would provide insightful understanding of the tourist’s behaviour, especially in the process of decision-making and after-decision behaviour such as satisfaction and intention to revisit. In this case, destination image was perceived to be crucial in influencing tourist’s degree of positive feelings resulting from their travel experience in Malaysia. The possibilities of a repeat visit was higher when tourists were satisfied with their travel as proposed by Bradley and Sparks (2012). A customer who was satisfied with a particular destination would choose the same destination again compared to other competing destinations. Moreover, this study also confirmed the study by Mahasuwewanratchai and Qu (2011) that discovered destination image had positive impacts on destination loyalty. The findings of this study illustrated that tourists who experienced preferable image of a destination were more likely to become loyal to the destination. In this particular case, they would be more likely to return to Malaysia. Tourists who gained functional knowledge about the destination and developed emotional attachment to Malaysia as a travel destination would have a greater possibility to become loyal tourists. In addition, they also were likely to speak highly of Malaysia as a travel destination and promote to others by recommending Malaysia to family and friends besides encouraging others to visit Malaysia.

Comprehending the importance of attaining tourist satisfaction was further enhanced by the findings of the study that supported hypothesis 3 (Tourist satisfaction has direct effect on destination loyalty) and hypothesis 4 (Tourist satisfaction mediates overall destination image and destination loyalty relationship). Enhancing tourist’s positive feeling associated with tourist travel experience whilst in Malaysia is an important task for tourism management. It should not be undermined and requires endless efforts to keep up with meeting tourist’s escalating expectations. Enhancing tourist’s satisfaction levels is extremely crucial and necessary in tourism destination management as noted by Khung and Ha (2014), since, it influenced tourist’s intention to make repeat visit. Specifically, the study also uncovered that tourist satisfaction was a partial mediator in the relationship between overall destination image and destination loyalty. Hence, it could be concluded that the significant relationship between overall destination image and destination loyalty could be strengthened and enhanced by improving the level of customer satisfaction. This finding was consistent with the previous studies conducted by Mohamad et al. (2014) and Chiu et al. (2016).

**CONCLUSION**

The study concluded that the Malaysia Tourism Board should pay attention on building and strengthening a strong image of Malaysia as a travel destination that offers natural scenic beauty which promises and delivers enjoyable and pleasurable travel experiences, especially to attract international tourists from the United Kingdom and Australia. A destination’s brand consists of the pleasing stories that potential tourists hear from other people or the enjoyable experience that tourist had whilst on the trip. The study uncovered that word-of-mouth marketing was the main driver for tourism, thus, destinations must deliver remarkable experiences that would cause visitors to share their feeling of joyful
experiences that create demand for visitation. Malaysia is blessed with many interesting and fascinating places such as wild jungle, orangutans and remote tribes. Combined with some beautiful islands with white, sandy beaches and crystal-clear ocean water with coral reefs offshore that offer some spectacular scuba diving and snorkelling, it is as an exceptional tourist destination. Hence, Malaysia should capitalise on these natural aspects. These offerings should exceed tourist’s expectations in terms of the time and efforts invested by them. The core destination offering was the functional and emotional values perceived by the tourist. Surrounding these core offerings were the augmented services such as transportation, accommodation, eating and drinking establishments, retail shops, entertainment businesses and other hospitality services that should provide outstanding service, meeting the expectations of individuals or groups travelling away from home.

This study proved that overall destination image, tourist satisfaction and destination loyalty were crucial to Malaysia as a travel destination. These constructs were found to have great significant relationships between each other. Thus, this study provided insightful information to the Malaysian tourism authority (Malaysia Tourism Promotion Board) in term of improving destination loyalty towards Malaysia by implementing strategies that offered values as desired by the consumer. This study highlighted the importance of building and maintaining the right destination image and attaining tourist satisfaction. In terms of sustaining the correct image, Tourism Malaysia could consider working with the local people or agencies to assist them in maintaining the natural resources such as tropical forest, caves, mountains, waterfalls, orang-utans beaches and islands to encourage travelling to and revisiting. In this sense, this also would provide job opportunities for the local people. In addition, Tourism Malaysia should also measure and monitor the performance of the supporting tourism establishment to comply with the standard set by the authority to ensure they deliver quality services in order to ensure that these services would support the pleasurable and enjoyable travel experience in Malaysia. High-quality services could be one of the strategies in strengthening destination competitiveness. This could be done by creating an online customer satisfaction survey on service quality provided by the major supporting services encountered by the tourists.

LIMITATION

This study was conducted not without limitations and these limitations should be addressed in future studies. The first limitation was related to the location of conducting the survey in the Kuala Lumpur International Airport (KLIA). The generalisability of the present study was limited to tourists who departed from KLIA. Future studies should consider to perform the data collection in other Malaysian international airports such as Kota Kinabalu International Airport, Penang International Airport, Langkawi International Airport and Kuching International Airport to increase the generalisation value of the study. Secondly, the data collection was conducted among tourists from United Kingdom and Australia only. The findings of this study were applicable to these groups of tourists. Different findings may prevail in other groups of tourists from different countries. In response to this limitation, a similar study could be undertaken in the future by including respondents from different regions of the world. Lastly, the factor of overall destination image and tourist satisfaction only explained about 67% of variations in destination loyalty. Thus, there might be other factors influencing destination loyalty. Future research should take into consideration factors such as tourist experience, tourist involvement and tourist motivation to refine and extend the model proposed in this study.

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