Domestic Travelers' Perceived Value, Satisfaction and Loyalty Intentions

Ariunjargal Nergui, Odonchimeg Myagmarsuren, Khishigdalai Ulaankhuu, Erdenetuul Sereeter

School of Business, Mongolian University of the Humanities, Ulaanbaatar, Mongolia
Email: khishigdalai@humanities.mn, n_ariunjargal@humanities.mn

Abstract

Because of globalization, the tourism industry has developed rapidly, the hospitality industry has grown rapidly, and the variety of tourism products has increased. The number of domestic travelers has increased dramatically in recent years and has been creating an opportunity to reduce foreign exchange flows. This study applied an existing PERVAL framework and empirically examined the relationships between perceived value, satisfaction, and loyalty intentions in Mongolian adventure tourism context. This study examined questionnaires to determine the value of adventure travel and was performed in order to assess acceptability, construct validity, internal consistency, and measurement error of the instrument. For internal consistency reliability, the Cronbach's alpha for each group was higher than 0.70. These results showed that the questionnaires have good internal consistency reliability and validity. We selected five types of perceived travel value (functional, money, emotional, sociability, and novelty) as independent variables, and two variables, satisfaction and loyalty, as dependent variables to test proposed three hypotheses. The study revealed that the value gained from a trip was positively correlated with satisfaction and loyalty intentions.

Keywords

Perceived Value, Satisfaction, Loyalty, Adventure Tourism, Mongolia

1. Introduction

The tourism sector is the country's main trade service sector and occupies an important position in the country's economy. Industrial development not only enhances a country's reputation in foreign markets, but it also gives people the opportunity to develop on a new level, change and relax which defines it as an

economic phenomenon in which people move from their usual environment to another country or destination for personal, business, or professional reasons (TFSITS, 2010). The growing number of global destinations is a key driver of socioeconomic progress through job and business creation, export earnings and infrastructure development in the tourism sector (UNWTO, 2015).

Determining consumer behavior and future trends in adventure products is of great importance to tour operators, organizations, individuals, and researchers working in this field. In 2019, Mongolia welcomed 500,000 tourists for the first time in its history. However, due to the pandemic, national border restrictions have restricted the movement of foreign tourists and the number of domestic travelers has increased. In addition to the rapid growth of local tourism, adventure tourism has risen as a dynamic part which has become a core product of tourism. Tourists want to enjoy destination wildness and they consider active adventure experience as a large part of their tour. If they have good experiences with destination, they come away satisfied and will spread the word to other potential tourists. Adventure tourism is important for improving the quality of the tourism experience and for improving the destination economy through competitive marketing and profit.

There have been a number of notable research contributions specific to adventure tourism in globally. To date, however, there have been few, if any, research studies into the behaviour patterns of adventure tourists in Mongolia. Thus, this study addresses what do local tourists want from their adventure experience? How often do they want to undertake such experiences? What gives them satisfaction? What makes them come back for more? What are the marketing implications of adventure tourism? The present study was an attempt to answer some of these questions and used a recognised services marketing framework to examine the relationships between adventure tourists' perceptions of value, satisfaction and loyalty. It helps practitioners understand a tourist's adventure tourism processes in local tourism consumption.

2. Literature Review

2.1. Adventure Tourism

Adventure tourism is guided commercial tours, where the principal attraction is an outdoor activity that relies on features of the natural terrain, generally requires specialized equipment, and is exciting for the tour clients (Buckley, 2007). It can be classified into hard and soft adventure on basis of risk involved. Soft adventure tourism involves activities that have lower risk, greater comfort in accommodation and less physical activity involved. It often includes educational and discovering purpose, the exploration of environment, engaging with heritage and culture of host community. Hard adventure tourism involves activities that often have high risk factor, greater physical challenges and very basic facilities. In this tourist introduces themselves to natural outdoor settings, challenge

themselves by performing many activities that gives them adrenaline push and where risk is the main motivation factor involved (Singh, 2020).

2.2. Perceived Value

Using the concept of the perceived value (PERVAL) of products developed by Sweeney and Soutar (2001), they classify products as: functional value, value for money spent, social value, and emotional value. Functional value is a measure of a product's physical activity (Sweeney & Soutar, 2001). Quality, reliability, durability, and price are common attributes of functional value. Value for money is a measure of the cost of using a product. Value for money increases when the benefits obtained from using the product exceed consumer expectations. Social value is defined as the value created by social interactions or perceptions obtained after using a product. Emotional value is defined as the ability to experience joy or happiness after using or after using a product. Novelty value is one of human motivation that appeals to sensation seeking. This is an intrinsic need of tourist due to the need of tourist to explore new and different travel experiences (Razli et al., 2017). Novelty value is not included in the initial PERVAL framework. However, it examined it as a key in adventure tourism experience research. Therefore, the following hypotheses are proposed.

H1: Travel value has a positive effect on satisfaction.

H2: Travel value has a positive effect on loyalty.

2.3. Satisfaction

Satisfaction plays a major role in most models of consumer behavior. Correia et al. (2009) defined satisfaction as a comparison between product expectations and performance. Product performance is represented by the benefits provided when using the product. Customers are satisfied when the products produced meet or exceed their expectations (Correia et al., 2009).

2.4. Loyalty

Kim and Lee (2011) explain that high product trust strongly influences consumer repurchase behavior. Product loyalty is considered a form of consumer behavior that is a commitment to repeat product purchases and a reluctance to purchase products manufactured by other brands or different manufacturers (Kim & Lee, 2011).

H3: Travel satisfaction has a positive impact on loyalty.

Typical activities in adventure tours in Mongolia include climbing, caving, abseiling, rafting, diving, skiing, snowboarding, horse and camel riding, mountain biking, snowmobiling and off-road driving. To date, however, the actual tourism products offered by adventure tourism operators do not seem to have been subject to any coherent and comprehensive review and analysis. The current study, a multidimensional customer value framework is used to capture the

complexity of adventure tourism experiences in local people. The study recognised the importance of customer value from a services marketing perspective and examined the construct in an adventure tourism context.

3. Proposed Conceptual Framework

Based on the above discussions and taking as reference the PERVAL scale of perceived value, proposed hypothesis of dimensionality of perceived value are constructed. The current study formulated the following research model (Figure 1).

4. Methodology

4.1. Research Setting and Data Collection

To verify the sets of hypotheses and study model, this study conducted a random sample survey, targeting Mongolian Facebook group for adventure travel professionals and travelers. In all, we distributed 200 questionnaires directly or through the messenger and mail and received 163 responses after four weeks. In all, the final analysis used 156 responses, excluding insincere ones. The demographic characteristics of the sample comprised 54 men (34.6%) and 102 women (65.4%) and most of them were ages between 20 to 35 years old (70.0%). The majority of respondents traveled with their family (62.8%).

4.2. Measures

The value dimensions were taken from the PERVAL value scale developed by Sweeney and Soutar (2001). A novelty value dimension was added as it is important in a tourism context. Prior research has found doing novel and adventurous things and escaping from the routine are important for tourists (Razli et al. 2017). For all the value, satisfaction and loyalty questions, travelers were asked to rate their perceptions on a 5-point Likert scale with "1" representing "Strongly Disagree" and "5" representing "Strongly Agree".
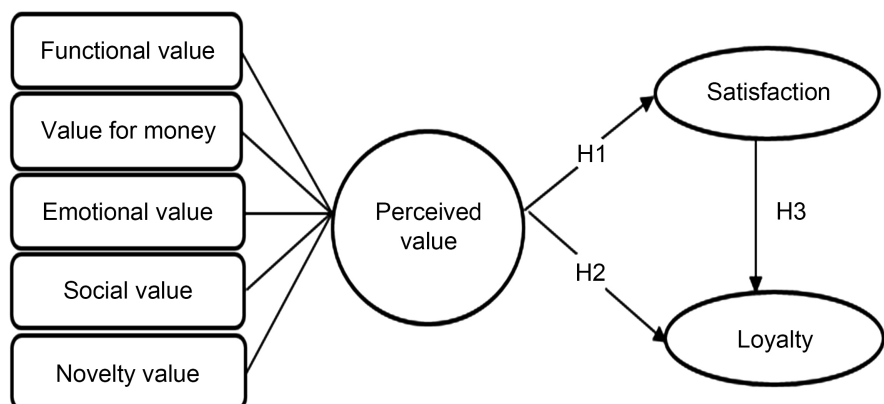

Figure 1. Proposed research model for the study.

5. Results and Analysis

5.1. Demographic Analysis

A summary of the backgrounds of the respondents is shown in Table 1. The frequency of household monthly income level from 1 million to 2.5 million accounts for the highest income or 46.2%. The income level of 2.5 million to 4.0 million tugrik is 18.6%, up to 1 million is 28.8%, and the lowest percentage is 6.4% of people with an income of more than 4 million tugrik. The majority of people, 62.8%, travel with their families, while 32.1% say they travel with friends and colleagues. 0.6% with a professional team, 2.6% alone, and 1.9% for others. From this, it can be seen that our Mongolians usually travel with their families, friends, and colleagues, and organize their trips themselves.

5.2. Construct Reliability

This study verified the reliability of the measurement items for each variable using a Cronbach's alpha coefficient and the values were 0.60 - 0.84; therefore, the internal consistency of the measurement items was generally ensured. In addition, we performed the exploratory factor analysis (EFA) for construct validation.

Table 1. Respondents' backgrounds.

Indicators		Total	Percent
Gender	Male	54	34.6
	Female	102	65.4
Marital status	Married	59	37.8
	Not married	97	62.2
Age	Up to 25	46	29.5
	26 - 35	63	40.4
	36 - 45	24	15.4
	46 and above	23	14.7
Monthly household income	Up to 1 million ₮	45	28.8
	1 million - 2.5 million	72	46.2
	2.5 million - 4.0 million	29	18.6
	More than 4 million ₮	10	6.4
Travel with	With family	98	62.8
	With friends and colleagues	50	32.1
	With a professional team	1	0.6
	Single	4	2.6
	Others	3	1.9

For measurement variables, we used the principal component analysis to extract configuration factors and the orthogonal rotation method to simplify factor loading values.

According to the EFA results in Table 2, the KMO value for representativeness of the original population is higher than 0.71, meaning that statistical analysis can be performed based on the sample.

5.3. Correlation Analysis

In order to check the relationship between the factors, the correlation matrix analysis shows in Table 3 that there are many values greater than 0.05, which indicates that these factors are strongly related to each other. Correlation analysis revealed that loyalty intention for adventure tourism experience positively correlated with five value dimensions of adventure tourism experience: functional value ($r = 0.469$), value for money ($r = 0.538$), emotional value ($r = 0.702$), social value ($r = 0.336$) and novelty value ($r = 0.611$). Therefore, the predictive validity of value scale of adventure tourism experience was proved in Mongolian context.

Table 2. Results for construct reliability.

The value of travel	Number of questions	KMO	Cronbach's Alpha	Mean	Std. Deviation
Functional value	4	0.78	0.79	4.33	0.71
Value for money	3	0.72	0.84	4.29	0.66
Emotional value	5	0.85	0.93	4.46	0.61
Social value	3	0.74	0.88	4.23	0.84
Novelty value	8	0.89	0.90	4.33	0.69
Satisfaction	5	0.90	0.91	4.38	0.60
Loyalty	3	0.71	0.80	4.38	0.63

Table 3. Correlations between factors.

	Factors	Correlations						
		1	2	3	4	5	6	7
1	Functional value	1						
2	Value for money	0.530**	1					
3	Emotional value	0.492**	0.665**	1				
4	Social value	0.498**	0.400**	0.378**	1			
5	Novelty value	0.586**	0.597**	0.698**	0.532**	1		
6	Satisfaction	0.496**	0.643**	0.769**	0.421**	0.648**	1	
7	Loyalty	0.469**	0.538**	0.702**	0.336**	0.611**	0.777**	1

**Correlation is significant at the 0.01 level (2-tailed).

5.4. Regression Analysis

The initial regressions examined the impact of the respective value had on satisfaction. The results of the stepwise regression procedure are shown in Table 4. The equation was significant (F = 183.813, $p < 0.001$) and overall perceived value dimension was significantly related to satisfaction. The adjusted R-squared statistic was 0.55; suggesting value plays a major role in predicting satisfaction in an adventure tourism context. Therefore, hypothesis 1 is supported.

Table 5 shows the results when the impact of value dimensions on loyalty intention was estimated. The regression was significant (F = 115.381, $p < 0.001$) and overall perceived value dimension was significant and positively related to loyalty intention. The adjusted R square value (0.43) indicated that the value dimension explained approximately half of the variance in loyalty intentions in the present context. Therefore, hypothesis 2 is supported.

From these two tables, it is clear there are direct, positive and moderate to strong relationships between travelers' perceived value and satisfaction and between perceived value and loyalty intention. A further analysis was used to see whether satisfaction effect on loyalty intention in this context. Table 6 shows the results that regression was significant (F = 234.619, $p < 0.001$) and satisfaction dimension was significant and positively related to loyalty intention. The adjusted R square value (0.61) indicated that the satisfaction dimension explained approximately half of the variance in loyalty intentions in the present context. Therefore, hypothesis 3 is supported.

Table 4. Regression analysis (hypothesis 1).

	Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	0.878	0.260		3.384	0.001
	Perceived value	0.808	0.060	0.738	13.558	0.000

[a]Dependent Variable: Satisfaction; $R^2 = 0.54$; adj $R^2 = 0.55$; F = 183.813 ($p < 0.001$).

Table 5. Regression analysis (hypothesis 2).

	Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.151	0.302		3.808	0.000
	Perceived value	0.746	0.069	0.654	10.742	0.000

[a]Dependent Variable: Loyalty; $R^2 = 0.43$; adj $R^2 = 0.43$; F = 115.381 ($p < 0.001$).

Table 6. Regression analysis (hypothesis 3).

		Coefficients[a]				
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.842	0.232		3.623	0.000
	Satisfaction	0.808	0.053	0.777	15.317	0.000

[a]Dependent Variable: Loyalty; $R^2 = 0.60$; adj $R^2 = 0.61$; F = 234.619 ($p < 0.001$).

It seems that, for perceived value variable, the greater the degree of customer value provided to travelers, the greater the tourist satisfaction they are likely to receive and the more positive their loyalty intention.

6. Conclusion

The present study tried to clarify a number of the suggested relationships between value, satisfaction and loyalty intentions in Mongolian adventure tourism context. The results confirmed the findings of a number of previous studies in which travelers' perceived value has been found to be an important antecedent to tourist satisfaction and tourist loyalty intentions. It seems adventure tour operator who provides value is likely to have satisfied customers who are also likely to have positive loyalty intentions.

Mongolia as an adventure and ecotourism destination, adventure tourism offers to change the environment, de-stress, have new experiences, take risky steps, feel challenge and get to know yourself. Thus, domestic travelers commonly participate in eco, all types of hiking, mountain and rock climbing, land and air travel such as special purpose aircraft and parachutes. The frequency of travels is high and attractive. All kinds of bicycle, motorcycle, car trips and risk-taking sports trips organized in specially prepared environments are more attractive to young people aged 25 - 35. When it comes to adventure travel, the majority always plan ahead. It is important for travel companies that organize this type of trip to develop value-for-money tours that fit their target market and market segment, and incorporating value-added adventure elements into their itineraries is key to loyal customers.

Further research is needed to explore the "adventure" dimension in more detail with comparing between domestic travelers and international tourists. While the PERVAL framework used in the present study was contextualized towards adventure tourism, there may be other specific value dimensions relevant to adventure consumption such as travel risk. It should be examined and incorporated in the PERVAL framework.

It is recommended that in its efforts to promote adventure tourism, the Mongolian tourism authority needs to provide secure and new attractive adventure

tourism products of tour packages and services, and it should consider adding value to tourism services and experiences. It is hoped that the survey results will be valuable information to tourism organizations and businesses in Mongolia in evaluating their current adventure operations and formulating their future management and marketing strategies. With continuous efforts to improve adventure tourist facilities and service standards in its emerging tourism development, Mongolia will attract more international tourists from many different countries.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

References

Buckley, R. (2007). Adventure Tourism Products: Price, Duration, Size, Skill, Remoteness. *Tourism Management, 28,* 1428-1433. https://doi.org/10.1016/j.tourman.2006.12.003

Correia, A. M. et al. (2009). Multidimensional Segmentation of Gastronomic Tourists Based on Motivation and Satisfaction. *International Journal of Tourism Policy, 2,* 58-71. https://doi.org/10.1504/IJTP.2009.023272

Kim, Y. K., & Lee, H. R. (2011). Customer Satisfaction Using Low Cost Carriers. *Tourism Management, 32,* 235-243. https://doi.org/10.1016/j.tourman.2009.12.008

Razli, I. A., Jamal, S. A. & Zahari, M. S. M. (2017). Perceived Value in Peer-to-Peer (P2P) Accommodation: A Case of Airbnb. *Journal of Tourism, Hospitality & Culinary Arts, 9,* 213-224.

Singh, A. (2020). *Travel and Tourism Management.* Jiwaji University. http://www.jiwaji.edu/pdf/ecourse/tourism/ADVENURE%20TOURISM%20.pdf

Sweeney, J. C., & Soutar, G. N. (2001). Consumer Perceived Value: The Development of a Multiple Item Scale. *Journal of Retailing, 77,* 203-220. https://doi.org/10.1016/S0022-4359(01)00041-0

TFSITS (2010). Tourism as an Internationally Traded Service and Beyond. *Newsletter of the Interagency Task Force on Statistics of International Trade in Service, No. 6.*

UNWTO (2015). *Tourism Highlights.* https://www.e-unwto.org/doi/pdf/10.18111/9789284416899