

Tourism Destination Appraisal: A Case Study of Khao Lak, Phang-nga

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It is of extreme importance for tourism providers to understand the factors that influence the selection of a destination. In tourism management, importance-performance analysis (IPA) has been used as part of quality management. Visitors to Khao Lak - a tourism destination victim of the Tsunami in 2004 - were surveyed over a one-month period during May 2007. For most of the destination attributes, satisfaction was lower than importance, suggesting that management attention is needed, especially that pertaining to the 'activities and events' and 'shopping' attributes. The validity of this approach to appraisal is considered along with the study's implications for evaluative research in general.

Key Words: destination appraisal, importance-performance analysis (IPA), tourist satisfaction, Khao Lak

Introduction

As travel and tourism has grown into an international multibillion-dollar industry, factors affecting the success of this industry have become of interest to practitioners. The latter have realized the need for information on factors playing a role in the success of tourism destinations. This has led to an increased number of investigations of the many facets of successful destination marketing.

In this study, importance-performance analysis (IPA), which has earned popularity in a variety of fields for measuring service quality, was conducted. IPA excludes the controversial 'expectations' from the analysis, and, instead, examines the 'importance' customers place on any given product/service attribute. It is a simple and flexible technique for analyzing consumers' attitudes towards salient product/service attributes. This IPA combines measures of performance and associated importance in a two-dimensional grid to provide a graphic representation of the performance of tourism providers, suppliers or operators in providing a range of services (Oh, 2001). Using simple visual analysis, the IPA technique reveals strengths and weaknesses of the attributes under study to identify areas for improvement. The IPA technique is widely used by researchers in various areas and has proven to be an effective managerial tool (Zhang & Chow, 2004).

Further, tourist satisfaction has also been acknowledged as a relevant construct when analyzing success and ways of improving destination marketing. The perspective adopted here is one of marketing, especially consumer behavior, focusing on the perceptions and evaluation made by tourists to the visited tourism destination in Khao Lak, Thailand. This

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satisfaction is further analyzed in relation to the tourists' socio-demographic characteristics, their needs and desires, and their past and intended future travel behaviour. Over time, satisfaction has become the principal measure of the quality of a visitor's experience, with numerous measures and methods now in use. Understanding visitor satisfaction allows tourism practitioners to provide facilities and services that match visitor expectations, while also validating that visitors are satisfied with their experiences.

Satisfaction research in tourism and recreation has indicated that tourists' satisfaction with individual components of the destination leads to their satisfaction with the overall destination (Danaher & Arweiler, 1996; Mayer et al., 1998; Hsu, 2003). A number of marketing studies have confirmed that consumer satisfaction has a significant positive relationship with loyalty/retention (Anderson & Sullivan, 1993; Cronin, Brady, & Hunt, 2000; Taylor & Baker, 1994). Satisfied consumers are more likely to continue to purchase, and are more willing to spread positive word-of-mouth information. It has been shown empirically that tourists' satisfaction is a strong indicator of their revisit and referral intentions (Kozak & Rimmington, 2000; Kozak, 2001). The more satisfied tourists are, the more likely they will return to the same destination, and the more likely they will share their positive travelling experiences with their friends and relatives. Therefore, one other main purpose of this study is to help Khao Lak gain a better understanding of its visitors' travelling behaviour, demographic profiles, visitors' aspirations, their attitudes towards travelling to Khao Lak, their opinions on the image of Khao Lak as a travel destination and their perceptions of the service quality of the city's hospitality businesses.

Methodology

Khao Lak was a victim of the Tsunami disaster in 2004, but with its natural attractions and narrow winding mountain streets, it remains a popular resort area. Visitors to Khao Lak were surveyed over a one-month period during May 2007. Three hundred thirty questionnaires were randomly handed to tourists who were on the beach by the researcher and assistants. This gave a response rate of 92.11%. The survey contained both open and closed questions. Questions covered visitor characteristics, travel characteristics, the importance of and satisfaction with tourism attributes. A single overall measure of satisfaction was included in this study for its ease of use and empirical support. The respondents were asked to rate their satisfaction with their overall travelling experience along a 5-point Likert scale with 1 being *very dissatisfied* and with 5 being *very satisfied*. The items were derived from several studies such as Um and Crompton (1990), Gartner (1993), and Qu and Li (1997). Furthermore, two single-item measures were used with a 5-point Likert scale (1=*most unlikely*; 5=*most likely*) for assessing tourist destination loyalty as the ultimate dependent construct: tourists' intention to revisit Khao Lak and their willingness to recommend Khao Lak as a favourable destination to others.

For both importance and satisfaction, respondents were given the same list of 33 attributes, covering accommodation (7 items), dining (5 items), shopping (4 items), attractions (2 items), activities and events (5 items), environment (5 items), and accessibility (5 items). Respondents were asked to assign a value to each using a five-point unidirectional scale. For importance the scale ranged from 'very unimportant' to 'very important' and for satisfaction from 'very dissatisfied' to 'very satisfied'. For importance, a unidirectional scale has been suggested as being more useful and making more sense than a bi-directional measure (Oh, 2001). Furthermore, similar to previous research (Jackson et al, 1996), two open-ended questions elicited qualitative comments from tourists. The questions, "What was one thing that impressed you most during your trip to Khao Lak?" and "What was one thing that frustrated you most during your trip to Khao Lak?" focused specifically on positive and

negative attributions rather than on general experiences. A pilot study was used to improve the questions before the survey was conducted.

Results

A total of 318 usable surveys were returned, giving a response rate of 92.11%. More than three quarters of the visitors were on their first ever visit (77.2%) to Khao Lak, indicating a minority of repeat visitors. Indeed, about 11.4% of the respondents had already made two or more trips to Khao Lak. For the majority (67.1%) of the visitors, Khao Lak was their primary destination of the trip. As would be expected, vacation/pleasure was quoted as the major purpose of the trip for the majority of the visitors (77.2%). Almost one third of the visitors (31.6%) stayed at Khao Lak for 6 – 10 days, while less than a third (29.1%) stayed longer than 15 days. The majority of visitors organized the trip to Khao Lak by themselves (63.3%). For the travel party, more than one quarter of them (27.8%) traveled with their spouse, while 25.3% of them were travelling ‘with friends and relatives’ and 21.5% ‘traveled with their family and kids’. Respondents were also asked for their reasons for choosing Khao Lak as a tourist destination. “Beautiful area” (62%), “good value for money” (35.4%) and “recommended by friend” (24.1%) were the top three reasons. Therefore, ‘previous visits’ (17.7%) and ‘word-of-mouth’ (15.2%) including that ‘recommended by friend’ indicated the important role played by “informal” information sources in promoting Khao Lak as a travel destination.

From open-ended questions, 82.8% of the respondents experienced Khao Lak’s beautiful nature and scenery, the friendliness of the local people, diving at Similan Island, the fast Tsunami recovery, and enjoyed Thai food. For these good experiences, 51.9% of them were likely to visit Khao Lak in the near future and were most likely to recommend Khao Lak to others (48.1%). However, the frustrating issues during their trips were unexpected rains, less public transportation from hotels, inability of staff to speak English, and the higher charges paid by tourists compared to locals (75.8%). Finally, respondents pointed out some important issues that may help Khao Lak to become a leading destination: ‘improve marketing of area’, ‘improve cleanliness’, ‘better or more advertising, especially on European TV’, ‘beware of nature’, and ‘better public transportation and information’.

Importance-Performance Analysis

To give an overall picture of the different components in Table 1, the mean importance and performance scores for each attribute was calculated. This resulted in a descending mean of “Environment” (mean 4.38), followed by “Accommodation” (mean 4.29), followed by “Dining” (mean 4.17) and so on. Details can be seen in Table 1. This indicates that the “Environment” was the most important and the least important was the “Activities and Events” in the destination.

Table 1: Difference between Importance and Performance

Description Component	Importance	Satisfaction	Mean Dif.
Environment	4.38	4.12	-0.26
Accommodation	4.29	4.17	-0.12
Dining	4.17	4.11	-0.06
Attraction	3.82	3.55	-0.27
Accessibility	3.63	3.65	0.02
Shopping	3.61	3.25	-0.36

Activities and Events	3.45	3.14	-0.31
Grand Mean	3.91	3.71	-0.2

As shown in Figure 1, the horizontal axis indicates tourists' satisfaction level for an attribute, ranging from low to high; while the vertical axis demonstrates tourists' perception of the importance level of the attribute from low to high. By using the grand means for satisfaction (3.71) and importance (3.91) as the crossing point, the satisfaction and importance scores for the seven components were plotted on the grid.

The IPA grid provides a snapshot of how well Khao Lak met tourists' concerns over certain important destination components, and it simultaneously offers guidelines for the city's future resource allocation decisions. Each quadrant suggests a different marketing strategy. Specifically, ratings for environment, accommodation, and dining landed in the upper right-hand quadrant (Q1), indicating that Khao Lak was doing a good job with highly important destination components; the strategy then is one of maintenance – of keeping up the good work. 'Attractions', 'accessibility', 'shopping' and 'activities and events' were positioned in the lower left-hand quadrant (Q3), suggesting moderate performance on moderately important components. One might want to consider the components lower priority items but Khao Lak should invest in and improve on these features. Perhaps some resources should be shifted from attributes in quadrant 1 to improving performance on attributes in quadrant 3. Further, no component was located at the lower right-hand quadrant (Q2), which was a sign of over investment – high performance on moderately important items. Lastly, no components fell in the upper left-hand quadrant (Q4) - no special attention was required for highly important destination components with substandard performance.

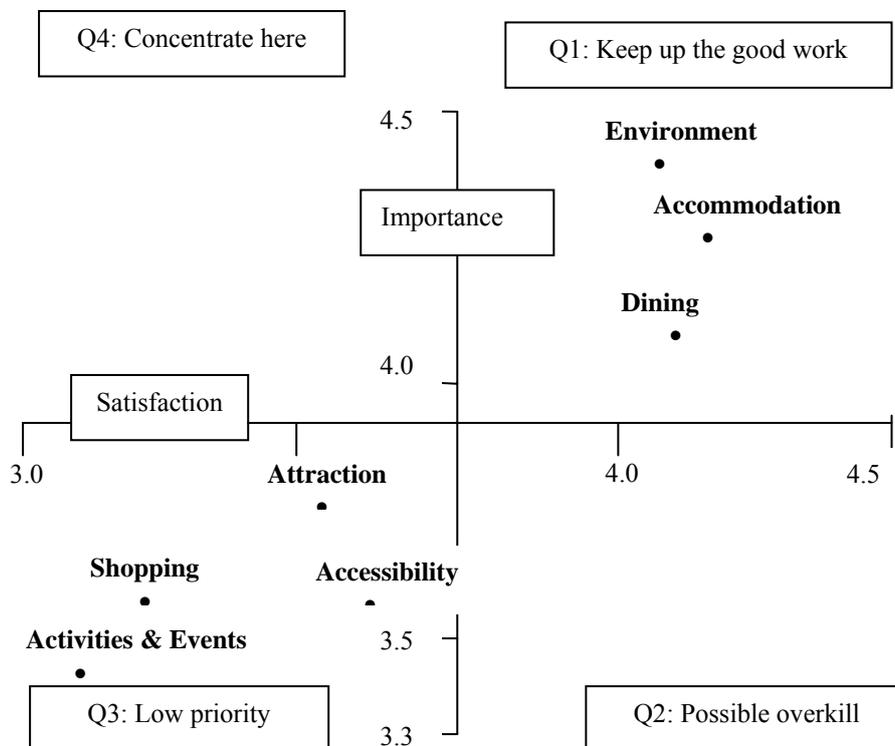


Figure 1: IPA Grid for the Seven Destination Components

Underlying Dimensions of ‘Attribute Satisfaction’

Ten factors with Eigenvalues above 1.0 were generated, which explained 73.23% of the total variance. The communalities varied from 0.60 to 0.84, suggesting that the variance in each original variable was reasonably explained by the ten common factors taken together. The factor loadings for the 33 variables ranged from 0.44 to 0.87, above the suggested threshold value of 0.30 for practical and statistical significance. The loadings also presented a clean and highly interpretable solution: the 33 variables loaded significantly on ten factors as the researcher conceptualized – activities and events, shopping, dining, transportation, environment, lodging, relaxation, pricing, spa services, and natural attractions.

Table 2: Underlying Dimensions of ‘Attribute Satisfaction’

Attribute	Eigen Value	Variance Explained	Factor Loadings	Communalities
F1 Activities and Events	8.37	25.35		
Variety of special events/festivals			0.87	0.84
Variety of evening entertainment			0.84	0.83
Reasonable price for activities and events			0.79	0.79
Variety of outdoor recreation			0.63	0.74
Variety of activities/events			0.47	0.66
Good weather			0.44	0.72
F2 Shopping	3.53	10.70		
Reasonable price of merchandise			0.79	0.78
Quality of merchandise			0.76	0.82
Friendliness of service			0.73	0.75
Variety of shops			0.60	0.64
F3 Dining	2.28	6.91		
Quality of food			0.80	0.72
Good food			0.70	0.63
Variety of cuisine			0.68	0.74
Convenience of meals			0.60	0.70
Service in restaurant			0.45	0.70
F4 Accessibility	1.91	5.78		
Convenience of local transportation			0.81	0.74
Ease of access			0.68	0.70
Availability of travel information			0.67	0.80
Helpfulness of welcome center			0.55	0.75
F5 Environment	1.72	5.22		
Cleanliness			0.77	0.75
Quality and cleanliness of lodging facilities			0.74	0.71
Good location			0.50	0.64
Safety and security			0.46	0.67
F6 Lodging	1.62	4.90		
Friendliness			0.69	0.70
Distinctiveness/uniqueness of lodging			0.64	0.75
Service in lodging facilities			0.60	0.75
F7 Relaxation	1.40	4.23		
Peaceful and restful atmosphere			0.81	0.80
Friendliness of people			0.61	0.80

F8 Pricing	1.23	3.73		
Reasonable price of meals			0.70	0.80
Reasonable value for price			0.64	0.60
F9 Spa Services	1.07	3.25		
Variety of spa/massage/healing options			0.77	0.80
Availability of local parking			0.70	0.72
F10 Natural Attraction	1.05	3.16		
Variety of natural attractions			0.81	0.79

Key Findings from Attribute Satisfaction

According to the satisfaction means of visitors' perceptions of Khao Lak, items on 'Variety of evening entertainment' and 'Variety of special events' obtained the lowest level of satisfaction. This means that respondents were not happy with the 'Activities and Events' of Khao Lak. This finding was supported by the factor analysis in that Factor 1, which was labeled 'Activities and Events', was found to be a critical problem of Khao Lak. Lack of evening entertainment was the major weakness of Khao Lak and it is here where major improvements are required. Further, 'Shopping' also needs to be remodeled: 'Variety of shops', 'Quality of merchandise', and 'Reasonable price of merchandise' were attributes pointed out by the respondents as important to them. Therefore, 'Shopping' should be given priority in improvement efforts.

Conclusions

This study showed that for first-time visitors, satisfaction is the main determinant leading to loyalty. This amplifies the importance of first impressions, and suggests to the Khao Lak destination managers that priority should be placed on providing satisfying experience to first-timers. More tourism activities, better facilities, and other tourism supporting services need to be considered. The provision of high-quality experience is the key to alluring the first-timers to return. As for repeat tourists, satisfaction is no longer the major factor leading to loyalty.

The major findings of this study have significant managerial implications for tourism and hospitality marketers. The exploratory and confirmatory factor analyses revealed that attribute satisfaction had ten underlying factors. These results could help destination marketers better understand the factors contributing to tourist satisfaction and loyalty so that they are able to carefully deliver appropriate products and services that accommodate tourists' needs and wants. Thus, it is suggested that destination suppliers and managers consider the practical implications of these latent variables, which may be fundamental elements in increasing tourists' overall satisfaction and loyalty.

Khao Lak destination managers can consider forming clubs and other consumer communities for repeat tourists in order to keep them in long-term engagement with the destination. For example, airlines have 'frequent flyer programmes' and hotels have 'frequent guest programmes', both targeting at retaining their repeat customers and ultimately winning their loyalty. Khao Lak can follow a similar format and bring all or some of their tourism suppliers together to initiate a 'loyal traveler' programme. This programme should not be just about discount prices or first-class treatments; more importantly it should encourage emotional involvement such as friendship built around product/service consumption, and integration of product/service into an extended self-concept. This will help create higher exit barriers and maintain an ongoing relationship with repeat visitors. When tourists start to identify themselves with the destination, they will surely return to the same

destination over and over again. Of course, due to the fragmentation of the tourism and hospitality industry, it will be very difficult and probably expensive to carry out a programme that requires high coordinating efforts, but the returns of such programme are enormous, considering that it is less costly to retain repeat visitors than to attract new customers, plus repeat tourists are more likely to remain loyal and share their positive experiences with other people thus creating free word-of-mouth advertising. That is why many attractions and destinations rely heavily on repeat visitation, highlighting the critical importance of marketing efforts devoted to the development and maintenance of repeat clientele. Finally, the research findings enable Khao Lak authorities to design and develop more effective planning, development and marketing programmes to maximize the potential of their attractions and optimize the effectiveness of their resource allocation.

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