

PERCEIVED VALUE, EWORD- OF-MOUTH, TRADITIONAL WORDOF-MOUTH, AND PERCEIVED QUALITY TO DESTINATION IMAGE OF VACATION TOURISTS

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Perceived Value, eWord-of-Mouth, Traditional Word-of-Mouth, and Perceived Quality to Destination Image of Vacation Tourists

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ABSTRACT

This research aims to analyze a structural model describing the causal relationship between electronic word-of-mouth, traditional word-of-mouth, perceived value and perceived quality to destination image of vacation tourists. The respondents of this research were tourists. 300 questionnaires were distributed to the visitors/tourists in Dieng Plateau. 220 sets were returned by respondents, but only 174 sets were can be used for analyses. Data analyses were conducted by means of structural equation modeling. The results of model evaluation with several criteria of goodness of fit indices showed favourable results. The model was accepted. The research results verified the model that indicates the relationship between the electronic word-of-mouth, traditional word-of-mouth, perceived value, perceived quality and destination image of vacation tourists. In particular, traditional word-of-mouth directly exerted the greatest influence on perceived quality, in comparison with electronic word-of-mouth and perceived value.

Keywords: destination image, eWOM, traditional-WOM, perceived value and perceived quality.

1. INTRODUCTION

Tourism service products are considered high risk; Consumers may therefore need special information about tourism product services (Murray, 1991). Due to the inability and uncertainty of tourism services, travelers are usually expected to seek the correct information from different sources to reduce the risks it receives (Maser & Weiermair, 1998). The influence of interpersonal and WOM relationships becomes the most important source of information when consumers make tourism purchasing decisions (Litvin et al., 2008; Murray, 1991).

Image is seen as an important variable that is strongly influenced by WOM. Image is very important for every company, because image is able to influence consumer perception about goods and services offered. Echtner and Ritchie (1991) argue that imagery arising from received ad impressions and images will be selected from a large collection of information and includes promotional literature, WOM, and other common media. Although it is difficult to control WOM directly, the process to ensure customer satisfaction can provide a beneficial WOM effect (Swan & Oliver, 1989). Wangenheim and Bayon (2004),

stated that although WOM relevance is widely accepted, the power of the WOM effect is not well understood.

The influence of word-of-mouth (WOM) has been studied for decades in marketing. Research in the field of tourism is still very limited, although WOM has an important influence in the selection of tourist destinations. Recently, electronic WOM (eWOM) has significantly increased the attention of researchers, especially WOM on online travel. electronic. WOM includes online travel reviews, travel blogs, or travel information search. eWOM is targeting large-scale markets through Internet marketing and introducing new ways to capture, analyze, interpret, and manage the influence of marketing communications in hospitality and tourism (Litvin, Goldsmith, & Pan, 2008). Promotion of tourism as part of the process of image formation of tourist destinations, not stand alone. WOM promotion for image destination tourism also depends on many existing sources of information and traditional eWOM. This WOM information source is often considered biased (Govers, Go, & Kumar, 2007). The traditional WOM and eWOM effects integrated in the destination image must be clearly identified. unfortunately, there have been no studies comparing the effects of traditional WOM and eWOM against shared destinations together. Research on WOM and eWOM is important to do, because the results can help marketers develop an image destination tourism and profitable promotional strategies, resulting in positive results such as increased sales and greater profits.

Gronroos (1984) argues that image can be shaped through the quality of service (both technical and functional), traditional marketing activities (such as advertising, public relations, and price), and external influences (such as tradition and WOM). Normann (1991) also argues that images are embedded into the minds of consumers through a mix of advertising effects, public relations, word of mouth communication, and the consumer's actual experience with goods and services. WOM communications can encourage new customers to try goods or services, but in business generally seek to develop effective WOM strategies (Gremler, Gwinner, & Brown, 2001). Perceived quality is an important element that determines consumer decisions. Consumers will compare alternative quality with price in a product or service category (Jin and Yong, 2005). The main purpose of this research is to analyze the model of Destination Image of Vacation Tourists. More specifically, this study aims to: (1) Analyze the effect of eWOM, traditional WOM and perceived value, to perceived quality. (2) Analyzing the effect of perceived value to the destination image of vacation tourists.

2. LITERATURE REVIEW

1.1. Definition of Terms

Traditional Word-of-Mouth (traditional WOM) is a face-to-face communication about a product or company between parties that are not commercial entities of a product or company (Arndt, 1967). while Electronic Word-of-Mouth (eWOM) is a positive and negative statement or anything made by potential and actual customers, about products or companies, and is willing to talk to many people and institutions via the Internet (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Image is all the impressions,

knowledge, emotions, values, and benefits associated with the product, service or company (Jenkins, 1999). Image destination tourism is the expression of all knowledge about objective, impression, prejudice, imagination, and emotional thinking that a person or group has for a particular place (Lawson & Baud-Bovy, 1977).

1.2. Perceived Value and perceived quality

Perceived value can be defined as a perceived superiority or superior quality. Perceived quality can be defined as consumer ratings of overall product superiority. Perceived quality (1) differs from objective or actual quality, (2) a higher level of abstraction than a product's specific attributes, (3) a thorough assessment of an object or product (Zeithaml, 1998). Schechter (1984) defines value as all factors that include qualitative and quantitative measures, subjective and objective from a complete shopping experience. Chen and Tsai (2007) describe the value felt by travelers as a tourist evaluation of the money to be incurred on a tour based on benefits (what is received) and costs (what is given). In tourism research, Baker and Crompton (2000) see the perceived value as "a measure of costs incurred by the provider". In addition, perceived value has been assessed as a cognitive evaluation at any given time, and / or money invested in the trip compared to the experience gained by travelers.

Perceived value affects quality in two ways. First, value is more individualistic and personal than quality, because value is a concept higher than quality. The value may be similar to "emotional payoff". Second, perceived value involves giving tradeoffs and getting services or products. Although many value conceptualizations have determined quality as the only component in value equations, consumers may implicitly include other factors, some of which are prestige and convenience (Holbrook and Corfman 1985).

H1. Perceived value has a effect on perceived quality.

1.3. Word of Mouth and Perceived Quality

Word of mouth (WOM) is briefly described by Arndt (1967) as "individual person-to-person communication between noncommercial recipients and communicators about brands, products or services". WOM is positive, very effective for several reasons. First, the existence of conformity, the informant describes the information in a way relevant to the recipient. Secondly, it saves time and money to identify the right information. Third, if offered through informal sources, have no interest in sales, can add credibility to the product or company. Given its non-commercial nature, WOM communications are viewed with skeptical efforts from less effort for promotions initiated by companies (Herr et al., 1991). Consumer satisfaction may also result in a positive referral or WOM (Heskett et al., 1994). Positive WOM is quite effective in influencing potential customers or potential customers; thus, firms that have the ability to satisfy consumers will benefit from the subsequent increase in market share.

Baloglu and McCleary (1999) stated that the mouth-to-mouth conversation of friends and relatives is the most important source in the formation of tourist imagery. Beerli and Martin (2004) agree that word of mouth is considered the most trusted and correct channel of communication, which also significantly affects the cognitive imagery of tourist destinations. Since tourism products are intangible, consumers may prefer to look for credible sources of information such as news reports or word of mouth information.

Traditional WOMs are defined as non-commercial private communications between people regarding a product or service. e-WOM includes two types of communications that are personal WOM and commercial WOM. eWOM communication can be done in various ways, such as via email, instant messaging, web sites, blogs, online communities, newsgroups, chatrooms, hate sites, site reviews and social networking sites (Litvin et al., 2008). eWOM distinction for each type of personal and commercial eWOM communications may differ based on the online information provider. Traditional views show that WOM communications to influence consumer choices made face-to-face play an important role in consumer purchasing decisions (Arndt, 1967). WOM and availability of information is believed to be very important for consumers who want to minimize the risk of consuming tourism service products, because tourism has an intangible property (Murray, 1991). To get credible information, consumers increasingly rely on eWOM communication because it is easily accessible and the information available is quite complete. Consumers can use traditional WOM communications and eWOM at different stages in the travel decision making process or during the process of determining their destination. Gretzel and Yoo (2008) state that online travel information can be used to generate ideas and to shorten options when planning a tour, however, consumers are less likely to utilize the information received through eWOM on travel decision making. Information obtained from traditional eWOM and WOM may have an influence on perceptions at the stage of purchase decision making. Based on the above, the hypothesis can be stated as follows:

H2. Electronic WOM has a effect on perceived quality.

H3. Traditional WOM has a effect on perceived quality.

1.4. Perceived quality and Destination image

Image is seen as an important variable affecting marketing activities. Image is very important for any organization, because the image's ability to influence consumer perceptions about the goods and services offered (Zeithaml and Bitner, 1996). As a result, the image affects consumer buying behavior with respect to the products and services of an organization. Ditcher (1985) describes what is an image and what is not an image: "The image does not describe the characteristics or qualities of the individual, but represents the total impression created by an entity on the minds of others. The image is not rooted only in objective data and details. It becomes the configuration of the whole field of objects ". According to Normann (1991), Image is a model,

which expresses our beliefs and understanding of a phenomenon or situation. Roberts (1993) defines the image as "Public idea or perception of a company, unit or product", therefore, the image can be interpreted as perceptions of a phenomenon, an impression stored in memory. Consequently, the image may be present for any organization, product or trade mark.

The image of a destination is defined as the perception of a group of people (Jenkins, 1999). Perceptions of the quality of tourist destinations are seen as benefits or values of expected consumption (Tapachai & Waryszak, 2000). Destination imagery usually includes only the components of cognitive imagery. Cognitive image refers to the beliefs, impressions, ideas, perceptions and knowledge of a person on the object (Crompton, 1979). The entire image or impression is related to the individual attribute. The cognitive image reveals the relationship between cognitive attributes and overall image objects (Keown et al, 1984). The totality of perceptions of the image depends on the evaluation of different products and services (Mazursky, D & Jacoby, J, 1986). The perception of tourists on the attributes of tourist destinations and the attractiveness of an area will interact to shape the overall image (Gartner, 1993). The image is formed by cognitive and affective judgments, affective judgments based on individual feelings and emotions on an object (Baloglu et al., 1997; Walmsley and Young, 1998) & Baloglu & Mangalolu 2001). Dann (1996), states that the image of the destination is formed from the cognitive, affective and conative aspects. The cognitive component consists of a number of beliefs, impressions, ideas and perceptions about the object. The affective component deals with how one feels about an object.

Sonmez S. & Sriakaya E. (2002) used this quality attributes to measure destination image, architectural styles, local festivals, archeological treasures, natural scenic beauty, cities, museums and art galleries, adventure, weather, cultural heritage, plenty of places to get away from crowds, local people are friendly, good-quality restaurants, hotels are easy to find, restful and relaxing place to visit, food, lifestyles and customs, standard of living, dress, road conditions, cleanliness and hygiene, safe and security, culture, shopping facilities, nature preserves and wilderness areas, tourist information, tour availability, skiing opportunity, national parks, price and good value for money.

In tourism research, the perceived quality of the destination is a combination of travelers' travel experience and acceptable service perceptions associated with expected tourism service performance received (Bolton & Drew, 1991). Chen and Tsai (2007) define the perception of quality as "visitor assessment of the service process standards associated with travel experience". Bigne et al. (2005), Chen and Tsai (2007), and Zabkar, Brenc, and Dmitrovic (2010) reported a positive relationship between the image of the destination and the quality of the tour. Perceptions of perceived quality affect the image of the destination (Ming et al., 2011).

H4. Perceived quality has a effect on destination image.

3. RESEARCH MODELS

This model predicts that the destination image is directly affected by perceived quality. Destination image is indirectly influenced by perceived value, eWOM and traditional WOM. The research model developed can be shown in Figure 1.

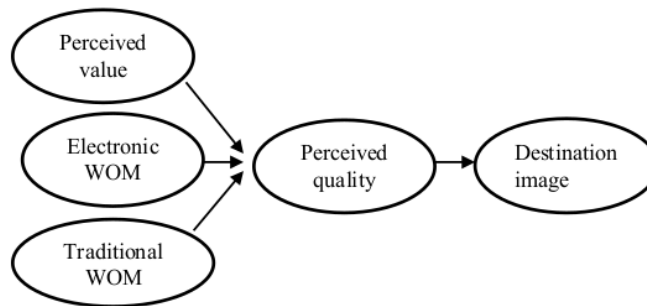


Figure 1: Research Model

4. RESEARCH METHODS

The self-administered survey method was used to collect data from the tourists. A structured questionnaire was developed and distributed to the respondents in 2016. All items used to measure the predictor and criterion variables used the 5-point Likert scale. 300 questionnaires were distributed to the visitors in Dieng Plateau. 220 sets were returned by respondents, and only 174 sets were can be used for analyses.

Testing model used two-step approach to structural equation modeling (SEM). Two-Step approach aims to avoid the interaction of measurement models and structural models (Hair et al., 1998). Based on the validity test results of factor loadings each question that makes up each construct is > 0.5 . So it can be said is good. Likewise, his reliability produces Croanbach Alpha every item of question and the measurement construct has fulfilled ie > 0.7 . Testing construct reliability and extracted variance produce numbers above 0.70 and 0.50. Other assumptions are also met ie normal data, no multicollinary and no outliers occur.

5. RESULT

Prior to processing data with AMOS 4.01, first calculated the amount of error (ϵ) with the formula $0.1 \times \sigma^2$ and lambda (λ) terms with the formula $0.95 \times \sigma$ (Anderson dan Gerbing, 1988). After the error (ϵ) and lambda (λ) terms are known, the scores are included as parameters in the SEM measurement model analysis The result of standard deviation calculation, construct reliability, lambda and error term construct with two-step approach are shown in Table 1.

Table 1.
Standard deviation, Construct reliability, Lambda and Error term

Construct	Deviasi Standar (σ)	Construct Reliability	Lambda (λ)	Error (ϵ)
Perceived value	0.453	0.875	0.386	0.017
eWOM	0.317	0.905	0.393	0.011
Traditional WOM	0.454	0.949	0.385	0.016
Destination Image	0.373	0.893	0.283	0.008

Evaluation of the model test results can be seen in Table 2. The results seen in table 2 show that the model is acceptable.

Table 2.
Evaluation of Goodness of Fit Indices Criteria

Criteria	Results	Critical value *)	Model Evaluation
Cmin/DF	2.551	≤ 2.00	Good
Probability	0.113	≥ 0.05	Good
RMSEA	0.077	≤ 0.08	Good
GFI	0.988	≥ 0.90	Good
TLI	0.994	≥ 0.95	Good
CFI	0.989	≥ 0.94	Good

To test the hypothesis of causal relation of perceived value, eWOM, traditional WOM, perceived quality and destination image is presented a standardize regression showing the causal relationship between the variables. The relationship is shown in Table 3.

Table 3
The value of standardize regression between variables

Path	Standardized regression	CR	Probability (p)	Keterangan
Perceived value \rightarrow perceived quality	0.149	16.681	0.013*	Significant
eWOM \rightarrow perceived quality	0.216	9.635	0.000	Significant
Traditional WOM \rightarrow perceived quality	0.320	11.494	0.035*	Significant
Perceived quality \rightarrow destination image	0.475	3.563	0.000	Significant

* *Significant at $p < 0,05$*

6. CONCLUSION

The results of model evaluation with several criteria of Goodness of Fit Indices show good and acceptable results. So it can be said that the results of this study support a model that shows the relationship perceived value, eWOM, traditional WOM, perceived quality, and destination image. Based on the CR value criteria, it shows that all paths are significant. Perceived value has an effect (direct) significant to perceived quality. E WOM has an effect (direct) significant to perceived quality, traditional WOM has an effect (direct) significant to perceived quality. Perceived quality has an effect (direct) significant to destination image. When viewed from the direction, the influence of each variable perceived value, eWOM, traditional WOM, perceived quality are positive effect (direct) significant to destination image.

From the results of testing the significance of each variable along with the indicator then the four hypotheses can be accepted.

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