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The tourist loyalty index: A new indicator for measuring tourist destination loyalty?

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ABSTRACT

The measurement of loyalty is a topic of great interest for the marketing academic literature. The relation that loyalty has with the results of organizations has been tested by numerous studies and the search to retain profitable customers has become a maxim in firm management. Tourist destinations have not remained oblivious to this trend. However, the difficulty involved in measuring the loyalty of a tourist destination is a brake on its adoption by those in charge of destination management. The usefulness of measuring loyalty lies in being able to apply strategies which enable improving it, but that also impact on the enhancement of the organization's results. The study of tourists' loyalty to a destination is considered relevant for the literature and from the point of view of the management of the multiple actors involved in the tourist activity. Based on these considerations, this work proposes a synthetic indictor that allows the simple measurement of the tourist's loyalty. To do so, we used as a starting point Best's (2007) customer loyalty index adapted to the case of tourist destinations. We also employed a variable of results – the tourist's overnight stays in the destination – to create a typology of customers according to their levels of loyalty and the number of their overnight stays. The data were obtained from a survey carried out with 2373 tourists of the city of Seville. In accordance with the results attained, the proposal of the synthetic indicator to measure tourist loyalty is viable, as it is a question of a simple index constructed from easily obtainable data. Furthermore, four groups of tourists have been identified, according to their degree of loyalty and profitability, using the number of overnight stays of the tourists in their visit to the destination. The study's main contribution stems from the possibility of simply measuring loyalty and from establishing four profiles of tourists for which marketing strategies of differentiated relations can be put into practice and that contribute to the improvement of the destination's results.

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Introduction

To understand what the tourist's loyalty depends on and how it is formed has become a maxim for managers of tourist firms and destinations. Loyalty is considered to be the best predictor of future behavior and a source of competitive advantage and success in the market (Gursoy, Chen, & Chi, 2014; Sun, Chi, & Xu, 2013). Therefore, a tourist destination, the same as any organization, must attract and retain its target market (Gursoy et al., 2014). Under this perspective, the comprehension of the elements which determine the loyalty toward a destination and the way in which they inter-relate to determine loyalty has become a fundamental matter. Numerous studies have tackled this question and have proposed elaborate models of structural relations (Forgas-Coll, Palau-Saumell, Sánchez-García, & Callarisa-Fiol, 2012; Prayag & Ryan, 2012; Zhang, Fu, Cai, & Lu, 2014) which show the role that expectations, image and perceived value (Faullant, Matzler, & Fuller, 2008; Um, Chon, & Ro, 2006), satisfaction (Bigné, Sánchez, & Sánchez, 2001; Chen & Tsai, 2007; Poria, Reichel, & Cohen, 2011; Wang, Wu, & Yuan, 2010; Yuksel, Yuksel, & Bilim, 2010) and perceived quality (Olorunniwo, Hsu, & Udo, 2006) have in the generation of loyalty toward the destination. The majority of these studies consider loyalty to be a bi-dimensional variable, made up of an attitudinal component and a behavioral component. Attitudinal loyalty, considered to be the most powerful source of loyalty, tends to indicate a favorable personal attitude toward the destination, and is based on the emotions caused in the tourist by this destination. This attitude strongly shows the inclination of the individual to recommend the destination to other tourists, even in situations in which they are not repeating their visits (Kursunluoglu, 2011).

Loyalty toward the destination is important due to the role that it plays in obtaining profitability (Yoo & Bai, 2013) and in its subsequent growth and development. This characteristic, common to firms and destinations, is even more relevant in the case of the latter. This is because of the effect that tourism has on economic growth, employment and the welfare of citizens, especially in economies strongly linked to the tourist sector. Therefore, the measurement of loyalty should be accompanied by the quantification of the effect of this loyalty toward the destination on some variable of profitability or growth. One of the indicators most used to establish the situation of destinations regarding the tourist is the number of overnight stays. This figure, exclusively relative to physical units of demand, is not a measure of profitability, but is considered to be a direct antecedent of it, as when it is higher, the incomes obtained by the destination are greater, due to the impact on lodging, transport, attractions, catering and business in general.

Based on these considerations, this work means to establish a synthetic indicator of tourist loyalty toward a destination which facilitates its measurement by the agents involved. This indicator, which we will call Tourist Loyalty Indicator (TLI), is going to include the main antecedents of loyalty gathered together in previous studies. Likewise, we mean to establish a typology of tourists, according to their loyalty and the number of their overnight stays in the destination. The four resulting groups are going to differ as to overnight stays and/or loyalty and, therefore, will need differentiated relational marketing strategies to maximize their future profitability. The value of this typology is unquestionable for those in charge of managing tourist destinations. They will in this way be able to aim their efforts more precisely for each group. This will undoubtedly increase the efficacy and efficiency of their marketing actions.

To achieve the aims proposed, we carried out an empirical study among tourists who were visiting the city of Seville. The destination chosen registered in 2016 more than 2.7 million people lodged in hotel establishments and apartments and a figure of overnight stays of 4.9 million. This makes it the most visited city in Andalusia and the third most visited urban destination in Spain, after Madrid and Barcelona (National Institute of Statistics – INE-2017).

Review of the literature

The tourist's loyalty toward the destination

Customer loyalty is a recurring topic in academic research. Since 1956, more than three thousand articles have been written on "customer loyalty" in journals with an impact factor in the area of social sciences, according to the results offered in the Web of Science (WOS). However, there are only ninety-five articles on "destination loyalty", the first of them dating from 2001. Most of these studies try to find out the factors which antecede or explain the tourist's loyalty toward a destination (Bigné et al., 2001; Chen & Tsai, 2007; Faullant et al., 2008; Olorunniwo et al., 2006; Poria et al., 2011; Um, Chon, & Ro, 2006; Wang et al., 2010; Yuksel et al., 2010).

According to the literature, the benefits of loyalty are related with the current and future value of the benefits and with the organization's continuity (Moliner, Gil, & Ruíz, 2009). In this vein, the tourist's loyalty implies a stable source of incomes, as well as an improvement of the destination's benefits as customer retention means less costs than those required to attract new customers.

Most works define destination loyalty in relation to the intention to revisit and the intention to recommend (Chen & Gursoy, 2001; Chi & Qu, 2008; Chi, 2011; Oppermann, 2000; Pike, 2010; Prayag & Ryan, 2012; Yoon & Uysal, 2005). Loyalty is multidimensional, behavioral and attitudinal components having the greatest acceptation. From the first perspective, loyalty is reflected in repeat purchases, while attitudinal loyalty considers recommendations to friends and family. If both aspects are considered the construct is predicted better (Dimitriades, 2006) and a more exact representation of the tourist's loyalty is provided (Chen & Gursoy, 2001). When exclusively contemplating a tourist's behavior through repeated visits to a destination, this may not really reflect loyalty in the area which we are dealing with. When tourists travel with the motive of having a new experience, it is unlikely for them to repeat the visit to a destination, so destination loyalty may not involve repetition (Iso-Ahola, 1982).

Destination loyalty is a key element in marketing strategies in so far as it is the best predictor of post-visit behavior (Chen & Chen, 2010). This loyalty is achieved by surpassing the tourists' expectations, providing unique experiences and