A Visitor Value Management Model: Focusing on the Actual Experience in Managing ‘Visitor Value’ Delivery

Shameem Ali
School of Business, Australian College of Kuwait, PO Box 1411, Safat 13015, Kuwait.

Arthur King
School of Business, Australian College of Kuwait, PO Box 1411, Safat 13015, Kuwait.

Abstract
This is a conceptual paper on the need for tourism sector businesses to better understand the needs, desires and perceptions of visitors so that they can better manage the exchanged value from both the perspective of the visitor and the organisation. Many of the traditional models of services provision are often too general and not precisely applicable to the tourism situation, where people are “outside their normal zone of existence”, more relaxed, happy and seeking enjoyment. Therefore, the exchange process in holiday situations should not be treated in the same way as normal exchange transactions. This paper proposes a model for managing “visit value”, which focuses on the service design and development which tempers the product and service offerings to evoke the value adding attributes and the affective offer such as enjoyment, surprise, delight, excitement and pleasure. Furthermore, the paper suggests that to achieve the “affect” characteristics in service design and delivery, there is a need for visitor feedback and continuous improvement to the exchanged value.

Keywords: Tourism, Value management, Satisfaction, Performance monitoring, Models

1. Satisfaction theories and models
Consumers develop expectations about a product before purchase, allowing them to compare actual performance with their original expectation. A positive confirmation (satisfaction) occurs when expectations are met or exceeded. If expectations are not confirmed by performance, adequate satisfaction levels may not be realised (Oliver 1980; Chon 1989). One way in which consumers make judgements about a product or service is by a process of benchmarking based on their past experiences. This is known as norm theory, whereby previous experience provides a benchmark for judging current and future experiences or consumptions (LaTour & Pear 1979; Sirgy 1984; Francken & van Raaij 1981). Equity theory is based on the exchange process, where cost is the measure of value expected, where cost incorporates price paid, as well as time and effort devoted (Fisk & Young 1985; Oliver & Swan 1989). This also includes opportunity cost, such that an activity or destination that results in dissatisfaction will incorporate the alternatives that were available as a part of the choice mix.

Tse and Wilton (1988) have put forward the performance model, which tends to give the greatest credence to the actual experience in the determination of satisfaction and discounts the role of prior expectation or previous experience. This may account for the fact that most visitor satisfaction surveys report results skewed towards positives levels of satisfaction. This focuses on the “bundle of benefits” that consumers experience and arise out of the sum of the benefits (pleasure, enjoyment, delight, surprise, etc) derived from the attributes of the product (service) offering. The thesis of the performance model is that some control rests with the organisation making the offerings. There are instrumental and expressive indicators of satisfaction (Noe 1987), where expressive refers to the psychological or social benefit derived from participating in the activity (fishing, swimming) and instrumental refers to a desired end which may include service features like guides and facilities. These are controllable by management. Noe found that expressive indicators of satisfaction that related to core experiences were more important in explaining overall satisfaction. They truly contribute to satisfaction (Czepiel & Rosenberg 1974). On the other hand, instrumental factors are maintenance factors whose absence or failure to meet expectations will result in dissatisfaction. Instrumental and expressive attributes work in combination to produce overall satisfaction. Their contribution to satisfaction arises from emotional (expressive) and cognitive (instrumental) dimensions (Swan & Combs 1976, Uysal & Noe 2003).

The expressive attributes manifest as emotions and therefore, in a tourism or leisure situation especially, contribute to true satisfaction. The instrumental attributes, on the other hand, are more the vehicle via which a tourism experience is felt and are not cognitively oriented, such that their absence may create dissatisfaction. This has some parallels with Herzberg’s motivator and hygiene factor theory where motivators are satisfiers resulting in satisfaction and hygiene factors are dissatisfiers resulting in dissatisfaction (Mullins 2001, Crompton 2003, Jensen 2004). Herzberg’s theory can be used to explain the two dimensions of satisfaction. In discussing festivals, Crompton (2003) argues that the physical environment and infrastructure, including variables like parking spaces and the cleanliness of restrooms are potential dissatisfiers and must be distinguished from satisfiers, which are key attractions of the festival. These two dimensions are part of the same continuum and can coexist without consequential impact on service quality creating a zone of tolerance between them. When
this zone of tolerance is violated by the overlapping of satisfiers and dissatisfiers, service quality and value perceptions are negatively affected.

2. Difficulties with Measuring Visitor Satisfaction

There are some inherent complexities in understanding visitor satisfaction due to the multivariate nature of “satisfaction” (Westbrook 1982), which engender concepts of “quality and value” and compounded by variables such as motivation, personalities and experiences. Dyer, Aberdeen and Schuler (2002), in reflecting on the state of tourist satisfaction research conclude that the path to an understanding of tourist satisfaction is clearly not straightforward and that there is no consensus on the underlying concepts that may describe satisfaction.

Much of the academic literature on satisfaction comes from the Marketing discipline and stems from the fundamentals of the marketing concept which is based on the satisfaction of consumer needs and wants or desires. Consequently, if consumer expectations are not met it is deemed that that consumer will not be satisfied. The “disconfirmation of expectations” model has a lot of empirical support (Yi 1990; Oliver 1980; 1989; Bowen 2001), indicating that somehow “expectations” are central to the understanding of satisfaction levels. Also, the drive to deliver greater value and superior quality requires an understanding of customer expectations (Parasuraman, Berry & Zeithaml, 1988).

Others argue that satisfaction with tourism services cannot be separated from an individual’s life experience and life satisfaction (Gilbert & Abdullah, 2002). The various aspects of travel and tourism experiences’ including the pre-trip, en route, destination and return trip services, have a direct impact on the overall life satisfaction experienced by individuals (Neil, Sirgy & Uysal 1999). The conceptualisation of what constitutes satisfaction and what processes are involved has resulted in a number of researchers developing evaluation standards (Woodruff, Cadotte & Jenkins, 1983; Day 1982; Fisk & Coney 1988). Cadotte, Woodruff and Jenkins (1987) argue that while expectations cannot be ruled out as a possible proxy for a kind of standard, it is by no means the only standard consumers use.

Customer expectations are influenced by the nature of the product, the context and the characteristics of the individual (Oliver 1980). The characteristics and the experiences of the individual seem to play a central role in the expectation formation process. The implicit and explicit service promises gleaned from media and publicity, word-of-mouth and the individual’s past experiences are also the key to how expectations are formed (Zeithaml, Berry & Parasuraman 1993).

The level of satisfaction experienced by a visitor is influenced by both the quality as well as the value received. In the service sector the “quality construct” and the “value construct” must be differentiated (Sweeney & Soutar 1995), such that value is not always synonymous with quality (Stewart, Hope & Muhlemann 1998). Consumers make judgements on the service (or the visit) both during and after the service, so that the satisfaction experienced will be determined on the basis of a range of service dimensions. These dimensions could range from technical to functional in nature. When the experience is compared with the expectation, we get perceived service quality (Gronroos 1984:39). Visitor satisfaction is affected not only by the perception of quality but also by the perceived value to be derived based on the price (or cost) of the visit. In a competitive marketplace price may be used as a proxy for value, providing the customer or visitor with a benchmark for evaluating value and, therefore, satisfaction.

Much of the literature on expectation relates to tangible goods. Tourism operations are largely service based requiring the visitor to come to the location for service “production and delivery” to commence. At the end of the visit the visitor leaves the site with nothing tangible but “an experience.” The experience is the outcome of the individual’s interaction with people and “product offerings,” that make up the attractions of the specific site, a central place, a performance or an event.

From a practical and managerial point of view, it is perhaps best to concentrate on what role actual performance levels on the part of the service provider can play in ensuring that the greatest possible value is experienced by the consumer or visitor. Spreng, Scott and Olshevsky (1996) in their re-examination of the determinants of consumer satisfaction conclude that given the complexities of the satisfaction process the safest and possibly the best route to enhanced satisfaction may still lie in increased performance.

3. Weaknesses of Existing Models

In understanding the satisfaction levels associated with a particular tourist experience it is important to be mindful of a range of factors and issues surrounding the choice of a particular destination at a particular time (Ryan & Cessford 2003; Ryan & Glendon 1998). Zeithaml and Bitner (1996) argue that the concepts surrounding quality perceptions and satisfaction have fundamentally different causes and outcomes and any judgements made about them arise from multiple levels of analysis. The influences on such decisions and the basis on which such decisions are made would influence the expectations as well as the satisfaction experienced with a particular tourist venue.

The Expectation- Satisfaction Models tend to be discrete and as a rule do not account for any external
variables, which are beyond the control of the tourist or the service provider (Crompton & MacKay 1989). For example, even with clearly formulated expectations, the satisfaction levels experienced by visitors to an outdoor concert may be greatly influenced by poor weather conditions or by the behaviour of other visitors or by the mere size of the crowd pressure on facilities. In such circumstances, the expectations are unlikely to be exceeded and could not be classed as being met. It could, however, be different, in which case the original expectation is not a good guide to satisfaction.

The Expectation- Satisfaction Models that attempt to explain customer or visitor satisfaction are based on models of consumer behaviour and decision-making process. These relate mostly to tangible goods in a competitive marketplace, where consumers go through various stages from unfulfilled need awareness, information search, evaluation of alternatives, purchase decision to a post purchase evaluation stage. The key underlying assumption of these models is that choices are available.

The very nature of the tourism activity is such that the tourist is motivated to have a good time and would generally have a tendency to downgrade importance of anything that may somehow negatively impinge on the overall holiday experience (Ryan 2003; Ryan & Cessford 2003). Many of these models have not been able to adequately explain and address the issues relating to visitor satisfaction and this has led to the discussion of the issues in relation to “levels of expectation”, the “levels of acceptability” and the consumers’ “zones of tolerance” (Zeithaml et al. 1993; Parasuraman, et al. 1994). More often than not, the focus of visitor satisfaction studies is on the reporting of satisfaction in aggregate terms using visitor characteristics and the extent to which they are satisfied. From a managerial perspective such data is taken as some form of justification and merit for the existence of the program or service. It is seldom a useful policy making or program improvement tool.

In the normal consumer products market, the advice often given by experts is that marketers should return superior value if they are to perform better than competition and that the consumers “expectations” should not only be met but exceeded. In such a situation price becomes the proxy for value and the standard which can be used to compare and measure value. In the tourism markets where choices are available and some understanding of price elasticities exist, the willingness to pay and conduct exchange will be based on how the expectations will be met.

In the leisure market “expectation” appear to be less explicit in the decision process and the consumer market buying decision processes have not been able to adequately explain how and why leisure consumption decision are made. Koran and Koran (1986:12) report that a large proportion of museum visitors were there to fill time, to be entertained or to satisfy curiosity. Much of leisure tourism activities are about discovery and involve a large component of total value or satisfaction coming from aspects that are unexpected, new, or unanticipated. Such reaction is referred to as “customer delight” which arises from “unknown environments” as distinct from customer satisfaction, which arises from known circumstances and known variables (Chandler 1989:30). In leisure tourism markets (and especially cultural and heritage tourism) as distinct from consumer product markets, the focus is much more on the unknown and the unexpected. To some degree, customer satisfaction can be influenced by avoiding problems (performance model), while customer delight or surprise with an experience is a deeper emotional response (Uysal & Noe 2003). Perhaps this is what a number of researchers refer to as “exceeding expectation” (Oliver 1980; Westbrook & Oliver 1991; Hirschman & Holbrook, 1982).

4. The skewness of satisfaction in public goods
Visitor satisfaction studies, especially those in the leisure markets, are always skewed towards satisfaction and this is especially so when it is a free product. Noe and Uysal (1997, p. 223) declare that “a positive halo effect” encompasses leisure-time activities and behaviours. There is a general tendency in leisure and recreational research towards a positive skewness of customer satisfaction ratings (Robinson 1973). William and Patterson (1999) found in their study that respondents tended to rate satisfaction highly, with a very small proportion (<10%) responding with a rating below “mostly satisfies.” Normal expectation – satisfaction models, which have much empirical support were developed using data from consumers markets based on an exchange process. With public goods (free) the skewness towards satisfaction is expected to be even greater. Therefore, care is needed in developing measurement tools that are designed to measure satisfaction because the respondent will not have a price that they can use as a proxy for establishing their expectations. This does not take away any control from the service provider, but bestows a greater responsibility on the provider to create value for the visitor through performance, understanding of the visitor’s needs and expectations and brand image. The “performance” in this context has a number of components, such products offered, experience given, feelings evoked in the visitor, and various service delivery tasks.

5. A “Visitor Value” Management Model
The visit outcomes are the “values” received from the visit or the use of the public good. This is determined by the visitor’s expectation of value and quality and the actual experience of the value and the quality. How this can
be managed is depicted in Figure 2 below:

![Visitor Value Management Model](image)

**Figure 1: Visitor Value Management Model**

5.1 Expected value:
The visitor’s expectation of value to be received through participation would be shaped by the individual’s motivations. The formulation of their expectation can be “managed” through the creation of a brand image, through promotion and publicity programs, through word-of-mouth, and other marketing activities. The literature suggests that expectations may not be a good guide to satisfaction in the tourism sector (Crompton & MacKay 1989; Ryan & Cessford 2003). While there are some “uncontrollable” factors impacting on expectations both on the part of the visitor and the service provide, it is important both in the competitive and the public goods sectors that the tourism organisation see the expectation formulation process as being able to be influenced by the activities, policies and programs implemented by the organisation. Basically, this is the marketing and brand image creation role of the service provider. This model suggests that the expectation creation process needs to be managed and be reflected in the goals of the organisation, especially in the public goods sector and where normal market forces may have limited influence.

5.2 Experienced value (Performance):
There are a number of factors that influence the total perceived value. The first group includes the individual personality, lifestyle and motivation, past experiences, as well as their social and cultural background. This is denoted by the triangle in the model. These shape the needs and desires that the individual seeks to fulfil and will have a direct influence on how expectations are formed and their perception of visit outcomes. Management does not have control over any of these elements, but these may influence the nature, design and composition of the offerings.

The value and quality that is experienced by the visitor is defined by the organisational offerings as per its charter. In the case of cultural and heritage tourism the literature supports that service offerings cater for both the instrumental (products, activities and programs) and expressive or emotional dimension, as these work in combination to produce overall satisfaction (Swan & Combs 1976, Uysal & Noe 2003). The cognitive appraisals of the tourism experience results in emotional responses, which are fundamental to the consumption process for any experience to occur (Bosque & Martin 2008). The experience of emotion arises, firstly, from an automatic arousal evoking some fundamental emotions, which are then appraised during or after consumption. Secondly, cognitive interpretation begins when the customer makes an assessment of the significance of the stimulus towards satisfaction or dissatisfaction (Schachter 1964). Therefore, in the design and development of cultural and heritage tourism products both the emotional and the cognitive dimensions must be considered. It is the role of the organisation to enhance visitor experience of value and quality through the management of its
core competencies and to create a brand value which reflects the services delivered. In the model, this is represented by the two boxes labelled “Offering” (more cognitive) and “Value Adding Attributes” (more emotional). The visitor experience is created or enhanced by bundle of benefits being offered. External environmental forces may also have an impact on this experience.

6. A Market-based Performance Monitoring Model

As has been mentioned before, visitor expectations and visitor experiences need to be managed, not only in the context of the competitive marketplace but also in relation to public goods and services, if they are to remain relevant and if they are to retain their value-adding potential. This was referred to as the “value management system” in the previous section. In order to achieve continuous improvement and to remain relevant in a changing and often demanding marketplace, performance monitoring and the re-evaluation of operational and strategic objectives, is deemed by many management gurus as an integral part of the management process. The changes in the market mood and trends require constant monitoring. Therefore, a performance monitoring model, which includes quality, value and relevance benchmarking is proposed and presented below (Figure 2).

The starting point of any performance evaluation system are the organisational mission and operational objectives, which guide the various offerings and services; and consumers (visitors) who are the target of the offerings. The performance monitoring model is designed firstly, to measure gaps that may exist between visitor expectations and management perceptions, which may provide indications of program relevance and program effectiveness. Secondly, the monitoring system must provide indications of gaps between service quality standards and service delivery so that performance improvement strategies can be developed. Thirdly, gaps in service delivery and the communication of the brand image need to be identified so that management is in a position to “manage” the expectation formation process and through continuous improvement strategies minimize the discrepancies that may arise between visitor expectations and the visitor experience.

Figure 3: Performance Monitoring Model

The gap identification process demonstrated in Figure 2 will provide some insight into service achievements against operational benchmarks that have been determined by management as the performance evaluation platform and criteria. These criteria would, for instance, take into account the management capacity and resource availability and may be based on cost-benefit analysis. For example, management may need to access the cost of delivering 100% satisfaction compared to 95% satisfaction and deem it to be not financially viable as the cost of the extra 5% satisfaction may be too high. The establishment of such criteria is an important management function and become more operationally meaningful if they can be related closely to organisational mission and objectives. Some objectives may be more important than others and management would deem that their achievement at a higher level of satisfaction compared to other objectives. Satisfaction gaps in aggregated terms seldom give operational signals or directions, and therefore must be benchmarked against operational objectives. The degree of satisfaction experienced by the customer can be evaluated through understanding customer responses to specific service attributes (Mai & Ness 2006).
Finally, service gaps identified must be remedied. Where service weaknesses are identified or fail to meet set benchmarks, change strategies need to be implemented to improve the service outcomes. These changes will need to be evaluated to assess if outcomes have in fact been improved and can be achieved by smaller specific studies rather than a full scale visitor satisfaction study that covers all objectives.

7. Benchmarking to compete effectively for the tourist market share

Benchmarking is widely used in a wide range of manufacturing and service industries, especially where some form of accreditation systems have been implemented. In the tourism sector the use of forms of benchmarking are quite prevalent, such as in hotel star ratings and also in the case of food and beverage organisations (Fuchs & Weiermair 2001, Fuchs, Peters & Weiermair 2002, Fuchs & Weiermair 2004). There still remains considerable potential to utilise forms of benchmarking in small and medium sized tourism sectors and even tourist destinations (Kozak & Rimmington 1998:184). The benefit of some form of benchmarking could be the key impetus for service improvements even in small tourism firms, without the existence of some industry-wide benchmarks. In a competitive market the firm that is able to best meet the changing needs of the customer is more likely to survive, return greater profits and gain competitive advantage (Ritchie & Crouch 2000).

At the firm level, benchmarking is about customer responsiveness and the alignment of organisational objectives with the needs of the market. The only reliable source of information about tourism performance is the visitor or consumer and often benchmarks set for performance must to a large extent be dictated by consumers. Customer satisfaction surveys form the main information sources and because benchmarks are numerical measures, there needs to be greater reliance on quantitative information.

The literature does not provide much insight into firm level benchmarking of performance, because it is most often used at industry level and is defined by desired standards or by industry best practice. Benchmarking is generally thought of as being a process of comparing the organisation’s performance against that of the best in the industry (Vaziri 1992). At a firm level, and in the absence of any industry standard, performance improvement must still occur and quality still needs to be managed. In this context, standards must be set by management so that performance can be judged (Camp 1989). The judgement on performance is determined by the extent to which customers are satisfied and by the proportion of customers not fully satisfied.

8. Conclusion

Gaining advantage in a competitive tourism market can be challenging for many marginal and small tourism enterprises. Providing a non-unique bundle of services is not a guarantee for success with customers. Service differentiation can occur at any stage of the delivery process, each stage needs to be finely tuned to deliver quality and evoke the tourist in some way. Merely creating and delivering is a traditional approach to marketing differentiation can occur at any stage of the delivery process, each stage needs to be finely tuned to deliver quality and evoke the tourist in some way. Merely creating and delivering is a traditional approach to marketing visualisation of the effects of hygiene and motivation attributes on perceptions of event quality. Journal of Travel Research, 41(3):305-310.


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