

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/333843539>

# The Impact Of Destination Image And Perceived Quality On Tourist Loyalty In The Indonesian Tourism Industry

Conference Paper · November 2018

DOI: 10.5220/0008488300670075

CITATIONS

2

READS

332

3 authors, including:



**Keni Keni**

Tarumanagara University

36 PUBLICATIONS 82 CITATIONS

[SEE PROFILE](#)



**Nicholas Wilson**

Universitas Bunda Mulia

21 PUBLICATIONS 102 CITATIONS

[SEE PROFILE](#)

# The Impact of Destination Image and Perceived Quality on Tourist Loyalty in the Indonesian Tourism Industry

Keni Keni<sup>1</sup>, Ferry Oktora<sup>1</sup> and Nicholas Wilson<sup>2</sup>

<sup>1</sup>Management Department, Tarumanagara University, Jakarta, Indonesia

<sup>2</sup>Master of Management Department, Tarumanagara University, Jakarta, Indonesia

**Keywords:** Destination Image, Perceived Quality, Tourist Satisfaction, Tourist Loyalty, Tourism Industry.

**Abstract:** This research was conducted in order to determine both direct and indirect effect of destination image and perceived quality on tourist loyalty through tourist satisfaction. This research implemented survey method, in which a total of 150 respondents participated in this research. Data were collected using questionnaires that were electronically distributed to all respondents. The data then were analysed using Partial Least Squares-Structural Equation Modelling (PLS-SEM) method. Based on the data analysis, it was concluded that both destination image and perceived quality had positive impact on tourist loyalty, either directly or indirectly through tourist satisfaction.

## 1 RESEARCH INTRODUCTION

Indonesia is one of countries which had so many objects or places designated as tourist destination. However, not all of those places were visited by tourists. Furthermore, the rapid development of technology had helped countries to spread the information and promotional activities of its tourism destination quickly and accurately. In terms of its tourism sector, the number of tourists visited Indonesia had increased steadily for the past 15 years. According to the data published by Biro Pusat Statistik (BPS), a number of tourists visited Indonesia had increased, from a total of 195.77 million times in 2001, to 264.34 million times in 2016. This trend could help explain the fact that the number of tourists visited Indonesia, either local or international tourists, had increased steadily for the past 15 years.

According to Oliver (1999), tourist loyalty could be defined as a strong commitment by customers to re-visit the place or destination that he or she had ever visited before, regardless of whatever condition might hamper that scenario. Tourist loyalty played an important role in making a place as a successful tourism destination since retaining tourists could also be perceived as retaining or even improving the financial condition of a place. Furthermore, the existence of tourist loyalty could also help in

indirectly promoting the place to others (for example: when a tourist promoted the place to his/her peers).

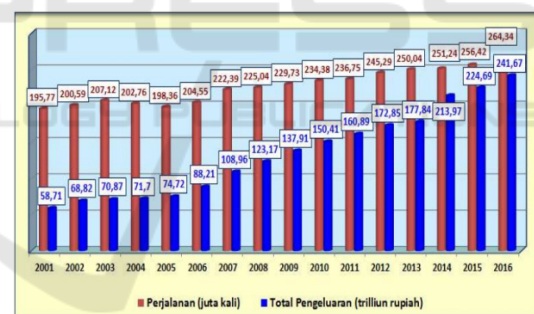


Figure 1: Number of Visitors/Tourists Visiting Indonesia (2001 – 2016).

Previous research by Chiu et al., (2016) had found that tourist loyalty could be affected by destination image and perceived quality, either directly or indirectly through tourist satisfaction. Furthermore, previous research by Jalivand et al. (2014) had found that satisfaction could mediate the relationship between perceived value and perceived quality towards loyalty. Moreover, previous research by Rajaratnam et al., (2015) had found that perceived destination quality could positively predict the relationship between satisfaction and behavioral intentions. Another research by Chen et al., (2011) also concluded that tourist loyalty could be predicted

by service quality, either directly or indirectly through place attachment and tourist satisfaction.

Hunt (1982) defined destination image as potential customers' or visitors' perception towards certain place or destination. In terms of choosing the right place to visit, the image of a place played an important role in influencing tourists or people's opinion on visiting the place. Destination image could be defined as the reciprocal relationship between tourist and the place of destination, and both sides will gain some advantages from this relationship (Kong et al., 2015). Furthermore, Chiu et al., (2016) also found that destination image is a significant predictor towards tourist loyalty. Moreover, it could also be understood that the success of a destination could be seen from how such a place could create or shape loyalty in the tourists' mind and heart. In regards with this statement, the high level of loyalty that tourists had towards the place could increase the number of visitors on that place. Beside destination image, perceived quality was also identified as one of factors which could increase the level of loyalty on tourists toward the place. Perceived quality was defined as tourists' judgement toward the competitive advantages of a place or destination thoroughly (Zeithaml, 1988). Javiland et al., (2014) further argue that perceived quality is an important predictor or factor in affecting tourist loyalty, since tourist's experience in visiting the place will serve as a main factor in making some consideration on whether or not tourists will visit the place again in the future.

Previous research conducted by Yazdanifard and Mercy (2011) had stated that tourist satisfaction could be differentiated into two perspectives, either tourist satisfaction was seen as a result, or tourist satisfaction was seen as a process. If tourist satisfaction was seen as a result, then satisfaction could be perceived as a result generated from customer's experience in visiting the place, in which it could be learned as how image and perceived quality serve as factors which affect tourist's psychological state. If satisfaction was seen as a process, then satisfaction could be understood as the evaluation, perception, and psychological process which could alter decision-making process and serve as an important factor in mediating tourist loyalty. Based on the background above, authors would like to uncover the impact of destination image and perceived quality toward tourist satisfaction and tourist loyalty in the Indonesian tourism industry.

## 2 LITERATURE REVIEW

### 2.1 Destination Image

Destination image played an important role in affecting tourists' decision making process and their intention to re-visit the place in the future (Baloglu and McCleary, 1999). Furthermore, Zang et al., (2014, p.215) stated that "*destination image is generally interpreted as a compilation of beliefs and impressions based on information processing from various sources over time that result in a mental representation of the attributes, benefits, and district influence sought of a destination.*" Furthermore, Day et al., (2012, p. 274) also explain destination image as a "*set of associations that people have of the destination*". Kim and Richardson (2003, pp.218) and Pike (2008) further stated that destination image is a "*totality of impressions, beliefs, ideas, expectations, and feelings accumulated towards a place over time*".

Based on the definitions above, it could be concluded that destination image is a combination of faith and experience about a place which is derived from the experience that tourists had toward that place.

### 2.2 Perceived Quality

Perceived quality had been one of the most discussed topics for the past 20 years. Parasuraman et al., (1985, pp.42) stated that perceived quality "*is more difficult for the consumer to evaluate than goods quality. Service quality perceptions result from a comparison of consumer expectations with actual service performance.*" Based on the definition, then perceived quality could be understood as customer's judgement towards a product which was used or consumed. Furthermore, Zeithaml (1988, pp.3) define *perceived quality* as "*The consumer's judgement about a product's overall excellence or superiority. Furthermore, Perceived quality is: a. different from objective or actual quality, b. a higher level of abstraction rather than a specific attribute of a product, c. a global assessment that in some cases resembles attitude, and d. a judgment usually made within a consumer's evoke set.*" Moreover, Aaker (1991 in Aziz et al., 2012, pp.214) defined perceived quality as "*An intangible, overall feeling about a particular brand. High-perceived quality increases the effectiveness of marketing programs, and leads to purchase decisions, position a brand on the perceived quality dimension, provides an opportunity to charge a*

*premium prices, influences a channel member interest in a positive way, and offers an opportunity to introduce brand extensions.”*

## 2.3 Tourist Satisfaction

Yazdanifard dan Mercy (2011) stated that tourist satisfaction could be differentiated into two phenomena, which are whether tourist satisfaction was seen as a result, or as a process. If tourist satisfaction was seen as a result, then satisfaction could be perceived as a result generated from customer's experience in visiting the place, in which, it could be learned as how image and perceived quality serve as factors which affect tourist's psychological state. If satisfaction was seen as a process, then satisfaction could be understood as the evaluation, perception, and psychological process which could alter decision-making process and serve as an important factor in mediating tourist loyalty (Hunt, 1983). Furthermore, tourist satisfaction could also be defined as tourist's response which derived or generated from their experience of visiting the place.

Oliver (1997, pp.13) defined *satisfaction* as “Consumer's fulfilment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under or over fulfilment.” Furthermore, Jalilvand et al., (2014, pp.320) defined satisfaction in the tourism industry as “The extent of overall pleasure or contentment felt by the visitor, resulting in the ability of the trip experience to fulfil the visitor's desires, expectations and needs in relation to the trip. Thus, satisfaction is regarded as a post-purchase measure of performance of the destination.”

## 2.4 Tourist Loyalty

Aaker (1991 in Pike et al., 2010, pp.439) stated that “brand loyalty could be defined as the attachment that a customer has to a brand”. In this case, loyalty exists when a person had used or bought product/services repeatedly and he/she felt excited with those experiences. In terms of loyalty, Oliver (1999, pp.34) stated that: “loyalty is a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior.” Meanwhile, Loureiro and

González (2008, pp.118) stated that “consumer loyalty is one of the most critical aspects for destination marketers because it is more desirable, and less costly, to retain existing tourists than to attract new ones”. In this case, tourist loyalty had served as an important aspect for marketers in order to effectively promote the place/destination in order to attract new tourists.

## 2.5 The Impact of Destination Image toward Tourist Satisfaction

Previous study by Chiu et al., (2016) had found that destination image played an important role in affecting or determining tourist satisfaction. In this case, as tourist had a good perception regarding an image of a place, then, either directly or indirectly, it will also lead the satisfaction level of the tourist to be higher. These findings were further strengthened by another research by Loureiro dan González (2008) which found that image is a direct and positive antecedent to satisfaction. Another research by Prayag dan Ryan (2012) also found that the image possessed by a place could affect the psychological and the emotional state of the tourist.

## 2.6 The Impact of Perceived Quality toward Tourist Satisfaction

Previous research conducted by Jalilvand et al., (2014) found that there was a positive and causal relationship between perceived quality and tourist satisfaction. Furthermore, Zabkar et al., (2010) stated that *perceived quality* had become a factor which preceeded tourist satisfaction, in which, satisfaction occurred or existed as a form of emotional perception generated from the tourist's experience towards a place. Therefore, it is found that there was a positive impact of *perceived quality* on *visitor satisfaction*. Similarly, Rajaratnam et al., (2015) also found that *perceived quality* was an important and positive attribute in affecting *tourist satisfaction*. Based on the literatures above, the hypotheses can be established as follows:

**H1a: Destination image has positive impact on tourist satisfaction.**

**H1b: Perceived quality has positive impact on tourist satisfaction.**

## 2.7 The Impact of Destination Image on Tourist Loyalty

Chen dan Tsai (2007) stated that destination image

played an important role in affecting tourist loyalty, in which positive image could give a positive intention toward tourists to recommend the place or destination to their peers. Such an explanation or finding was further supported by Loureiro and González (2008) toward tourist loyalty. Furthermore, previous researches by Brunner et al., (2008) and Akroush et al., (2016) also found that *destination image* had a strong and positive impact on loyalty, in which tourist loyalty will grow stronger when a place or destination possess a positive image in the public's eyes.

## 2.8 The Impact of Perceived Quality on Tourist Loyalty

Previous research conducted by Gallarza et al., (2013) shown that perceived quality was one of the most important factors in affecting tourist loyalty. The higher the level of quality felt by tourist, then the level of loyalty among tourists would also increase. Moreover, another research conducted by Jalilvand et al. (2014) also found that tourist's perceived quality towards a destination or place would affect his/her loyalty towards the place. Therefore, it could be concluded that perceived quality had a positive and direct impact on tourist loyalty.

Zabkar et al., (2010) further explain that customers' perceived quality towards a destination will shape tourist's attitude toward that destination. Positive perceived quality felt by tourists will increase their chance to re-visit the site and recommend it to others, while negative perceived quality will decrease their chance to re-visit or recommend the destination to others in the future. Previous studies also found the positive relationship between perceived quality and tourist loyalty (Rajaratnam et al., 2015; Loureiro & González, 2008; Pike et al., 2010). Based on the literatures above, the hypotheses can be established as follows:

**H<sub>2a</sub>: Destination image has positive impact on tourist loyalty.**

**H<sub>2b</sub>: Perceived quality has positive impact on tourist loyalty.**

## 2.9 The Impact of Tourist Satisfaction on Tourist Loyalty

Oliver (1999) stated that inducing satisfaction on tourist while visiting a destination is an important step in forming or shaping loyalty in the tourist's

mind. Furthermore, previous research by Chiu et al., (2016) had shown that there's a positive and significant impact of tourist satisfaction on tourist loyalty. Tourist satisfaction is a form of feeling felt by tourist after they visited a certain place or destination. It could be said that tourists are satisfied with their visit when there is a positive feeling on tourists' mind towards that destination. Such a positive feeling could shape tourist loyalty in the future (Chen et al., 2011).

Previous studies also shown that there is a positive impact of tourist satisfaction on tourist loyalty (Khoo-Lattimore and Prayag, 2016; Rajaratnam et al., 2015; Jalilvand et al., 2014; Brunner et al., 2008; Loureiro and González, 2008). Based on the literatures above, the hypothesis can be established as follow:

**H<sub>3</sub>: Tourist satisfaction has positive impact on tourist loyalty.**

## 2.10 The Impact of Destination Image on Loyalty through Tourist Satisfaction

Previous study conducted by Bloemer dan Ruyter (1998) shown that there is an indirect effect of destination image on loyalty, in which such a relationship was mediated by tourist satisfaction. Furthermore, Chiu et al., (2016) also stated that destination image played an important role in shaping tourist satisfaction which could increase tourist's intention to re-visit the place of destination in the future. Previous research by Loureiro dan González (2008) had found that image had an indirect impact on loyalty through satisfaction. In this case, good image will increase satisfaction, in which in turns will increase loyalty in the tourist's mind.

## 2.11 The Impact of Perceived Quality on Loyalty through Tourist Satisfaction

Previous studies conducted by Jalilvand et al., (2014) and Loureiro and González (2008) found that perceived quality had positive impact on loyalty through satisfaction. As tourist had a good perception of quality towards a place or destination, it will in turn satisfy the tourist, which in the end will increase loyalty. Furthermore, other researches conducted by Zabkar et al., (2010) and Rajaratnam et al., (2015) had shown that tourist satisfaction had a positive impact in mediating the relationship



between perceived quality and tourist loyalty. Based on the literatures above, the hypotheses can be established as follows:

**H<sub>4a</sub>: Destination image has positive impact on loyalty through satisfaction**

**H<sub>4b</sub>: Perceived quality has positive impact on loyalty through satisfaction**

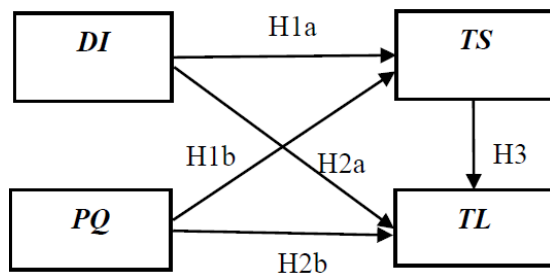


Figure 2: Research Model.

### 3 RESEARCH METHODOLOGY

This research utilized survey method, in which questionnaire was chosen as the instrument to collect all of the data needed for this research. There are two parts in this questionnaire, in which the first part contains the questions regarding the demographics of the respondents. On the other hand, the second part of this questionnaire contains a total of 28 items which represent all 4 variables analyzed in this research. From the total of 28 items, 12 items representing the variable of destination image were adapted from Akroush et al., (2016) and Prayag dan Ryan (2012); 6 items representing the variable of perceived quality were adapted from Jalilvand et al., (2014), 5 items representing the variable of tourist satisfaction were adapted from Chiu et al. (2016) and Jalilvand et al., (2014), and the remaining 5 items representing the variable of tourist loyalty were adapted from Chiu et al., (2016) and Jalilvand et al., (2014). Furthermore, interval scale with 5-Point Likert Scale method was also used in this research. Each respondent was asked to give their respond regarding each statement presented on the second part of this questionnaire, which was consisted of “1” to reflect their strong disagreement towards the statement, “2” to reflect their disagreement towards the statement, “3” to reflect that they are neither agree nor disagree towards the statement, “4” to reflect their agreement towards the statement, and “5” to reflect their strong agreement towards the statement.

After gathering all data, the data analysis process used Partial Least Squares - Structural Equation Modeling (PLS - SEM) method by applying the SmartPLS 3.2.7 software. Furthermore, there are two steps needed to be conducted before analyzing the data in order to explore the relationship between variables. These steps are the outer model analysis and the inner model analysis. The outer model analysis was conducted in order to determine the validity and the reliability of the model, while the inner model analysis was conducted to determine the relationship between variables.

### 4 RESULTS AND ANALYSIS

A total of 150 respondents had already participated in this research. The respondents who were chosen are those who had ever visited any tourism places or destinations in Indonesia during the past year. Furthermore, this research implements the convenience sampling method, in which respondents are those who had visited any tourism places in Indonesia during the past year. Based on the respondents’ profile analysis, most of the respondents are female (52.7%). Questionnaires were personally administered to the respondents and also electronically distributed (by using email and online survey form). The response rate of this research is 100% since all 150 questionnaires were filled in and returned. Then, after further assessment was made regarding the response given in the questionnaires, all 150 questionnaires were deemed valid and usable in this research.

All data from the questionnaires were processed using Partial Least Squares - Structural Equation Modeling (PLS - SEM) method by using SmartPLS 3.2.7 software. Using PLS - SEM method, the outer model and inner model measurement are needed to be conducted in order to determine the relationship between variables and to test the hypotheses proposed in this research.

Before testing the hypotheses in this research by conducting the inner model analysis, the outer model analysis needs to be assessed in order to confirm the validity and the reliability of the model. In the outer model analysis, several criteria need to be fulfilled in order to classify a model as valid and reliable, and in order to conduct the inner model analysis. Several criteria that required to be fulfilled are: The value of AVE should be above 0.5 and the value of AVE of each latent construct should be higher than the construct’s highest squared correlation with any other latent construct (fornell-larcker criterion) as

suggested by Hair et al., (2011). The factor loadings value of each indicators should exceed 0.7 as suggested by Henseler et al., (2009), and the value of both cronbach's alpha and composite reliability should be greater than 0.7 as suggested by Hair et al., (2011).

After the model was confirmed to pass the outer model analysis, which means that the model had deemed valid and reliable, the inner model analysis was then conducted in order to find out and assess the relationships between variables, to find out the mediating effect of mediating variables, as well as to test whether or not the hypotheses were supported.

#### 4.1 Outer Model Analysis

Outer model analysis was conducted in order to test the validity and reliability of the model. After running the outer model, it was confirmed that all criteria in the outer model analysis had been fulfilled, since the value of factor loadings of each item, the value of AVE, and composite reliability of each variable had exceeded the cut-off value of 0.50 and 0.70 respectively. Furthermore, the value of AVE of each latent construct had been higher than the construct's highest squared correlation with any other latent construct. Therefore, it could be concluded that all indicators and variables included in the model are valid and reliable, and the inner model analysis could be conducted afterwards. Based on the outer model analysis, it was revealed that several indicators needed to be omitted since the factor loading value of those indicators were below 0.7. Indicators which are needed to be omitted are DI1, DI2, DI3, DI4, DI5, DI6, PQ3, PQ4, TL2, and TS1. After omitting those items, the model was re-run, and it was revealed that all indicators and variables had exceeded the minimum cut-off value of all criteria. Therefore, all data had been deemed valid and reliable, and the inner model analysis could be conducted.

Table 1: Outer Model Analysis Results (Validity Analysis).

	DI	PQ	TL	TS
DI	0,752			
PQ	0,498	0,729		
TL	0,699	0,557	0,831	
TS	0,737	0,530	0,728	0,797

Table 2: Discriminant Validity Analysis.

	DI	PQ	TL	TS	AVE
DI10	0,853				0.566
DI11	0,753				
DI12	0,744				
DI7	0,681				
DI8	0,650				
DI9	0,812				0.532
PQ1		0,806			
PQ2		0,686			
PQ5		0,714			
PQ6		0,705			0.691
TL1			0,856		
TL3			0,854		
TL4			0,740		
TL5			0,868		
TS2				0,761	0.635
TS3				0,837	
TS4				0,760	
TS5				0,826	

Table 3: Reliability Analysis.

Variables	Cronbach's Alpha	Composite Reliability
DI	0,845	0,886
PQ	0,705	0,819
TL	0,849	0,899
TS	0,807	0,874

#### 4.2 Inner Model Analysis and Hypotheses Testing

Inner model analysis was conducted in order to analyze and determine the relationship between variables, analyze the mediating effect of mediating variable in this research, and to test the hypotheses proposed in this research. This research used t-value to test the hypotheses with a cut-off value of 1.96 and 5% significance level, which means that the hypotheses will be rejected if the t-value of that hypothesis was below the cut-off value of 1.96, and supported if the t-value exceeded 1.96.

Table 4: R-Squared Analysis.

Variables	R-Square
TL	0,613
TS	0,578

Based on the *R-Square analysis*, it was revealed that variable tourist loyalty had an r-square value of 0,613, which could be interpreted as 61,3% of

variable tourist loyalty could be explained by variables destination image, perceived quality and tourist satisfaction. Meanwhile, the rest of them, which is 38,7% (100% - 61,3%), were explained by another variable of tourist satisfaction had a R-Squared value of 0,578, which could be interpreted that 57,8% of variable tourist satisfaction could be well explained by variables destination image and perceived quality, while the rest of them, which is 42,2% (100% - 57,8%), were explained by another variables that are not included in this study.

Table 5: Path Coefficient Analysis.

Relationships	T-Statistics	P-Values
DI → TL	3,478	0,001
DI → TS	11,969	0,000
PQ → TL	3,495	0,000
PQ → TS	3,400	0,001
TS → TL	5,088	0,000

Table 6: Indirect Effects Analysis.

Relationships	Indirect Effect	T-Statistics	P-Values
DI → TS → TL	0,249	4,361	0,000
PQ → TS → TL	0,086	2,778	0,005

Table 7: Hypotheses Testing Results.

Hypotheses Testing Results	Conclusions
H <sub>1a</sub> Destination image had a positive impact on tourist satisfaction.	<b>H<sub>1a</sub> Supported</b>
H <sub>1b</sub> Perceived quality had a positive impact on tourist satisfaction.	<b>H<sub>1b</sub> Supported</b>
H <sub>2a</sub> Destination image had a positive impact on tourist loyalty.	<b>H<sub>2a</sub> Supported</b>
H <sub>2b</sub> Perceived quality had a positive impact on tourist loyalty.	<b>H<sub>2b</sub> Supported</b>
H <sub>3</sub> Tourist satisfaction had a positive impact on tourist loyalty	<b>H<sub>3</sub> Supported</b>
H <sub>4a</sub> Destination image had a positive impact on tourist loyalty through tourist satisfaction	<b>H<sub>4a</sub> Supported</b>
H <sub>4b</sub> Perceived quality had a positive impact on tourist loyalty through tourist satisfaction	<b>H<sub>4b</sub> Supported</b>

Based on the results, it could be concluded that all hypotheses were supported. Hypothesis H<sub>1a</sub> proposed that destination image had a positive impact on tourist satisfaction. With a t-value of 11.969 which was well above the cut-off value of 1.96 (11.969 > 1.96), it could be concluded that this

hypothesis was supported in this research. Hypothesis H<sub>1b</sub> proposed that perceived quality had a positive impact on tourist satisfaction. With a t-value of 3.400 which was well above the cut-off value of 1.96 (3.400 > 1.96), it could be concluded that this hypothesis was also supported in this research. Hypothesis H<sub>2a</sub> proposed that destination image had a positive impact on tourist loyalty. With a t-value of 3.478 which was well above the cut-off value of 1.96 (3.478 > 1.96), it could be concluded that this hypothesis was also supported in this research. Hypothesis H<sub>2b</sub> proposed that perceived quality had a positive impact on tourist loyalty. With a t-value of 3.495 which was above the cut-off value of 1.96 (3.495 > 1.96), it could be concluded that this hypothesis was also supported in this research. Hypothesis H<sub>3</sub> proposed that tourist satisfaction had a positive impact on tourist loyalty. With a t-value of 5.088 which was above the cut-off value of 1.96 (5.088 > 1.96), it could be concluded that this hypothesis was also supported in this research.

Furthermore, based on the results of the mediation analysis, it could be concluded that tourist satisfaction mediated the impact of destination image on tourist loyalty in a positive manner, since the mediation value (t-value) of the relationships had exceeded the cut-off value of 1.96 (4.361 > 1.96). Moreover, it could also be stated that tourist satisfaction mediated the impact of perceived quality on tourist loyalty in a positive manner, since the mediation value (t-value) of the relationships had also exceeded the cut-off value of 1.96 (2.778 > 1.96). Therefore, it could be concluded that hypothesis H<sub>4a</sub> and H<sub>4b</sub> were also supported in this research.

## 5 CONCLUSIONS

### 5.1 Conclusions

This research was conducted in order to determine the impact of destination image and perceived quality on tourist loyalty, either directly or indirectly through tourist satisfaction. Based on the results of the data analysis, it could be concluded that both destination image and perceived quality had a positive impact on tourist loyalty, either directly or indirectly through tourist satisfaction. This conclusion was derived from the fact that all hypotheses proposed in this research were supported. The results generated indicate that the image possessed by a place or destination had an important role in determining tourist loyalty. When a place or



destination had a positive image conveyed on it, then it will be more likely that tourists will be satisfied because they know that the place that they're going to visit or the place that they've visited had a good image conveyed to it. In this scenario, it will be more likely that such feeling of satisfaction will help the place to induce loyalty on tourists' mind.

On the other hand, other than destination image, the results generated in this research also indicate that perceived quality also had positive impact on tourist loyalty, both directly and indirectly through tourist satisfaction. Similar to destination image, tourist's perception regarding the quality of a place could play an important role in determining tourists' satisfaction, as tourists are more likely to get satisfied with their experience in visiting the destination when the perceived quality of the destination is good, and vice versa. Furthermore, when tourists are satisfied with the place because of its quality, then they will be more likely to become loyal to the place. Their tendency to re-visit the site and told their peers and colleagues about the site will be more likely to increase as well.

Therefore, based on the conclusions stated above, it is suggested for the owner or developer of a destination to keep promoting its destination, not only in order to increase people's likelihood to know and visit this place, but also to maintain the image possessed by the place. Furthermore, it is also suggested that the owners of a place should always keep control of their place/destination to prevent any malicious or negative things which could potentially tarnish the image or even the quality of the destination.

## 5.2 Research Limitations and Direction for Further Research

This research was conducted in the Indonesian tourism industry, which might hinder the generalizability of the findings generated in this research. Therefore, it is highly suggested that future research could conduct the analysis of this topic in the other countries. Furthermore, the numbers of respondents in this research are 150, which mean that higher number of respondents might help improving the generalizability of this study. Therefore, it is suggested for future research to increase the number of respondents in the future. Moreover, since only four variables discussed in this research, authors suggest that future research could increase or add other variables which could help increasing the scope of this research as well as broadening the scope of the model.

## REFERENCES

- Akroush, M. N., Jraisat, L. E., Kurdieh, D. J., AL-Faouri, R. N., & Qatu, L. T. (2016). Tourism service quality and destination loyalty - the mediating role of destination image from international tourists' perspectives. *Tourism Review*, 71(1), 1-31.
- Aziz, N., Kefallonitis, E., & Friedman, B. A. (2012). Turkey as a destination brand: perceptions of united states visitors. *American International Journal of Contemporary Research*, 2(9), 211-221.
- Baloglu, S., & McCleary, K. W. (1999). A model of destination image formation. *Annals of Tourism Research*, 26(4), 868-897.
- Biro Hukum dan Komunikasi Publik. (2015, November 10). *Indie Travel Mart 2015 Bantu Promosikan Wisata Domestik*. Retrieved September 22, 2017, from KEMENPAR: <http://www.kemenpar.go.id/asp/detil.asp?c=16&id=3019>
- Bloemer, J., & Ruyter, K. (1988). On the relationship between store image, store satisfaction and store loyalty. *European Journal of Marketing*, 32(5/6), 499-513.
- Brunner, T. A., Stocklin, M., & Opwis, K. (2008). Satisfaction, image and loyalty: new versus experienced customers. *European Journal of Marketing*, 42(9), 1095-1105.
- Chen, C.-F., & Tsai, D. (2007). How destination image and evaluative factors affect behavioral intentions? *Tourism Management*, 28, 1115-1122.
- Chen, W.-X., Wu, W.-C., & Huan, T.-C. T. (2011). Safari tourism: a case study on tourist loyalty. *Advances in Hospitality and Leisure*, 7, 49-70.
- Chiu, W., Zeng, S., & Cheng, P. S.-t. (2016). The influence of destination image and tourist satisfaction on tourist loyalty: a case study of chinese tourists in korea. *International Journal of Culture, Tourism and Hospitality Research*, 10(2), 1-24.
- Day, J., Cai, L., & Murphy, L. (2012). Impact of tourism marketing on destination image: industry perspectives. *Tourism Analysis*, 17, 273-284.
- Gallarza, M. G., Saura, I. G., & Moreno, F. A. (2013). The quality-value-satisfaction-loyalty chain: relationships and impacts. *Tourism Review*, 68(1), 3-20.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a Silver Bullet. *The Journal of Marketing Theory and Practice*, 19(2), 139-151.
- Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least square path modeling in international marketing. *Advances in International Marketing*, 20, 277-319.
- Hunt, H. K. (1983). *Conceptualization and measurement of consumer satisfaction and dissatisfaction*. Cambridge, MA: Marketing Science Institute.
- Hunt, J. D. (1982). Image as a factor in tourism development. *Tourism Recreation Research*, 7(1), 1-6.
- Jalilvand, M. R., Pool, J. K., Vosta, L. N., & Nafchali, J. S. (2014). The effect of marketing constructs and tourists' satisfaction on loyalty to a sport destination.

- Education, Business and Society: Contemporary Middle Eastern Issues*, 7(4), 316-332.
- Khoo-Lattimore, C., & Prayag, G. (2016). Accommodation preferences of the girlfriend getaway market in Malaysia: self-image, satisfaction and loyalty. *International Journal of Contemporary Hospitality Management*, 28(12), -.
- Kim, H., & Richardson, S. L. (2003). Motion picture impacts on destination images. *Annals of Tourism Research*, 30(1), 216-237.
- Kong, W. H., Cros, H. d., & Ong, C.-E. (2015). Tourism destination image development: a lesson from Macau. *Tour International Journal of Tourism Cities*, 1(4), 299-316.
- Loureiro, S. M., & González, F. J. (2008). The importance of quality, satisfaction, trust, and image in relation to rural tourist loyalty. *Journal of Travel and Tourism Marketing*, 25(2), 117-136.
- Lovelock, C., & Wirtz, J. (2012). *Service Marketing: People, Technology, Strategy* (7th ed.). New Jersey: Pearson Education.
- Nitzl, C., Roldan, J. L., & Cepeda, G. (2016). Mediation Analysis in Partial Least Squares Path Modeling: Helping Researchers Discuss More Sophisticated Models. *Industrial Management and Data Systems*, 116(9), 1-28.
- Oliver, R. L. (1997). *Satisfaction: A Behavioral Perspective on the Consumer*. New York: Irwin/McGraw-Hill.
- Oliver, R. L. (1999). Whence Consumer Loyalty? *Journal of Marketing*, 63, 33-44.
- \_\_\_\_\_. (2000). Customer Satisfaction with Service. In T. A. Swartz, & D. Iacobucci, Editors. *Handbook of Service Marketing and Management* (pp. 247-254). Thousand Oaks, California: Sage Publications.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41 - 50.
- Pike, S. (2008). *destination marketing: An integrated marketing communication approach*. Oxford: Elsevier.
- Pike, S., Bianchi, C., Kerr, G., & Patti, C. (2010). Consumer-based brand equity for Australia as a long-haul tourism destination in an emerging market. *International Marketing Review*, 27(4), 434-449.
- Prayag, G., & Ryan, C. (2012). Antecedents of tourists' loyalty to Mauritius: the role and influence of destination image, place attachment, personal involvement, and satisfaction. *Journal of Travel Research*, 51(3), 342-356.
- Prodjo, W. A. (2016, December 21). *Jawa Barat, Destinasi Wisata yang Paling Banyak Dikunjungi Wisnus*. Retrieved September 22, 2017, from Kompas.com: <http://travel.kompas.com/read/2016/12/21/20100527/jawa.barat.destinasi.wisata.yang.paling.banyak.dikunjungi.wisnus>
- Rajaratnam, S. D., Nair, V., Sharif, S. P., & Munikrishnan, U. T. (2015). Destination quality and tourists' behavioural intentions: rural tourist destinations in Malaysia. *Worldwide Hospitality and Tourism Themes*, 7(5), 463-472.
- Sekaran, U., & Bougie, R. (2013). *Research Methods for Business* (6th ed.). United Kingdom: Wiley.
- Tenenhaus, M., Vinzi, V. E., Chatelin, Y.-M., & Lauro, C. (2005). PLS path modeling. *Computational Statistics and Data Analysis*, 48, 159-205.
- Toding, Y. (2016, October 8). *Sejuknya Perkemahan Sukamantri di Kaki Gunung Salak*. Retrieved September 22, 2017, from Kompasiana.com: [https://www.kompasiana.com/yunustoding/sejuknya-perkemahan-sukamantri-di-kaki-gunung-salak\\_5790cdb32b7a61e7094ac357](https://www.kompasiana.com/yunustoding/sejuknya-perkemahan-sukamantri-di-kaki-gunung-salak_5790cdb32b7a61e7094ac357)
- Wetzels, M., Odekerken-Schroder, G., & Oppen, C. (2009). Using PLS path modeling for assessing hierarchical construct models: guidelines and empirical illustration. *MIS Quarterly*, 33(1), 177-196.
- Yazdanifard, R., & Mercy, I. E. (2011). The impact of green marketing on customer satisfaction and environmental safety. *International Conference on Computer Communication and Management*, 5, 637-641.
- Zabkar, V., Brencic, M. M., & Dmitrovic, T. (2010). Modelling perceived quality, visitor satisfaction and behavioural intentions at the destination level. *Tourism Management*, 31, 537-546.
- Zeithaml, V. A. (1988). Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing*, 52(3), 2-22.
- Zhang, H., Fu, X., Cai, L. A., & Lu, L. (2014). Destination image and tourist loyalty: A meta-analysis. *Tourism Management*, 213-223.





# UNTAR

Universitas Tarumanagara

## *Certificate of Appreciation*



The organizing committee of  
The Seventh International Conference on Entrepreneurship and Business Management

### **THE ROLE OF ENTREPRENEURS IN PROMOTING TOURISM AND HOSPITALITY INDUSTRY**

**CONRAD BALI, INDONESIA, NOVEMBER 8-9, 2018**

is pleased to certify that

**Keni**

Fully Participated at the Conference  
as a

**PRESENTER**



**Prof. Dr. Agustinus Purna Irawan**  
RECTOR OF UNIVERSITAS TARUMANAGARA



**Dr. Hetty Karunia Tunjungsari**  
CONFERENCE CHAIR

Co-Hosts:



---

## Paper Acceptance

2 messages

---

**Secretariat ICEBM** <secretariat@icebm.untar.ac.id>

Fri, Aug 3, 2018 at 2:37 PM

To: Keni Lim <keni@fe.untar.ac.id>

Dear Mr. Keni,

First of all, we would like to congratulate you for your paper acceptance in ICEBM 2018.

Please kindly find the Letter of Acceptance (LoA) below regarding your paper which has been submitted previously to ICEBM 2018 Committee, along with some comments from our Reviewers (if available).


We look forward to your attendance in Bali in November 2018.

Thank you in advance for your participation in our ICEBM 2018 program.

Regards,  
Halim PS

**ICEBM Secretary**  
**UNIVERSITAS TARUMANAGARA**  
Jl. Let. Jend. S. Parman No. 1,  
Jakarta 11440 - Indonesia  
Website: <http://icebm.untar.ac.id/>

---

 **LoA ICEBM 2018 - Paper ID #18.pdf**  
326K

---

**Jakarta, August 3<sup>rd</sup>, 2018**

**Attention to :**

The Author(s) of Paper ID #18

**FULL PAPER ACCEPTANCE NOTIFICATION**

**Reference Number : 008A - ICEBM VII / EXT / UNTAR / VIII / 2018**

**Dear Mr. Keni,**

Thank you for your paper submission. The Scientific Committee have finished reviewing your paper entitled **“The Impact of Destination Image and Perceived Quality on Tourist Loyalty in the Indonesian Tourism Industry”** and now we are pleased to inform you that your submitted full paper is **ACCEPTED** for the oral presentation in The Seventh ICEBM 2018, 8-9 November 2018, at Conrad Hotel, Bali, Indonesia. The paper will be electronically published in the ICEBM 2018 Proceedings. Hence, please improve your manuscript based on the Reviewers’ comments and suggestions (Please see the **Appendix** on page 2 & 3).

In order to avoid unnecessary delay, please be informed that your revised full paper should be returned to our e-mail address : [secretariat@icebm.untar.ac.id](mailto:secretariat@icebm.untar.ac.id) by **September 15<sup>th</sup>, 2018** and the registration fee (for non Co-Host participants) should be paid in September 20<sup>th</sup>, 2018 at the latest. Papers without payment after September 20<sup>th</sup>, 2018 will not be included in the Proceedings.

Thank you for your attention and cooperation. We look forward to your attendance in the conference to present your paper.

Yours Sincerely,



Hetty Karunia Tunjungsari

**Conference Office:**

Committee of ICEBM 2018

Universitas Tarumanagara

Jl. Let. Jend. S. Parman No. 1, Jakarta Barat - 11440

Email: [secretariat@icebm.untar.ac.id](mailto:secretariat@icebm.untar.ac.id)

Website: [icebm.untar.ac.id](http://icebm.untar.ac.id)



=====

**Appendix** for Paper ID #18 :

PLEASE CHECK PAGE 4, SEVERAL WORDS / SENTENCES ARE STILL IN BAHASA INDONESIA.

**General**

- Please check for typos, such as “touists”, “it’s or its”.

**Research Introduction**

- Since author has explained the relationship between variables in literature review section, same information in research introduction section can be written more briefly.

**Literature Review**

- Please mark each hypothesis in research model.

**Research Methodology**

- Please explain on how the data analysis was done on this section.
- Demographics of respondents (Ex. Gender) can be put into research and analysis section.

**Results and Analysis**

- Arguably, it is sufficient to use the latest measurement for validity and reliability on outer model, i.e. standardized loading for indicator reliability, composite reliability for internal consistency reliability, average variance extracted for convergent validity, and HTMT ratio for discriminant validity.
- Table number can be written before each table according to proceedings template.
- Author can choose between t-value and p-value for significance value.
- Inner model can include collinearity (VIF), coefficient of determination ( $R^2$ ), and effect size ( $f^2$ ).

**Conclusions**

- Conclusions can include whether consumer satisfaction is result or process (Please look at research introduction section).

**Reference**

- Please check the compatibility between reference list and in-text (Ex.: Barudin, 2016 and Malhotra, 2015, 2016 is not shown in-text).
- If author used APA style, then only the first letter of the article title need to be written in capital.

Example:

Akroush, M. N., Jraisat, L. E., Kurdieh, D. J., AL-Faouri, R. N., & Qatu, L. T. (2016). Tourism service quality and destination loyalty—the mediating role of destination image from international tourists’ perspectives. *Tourism Review*, 71(1), 18-44.

- DOI can be listed at the end of referrals to make it easier for readers to get referenced articles. If any, the researcher is advised to include an open access link of the referenced article.
- There is no page on Khoo-Lattimore & Prayag (2016).

=====