

# The Influence Factors for Visitor Loyalty on Taipei International Travel Fair

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## ABSTRACT

*The purpose of this study is to understand and analyze the impacts of visitor background variable, travel fair attraction, experience, and satisfaction on visitor loyalty at the Taipei International Travel Fair. Subjects were visitors who attended the 2010 Taipei International Travel Fair. Convenience sampling was conducted at the fair exit. A total of 150 surveys were performed each day. Out of a total of 450 surveys performed, 423 were valid, with a valid response rate of 94%. In the hierarchical regression analysis, following the entry of four blocks into the model, study results show that background variables in the model has no significant explained variance predicting visitor loyalty. In contrast, with attraction, experience, and satisfaction being added to the model, the model provides a statistically significant explained variance predicting visitor loyalty. The study concludes that attraction, experience, and satisfaction are important influence factors for visitor loyalty.*

**Keywords:** Taipei International Travel Fair, visitor, background variable, attraction, satisfaction

## INTRODUCTION

Taipei International Travel Fair is an ideal platform created by the Taiwanese government and private sectors together for visitors and consumers to access the latest tourism news and information. It is one of the most important travel industry fairs in Asia, as well as the biggest event on international travel in Taiwan. According to Taiwan Visitors Association (2004), a total of 214,467 people have visited the travel fair within four days. The travel fair has been held for more than two decades since 1987, and for Taiwanese people it is the best place to visit for gathering all possible information on world travel. The travel fair is also a place for a variety of featured products from home and abroad to be displayed. The exhibit showcased not only the world known tourist attractions, but also some local hot spots, hotels, guesthouses, which apparently drew the attention of local and international industry-related professionals and visitors. There is no doubt that the travel fair successfully promoted Taiwan's attractions and provided an ideal platform for local and international travel agencies for the sharing of experience.

The exhibit created many business opportunities and proved to be an ideal place for local customers to learn more about the world tourism. Yet, in order to build consumer loyalty, travel agencies have strived to attract consumers with many different marketing strategies amid the constant changing of consumer needs (Huang & Change, 2006). Past studies have focused on external factors that influenced visitor participation and loyalty; for instance, much research has investigated the relationship between loyalty and other factors, such as background variables, attraction, participation experience, and satisfaction (Hsu, 2009; Huang & Chang, 2006; Yoon & Uysal, 2005; Cheng & Chen, 2007).

Parasuraman, Zeithmal, and Berry (1985) described loyalty as customer's repeat patronage intentions and the positive word-of-mouth effect. Gronholdt, Martensen, and Kristensen (2000) believed that customer loyalty consists of four dimensions: repeat patronage, brand promotion (recommendations), price tolerance, and purchase intention. Generally speaking, loyalty to an organized activity or an event is based on guarantee of customer satisfaction. Repurchase intentions and consuming behaviors happen only when customer needs are satisfied. Thus, such an activity attracts new customers through word-of-mouth marketing and brand promotion (Gronhold, Martensen, & Kristensen, 2000; Chen & Wu, 2006).

According to Swarbrooke (2002), attraction indicates that a subject sends out a certain type of information, whether consciously or unconsciously, to attract an object. Such an object then proactively approaches to the subject

hoping that its needs are satisfied. Previous research has suggested that attraction arouses the visitors' curiosity of the tourist destination. With tourism resources, the destination attracts people to visit (Getz, 1991 ; Gunn, 2004). Attraction also refers to motives that encourage people to visit a destination and is also an antecedent variable that has impacts on satisfaction, which in turn, has impacts on loyalty (Middleton,1989; Goeldner & Ritchie, 2006). Some studies have also reported positive impacts of attraction on visitor's willingness to visit (Lee, Chen, & Che, 2010), which in turn increases the chance of repeat patronage (Chen & Lee, 2006). Furthermore, perception of attraction is proved to have significant and positive impacts on visitor loyalty (Huang & Chang, 2006). As a result, attraction is an important external factor that has a strong influence on visitor loyalty (Middleton,1989; Goeldner & Ritchie, 2006).

Pine and Gilmore (1998) believed that the economy of the twenty-first century would be experience economy in which experience is its main core value. Marketing activities will no longer be merely of selling products or services, but be centered around the creation and establishment of consumer experience. By merging consumer experience with consumer behavior and allowing first-hand experience, the consumer identifies with the product or service and thus consumes, which in turn, increases product and service value. Hsu (2009) pointed out that consumer experience of hot spring hotels directly influences consumer loyalty, or indirectly influences loyalty through customer satisfaction. As Schmitt (1999) also pointed out, for every satisfied customer made, a wonderful experience must be provided in order for a loyal customer to be formed. Thus, experience is the key decisive factor in customer satisfaction and loyalty.

Fornell (1992) stated that customer satisfaction is an attitude produced by the customer from experience after overall consideration of a product purchased or a service used. Baker and Crompton (2000) conducted research on food festivals and concluded that the real experience for the visitor when participating in an event comes from personal interaction with the target destination, and that the state of the visitor's psychological feelings and emotions created is the satisfaction level of the festival. Kozak and Rimmington (2000) considered visitor satisfaction to be critical to the success of attraction marketing, owing that it decides if the visitor will revisit or not. Past studies showed that satisfaction is an important external factor that influences loyalty. (Hui, Wan & Ho, 2007; Petrick & Backman, 2002; Thrane, 2002; Yoon & Uysal, 2005).

Because of the above theories, it is hoped that by studying the visitors to the Taipei International Travel Fair, the researcher can understand the impacts of visitor background variables, attraction, participation experience, and satisfaction on loyalty.

## METHODOLOGY

### Subjects

Subjects were visitors to 2010 Taipei International Travel Fair, from November 5 to 8. During this four-day event, the convenience sampling was utilized and 150 visitors were surveyed by the fair exit each day. Within three consecutive days, 450 visitors were surveyed. A total of 423 valid surveys were collected, with a response rate of 94%.

### Instrument

The instrument selected for this study were as following:

#### *Background variables*

Background variables included gender, age, marital status, income, and education status.

#### *Attraction scale*

The attraction scale was originally developed by Huang and Chang (2006) and was modified accordingly for this present study. The scale was comprised of four dimensions: theme, relaxation experience, amenities, and marketing strategies. Each dimension consisted of four questions. A total of 16 questions were presented in the survey. The 6-point Likert scale was utilized, ranging from 1 (strongly disagree) to 6 (strongly agree). Using exploratory factor analysis, the scale reported four factors. With the total explained variance of 64.04% and Cronbach's  $\alpha$  of .88, the scale was considered reliable and valid.

### *Experience scale*

The customized experience scale used for this study was modified from Schmitt (1999), which measured participation experience. It included five dimensions: sense, feel, act, think, and relate, and each dimension was comprised of four questions. The 6-point Likert scale was applied, ranging from 1 (strongly disagree) to 6 (strongly agree). Five factors were observed following the exploratory factor analysis. With the total explained variance of 77.05% and Cronbach's  $\alpha$  of .94, the scale was considered reliable and valid.

### *Satisfaction scale*

The satisfaction scale was originally developed by Huang and Chang (2006) and was modified accordingly for the present study. A total of 16 questions were presented in four different dimensions: amenities, promotion, staff, and inner feeling. Each dimension included four questions. The 6-point Likert scale was utilized, ranging from 1 (strongly disagree) to 6 (strongly agree). Four factors were observed after the researcher conducting the exploratory factor analysis. With the total explained variance of 70.49% and Cronbach's  $\alpha$  of .91, the scale was considered reliable and valid.

### *Loyalty scale*

The customized loyalty scale was modified from Parasuraman, Zeithmal, and Berry (1985) and Gronholdt, Martensen, and Kristensen (2000), which measured customer loyalty. Four questions represented four dimensions, respectively: repeat patronage, recommendation, word-of-mouth effect, and emotional preference. The 6-point Likert scale was used, ranging from 1 (nearly impossible or very difficulty) to 6 (very easy to achieve). A high score is equivalent to a high level of loyalty. One factor was obtained following the exploratory factor analysis. With the total explained variance of 73.2% and Cronbach's  $\alpha$  of .88, the loyalty scale was considered reliable and valid.

## **Data Analysis**

All data collected were analyzed using Statistical Package for Social Science (SPSS) 12.0 version for Windows (traditional Chinese version). Based on theories and research needs, hierarchical regression was computed to test different independent variables, and the blocks of independent variables were entered into the regression model in a specific order in order for the researcher to understand how the value of the dependent variables changed (Chiou, 2006). With the significant level of .05, the researcher accounted blocks of variables (i.e. background variables, attraction, experience, and satisfaction) and measured predictor variables of visitor loyalty.

## **FINDINGS**

### **Demographic Characteristics of Study Respondents**

Table 1 shows that the demographic information. Of 423 participants, 178 participants (42.1%) were male and 245 participants (57.9%) were female. In terms of age, 80 participants (18.9%) were 25 and under; 186 participants (44.0%) were between the age of 26 and 35; 96 participants (22.7%) were between the age of 36 and 45; 38 participants (9.0%) were between the age of 46 and 55; and 23 participants (5.4%) were 56 and above. With respect to marital status, 233 participants (55.1%) were married and 190 (44.9%) were unmarried. As for household income, 58 participants (13.7%) made less than NT\$20,000; 193 participants (45.6%) made between NT\$20,001 and 40,000; 123 participants (29.1%) made between NT\$40,001 and 70,000; 43 participants (10.2%) made between NT\$70,001 and 100,000; and 6 participants (1.4%) made more than NT\$100,001. Regarding education status, 7 participants (1.7%) graduated from elementary school, 3 participants (.07%) graduated from junior high school, 57 participants (13.5%) graduated from senior high school or vocational school, 286 participants (67.6%) possessed college degree, and 70 participants (16.5%) held master's degree and above.

**Table 1: Demographic Characteristics of Study Respondents (N=423)**

Variable	Count	%	Variable	Count	%
Gender			Income (NT\$)		
Male	178	42.1	20,000 and less	58	13.7
Female	245	57.9	20,001~40,000	193	45.6
Age			40,001~70,000	123	29.1
25 and under	80	18.9	70,001~100,000	43	10.2

26-35	186	44.0	100,001 and above	6	1.4
36-45	96	22.7	Education status		
46-55	38	9.0	Elementary school	7	1.7
56 and above	23	5.4	Junior high school	3	0.7
Marital status			Senior high school /vocational school	57	13.5
Married	233	55.1	University/College	286	67.6
Unmarried	190	44.9	Graduate school	70	16.5

### Impacts of Background Variables, Attraction, Experience, and Satisfaction on Visitor Loyalty

By adopting the hierarchical regression analyses, the study explored impacts of blocks of independent variables on visitor loyalty. The first block of predictors included independent variables, such as demographic characteristics; however, if the linear regression in a regression analysis is applied, continuous variable data are to be entered. Therefore, background variables (e.g., gender, age, marital status, income, and education status) are converted to be continuous variable data, as shown in Table 2. Attraction, experience, and satisfaction are entered into the second, third and fourth block, respectively; thus, the impacts of four blocks of variables predicting visitor loyalty were analyzed.

**Table 2: Coded Variables (Gender, Age, Income, and Education Status)**

Variable	Group	Code	Variable	Group	Code
Gender	Male	0	Income (NT\$)	20,000 and less	1
	Female	1		20,001-40,000	2
Marital Status	Unmarried	0		40,001-70,000	3
	Married	1		70,001-100,000	4
				100,000 and above	5
Age	25 and under	1	Education status	Elementary school	1
	26-35	2		Junior high school	2
	36-45	3		Senior high school /vocational school	3
	46-55	4		University/College	4
	56 and above	5		Graduate school	5

### Analysis of Impacts of Background Variables, Attraction, Experience, and Satisfaction on Visitor Loyalty

The descriptive statistics, means, standard deviations and correlations among the research variables are presented in Table 3. As expected, Attraction was significantly and positively highly related to visitor' loyalty ( $r=.582$ ,  $p<.01$ ), experience ( $r=.568$ ,  $p<.01$ ) and satisfaction ( $r=.574$ ,  $p<.01$ ). It was also weak but significantly and positively associated with age ( $r=.115$ ,  $p<.05$ ). Attraction is significantly and positively highly correlated with experience ( $r=.749$ ,  $p<.01$ ), satisfaction ( $r=.616$ ,  $p<.01$ ). Experience is significantly and positively highly correlated with satisfaction ( $r=.626$ ,  $p<.01$ ), It was weak but significantly and positively associated with age ( $r=.119$ ,  $p<.05$ ) and weak negatively associated with income ( $r=-.187$ ,  $p<.01$ ).

**Table 3: Means, Standard Deviations, and Correlations of Research Variables (N = 423)**

	M	SD	1	2	3	4	5	6	7	8
1. Gender	.579	.494	1							
2. Marital status	.449	.498	-.020	1						
3. Age	2.381	1.060	-.087	.605**	1					
4. Income	2.400	.897	-.293**	.329**	.461**	1				
5. Education status	2.983	.629	-.167**	-.105*	-.186**	.205**	1			
6. Attraction	4.383	.618	-.081	-.020	.078	.002	-.127**	1		
7. Experience	4.347	.658	-.018	.017	.062	-.038	-.114*	.749**	1	
8. satisfaction	4.075	.668	-.011	.068	.119*	.014	-.187**	.616**	.626**	1
9. Loyalty	4.401	.739	-.034	.019	.115*	.067	-.069	.582**	.568**	.574**

\* $p<.05$ , \*\* $p<.01$

## Hierarchical Regression Analysis

In hierarchical analysis, four blocks of variables were added to the model in a specific order. Prediction of visitor loyalty showed that background variables entered into the model did not significantly predict visitor loyalty, as presented in model 1 (Table 4) ( $R^2=.022$ ,  $F=1.836$ ,  $p>.05$ ). It is concluded that background variables (i.e., gender, marital status, age, income, and education status) cannot significantly predict visitor loyalty.

Following the entry of second block of attraction variable, the model 2 showed that attraction variable provided a statistically significant explained variance with regard to visitor loyalty ( $R^2=.347$ ,  $F=36.762$ ,  $p<.05$ ). The increase in explained variance ( $\Delta R^2=.325$ ,  $F=206.862$ ,  $p<.01$ ) indicated that entry of attraction variable effectively increased explained variance of the model. In other word, after controlling for background variables, the model explained 32.5% of the variance. The attraction variable to visitor loyalty was standardized ( $\beta=.580$ ,  $t=14.383$ ,  $p<.01$ ), indicating that those who were more aware of attraction were more likely to show a higher level of visitor loyalty.

After the third block of experience was added into the model, the model 3 showed that experience variable provided a statistically significant explained variance in regard to visitor loyalty ( $R^2=.388$ ,  $F=37.508$ ,  $p<.01$ ). The increase in explained variance ( $\Delta R^2=.041$ ,  $F=27.780$ ,  $p<.01$ ) showed that the entry of experience variable effectively increased the explained variance of the model. That is, the entry of experience variable explained 4.1% of variance after controlling for background variables and attraction variable. The experience variable to visitor loyalty was standardized ( $\beta=.307$ ,  $t=5.271$ ,  $p<.01$ ), indicating that those who were more aware of participation experience were more likely to show a higher level of loyalty.

The model 3 reported that satisfaction variable provided a statistically significant exploratory power with regard to visitor loyalty ( $R^2=.436$ ,  $F=39.996$ ,  $p<.01$ ), following the entry of the fourth block of satisfaction variable. The increase in explained variance ( $\Delta R^2=.048$ ,  $F=35.554$ ,  $p<.01$ ) suggested that the entry of satisfaction variable effectively increased the e explained variance of the model. After controlling for background variables, attraction variable, and experience variable, the entry of satisfaction variable explained 4.8% of variance. The satisfaction variable to visitor loyalty was standardized ( $\beta=.299$ ,  $t=5.963$ ,  $p<.01$ ), indicating that those who were more satisfied with overall experience were more likely to show a higher level of visitor loyalty.

**Table 4: Results of Hierarchical Regression Analysis**

Independent variables	Model 1			Model 2			Model 3			Model 4		
	Beta	t	p	Beta	t	p	Beta	t	p	Beta	t	p
Gender	-.024	-.466	.641	.035	.830	.407	.026	.626	.531	.020	.515	.607
Marital status	-.081	-1.324	.186	-.024	-.488	.626	-.040	-.819	.413	-.051	-1.092	.276
Age	.133*	1.968	.050	.066	1.201	.231	.068	1.261	.208	.063	1.223	.222
Income	.038	.643	.521	.051	1.039	.299	.065	1.364	.173	.055	1.198	.231
Education status	-.064	-1.222	.222	.010	.239	.811	.010	.245	.806	.040	.991	.322
Attraction				.580**	14.383	.000	.349**	5.947	.000	.252**	4.283	.000
Experience							.307**	5.271	.000	.197**	3.334	.001
satisfaction										.299**	5.963	.000
$R^2$	.022			.347			.388			.436		
F	1.836			36.762***			37.508**			39.996**		
P	.105			.000			.000			.000		
$\Delta R^2$	.022			.325			.041			.048		
$\Delta F$	1.836			206.862**			27.780**			35.554**		
$\Delta P$	.105			.000			.000			.000		

\* $p<.05$ , \*\* $p<.01$

## DISCUSSION

Studying background variables, attraction, experience, and satisfaction of visitors to Taipei International Travel Fair, the researcher concluded that a significant relationship between background variables and visitor loyalty was not

found. However, attraction, experience, and satisfaction significantly predicted visitor loyalty. Findings of this present study were consistent with previous research (Goeldner & Ritchie, 2006; Hsu, 2009; Hui, Wan & Ho, 2007; Yoon & Uysal, 2005).

Attraction has impacts on visitor loyalty. Getz (1991) pointed out that in tourism industry, attraction is an incentive found in some tourist spots with unique tourism resources and it encourages people to visit such places. Peters and Weiermair (2000) believed that attraction is more than incentives. It can be innovated. Together with an effective management plan, marketing strategies, and multiple tourism resources, travel agents should be able to host a travel fair offering visitors exceptional travel experience. In reality, brand promotion and establishments alone do not make a travel fair successful.

Swinyard (1993) indicated that customers are more likely to repurchase if they are happy with previous shopping experience and overall product quality. Purchasing is a process (Pine & Gilmore, 1998). It is suggested that the Taipei International Travel Fair develops a master plan addressing facilities in the exhibit, including entrance, visiting route, competent staff, exit, and featured products. It is also suggested that the travel fair creates an ambience that enhances visitors' experience and intention to purchase. Also by learning more about the value and features of quality products at Taipei International Travel Fair, visitors make purchases, which in turn increase sales and create a remarkable shopping experience.

The study also found that at the Taipei International Travel Fair visitor satisfaction had impacts on visitor loyalty. In other words, when visitors are satisfied with overall experience, they are more likely to recommend products and services to others and repatronize. Lee, Lee, Lee, and Babin (2008) also pointed out that visitor satisfaction is a key to build a long-term relationship with customers and to repeat patronage. As for Taipei International Travel Fair, if it is to be held in a long run, the service quality must be constantly improved and customer needs should be understood and fulfilled.

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