

## Destination Loyalty Model of Elderly Foreign Tourists Visiting Bali

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### ABSTRACT

Research was designed to understand loyalty model of elderly foreign tourists visiting Bali which was undertaken in the main destinations in Bali i.e., Kuta, Nusa Dua, Sanur, Ubud and Lovina. 400 respondents were determined purposively. The criteria were senior tourists aged 55 or over and tourists vacationing in one of Bali's tourism destinations. Descriptive statistical analysis and the SEM-AMOS structural model analysis tools were undertaken to analyze statistically. The results show that (1) Internal motivation does not have a significant effect on destination image. (2) External motivation has a significant effect on destination image and loyalty, but does not have a significant effect on tourist's satisfaction. (3) Destination image has a significant effect on tourist's satisfaction. (4) Tourist's satisfaction has a significant effect on destination loyalty. Two loyalty models were formed: (1) Destination loyalty is directly influenced by tourist's satisfaction, and indirectly influenced by destination image and external motivation. (2) Destination loyalty is directly influenced by external motivation, but the influence is not as significant as the influence of tourist's satisfaction on loyalty. Suggestions of the research are maintaining the joint approach to answer various questions through quantitative approach. Improvement strong image of Bali is crucial, such as: (1) improving uniqueness of culture, (2) welcoming local inhabitants, (3) improving tourism infrastructure, and (4) comfortable tourism atmosphere.

Keywords: elderly foreign tourists, internal motivation, external motivation, destination image, tourist's satisfaction, tourist's loyalty.

### Introduction

#### Background

The phenomenon that prompted this study is the rapid growth of the elderly population segment around the world. A person who has reached the age of 55 and above is considered elderly or senior. The continuous growth of this age group has created a new market segment for the tourism industry. Two distinct profile characteristics considered attractive for the tourism industry are the high purchasing power and availability of leisure time because generally seniors have retired or are retiring. However, it should be noted that the elderly

groups also have different motivation from other age groups, demanding more and better healthcare facilities and travel assistance especially for those in the 75 to 80 and the 80 and above age groups. In order for Bali to capture this market opportunity of elderly travelers, a survey on elderly tourists visiting Bali is deemed necessary. The lack of a theoretical study on motivation, destination image, tourist's satisfaction and destination loyalty of elderly foreign tourists is also the reason the study was conducted, because the factors affecting the loyalty of elderly foreign tourists on Bali as a destination have yet to be explained in depth.

## Research Objectives

The general objective of this study is to analyze and determine the effects of motivation, destination image and tourist's satisfaction on the loyalty of elderly foreign tourists visiting Bali. The specific objectives of the research are aimed at addressing some of the sub-issues that have been determined, which are as follows:

- 1) To analyze and determine the effects of internal motivation of elderly foreign tourists on the destination image of Bali.
- 2) To analyze and determine the effects of external motivation of elderly foreign tourists on the destination image of Bali.
- 3) To analyze and determine the effects of internal motivation on the satisfaction of elderly foreign tourists visiting Bali.
- 4) To analyze and determine the effects of external motivation on the satisfaction of elderly foreign tourists visiting Bali.
- 5) To analyze and determine the effects of internal motivation on the destination loyalty of elderly foreign tourists visiting Bali.
- 6) To analyze and determine the effects of external motivation on the destination loyalty of elderly foreign tourists visiting Bali.
- 7) To analyze and determine the effects of Bali's destination image on the satisfaction of elderly foreign tourists visiting Bali.
- 8) To analyze and determine the effects of tourist's satisfaction on the destination loyalty of elderly foreign tourists visiting Bali.
- 9) To analyze and determine direct, indirect, and the combined effects of internal motivation, external motivation, destination image of Bali, and tourist's satisfaction on the destination loyalty of elderly foreign tourists visiting Bali.
- 10) To test and determine the feasibility of the loyalty model of elderly foreign tourists visiting Bali.

## Literature Review

### Elderly Tourists

The definition of "elderly" is still widely debated, particularly regards to the age at which a person is called elderly. According to Patterson (2006) "older people" refers to people

from the age of 55 and beyond. Likewise, the definition of the World Tourism Organization (2005) explains that senior travelers are elderly tourists aged 55 years or more. The Indonesian government also defines it such as that elderly foreign tourists are senior travelers who are foreign nationals who are at least 55 years of age. This definition is adopted from the Presidential Decree number 31 of 1998. In this study, the definition of elderly foreign tourist refers to the chronological age of 55 years and beyond.

### Travel Motivation

Travel motivation is divided into two types of motivation: internal and external. Pitana and Gayatri (2005) considered internal motivation as the push factor for people to travel, which means that they are driven by certain motives to travel. Further, it was said that motivation is a basic foundation in the study of tourists and tourism, because motivation is the driving factor for the process of traveling. Travel motivation is also considered part of psychological needs and wants, as well as biological ones, which include inseparable push and pull factors that drive people to do or conduct tourism activities (Uysal and Hagan, 1993; Iso-Ahola, 1991; Yoon and Uysal, 2003).

### Destination Image

Milman and Pizam (1995) cognitively offered three components that make up the image of a tourism destination, namely: attraction, attitudes and behavior of the hosts, and the destination environment such as climate, facilities, and so on. Meanwhile, Hu and Ritchie (1993) identified that cognitively, destination image comprises of psychological components, uniqueness, and destination attributes, which holistically make up the image of a destination. Further, Beerli and Martin, 2004 (in Chi, 2005) studied and classified nine attributes that affect the image of a destination, namely: (1) natural attributes, (2) opportunities for leisure and recreation, (3) natural environment, (4) public facilities, (5) culture, history, and art, (6) social environment, (7) tourism infrastructure, (8) economic and political conditions, and (9) atmosphere of the destination.

## Tourist's Satisfaction

According to Kotler (2003), customer satisfaction is a function of customer expectation on the service received. Customers attain satisfaction from the services provided by a company if the service meets the expectation of quality and is in accordance with the customer's expectation. Consumer satisfaction is one indicator that affects loyalty. The higher the level of satisfaction, the higher the level of loyalty. Accordingly, Zeithaml, Bitner and Gremler (1996) stated that customer satisfaction is the fulfillment of consumer response. Oliver (1999) argued that customer satisfaction is the evaluation of the surprise inherent in the acquisition of a product or experience. Simply put, satisfied customers are great assets for a company's survival. Maintaining customer satisfaction should be done as a management of quality for the services offered so that customer satisfaction can be maintained.

## Destination Loyalty

In the field of marketing, repeat purchases or willingness to recommend to potential buyers are good indicators of customer loyalty. The degree of consumer loyalty is one of the indicators used to measure the success of a marketing strategy (Flavian, Martínez and Polo, 2001). The same is true in the field of tourism marketing. As a product tourists may come back (revisit) or recommend a destination to friends, family and others as potential tourists. In this context, the study of consumer loyalty is applicable in the field of tourism, in which tourism is a product or service marketed tourists in the increasingly competitive destination marketing competition (Dimanche and Havitz, 1995). Contextualization of tourist's loyalty to a travel destination refers to the consistency of certain tourists in visiting a specific destination even though other competing destinations offer newer attractions with superior attributes or quality. In the tourism industry, there is empirical evidence indicating that satisfaction is a strong indicator of loyalty for tourists to come back again and again to a destination, and those loyal tourists are good marketers for the destination as they tend to share stories and recommendations to friends, family, relatives, and others to visit the destination they have visited (Chi, 2005).

## Conceptual Framework

There are five latent variables in this study, consisting of internal motivation (exogenous), external motivation (exogenous), destination image (endogenous), satisfaction (endogenous), and loyalty (endogenous). Latent variables are non-measurable variables, so it is necessary to measure certain indicators in accordance to existing theories (Ferdinand, 2002). The underlying concept in this study is the concept of tourist loyalty. This concept of loyalty has been built by previous studies (Chi, 2005; Yoon and Uysal, 2005). The loyalty model constructed by Yoon and Uysal (2005) illustrated that loyalty is formed by tourist motivation mediated by satisfaction variable. While the loyalty model constructed by (Chi (2005) illustrated that loyalty is formed by destination image mediated by destination attributes and overall satisfaction.

From the two models, this researcher attempts to combine the previous models that have been confirmed by Chi (2005) and Yoon and Uysal (2005), to form a new model illustrating that destination loyalty is formed by internal and external motivation through the variables of destination image and satisfaction of elderly foreign tourists. Furthermore, the operationalization variable of loyalty is translated into two indicators: willingness to recommend and the desire for repeat visits (Chi, 2005; Yoon and Uysal, 2005). The theoretical framework can be seen in Figure 1.

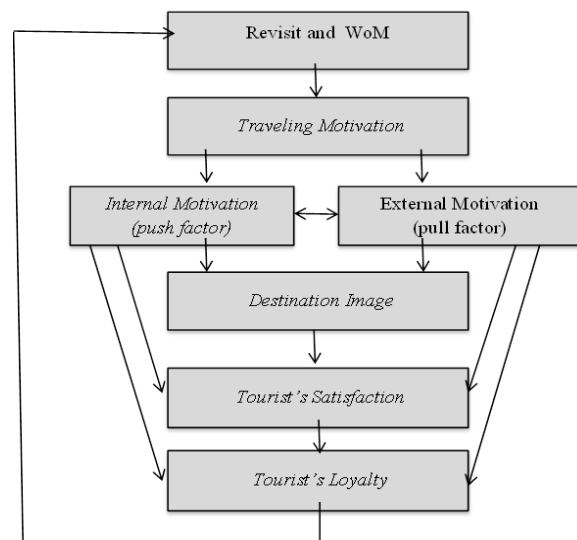


Figure 1. Theoretical Framework (Source: Yoon and Uysal, 2003; Chi, 2005)

## Hypotheses

- 1) Internal motivation of elderly foreign tourists affect the destination image of Bali.
- 2) External motivation of elderly foreign tourists affect the destination image of Bali.
- 3) Internal motivation affect the satisfaction of elderly foreign tourists visiting Bali.
- 4) External motivation affect the satisfaction of elderly foreign tourists visiting Bali.
- 5) Internal motivation of affect the destination loyalty of elderly foreign tourists visiting Bali.
- 6) External motivation of affect the destination loyalty of elderly foreign tourists visiting Bali.
- 7) The destination image of Bali affect the satisfaction of elderly foreign tourists visiting Bali.
- 8) Tourist's satisfaction affect destination loyalty of elderly foreign tourists visiting Bali.

## Methodology

This study is a confirmatory to the loyalty model developed by Chi (2005) and Yoon and Uysal (2005), with a distinct focus on elderly foreign tourists. The research involved 400 purposively determined respondents, which referred to foreign nationals aged 55 years and above who were visiting one of five tourism areas in Bali, namely: Kuta, Nusa Dua, Sanur, Ubud and Lovina. Quantitative and qualitative analysis tools are used to process the data. The quantitative data analysis tools utilized in this study are descriptive statistical analysis and the SEM-AMOS structural model analysis. Meanwhile, the quantitative analysis tool utilized is descriptive qualitative analysis that aims to clarify and complement the quantitative analysis. The research variables and indicators can be seen in Table 1.

## Results and Discussion

### Description of Data

The number of respondents was 400, with 57 percent male respondents and 43 percent female, 73 percent aged between 55 to 65 years and 27 percent 65 years over, 41 percent came from Australia and 59 came form others, and 81 percent of respondents were repeat visitors and 19 percent of first visitors. Strong motives that push elderly foreign tourists to travel is the need

for rest and relaxation, visiting new places, seeking new knowledge and experience, getting out of the routine, meeting new people and socializing. Meanwhile, improving health and fitness, physical exercise, and visiting family and friends are not strong push motivation to encourage elderly foreign tourists to travel. Strong pull factors that motivate elderly foreign tourists to travel to Bali are the interests in Balinese culture, natural beauty of Bali, the history of Bali, gains on holiday in Bali, Bali's diverse culinary, and the prices of goods/services in Bali. Meanwhile security, development of transportation, healthcare facilities, the quality of tour leaders and guides, the service of travel agencies, and the immigration procedures are not strong pull motivational factors that appeal elderly foreign tourists in choosing Bali as a destination.

Table 1. Definitions of Variables and Indicators

| Variable                      | Code              | Indicator                          |
|-------------------------------|-------------------|------------------------------------|
| X1<br>Internal<br>Motivation  | X <sub>1,1</sub>  | Rest and relaxation                |
|                               | X <sub>1,2</sub>  | Visiting new places                |
|                               | X <sub>1,3</sub>  | Knowledge and experiences          |
|                               | X <sub>1,4</sub>  | Escaping the routine               |
|                               | X <sub>1,5</sub>  | Meeting new people and socializing |
|                               | X <sub>1,6</sub>  | Health and fitness                 |
|                               | X <sub>1,7</sub>  | Physical exercise                  |
|                               | X <sub>1,8</sub>  | Visiting friends and family        |
| X2<br>Eksternal<br>Motivation | X <sub>2,1</sub>  | History of Bali                    |
|                               | X <sub>2,2</sub>  | Culture of Bali                    |
|                               | X <sub>2,3</sub>  | Nature of Bali                     |
|                               | X <sub>2,4</sub>  | Prices in Bali                     |
|                               | X <sub>2,5</sub>  | Events and Festive                 |
|                               | X <sub>2,6</sub>  | Holiday or Leisure                 |
|                               | X <sub>2,7</sub>  | Transportation                     |
|                               | X <sub>2,8</sub>  | Distance from home country         |
|                               | X <sub>2,9</sub>  | Food and Beverage                  |
|                               | X <sub>2,10</sub> | Facilities and Service             |
|                               | X <sub>2,11</sub> | Healthcare Facilities              |
|                               | X <sub>2,12</sub> | Immigration Procedure and Service  |
|                               | X <sub>2,13</sub> | Security                           |
|                               | X <sub>2,14</sub> | Service from Travel Agencies       |
|                               | X <sub>2,15</sub> | Tour Leaders and Guides            |
| Destination<br>Image          | Y <sub>1,1</sub>  | Tourism Activities                 |
|                               | Y <sub>1,2</sub>  | Natural Beauty                     |
|                               | Y <sub>1,3</sub>  | Culture of Bali                    |
|                               | Y <sub>1,4</sub>  | People of Bali                     |
|                               | Y <sub>1,5</sub>  | Tourism Infrastructure             |
|                               | Y <sub>1,6</sub>  | Political and Economic Stability   |
|                               | Y <sub>1,7</sub>  | Atmosphere of Bali                 |
| Tourist's<br>Satisfaction     | Y <sub>2,1</sub>  | Attraction                         |
|                               | Y <sub>2,2</sub>  | Accessibility                      |
|                               | Y <sub>2,3</sub>  | Tourism Facilities                 |
|                               | Y <sub>2,4</sub>  | Service                            |
| Loyalty                       | Y <sub>3,1</sub>  | Repeat Visit                       |
|                               | Y <sub>3,2</sub>  | Willingness to Recommend           |

Sources: Chi (2005); Yoon and Uysal (2005); Esichaikul (2012)

Until now, Bali as a tourism destination still has a good image, such as, Bali is positioned as a tourism destination with culture, history, and art. Bali also has a positioning image as a good travel destination for vacation and recreation. Another image of Bali is that the island has a good social environment and a complete tourism infrastructure. However, certain image of Bali is on the decline, including the natural environment of Bali which is considered to be increasingly more, atmosphere of Bali which is considered to increasingly crowded, as well as the political and economic stability of Bali which is considered to be less supportive.

Related to satisfaction of elderly tourists, some attributes are considered adequate and in accordance to the expectations of elderly foreign tourists visiting Bali. These attributes include tourism infrastructure, tourist attractions, travel experience to and within Bali, tourist services throughout Bali, and the availability of various tourism facilities.

### Results of Hypotheses and Research Findings

The findings of this study are in contrast to the findings of Chi (2005) and Yoon and Uysal (2005), although there are similar relationship between the variables in each model. Figure 2 shows the model produced, which after going through several stages of testing have been declared eligible on several criteria to measure the model's goodness of fit, i.e., RMSEA, GFI, AGFI, TLI, and CFI. The value of direct effects are based on Standardized Regression Weights, and the dotted arrows signify less significant relationships

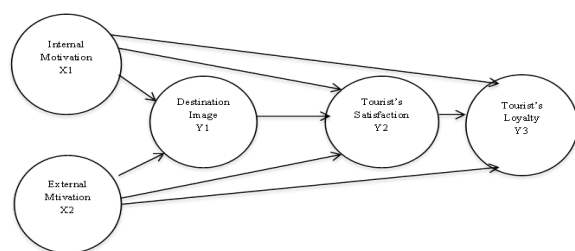


Figure 2. Relationships between research variables

This study is able to address eight research questions, which can be explained as follows: (1) Internal motivation does not have a

significant effect on destination image, which means that in order to create a good destination image internal travel motivation alone is insufficient, but external motivation should create a wholesome appeal motivation factor to visit a destination. (2) External motivation of elderly foreign tourists has a significant effect the destination image of Bali. Strong pull indicators include is the appeal of culture, nature, history of Bali, the benefits of vacationing in Bali, Bali's culinary diversity, and the prices of goods/services. (3) Internal motivation of elderly foreign tourists does not have a significant effect on tourist This finding suggests that satisfying factors in the forms of tourism attributes in Bali is not sufficient to satisfy the pull motivational factors for the elderly traveler respondents. (4) External motivation also does not have a significant effect on the satisfaction of elderly foreign tourists visiting Bali. This indicates that Bali's tourism attributes of destination are not yet in line with expectations (satisfaction) of elderly foreign tourists visiting Bali. (5) Internal motivation of elderly foreign tourists does not have a significant effect on loyalty because it the finding is not supported by empirical data so that the effect is considered insignificant.

The direction of the relationship between internal motivation and tourist loyalty is negative, which signifies a negative relationship, or the higher the push factor then the lower the level of loyalty for Bali as one specific destination. (6) External motivation factors (destination attributes) have a significant effect on tourist loyalty. (7) Destination image has a significant effect on the satisfaction of the elderly foreign tourists visiting Bali. Positive image of Bali as a tourism destinations including indicators such as uniqueness of Balinese culture, friendly people, tourism infrastructure, facilities, and a comfortable atmosphere, were perceived positively by the elderly foreign respondents. (8) The satisfaction of elderly foreign tourists have a significant effect on destination loyalty.

The findings of this study are a model of elderly foreign tourists' tourist's loyalty consisting of two paths. Graphically, the findings on the loyalty model of elderly foreign tourists visiting Bali can be represented as follows:

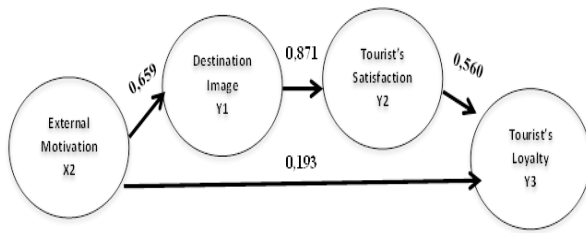


Figure 3. Loyalty Model of Elderly Foreign Tourists Visiting Bali

In the first path, seen from the value of the Standardized Regression Weights coefficients, destination image variable has the most significant effect on tourist satisfaction. Then the external motivation variable has a significant influence on destination image, and tourist satisfaction variable has a significant effect on destination loyalty. Whereas, in the second path, from the values of Standardized Regression Weights coefficients, external motivation variables has a direct effect on destination loyalty, but the effect is not as strong as the destination image variable and tourist satisfaction. External motivation Variable has direct and indirect effects on destination loyalty, so it can be concluded that external motivation is a variable that has an important role in forming destination loyalty.

### Conclusion and Recommendations

#### Conclusion

The loyalty model for elderly foreign tourists is associated with various dynamic variables and indicators in line with the dynamism of a tourism destination, so periodic research is advisable by continually carefully testing theoretical models and concepts using simulations to achieve a model with perfect goodness of fit. The results of the current study concluded that (1) the elderly foreign tourists are sensitive to the issues of environmental pollution, air and water pollution, social and cultural change, which require destination managers to closely consider these issues. (2) The dominant respondents in this study are repeat visitors who are knowledgeable on the development and changes in Bali as a tourism destination.

#### Recommendations

Maintaining the use of a combined approach (mixed methods) is essential because this approach was able to address issues that are not sufficiently answered by quantitative approach alone. However, one thing to be improved is the selection real indicators that truly represent the latent variables, by first conducting unidimensionality analysis on all indicators before conducting field research so that the indicators are perfectly reliable to the latent variables.

This advice is intended for stakeholders involved to be able to use these results as a secondary data, in order to fit the variety of needs, desires and expectations of elderly tourists visiting Bali. Some respondents argued that the uniqueness of Balinese culture has experienced a decline with the rise of construction boom and tourism facilities, including hotels various types of accommodation that are not in accordance to the unique physical characteristics of Balinese culture, so the government should make binding rules and policies to preserve the physical characteristics of Balinese culture and architecture. Addressing the problem of waste, traffic congestion, immigration services, these factors are considered less than optimum for a world-class travel destination. Also, the number of charges and retributions outside the inclusive tourists' budget, the building and development of tourism facilities with distinct Balinese cultural and architectural influences, and reduction in the use of materials derived from plastic, are some programs that should be prioritized by Bali tourism policy makers and practitioners.

The next suggestion is intended for all segments and levels of society, on the need to preserving the image of Bali as a world-class tourism destination that has been perceived as good in the perspective of elderly foreign tourists visiting Bali. This perceived image include: (1) Bali as a tourism destination is considered to have a unique culture, (2) Bali as a tourism destination is considered to have friendly local population, (3) Bali is considered to have a complete tourism infrastructure, and (4) Bali as a tourism destination is considered to have a comfortable atmosphere for traveling.

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