

The Relative Impact Of Competitiveness Factors And Destination Equity On Tourist's Loyalty In Koh Chang, Thailand

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ABSTRACT

The purpose of this study is to investigate the relative impact of competitiveness factors and destination equity on tourist's loyalty toward Koh Chang (Chang Island) one of the famous tourist destination in Thailand). Multiple regression analysis indicated that attitudinal loyalty was mainly driven by destination equity (destination image and destination awareness). The competitiveness factors that significantly influence domestic tourists are (1) location of destination, (2) quality of service and (3) natural resources while the competitiveness factor that influence international tourists is natural resources.

Keywords: Tourism marketing, destination equity, destination competitiveness, destination loyalty, tourism sector

RESEARCH BACKGROUND AND SIGNIFICANCE

Tourism destination competitiveness is becoming an area of growing interest among tourism researchers (Crouch and Ritchie, 1999; Chon and Mayer, 1995). For the tourism industry to be profitable and sustainable in the long term, its development and management should be according to a new competitiveness paradigm (Ritchie and Crouch, 1993). Competitiveness is now widely accepted as the most important factor determining the long term success of organizations, industries, regions and countries (Kozak and Rimmington, 1999).

Branding process for a tourism destination is crucial for long-term destination competitiveness (Boo *et al.*, 2009). Brand equity (or destination equity) is regarded as a critical concept because marketers can gain competitive advantage through successful brands (Lassar *et al.*, 1995). A strong brand can differentiate a product from its competitors (Lim and O'Casey, 2001). As tourism is highly involvement product, branding helps consumer reduce the choice and minimize the risk in making decision (Clarke, 2000).

In the consumer marketing community, customer loyalty has long been regarded as important goal (Reicheld and Scheffer, 2000). Customer loyalty is critical for business to gain competitive advantage. Firstly, it is much less expensive to retain current visitors than it is to seek new ones (Reicheld and Sasser, 1990). Further, loyal customers are more likely to create a positive word-of-mouth advertising at no extra cost to the service provider (Shoemaker and Lewis, 1999). Thirdly, it secures the relationship between customer and service provider, when the customer is faced with increasingly attractive competitive offers. Finally, loyal customers are more easily accessible than first-timers since organizations usually retain records, making targeted indirect marketing more feasible. This knowledge permits suppliers to precisely target the repeat segment and solicit direct responses to promotions (Reid and Reid, 1993).

RESEARCH OBJECTIVES

As previously mentioned, both marketing scholars and practitioners need to identify and assess the relative impact of competitiveness factors and destination equity on the loyalty of tourists. In doing so, the destination marketers can properly develop strategy and manage resources efficiently. Therefore, the objectives of this research are two fold; (1) to assess the relative impact of competitiveness factors and destination equity on the loyalty of tourists and (2) to differentiate those results between the domestic tourists and the international tourists. This can be described in Figure 1 below.

CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESIS

Competitiveness Factors

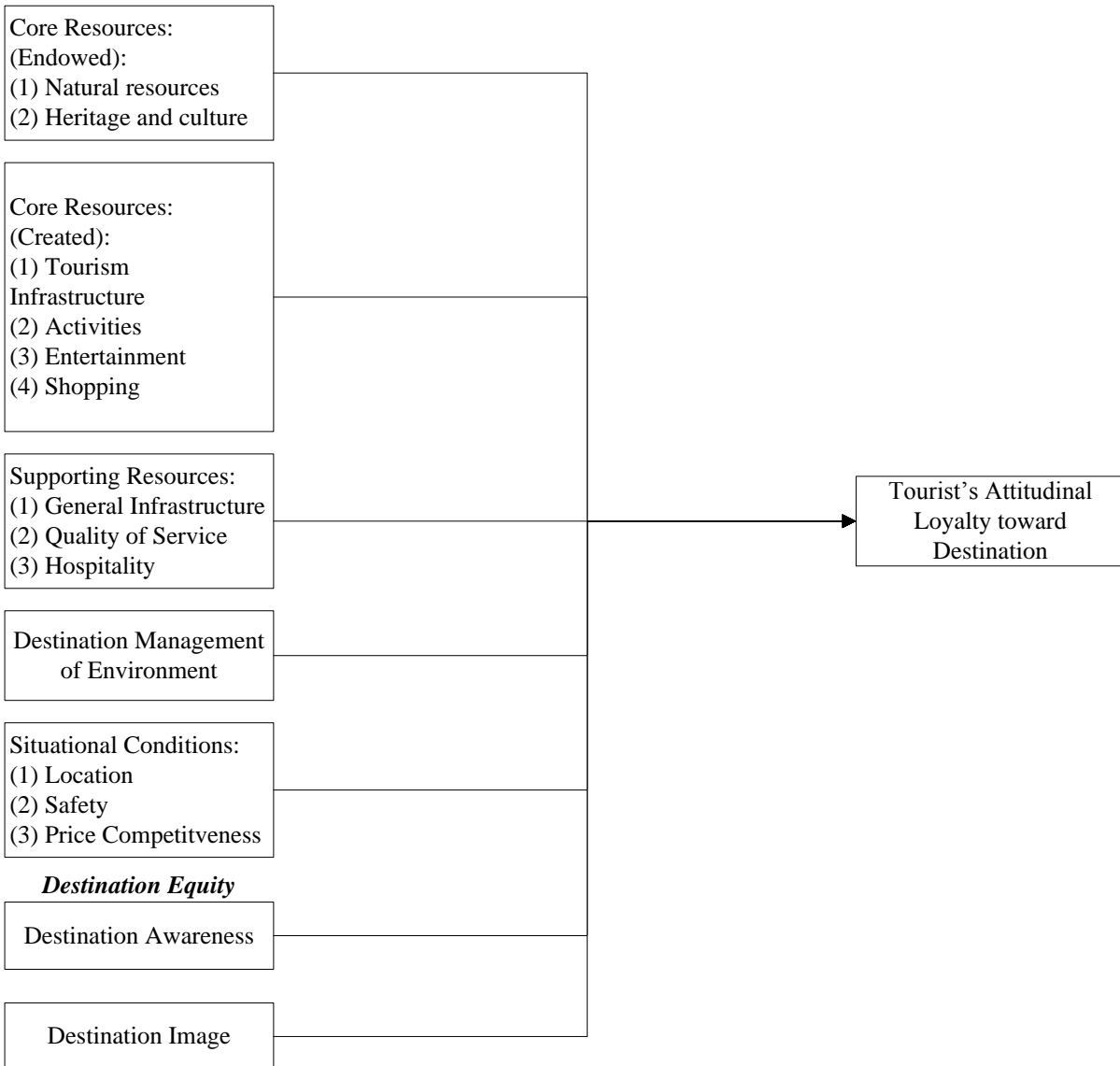


Figure 1: Conceptual Framework

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

What is loyalty?

Oliver (1999, p. 34) has defined loyalty as ‘a deeply-held predisposition to repatronize a preferred brand or service consistently in the future, thereby causing repetitive same brand purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.’ When a customer is loyal, he or she continues to buy the same brand, tends to buy more and is willing to recommend the brand to others (Hepworth and Mateus, 1994).

Loyalty has been measured in the following ways: (1) the behavioral approach, (2) the attitudinal approach, and (3) the composite approach (Jacoby and Chestnut, 1978). The behavioral perspective defines loyalty as actual consumption, as a sequence of purchase (Brown, 1952), as proportion of market share (Cunningham, 1956), as probability of purchase (Frank, 1962), as duration, as frequency and as intensity (Se-Hyuk, 1996; Brown, 1952). This behavioral approach was viewed as producing only static outcome of a dynamic process (Dick and Basu, 1994). In contrast, the attitudinal approach goes beyond overt behavior and expresses loyalty in terms of consumers’ strength of affection toward a brand (Backman and Crompton, 1991a). Finally, composite measures of loyalty integrate both behavioral and attitudinal dimensions. Day (1969) argues that to be truly loyal, a consumer must both purchase the brand as well as have a positive attitude toward it. This composite approach has been used a number of times in leisure settings (Backman and Crompton, 1991b; Pritchard and Howard, 1997). While this composite measurement seems to be the most comprehensive, it is not necessarily the most practical. It has serious inherent limitations, simply because of the weighting applied to both behavioral and attitudinal components.

Destination Loyalty

In this study, loyalty is defined as tourists’ intention to revisit and their recommendations to others (Oppermann, 2000; Yoon and Uysal, 2005). This loyalty refers to committed behavior that is manifested by propensity to participate in a particular recreation service (Backman and Crompton, 1991a). This definition is supported by Jones and Sasser (1995) who argued that intent to repurchase is a very strong indicator of future behavior. Apart from using intent to revisit, many tourism researchers have used tourists’ recommendation to others as a measure of attitudinal loyalty (Chen and Gursoy, 2001; Oppermann, 2000). This research focuses on attitudinal loyalty because the purchase of a tourism product is a rare purchase (Oppermann, 1999). It does not occur on a continuous basis but rather infrequently (Jago and Shaw, 1998). It can also be covert behavior as reflected in intention to revisit in the future (Jones and Sasser, 1995).

Destination Equity: Destination Image & Destination Awareness

This study has applied the concept of brand equity from marketing literature (Konecnik, 2006). Brand equity has been examined from two different perspectives- financial and customer based. The first refers to the financial asset value it creates to business franchise (Simon and Sullivan, 1992). The second perspective is customer-based (Keller, 1993). It is defined as the differential effect of brand knowledge on consumer response to the marketing of brand. Financial valuation have little relevance if managers do not know how that value is created from customer’s perspective and how to exploit that value by developing profitable brand strategies (Keller, 1993).

This study has focused on customer-based brand equity proposed by Keller (1993). Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand. That is, it involves consumers’ reactions to an element of marketing mix for the brand (Keller, 1993, p. 8). Regarding sources of brand equity, different dimensions appear in different frameworks. Aaker (1991, 1996) and Keller (1993) are the most frequently referred in this research area (Anselmsson *et al.*, 2007). Aaker (1991, 1996) separates brand equity in four dimensions: loyalty, awareness, perceived quality and associations. Keller (1993) discusses brand equity in terms of awareness and image. This study focuses on Keller’s dimension which will be explained in more detail below. The application of branding theories is well documented in the generic marketing literature, however, the application of branding theories to service and tourism context is relatively new (Hosany *et al.*, 2006). In tourism, there is one study which measure brand equity of Slovenia as tourism destination (Konecnik, 2006).

According to Keller (1993), brand equity or brand knowledge comprises two dimensions: brand awareness and brand image. Brand awareness is related to the strength of the brand node in memory, as reflected by customer's ability to identify the brand under different conditions (Rossiter and Percy, 1987). It reflects the presence of a brand in the minds of customers (Konecnik, 2006). Brand awareness consists of brand recall and brand recognition (Keller, 1993). Brand image is defined by Keller (1993) as perceptions about the brand as reflected by the brand association held in consumer memory. In tourism research, destination image is defined as an attitudinal concept of the sum of beliefs, ideas and impressions that a tourist hold of a destination (Crompton, 1979). An increasing number of research supports the view that destination image consists of two dimensions: cognitive and affective (Hosany *et al.*, 2006). The cognitive component can be interpreted as beliefs and knowledge about physical attributes of a destination, while the affective component refers to the feelings towards the attributes and environments (Baloglu and McCleary, 1999). Thus, this study has used the shorter term 'destination equity' in stead of customer-based brand equity for destination.

The effects of destination equity (destination awareness and destination image)

According to literature review, we have found that awareness of product is essential particularly in the first stage model in consumer behavior. Russ and Kirkpatrick (1982) suggested five stages: awareness, interest, desire, action and reaction. This model suggested that for repeat buying to occur, there must first be a trial purchase and consumption. Furthermore, for trial purchase to occur, there must first be awareness (Milman and Pizam, 1995). Though, product awareness is a first and necessary step to repeat purchase, it is not a sufficient one. Awareness may not always lead to purchasing behavior. Fesenmaier, Vogt, and Stewart (1993) found that information collected by travelers at welcome center information did not actually influence travel behavior. Awareness results in curiosity that leads to trial. Therefore for a tourism destination to be successful it must first have awareness and positive image (Milman and Pizam, 1995). Furthermore, several studies have illustrated that destination images influence tourist behavior (Hunt, 1975; Pearce, 1982). That is, destinations with strong positive images are more likely to be considered in the travel decision process (Woodside and Lysonski, 1989). Many studies found that positive images of destination influence destination loyalty (Hernandez-Lobato *et al.*, 2006), and intention to revisit (Gibson, Qi and Zhang, 2008; Kaplannidou and Vogt, 2007). Additionally, literature in product branding also indicates that image of a country can influence product preference (Knight and Calantone, 2000; Parameswaran and Pisharodi, 2002; Laroche *et al.*, 2005). That means that people's beliefs and affects about a specific country affect their behavior in relation with the products originating in that country (Parameswaran and Pisharodi, 2002; Montesinos and Diamantopoulos, 2006). As Keller proposed that brand equity (in this regard, destination equity) should result in (1) biased processing of information, (2) persistent attitudes or beliefs that are, (3) resistance to change and (4) behaviours that are influenced by those beliefs. Therefore, tourists or customers who possess high level of destination equity; that is having aware of destination (Koh Chang, Thailand) and having positive images of Koh Chang, are more likely to process information about Koh Chang favorably and to display relatively higher loyalty toward destination. As a consequence, we hypothesize that

H1: Destination equity (destination awareness, destination image) will exert a direct influence on tourist's destination loyalty.

Destination competitiveness

Competitiveness is a broad concept, which can be observed from different perspectives. From a macro perspective, competitiveness is a national concern and the ultimate goal is to improve the real income of the community. From a micro perspective, it is seen as a firm level phenomenon. In order to be competitive, the firm must provide products and services, which satisfy the desires of the consumer. For such products and services, customers or clients are willing to pay a fair return or price.

There is a fundamental difference between the nature of the tourism product and the traditional goods and services. The nature of the tourism product from a destination perspective can be regarded as 'an amalgam of individual products and experience opportunities that combine to form a total experience of the area visited' (Murphy *et al.*, 2000). As a result, destination competitiveness refers to the destination's ability to deliver goods and services that perform better than other destinations (Dwyer and Kim, 2003). Hassan defines competitiveness as 'the

destination's ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors' (Hassan, 2000, p. 239). Destination competitiveness is associated with the economic prosperity of residents of a country (Buhalis, 2000; Crouch and Ritchie, 1999). To be competitive, a destination's development of tourism must be sustainable, not economically and not just ecologically, but socially, culturally and politically as well.

A large number of variable are linked to the notion of destination competitiveness. They can be quantitative, such as visitor numbers, market share, tourist expenditure, employment, value added by the tourism industry, or qualitative measured variables, such as richness of culture and heritage, quality of tourism services, etc.

Poon (1993) suggested four key principles for destinations to follow if they want to be competitive: (1) put the environment first, (2) make tourism a leading sector, (3) strengthen the distribution channels in the market place and (4) build a dynamic private sector. Go and Govers (1999), in a study of conference site selection, measured a destination's competitive position relative to other destinations along seven attributes-facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness. De Keyser and Vanhove (1994) analysed the competitiveness of eight Caribbean islands and they included transport system determinants in their model. Crouch and Ritchie (1999) proposed key motivational factors for tourists' visits: physiography, culture and history, market ties, activities and events. They expanded further on supporting factors and resources such as destination policy, planning and development and on the destination management. A model of destination competitiveness has been developed by Ernie Heath. Heath's model is presented in the form of a house with foundations, cement, building blocks and roof. Many scholars have proposed different models of competitiveness (Ritchie and Crouch, 1993; Evans and Johnson, 1995; Hassan, 2000; De Keyser and Vanhove, 1994; Dwyer, Livaic and Mellor, 2003). This study has applied the framework developed by Dwyer and Kim (2003) and conduct an empirical analysis on Koh Chang, Thailand as a tourist destination. The model representing the main elements of destination competitiveness adapted from Dwyer and Kim (2003). Only the elements that are the focus of this study are described.

1. Core resources. These are the primary motivation for destination appeal (Crouch and Ritchie, 1999). These core resources are divided into two types: endowed and created resources

1.1 Endowed resources:

- (1) Natural resources: Research has shown that natural resources are crucial for visitor (Dunn and Iso-Ahola, 1991).
- (2) Heritage and culture: The heritage and culture of a destination, its history, institutions, customs, architectural features, cuisine, traditions, artwork, music, handicrafts, dance etc., provides a basic and powerful attracting force the prospective visitor (Cohen, 1998; Murphy *et al.*, 2000; Prentice, 1993). Past research has shown that culture enhance the attractiveness of a tourism destination (Ritchie and Zins, 1978).

1.2 Created resources. There are at least five types of created resources that influence destination competitiveness. These include: tourism infrastructure, special events, range of available activities, entertainment and shopping.

- (1) Tourism infrastructure: Features such as accommodation facilities, food services, transportation facilities, themed attractions, fast food outlets, taverns/bars and receptive tourism plant, tour wholesalers, tour operators, travel agents, car rental firms, local convention and visitor bureau. In the eyes of tourists, the destination performed very effectively when these services are abundant. Mo *et al.* (1993) have argued that infrastructure is after the environment which is the most important factor in tourist's experience. Murphy *et al.* (2000) found that the level of infrastructure affects tourist experiences and that 'tourism infrastructure' is an important predictor of both destination 'quality' and perceived trip 'value'.
- (2) Range of available activities: The mix of activities within a destination is important tourism attractor. These can include recreation and sports facilities, night clubs/night life, facilities for special interest visitors such as adventure, ecotourism, cultural/heritage tourism and biking trails.
- (3) Entertainment: This category primarily encompasses behaviors where the visitor assumes a rather passive 'spectator' role such as the theatre and film festivals (Crouch and Ritchie, 1999).
- (4) Shopping: Destinations such as Hong Kong and Singapore have at times marketed themselves as 'shopov Diamantopoulos er' destinations.

Since core resources are primary motivation for travelers (Crouch and Ritchie, 1999). They can influence the attractiveness of destination, thereby intention to visit. They also influence tourist experiences and perceived value of the trip (Murphy *et al.*, 2000). As a consequence, we hypothesize that

H2a: The competitiveness factor (core resources-endowed, core resources-created) will exert a direct influence on tourist's destination loyalty.

2. Supporting factors and resources

2.1 General infrastructure. A destination's general infrastructure includes road networks, airports, train system, bus system, water supply, telecommunications, sewerage, health-care facilities, sanitation, the electricity generation system, financial services, and computer services. Watson and Kopachevsky (1994) have argued that tourist experiences cannot be properly understood unless we take general infrastructure into account.

2.2 Quality of service. The service dimension of the tourism experience is vital. Provision of reliable and responsive services enhances a destination's competitive advantage (Dwyer and Kim, 2003). Murphy *et al.* (2000) found that 'destination environment' in terms of climate, scenery, ambience, friendliness and, to a lesser extent, cleanliness, is a key predictor of destination 'quality'

2.3 Hospitality. Hospitality relates to the perceived friendliness of the community towards tourists. It includes: warmth of reception by local residents; willingness of residents to provide information to tourism; attitudes towards tourists and the tourism industry (Dwyer and Kim, 2003). The perceived hospitality of residents is a major social factor forming part of the macro-environment (Canestrelli and Costa, 1991).

Since general infrastructure can influence tourist experiences. The quality of service provided can enhance the overall perceived quality of destination (Murphy *et al.*, 2000) and hospitality of the residents can enhance the attractiveness of destination, thereby intention to visit. Therefore, we hypothesize that

H2b: The competitiveness factor (supporting factors) will exert a direct influence on tourist's destination loyalty.

3. Destination management. Five types of destination management activities have a potentially important influence on destination competitiveness. They are: (1) destination marketing management, (2) destination planning and development (3) destination management organization (4) human resource development and (5) environmental management. This study focuses upon the environment management only.

3.1 Environmental management. Destination environment in terms of climate, scenery, ambience and friendliness has been found to be a key predictor of destination quality (Murphy *et al.*, 2000). Resource stewardship is an increasingly important function of destination managers. This recognizes the importance of long-term sustainable competitiveness that acknowledges the stewardship of ecological, social and cultural resources. Mihalic (2000) claims that destination attractiveness and its competitiveness can be increased by proper management of environmental quality.

Since, proper management of environment can enhance the attractiveness of destination. This, in turn, improves and maintains the quality of core resources as well as influence destination choice of tourists. Thus, we hypothesize that

H2c: The competitiveness factor (destination management of environment) will exert a direct influence on tourist's destination loyalty.

4. Situational Conditions. The performance of constituent institutions depends on the overall structure of the industry in which they are situated (Porter, 1980, 1990). Situational conditions may enhance or reduce destination competitiveness (Crouch and Ritchie, 1999).

4.1 Destination location. Location of destination determines the physical distance from markets and affect the travel time from origin markets, thus it has very high potential to attract visitors (Dwyer and Kim, 2003). Mckercher (1998) notes that the destination that is more proximate will exhibit a competitive advantage over other destinations that offer a similar product but are more distant.

- 4.2 Security and safety.** Safety and security within a destination can be a critical qualifying determinant of its competitiveness. Elements include: political instability, probability of terrorism, crime rates, record, record of transportation safety, corruption, quality of sanitation, prevalence of disease, quality of medical services, and availability of medication (Crotts, 1996). This situational factor can hinder the inflow of visitors.
- 4.3 Price competitiveness.** The price competitiveness of a destination depends on the respective prices of the goods and service that cater to tourists needs (Dwyer *et al.*, 2000a, b). Price is meaningless indicator when not considering the quality of a product. Thus, providing value for money is one of the key challenges facing any tourism destination. Regardless of what actual prices may be, it is ultimately visitor perceptions of those prices and of value that count (Dwyer and Kim, 2003).

Since, the some travelers may choose certain destination that is more proximate. Some travelers may avoid certain destination because it is dangerous. Furthermore, it is the perception of value that influence tourist's decision. As a consequence, we hypothesize that

H2c: The competitiveness factor (situational condition) will exert a direct influence on tourist's destination loyalty.

RESEARCH METHODOLOGY

This study selected Koh Chang, Trad Province because it is the second largest island of Thailand after Phuket (<http://www.tourismthailand.org/>). It is located on the east coast 310 km away from Bangkok near the border to Cambodia in the Gulf of Thailand. Target populations are international tourists and domestic tourists who have spent their vacation or holiday in Koh Chang . Since, in the literature on competitiveness, demand conditions, particularly domestic demand establish the proving grounds for the industry (Porter, 1990). In many cases it is domestic tourism that drivers the nature and structure of a nation's tourism industry. Foreign demand thrives more readily when domestic demand is well established (Dwyer and Kim, 2003).

Total sample size for this study is 800 and divided into 400 for international tourists and 400 for domestic tourists. The sampling method is purposive in that only tourists who visited Koh Chang were included in the study. Then, systematic random sampling was applied in collecting data. The data were mostly collected on the ferry from Trad Province to Koh Chang and around tourist attraction areas. Total response rate was 70%. Total duration for collecting data was one month. Total respondents for pretest were 60.

Measures

All measurement items achieved Cronbach alpha level beyond 0.60 passing the minimum requirement. The scale for measuring destination awareness was adapted from Milman and Pizam (1995) which was measured by a 5-item seven point rating scale (1 = strongly disagree and 7 = strongly agree) as follows: (1) Some characteristics of Koh Chang come quickly to my mind, (2) I can recall the characteristics of Koh Chang, (3) I can easily imagine Koh chang in my mind, (4) I know what Koh Chang looks like, (5) I am aware of Koh Chang. The scale achieved a Cronbach alpha of .89.

With regards to destination image, researchers suggested two ways of measuring image which are: (1) attribute-based component and (2) holistic component. The scale for measuring destination image was adapted from Russel (1980) which measured the affective image of destination by a 4-item seven point rating scale (1 = strongly disagree and 7 = strongly agree) as follows: (1) Koh Chang is pleasant, (2) Koh Chang is relaxing, (3) Koh Chang is pretty, (4) Koh Chang is exciting. The scale achieved a Cronbach alpha of .87. Regarding loyalty, this study focuses on attitudinal loyalty which was operationalized using the 5-item scale developed by Muncy (1983). This 5-item scale asked questions about brand preference, consumer willingness to repatronage as well as to recommend the service provider to others. The scale demonstrated substantial internal consistency with reliability estimates of 0.91 in the previous study of Pritchard *et al.* (1999). In this study, the scale for measuring loyalty achieved a Cronbach alpha of .86.

The scale for measuring destination competitiveness was adapted from Dwyer and Kim (2003) and exploratory factor analysis was performed to determine dimensionality of the scale. Using principal component analysis and varimax rotation method, the total variance that can be explained was 67.76%. The results are consistent with the literature and suggested that there are 12 dimensions of competitiveness factors as follows. (1) destination management of environment, (2) quality of service, (3) heritage and culture and hospitality of the locals (4) infrastructure, (5) shopping and night life, (6) natural resources, (7) activities, (8) price competitiveness, (9) food, (10) cleanliness, (11) safety, (12) location. In general, the results are consistent with the literature proposed by Dwyer and Kim (2003) except that the results from this study indicated that general and tourism infrastructure are in the same dimension whereas the dimension proposed by Dwyer and Kim (2003) suggested that there are these two kinds of infrastructure are on different dimensions. Tourism infrastructure is in created resources whereas general infrastructure is in supporting factors. Furthermore, in this study, the EFA suggested that hospitality of the locals is in the same dimension of heritage and culture. All of these dimensions achieve a Cronbach alpha between .71-.95 as shown in Table below.

Table 1: Rotated Component Matrix of Competitiveness Factors

	Component											
	1	2	3	4	5	6	7	8	9	10	11	12
b4.20. Informing tourists about the ecology reservation	.844											
b4.21. Cooperation of related organizations for the ecology reservation	.841											
b4.19. Regulation and law for preventing misbehavior	.824											
b4.23. Cooperation of local people for ecological reservation activities	.797											
b4.17. Campaign against collecting seashells	.795											
b4.22. Arranging ecological tourism activities	.791											
b4.16. Campaign against collecting coral reef	.789											
b4.18. Providing places for dropping garbage	.766											
b4.15. Campaign for eliminating garbage	.746											
b3.5. Delivering service as promised		.718										
b3.7. Responsiveness		.704										
b3.4. Service providers are honest		.699										
b3.2. Service providers are courteous		.697										
b3.8. Reliability		.693										
b3.6. Assurance		.683										
b3.1. Service providers are friendly		.676										
b3.3. Service providers are helpful		.671										
b1.10. Local culture is interesting			.743									
b1.7. Interesting local lifestyle			.721									
b1.9. Local people are honest and sincere			.658									
b1.6. Hospitality of local people			.602									
b1.11. History is interesting			.602									

b1.8. Easy to communicate with local people		.599								
b2.11. Banking system, money exchange and transfer		.704								
b2.10. Electricity, water supply and telephone system		.691								
b2.12. Accommodation		.605								
b2.9. Road transportation on island		.600								
b2.13. Tourist information center		.502								
b3.10. Good minibus system		.412								
b2.14. Souvenirs that meet your demand			.820							
b2.16. Varieties of souvenir for selection			.802							
b2.15. Good quality souvenir			.799							
b2.17. Convenient to buy souvenir			.744							
b2.18. Night entertainment			.402							
b1.1. Clean and clear sea water				.726						
b1.2. White sand beach				.699						
b1.3. Coral, fish and undersea lives				.695						
b1.4. Scenery and nature around island				.675						
b1.5. Plentiful and beautiful island				.645						
b4.13. Coral condition				.427						
b2.4. Wide varieties of seaside activities					.738					
b2.1. Wide varieties of water activities					.719					
b2.3. Many interesting events and festivals					.673					
b2.2. Good opportunities for adventure					.659					
b2.5. Activities for entire family					.652					
b4.4. Accommodation price is suitable						.745				
b4.5. Travelling expense is suitable						.738				
b4.6. Cheaper to travel to this island						.677				
b4.3. The trip is valuable						.676				
b2.22. Food and beverage are inexpensive							.711			
b2.21. Local cuisine is exotic							.682			
b2.23. Food and beverage are nutritious							.662			
b2.20. Local cuisine is good taste							.609			
b4.11. Cleanliness without garbage on the beach								.754		
b4.10. Cleanliness without garbage on the island								.728		
b4.12. Sea water				.435				.584		
b4.14. Seaside area								.550		
b2.8. Cleanliness and garbage disposal system								.528		
b4.8. Safety in road transportation									.715	
b4.9. Safety in life and possessions									.690	

b4.7. Safety in water transportation												.621
b4.1. Proximity to Bangkok												.479
b4.2. Can travel to nearby islands												.457
Eigenvalues	22.36	5.59	2.83	2.44	2.30	1.81	1.70	1.51	1.37	1.32	1.10	1.07
% of Variance	33.37	8.34	4.22	3.64	3.43	2.70	2.54	2.26	2.04	1.97	1.65	1.60
Cronbach Alpha	.95	.94	.88	.83	.88	.85	.87	.87	.85	.85	.79	.71

Remarks: (1) Total variance explained = 67.76%,(2) Kaiser-Meyer-Olkin Measure of Sampling Adequacy=.955
 (3) Extraction Method: Principal Component Analysis. (4) Rotation Method: Varimax (5) Items with factor loadings less than .400 were excluded. (6) Items with cross loadings were excluded.

DATA ANALYSIS

Respondent profile

Regarding, domestic tourists, 66% of tourists are female, 48% of them are between 25-34 years old. The majority of them (74%) are single and hold at least a bachelor’s degree. 29.3% of them are from commercial sector, the majority of them have an income level between 450-900 US\$ or 15,000-29,999 Baht. Most of them come from Bangkok and followed by north east.

In terms of international tourists, 54% of them are female, 54.5% of them are between 24-34 years old. The majority of them are married and have bachelor degree. Their income is in the 3751US\$ or higher range. Most of them are professional worker and followed by managerial worker. The majority of international tourists come from Europe (85%).

Table 2: Respondent Profile of Tourists

Demographic	Domestic Tourists (n=400)		International Tourists (n=400)	
	Frequency	%	Frequency	%
Gender				
- Male	136	34.0	185	46.3
- Female	264	66.0	215	53.8
Age				
- Less than 15 Years	4	1.0	-	-
- 15-24 Years	138	34.5	89	22.3
- 25-34 Years	192	48.0	218	54.5
- 35-44 Years	52	13.0	62	15.5
- 45-54 Years	12	3.0	25	6.3
- 55 Years and over	6	1.5	6	1.5
Marital status				
- Single	297	74.3	162	40.5
- Married/Living together	94	23.5	226	56.5
- Widowed/Divorced/Separated	9	2.3	12	3.0
Level of Education				
- Less than Bachelor Degree	82	20.5	66	16.5
- Bachelor Degree	267	66.8	195	48.8
- Higher than Bachelor Degree	51	12.8	139	34.8
Occupation				
- Professionals	24	6.0	157	39.3
- Administrative/Managerial	22	5.5	73	18.3
- Commercial	117	29.3	30	7.5
- Laborers/Farmers	14	3.6	13	3.3
- Government/State Enterprise	85	21.3	28	7.0
- Students	81	20.3	43	10.8

- Retired/Unemployed/Housewives	13	3.3	21	5.3
- Entrepreneurs	24	6.0	11	2.8
- Others	20	5.0	24	6.0
Monthly Household Income	Frequency	%	Frequency	%
- Less than 450 US\$.	78	19.5	9	2.3
- 450-900 US\$.	140	35.0	41	10.3
- 901-1,500 US\$.	72	18.0	43	10.8
- 1,501-1,950 US\$.	39	9.8	58	14.5
- 1,951-2,400 US\$.	20	5.0	42	10.5
- 2,401-2,850 US\$.	16	4.0	49	12.3
- 2,851-3,300 US\$.	7	1.8	42	10.5
- 3,301-3,750 US\$.	9	2.3	39	9.8
- 3,751 US\$. and over.	19	4.8	77	19.3
Country or Area of Residence	Frequency	%	Frequency	%
- Bangkok/ East Asia	136	34.0	7	1.8
- Central/ Europe	45	11.3	340	85.0
- North/ The Americas	31	7.8	24	6.0
- South/ South Asia	17	4.3	6	1.5
- North East/ The Oceania	116	29.0	10	2.5
- East/ Middle East	47	11.8	11	2.8
- West/ Africa	7	1.8	2	.5
- Others	1	.3	-	-

The relative impacts of competitiveness factors and destination equity on tourist’s loyalty

In order to examine the impact of competitiveness factor and destination equity on tourist’s attitudinal loyalty toward destination, multiple regression analysis was performed. The results are shown in the table below.

Table 3: A Summary of Antecedents of Attitudinal Loyalty of Koh Chang Tourists

	Domestic Tourists (Adj.R ² = 63%)			International Tourists (Adj.R ² = 42%)		
	Standardized Coefficients (Beta)	t	Sig.	Standardized Coefficients (Beta)	t	Sig.
(constant)						
Competitiveness Factors						
Natural Resources	.079	2.028	.043	.152	3.281	.001
Heritage & Culture & Hospitality of the Locals	-	-	-	-	-	-
Activities	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Food	-	-	-	-	-	-
Quality of service	.099	2.445	.015	-	-	-
Location	.104	2.623	.009	-	-	-
Price Competitiveness	-	-	-	-	-	-
Safety	-	-	-	-	-	-
Cleanliness	-	-	-	-	-	-
Destination management: environment	-	-	-	-	-	-

Destination Equity						
Destination Awareness	.129	3.061	.002	.241	4.901	.000
Destination Image	.529	11.499	.000	.372	7.191	.000

Dependent Variable: Tourist's Attitudinal Loyalty

Remark: All β are standardized.

Regarding domestic tourists, the most important antecedent is destination image (Std. β = .529), followed by destination awareness (Std. β = .129), location (Std. β = .104), quality of service (Std. β = .099) and natural resources (Std. β = .079), respectively. In terms of international tourists, the most important antecedent is destination image (std. β = .372), followed by destination awareness (std. β = .241) and natural resources (Std. β = .152), respectively. The results also confirm the statement argued by Enright and Newton (2005) that the relative importance of competitiveness attributes may vary across locations, depending on product mix and target market segments, since the nature of tourism product is complex.

RESULTS AND DISCUSSION

The result confirms the proposition in the literature that destination image can influence interest and likelihood of revisiting of tourists (Milman and Pizam, 1995). Furthermore, according to the value of standardized coefficients of destination image that is higher than the value of destination awareness, it confirms the literature that awareness is a necessary first step but not sufficient or not as important as image (Milman and Pizam, 1995). Product awareness is a first and necessary step to repeat purchase, it is not a sufficient one. Awareness may not always lead to purchasing behavior. Awareness results in curiosity that leads to trial. Therefore for a tourism destination to be successful it must first have awareness and positive image (Milman and Pizam, 1995). Competitiveness factors that influence tourist's loyalty may vary depending target customers. For domestic tourists, location, quality of service and natural resources are important while for international tourists, the natural resources are the most important.

MANAGERIAL IMPLICATIONS

For destination marketing managers, the results confirm the critical role of building brand equity (destination equity). At the same time, the quality and sustainability of environment are inevitable as it is shown that natural resource is significantly influence loyalty of both international and domestic tourists. Since, environmental sustainability is fundamental for tourism competitiveness, especially from a long-term perspective. Visitors are increasingly seeking a high-quality environment and there is a growing demand for cleanliness and an aesthetically pleasing environment at attractions. Polluted natural settings result in diminished quality of visitor experiences. As a result, to gain a sustainable competitive advantage, tourism marketers should focus their strategies on building destination equity and environmental sustainability.

LIMITATION AND SUGGESTION FOR FUTURE RESEARCH

First, the ability to generalize the findings is limited since this study was conducted in one destination only. Second, this study focuses on the attitudinal loyalty of tourists as the outcome, however, there are many indicators representing competitiveness such as market share, number of tourist as well as the quality of life of residents.

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