‘Generating Customer Value in the form of Tourism Products and Services: A Regional Tourism Enquiry’

Submitted by

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Abstract

Creating value for customers has become an important focus of the tourism industry and academic research. Understanding and providing for the needs of tourists in terms of their purchase and consumption experiences is fundamental to organization survival and the achievement of competitive advantage. The study of value has evolved over time to incorporate customer perceived value and its actual creation. This thesis incorporates these concepts and suggests that analysing perceptions is a means towards creating the value that tourists demand. Thus, this research examines the relevance of value perception to both customers (tourists) and suppliers (benchmark tourism businesses) operating in a country regional setting.

To do this, theories and models pertaining to perceived value and service quality have been adopted and adapted. In particular, the GLOVAL scale of perceived value by Sanchez, Callarisa, Rodriguez and Moliner (2006) as well as Parasuraman, Zeithaml and Berry's (1988 and 1985) SERVQUAL and Service Quality Gap Model are used and explored in the context of creating customer value. Rather than using the traditional closed scale questions associated with these areas of study, the thesis attempts to move beyond the current research procedure by introducing a mixed method of analysis. The first part lets the respondents describe and prioritise value in their own terms; the second transforms the data into quantitative measures that can be statistically examined via the Spearman Rank Correlation.

The results suggest that discrepancies exist between what suppliers think about value and offer in this regard compared to the tourists' value perceptions and expectations. Further, the results indicate the current and popular GLOVAL scale used to measure perceived value may not have universal validity, given the different dimensional priorities revealed by the mixed method approach.

The thesis concludes that more research needs to be undertaken to broaden the approach to perceived value measurement in order to increase its validity and reliability. Efforts also need to focus on communicating the tourists' value perceptions to tourism businesses so they can present themselves and the host region in a better light.

Statement of Authorship

Except where reference is made in the text of the thesis, this thesis contains no material published elsewhere or extracted in whole or in part from a thesis submitted for the award of any other degree or diploma.

No other person's work has been used without due acknowledgement in the main text of the thesis.

This thesis has not been submitted for the award of any degree or diploma in any other tertiary institution.

All research procedures reported in the thesis were approved by the relevant Ethics/Safety Committee or authorised officer as appropriate at La Trobe University.

Lisa Melsen
28th October 2010

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Executive Summary

This study recognised the emerging focus of industry and academic research on the study of value and its creation. With an increasing need to provide products and services exhibiting value and encouraging visitation, but with little research available in the area, it was necessary to 1) investigate what it is that tourists value, 2) identify the value that tourists feel they receive during their tourism experience, and 3) discover what suppliers think and actually do to provide value for their tourist visitors. Such information was then used to identify and compare differences between the two.

To do this the Victorian tourism region of North East Victoria was selected for data collection and a mixed method was used to provide the tourists' and suppliers' individual perceptions of value. The analysis of this information was conducted using both qualitative and quantitative techniques, with respect to four research questions.

Overall, this study found that:

- Tourism suppliers perception of value can differ from that of tourists;
- Tourism suppliers are creating value which is different to what tourists actually value;
- Tourists receive different levels of value from what they initially expect;
- The emotional aspect tourists experience while on their trip is an important contributor to their perceptions of value;
- The functional elements of product and price are major contributors to tourists' value perceptions;
- Many supplier opinions regarding the value they believe tourists want and the subsequent value they create as part of their tourism offerings did not 'fit in' with what tourists value;
- Some suppliers did not know or were unsure about the value their tourist visitors expect; and,
- The elements of quality and price are a core value focus for tourists but on the supply side were not thought to be as important.

Chapter 1: Introduction

1.1 Introduction

Since the late 1960s and early 1970s the concept of value has been continuously studied in multiple areas pertaining to finance, accounting, economics, information systems, management, marketing and individual values. As such, it has proven to be of continual interest for study by academics and industry. Originally cited in economics, value is now a common phenomenon in strategy and marketing literature where its application is based on the supply and demand outcomes associated with its use. Ultimately, customers judge products and services based on value which alone makes it a cornerstone for achieving competitive advantage and long term success (Khalifa, 2004). Customer judgements in this field are therefore an important and growing area of research.

The tourism industry faces enormous global competition alongside changing patterns and trends in the products and services demanded by tourists. Indeed, the study of value within the tourism industry is becoming increasingly significant. This is evidenced by the Australian Federal Governments Tourism White Paper which suggests that to attract visitors and generate repeat visitation, Australia's tourism industry must earn a reputation for quality, value and variety (Department of Communication, Technology and The Arts (DCTA) 2003). The document also claims that Australia should strive to be a destination that meets and exceeds customer expectations in terms of the products and services it provides. Tourism Victoria has a similar outlook in its 2002 and 2006 strategic plans which further acknowledge the increased emphasis by industry in this area. To this end, a focus on customer expectations and, the development of products and services that communicate value to the tourist are important aspects in the competitiveness and enhancement of Australian tourism destinations and individual businesses.

Given the competitive nature of the industry, it is becoming increasingly important for destinations and individual suppliers/operators to understand and provide experiences according to the needs of tourists. Supplying valuable experiences which match their demands is therefore essential. In this sense, value can be viewed as a ‘means’ rather than an ‘end’, that is, it is necessary to understand the ‘means’ to obtain it and create improvements from which satisfaction (the ‘end’) can be achieved (Dummond 2000). Therefore, the study and application of value is essential for achieving differentiation and, for the development, enhancement and maintenance of competitive advantage.

Evidently, a link exists between value and tourism, especially when it comes to achieving competitive advantage. Early literature in the field has a prominence on economics and human values (see for example, Marx 1971 and Rokeach 1974). Over time however, research in the area has developed to incorporate variables including price, quality, benefits, sacrifices and satisfaction with suggestions that value is inherently linked to each of these through consumer evaluations. More recently, studies researching value have begun to evolve where aspects such as perceived value, value adding and in some contexts tourism yield are at the forefront.

Taking these developments and the apparent link between value and tourism, this thesis examines the phenomenon and its perceptions as related to the supply of and demand for tourism. It also investigates the idea of creating value to enhance current offerings within the regional tourism industry or country context. In particular, this study suggests in the discussion chapter that these concepts are a viable means for country regions and suppliers to achieve their goals of generating competitive advantage and maximising tourism yield.

1.2 Background and Concept Overview

Research in the area of perceived value has developed in recent years and become an interdisciplinary area involving psychology, sociology, economic and business concepts. It has been closely linked to areas including quality, price and satisfaction indicating that customer assessment in these areas are indeed used to depict value. Most commonly conceptualised as involving a consumer’s assessment of the ratio of perceived benefits vs. perceived costs, the concept represents a trade-off for consumers who acquire a product or service (Monroe 1990, Zeithaml 1988). In this sense, perceived value has a strong pre- and post-consumption component.

In light of this dual function, Pechlaner, Smearl and Matzler (2002 in Gallarza and Saura 2006) acknowledge that perceived value is a definitive option for destinations when it comes to improving their competitive edge. Importantly, knowing the dimensions of value that customers care about can assist in its enhancement and the over-arching goal of achieving competitive advantage and yield maximisation (Sinha and DeSarbo 1998). Consequently, regional destinations and individual organisations should use this knowledge to match their product and service offerings with customer demands. For the tourism industry, this could help to clarify the value desired and possibly expand visitation, length of stay and expenditure. As such, this study recommends that alongside research into the area of perceived value, an investigation into value creation using the notion of value adding may be beneficial.

The idea of value adding has been discussed extensively throughout the trade publications literature pertaining to different disciplines, namely those in the economic and manufacturing settings (see, for example, Worthington and West 2000, Mukherjee 1974) but also in management and marketing (see, for example, de Chernatony, Harris and Dall'Olmo Riley 2000, Neap and Celik 1999, DeSarbo, Ebbes, Fong and Snow 2010). One of the most widely discussed applications of the term is within economics, which concerns the phenomenon of Economic Value Added (EVA) in terms of the performance of suppliers. Although performance is an important attribute of success, this study centralises more on the marketing side of value added which concerns not only analysing supply but also demand. This is especially so from the viewpoint of customer value perceptions and meaning and, is considered a more efficient way of meeting demand conditions in today's competitive environment.

This thesis integrates each of the value concepts discussed and applies them to the tourism industry. It is anticipated that together these areas can assist the tourism industry in terms of competitive advantage and yield maximisation. In discussing this and the need to meet demand conditions in today's volatile environment, numerous authors note the roles of perceived value and value added. Dwyer and Kim (2003), Dwyer, Livaic and Mellor (2003), Sweeney and Soutar (2001), and de Chernatony et al. (2000) suggest these areas are of continuous importance in the 21st century and that they can guide business success into the future; while Pechlaner et al. (2002 in Gallarza and Saura 2006) and de Chernatony et al. (2000) contend that perceived value and value creation through adding value are widely advocated strategy options for improving and achieving a competitive edge. In support of this, perceived value was labelled as a marketing mania and the way to sell (Business Week 1991 in Sinha and DeSarbo 1998) whilst in terms of value creation, Heath (2003) acknowledged the existence of various value adders which can contribute significantly to a destination's image and standing. He also suggests that to maintain this, destinations must be aware of and capitalise on such aspects. These discussions highlight a possible link between the value concepts, destination competiveness and yield generation. This study acknowledges this and proposes that measuring perceived and actual value added may indeed be a viable and successful method for tourism organisations and destinations to consider in their quest to meet demand conditions and experience the associated benefits.

1.3 Justification for Study

A major reason for this investigation is that, as noted by the DCTA (2003) tourism is in danger of becoming a high volume, low yield business which can have negative effects on destinations. Although the importance of tourist numbers to a destination are imperative, so too is capturing those tourist markets that have a high yield potential. That is, those who have the inclination, time and money to spend within a destination and on its tourism products and services. Many industry bodies are now placing an increased emphasis on the need for presenting products and experiences that bestow value, quality and variety in order to attract and maintain tourist markets which have a high yield potential. It is anticipated that enhancing these areas will provide benefits to all parties involved. A particular focus on tourists' perceptions in terms of the value they actually want is said to be the key to unlocking a path toward a successful future (DeSarbo et al. 2010 and DeSarbo, Jedidi and Sinha 2001). Such comments support concentrating on the real value thoughts of customers to advance our knowledge of yield and competitive advantage.

Despite the expanding body of literature on value, academics agree that research in the area requires further refinement and development (Smith and Colgate 2007, Sanchez, Iniesta and Holbrook 2009). The outlook emphasises customer value research is nascent and in the early stages of its conceptual development. Sanchez et al. 2009, Smith and Colgate 2007 and Petrick 2002 all argue that many contributions lack clarity and require a more conceptual framework to measure key dimensions and to highlight the meaning and nature of the major issues at stake. They also state that attempts so far are not particularly well suited as aids for developing marketing strategy or measures of customer value. Petrick (2002) and Sanchez et al. (2006), liken this to service industries such as tourism suggesting that opportunities for the development of an approach to measuring key dimensions in these sectors is especially interesting and should be further researched. This is especially so when it comes to customer value perceptions and creation.

The majority of value creation studies have tended to focus on organisations capturing value rather than on their consumers. Priem (2007, 219) notes “only sparse attention has been paid to the demand side and, particularly, to the consumer’s role.” When related to discussions so far and the goal of this study, such a comment highlights the need to investigate customer value perceptions. The same is true also for the study of yield, where most have a supply or macro outlook rather than a demand or micro one (Dwyer, Forsyth, Fredline, Jago, Deery and Lundie 2007). In regards to value perceptions, much research has concentrated on the post-consumption views of customers rather than the entire experience (Sanchez et al. 2006, Patterson and Spreng 1997). Very few studies have incorporated suppliers’ perceptions in terms of what they think their consumers want, thus failing to include both sides of the tourism business equation. Together, these areas present research gaps which this study aims to address.

With specific regards to tourism, relatively few studies have been conducted in these areas, and no investigation has explored the concept of perceived value from both the tourists’ and suppliers’ perspectives. Nor do any examine the implications of value creation and yield as a demand side concept. To support that such enquiries are necessary, Murphy and Williams (1999) concluded that there is a need to determine what is desired and/or required by travel markets compared to what is currently provided. Further, O’Neil and Charters (2000) stressed the development of performance measures utilising value criteria, while Petrick (2002) and Sanchez, Clarissa, Rodriguez and Moliner (2006) attempted to conceptualise perceived value in tourism. Dwyer and Kim (2003) have discussed destination competitiveness and mentioned the relevance of creating value. They note however that a full study specifically analysing value perceptions in tourism from a supply and demand perspective was not present at the time. Finally, Dwyer et al. (2003) acknowledge the need for a substantial amount of empirical research in developing destination competitiveness using different viewpoints.

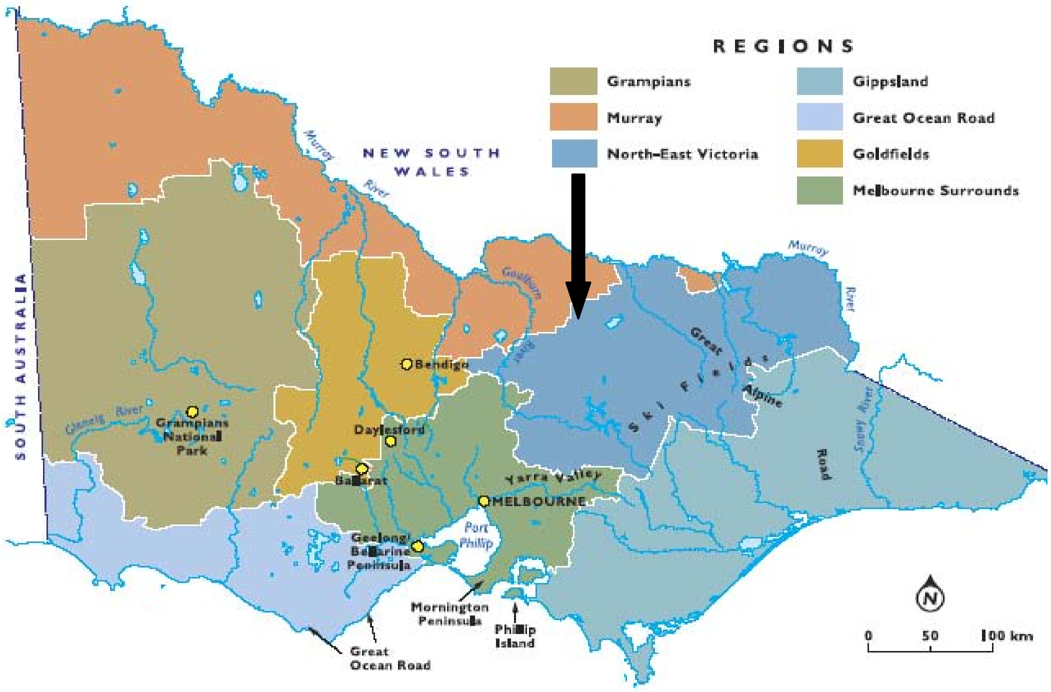
Overall the literature on customer value creation through perceived value measurement in the tourism industry presents a gap in that it does not analyse both supply and demand perspectives. This thesis aims to commence filling these gaps by investigating the value perceptions and desires of tourists and the thoughts and actions of suppliers. Information gathered on the tourists' behalf is also used to further explore and hopefully extend the theory of perceived value.

1.4 Research Location: North East Victoria

1.4.1 Background

Data for this research was collected in the regional area of North East Victoria. It is promoted by Tourism Victoria as the 'Legends Wine and High Country' region and is located approximately three hours North East of Melbourne (North East Valleys n.d.) where it covers a geographical area of approximately 17,640 square kilometres (Invest Victoria 2002). Figure 1.1 (overleaf) illustrates the size and location of North East Victoria in comparison to other Victorian regions. Figure 1.1 shows that the area extends from Victoria's snowfields to the Murray River and the New South Wales border, encompassing the Alpine Valleys, Beechworth, Glenrowan, King Valley and Rutherglen (Rutherglen Touring Guide 2003).

Figure 1-1: North East Victoria, Victoria



(Source: Tourism Victoria 2004)

Strathbogie, Murrindini, Benalla, Mansfield, Wangaratta, Indigo, and Alpine (North East Victoria Tourism Inc 2010) are the seven local government areas, totalling a population in 2009 of approximately 103, 000 people (Australian Bureau of Statistics, ABS 2010). While it could be argued that the regional city of Albury-Wodonga is included within Victoria's North East, this research has adopted the area as outlined by Tourism Victoria (2010a) which treats Albury-Wodonga as a separate gateway area between Victoria and New South Wales (see Figure 1.2 overleaf). Figure 1.2 illustrates the major areas within the North East on which this research is focused.

The region is well known for its diverse agricultural production, predominantly the wine, wheat and wool industries (Invest Victoria 2002). It also boasts a well established tourism industry with an estimated 4,632 tourism related businesses (Tourism Victoria 2004) which in 2004 made up 14% of all tourism related businesses in regional Victoria and ranked the North East region as second highest in the state (Tourism Victoria 2004). In terms of tourism attractions, the area is well known for its snowfields, food and wine, heritage, natural attractions, outdoor activities and scenery. Its towns and villages boast fine wines, gourmet delights, lively festivals, outdoor adventure activities, heritage of bushrangers, horsemen and gold, as well as antiques and natural attractions.

Figure 1-2: <u>Areas in North East Victoria Region</u>

(Source: Tourism Victoria 2010a)

1.4.2 Location Rationale

North East Victoria was selected as the location for this research due to a) the increasing interest in developing regional tourism, b) to balance the national, urban and coastal emphasis of past perceived value studies and; c) because of the diverse range of tourism products and services it offers. Further, its distance from metropolitan Melbourne means, that for many, it is more than a day trip; thus requiring many visitors to travel and stay away from home for a period of time - either overnight or longer. This assumes that many of those who visit the region also have the time, inclination, opportunity and income to visit a range of tourism attractions and experience a variety of products and services while away from home.

In 2004, Tourism Victoria (2004, 10) stated that "by 2007, North East Victoria will be recognised as Victoria's primary location for ski and adventure tourism, and will be a leading food, wine, nature based and touring holiday destination." This stems from the interest in developing regional tourism as identified by point a) above. To do this several tourism objectives with an emphasis on facilitating the development of quality and value in tourism to match market needs, enhancing tourism product strengths and, increasing visitor length of stay were proposed (Tourism Victoria 2004). This overall quality and value vision and its related objectives illustrate the relevance of this study to the region. By investigating supply and demand in terms of value perceptions and creation, misalignments between the value of products/services supplied compared with those that are actually wanted can be identified. Not only this but, previous research in the field has dominantly occurred at a national or urban level where value perceptions and associated areas have been investigated from the viewpoint of tourist nations or origin cities. For example, Sanchez et al. (2006) studied perceived value in three tourist cities of Spain; Madrid, Valencia and La Coruna while, Petrick (2003) measured the perceived value of cruise ship passengers in the Caribbean. Subsequently, measuring the perceived value of country/regional visitors has not been a priority and will therefore become the basis for this thesis.

1.5 Research Aim and Objectives

The purpose of this research is to address the gaps in the literature and conceptualise perceived value in terms of what it actually means to tourists and any differences among tourism supply and tourism demand. It is proposed that an exploration into these areas from a value perspective will provide the parties concerned with information reflecting tourist pre-trip and post-trip perceptions, supplier perceptions and the actual value suppliers provide so as to advance industry and academic knowledge. Creating value has been widely advocated as a strategy for achieving competitive advantage and enhancing customer value (de Chernatony et al. 2000). Therefore, an identification and analysis of any gaps within the tourism industry is considered important; not only to understand the value perceptions of tourists and suppliers, but also to devise value creation strategies that result in favourable outcomes for all concerned. Dwyer et al. (2003) state that tourist visitation depends on whether or not product and service offerings in the area accurately reflect the value preferences of tourists. They also state that this 'fit' is important in meeting expectations, achieving satisfaction and, generating favourable post-trip behaviour.

The current study incorporates perceived value and service quality measurement to analyse tourists' pre- and post-trip value perceptions as well as the overall meaning value has to them. These methods have been selected because it is within these areas that the majority of value creation literature exists. Destination suppliers' actual value added and their thoughts on what tourists' expect will also be investigated to explore and determine where discrepancies between what is demanded and provided lie. Identification of these will allow future value strategies matching supply and demand to be formulated. Dwyer et al. (2003) emphasise the importance of this process highlighting that it increases knowledge on the interrelationships between consumer preferences and destination attributes and, can result in better more informed decision making.

The DCTA (2003) report suggests that the minimising supply and demand gaps through the provision of tourism offerings exhibiting value is the key to optimising growth, competitive advantage and tourism yield. Dwyer and Kim (2003) state that if a destination is to succeed in these areas its product must be developed in a way that 'matches' evolving consumer preferences, which Hassan (2000 in Dwyer and Kim 2003) notes can be done through creating and integrating value. Overall, they stipulate that the value added, and the match between tourist preferences and actual offerings determines the competitiveness and success of a destination. The importance of this and creating value to attract consumers and meet their expectations is widely documented (see, for example, Priem 2007, O'Neill and Charters 2000, Woodruff 1997). Consequently, the current study focuses on perceived value and the idea that value creation through value adding in the tourism industry is a viable means of matching preferences with offerings and, also in advancing tourism research in these areas.

1.5.1 Research Aim

- To explore the real value perceptions of tourists and suppliers in the country region of North East Victoria and suggest the application of value creation strategies.

To accomplish the overall aim, this research explores the supply and demand elements of tourism offerings in the case study region. Thus, specific research objectives for each perspective have been derived:

1.5.2 Research Objectives

1.5.2.1 Demand Perspective

- Use open questioning techniques to determine tourists' perceptions of value;
- Explore differences between the perceived value of tourists and that of suppliers, and;
- Analyse the real value perceptions of tourists derived from an open questioning approach with the closed question findings of Sanchez et al's. (2006) GLOVAL study.

1.5.2.2 Supply Perspective

- Use an open question method to identify suppliers' perceptions of what tourists' value, and the actual value they have added to their tourism offerings;
- Educate small businesses by recommending that value creation may be a strategy which could help to reduce any misalignments between tourism supply and demand.

These objectives will explore the extent of any revealed supply and demand gaps, while also enhancing knowledge of value perceptions and creation among tourism researchers and the tourism industry. The information derived may enable tourism destinations and individual tourism suppliers/operators to create value strategies which could possibly better match tourists' perceptions of value. If the industry is to achieve its goal of competitive advantage and yield maximisation, it must first provide the sort of 'value- products' and '-services' demanded by the tourist. With reference to the academic contribution of this study, the thesis will examine the way tourists interpret value and compare these perceptions with established theories in the hope that they can be further developed and expanded.

1.6 Thesis Structure

This thesis consists of seven chapters. The current chapter raises the idea of investigating value perceptions from a supply and demand perspective with the aim of creating value the desired. In particular, the chapter provides a justification for this study and stresses the importance of investigating these areas from both an industry and tourist perspective. An overview of the study location and the research aims and objectives to be adopted are also noted.

Chapter Two provides a review of the literature whereby value, perceived value and value creation through value adding are explored. It also incorporates a discussion on the relationship between value literature and tourism. A proposed theoretical framework and research questions conclude the chapter.

Chapter Three addresses the methods that were used to obtain and analyse the primary data collected for this thesis. A major highlight of this chapter is the dual research strategy which moves from a qualitative inductive method to a more quantitative deductive approach, as reflected in a mixed method approach.

Chapters Four and Five present and report the results of the analysed data. Chapter Four describes the data collected during the inductive stage of the research, while Chapter Five derives hypotheses associated with the research questions and moves into the deductive stage through statistical analysis.

Chapter Six provides a discussion on 1) the implementation of the mixed method approach undertaken, 2) the research results and 3) their implications. Recommendations for future research are also made.

To finish the thesis, Chapter Seven provides a conclusion to the study, where the findings are reiterated in the context of the research aim and objectives, and implications for academic research and tourism industry practices are presented.

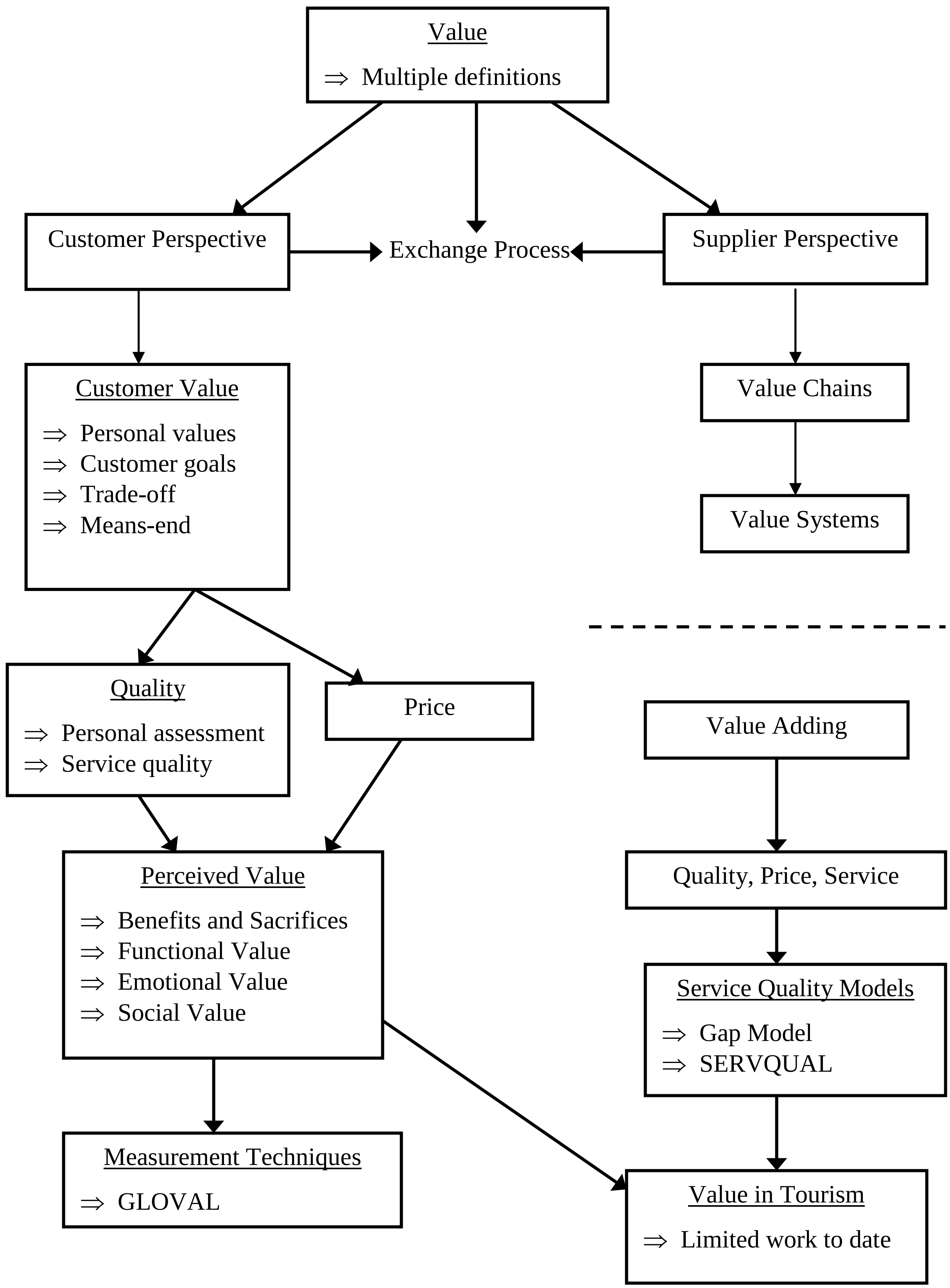
Chapter 2: Literature Review

2.1 Introduction

Given the competitiveness and uncertainty of the environment in which it operates, recent years have seen great fluctuations in the global tourism industry (de Chernatony et al. 2000). Competition for the tourist dollar is fierce, and tourists are becoming more discerning and sophisticated in their product choice. As such, large numbers of service firms now attempt to improve their position through the provision of value, which is considered by many to be a means of enabling future success (Delvin 1998). Strong empirical evidence exists that shows a relationship between the creation of superior customer value and corporate success (de Chernatony et al. 2000, Woodruff 1997, Porter 1985, Slater and Narver 2000). Offering value is said to influence decision making in terms of choice and buying behaviour (Day 2002, Woodruff 1997). Generating it has thus been seen as a central driver in determining consumption and is a continuing area of service related research, especially with regards to marketing and management (Cheng, Lin and Wang 2010).

In accordance with the value focus of this study, the following chapter examines and synthesises relevant literature in the area. An extensive review of management and marketing literature on the topic is presented along with the beginnings of a tourism application which forms the basis of this study. This chapter therefore addresses the core facets of '*Generating Customer Value in the form of Tourism Products and Services*' and focuses on the main pertinent aspects of this issue. In order to clarify the many concepts involved and their relationship to the tourism matter under investigation a navigational figure (Figure 2.1) is included overleaf. General research questions are also introduced at various stages. The review is then summarised through the introduction of specific research questions at the end of the chapter which will guide the development of the study's research methodology.

Figure 2-1: The Various Dimensions of Value



2.2 The Concept of Value

Value is an ambiguous, multifaceted concept which takes on different meaning to different people and disciplines. Huber, Herman and Morgan (2001) note the concept tends to be complicated by numerous interpretations, biases and emphases. Many authors also acknowledge the difficulties involved in defining value because it is a dynamic and somewhat elusive construct that tends to evolve and change over time (Stephens, Surprenant, English and Gillett 1987, Woodruff 1997, de Chernatony et al. 2000). Day (2002) argues that although it is believed to be central to consumer decision making, a thorough understanding of value and its role remains vague. Leszinski and Marn (1997 in Khalifa 2004) suggest the phenomenon is one of the most overused and misused concepts within the literature, particularly in management. The term is typically used synonymously with others such as worth, utility, benefits and quality, which are also often not that well defined and further confuse the concept (Parasuraman 1997). Nevertheless, the general nature of value has enabled it to be applied in diverse fields including finance, economics, management, information systems and accounting (Huber et al. 2001, Khalifa 2004). More importantly, it has been discussed extensively throughout the marketing literature in areas including pricing, strategy, consumer behaviour, relationship marketing and total quality management (de Chernatony et al. 2000). With reference to tourism, the study of value appears to be infrequent and is generally undertaken in accordance with its marketing context through areas including quality, price and consumer behaviour.

2.2.1 Value Defined

The multifaceted nature and application of value means that a single definition is somewhat difficult. Sweeney (1994 in Patterson and Spreng 1997, 416) suggests it "is an abstract concept with meanings that vary according to context." For example, the marketing literature states the most common definition is "a ratio or trade-off of total benefits received to total sacrifices" (Patterson and Spreng 1997, 416). In the consumer behaviour literature, however, it is defined in terms of customer needs, desires and the price they are willing to pay (de Chernatony et al. 2000). The Australian Oxford Dictionary (2002) outlines 13 definitions, each of which share the common terms – 'worth', 'desirability' or 'utility'. Specifically it identifies value as "the worth, desirability or utility of a think, or the qualities on which these depend" (The Australian Oxford Dictionary 2002, 1480). The World Publishing Company (1962) also suggests a number of definitions for value with 'desirability' and 'worth' frequently used.

Dictionary.com (2004) extends the term a little further and defines it as "an amount of goods, services or money, considered to be a fair and suitable equivalent for something else; a fair price or return." This characterisation highlights the process of exchange, whereby something of value is given up (exchanged) for something of greater value which satisfies a need and/or want (Holbrook 1994). According to Webster (1994 in Khalifa 2004, 647) the concept is said to be "defined by the customer in the market place not by the supplier in the factory" or as Doyle (1989 in Khalifa 2004, 647) states it does not refer to "what the producer puts in, but what the customer gets out." Such opinions raise confusion when it comes to the classification of the supply, demand and perception elements of consumer value, while also questioning the existence of opinion differences between suppliers and consumers.

Value is also often expressed in the form of equations that explicitly indicate its relationship with the variables of quality and price. This comparison is acknowledged by Zeithaml (1988) and Buzzell and Gale (1987 in Kashyap and Bojanic 2000) who view it as a function of price and quality and conclude that different levels of value could be experienced over various price levels. These commentaries give strength to the traditional equation which stipulates:

$$\text{Value} = \text{Price} + \text{Quality}$$

Stephens et al. (1987) further argue the existence of a relationship among variables and extend the traditional equation whereby 'value = quality + needs/expectations=cost'. The inclusion of needs/expectations suggests that creating value can include more than a simple assessment of price and quality. This equation is supported by Heskett, Sasser and Schlesinger (1997) who highlight the use of these same variables however, they also take a broader perspective and integrate overall results, and costs (external to price):

$$\text{Value} = \frac{\text{Results} + \text{Process Quality}}{\text{Price} + \text{Customer Access Costs}}$$

In their equation: results refer to the entire range of benefits received in the exchange process; process quality relates to how and what is received; price is considered in terms of money; and, customer access costs include all the non-monetary sacrifices, such as the time and effort one has made to acquire and/or experience the product/service. Overall it is this process of exchange and its subsequent value evaluations, from both a supplier and consumer perspective, that form the foundations for this research. de Chernatony et al. (2000) stipulate the importance of analysing value from both a customer and supplier perspective which gives support towards this study.

2.2.2 Customer Value

The concept of customer value has been explored extensively by a number of authors and is continuing to emerge as an important area of research (Gronroos 1997, DeSarbo et al. 2001, Priem 2007). A general consensus reveals that it takes the perspective of an organisation's customers and considers "what they want and believe that they get from buying and using a seller's product" (Woodruff 1997, 140). Many authors also suggest it is not just about understanding what a customer values, but also creating and managing these elements (Drucker 1985, Porter 1985, DeSarbo et al. 2001). Despite the vast array of commentaries examining this area, a review of the literature only provides a vague sense of what it actually means. Rather, definitions reveal a diversity of meanings. Sanchez and Iniesta (2006) argue that although a significant body of literature exists on the topic, the various studies create a dispersed, sometimes confusing and inconclusive base of knowledge. The ambiguous and subjective nature of value alone means that, customer value is also a diverse concept where difficulties in definition arise. This is largely attributable to the fact that it evolves and changes over time and holds a variety of meanings across individuals (Zeithaml 1988, Woodruff 1997, Khalifa 2004). In fact, Priem (2007) argues that sparse and insufficient attention has been paid to this demand perspective. Indeed, this may be a reason for its lack of definition and presents a research area that is explored in this study.

With reference to current definition, Zeithaml (1988, 14) suggests customer value to be "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given up…a trade-off of the salient 'give' and 'get' components." In particular she identified four distinct groups:

1) Value is low price;
2) Value is whatever I want in a product;
3) Value is the quality I 'get' for the price I pay; and,
4) Value is what I 'get' for what I 'give.'

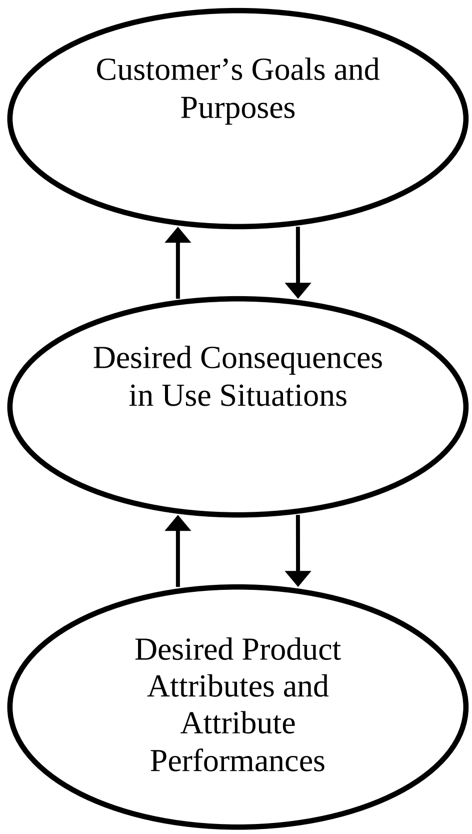
Following this study, others also highlight the combination of what is received and what is sacrificed in their explanations (see, for example, Monroe, 1990, Rust and Oliver 1994, Gale 1994). These authors suggest that quality or benefits equate to what is received, while the sacrifice component refers to paying the price. Gale (1994) takes this a step further where customer value includes opinions of a supplier's products or services compared to those of competitors. Butz and Goodstein (1996, 13) also adopt a different perspective highlighting it incorporates an emotional bond between consumer and producer. They suggest this occurs after the salient product or service has been used and was found to provide an added value. Finally, Burns and Woodruff (1992) introduce the notion of values suggesting that from the consumer's point of view value can be separated into two areas:

1) person related values; and,
2) values that are related to product/product use judgements.

The former refers to desired end states of existence or modes of conduct that guide behaviour (Rokeach 1973). They are general values affecting the judgements of a consumer in terms of product choice and their associated use experiences. The second component proposes that a consumer will characterise product value as a judgement which they base on quality/cost trade-offs (Jacobson and Aaker 1987).

Analyses of the above definitions highlight several common factors. First, customer value is inherent in or linked to the use of some sort of product or service from which value perceptions are formed (Woodruff 1997). Second, reference is made to some sort of trade-off between what the consumer gives up in order to acquire the product/service (sacrifices or costs, 'give' component) and what they actually receive (benefits, 'get' component). It must also be noted however, that customers evaluate value at different times of the consumption process and the criteria they use may differ accordingly (Woodruff 1997, Gardial, Clemons, Woodruff, Schumann and Burns 1994). For example, preferred product attributes, their performance and the consequences arising from use are analysed to form opinions about what is selected, its performance and a customers final value perceptions. Such attributes develop from an initial need or want and are chosen based on satisfying this or achieving one's goals. Figure 2.2 provides an illustration of this process.

Figure 2-2: Customer Value Hierarchy Model



(Source: Woodruff 1997, 142)

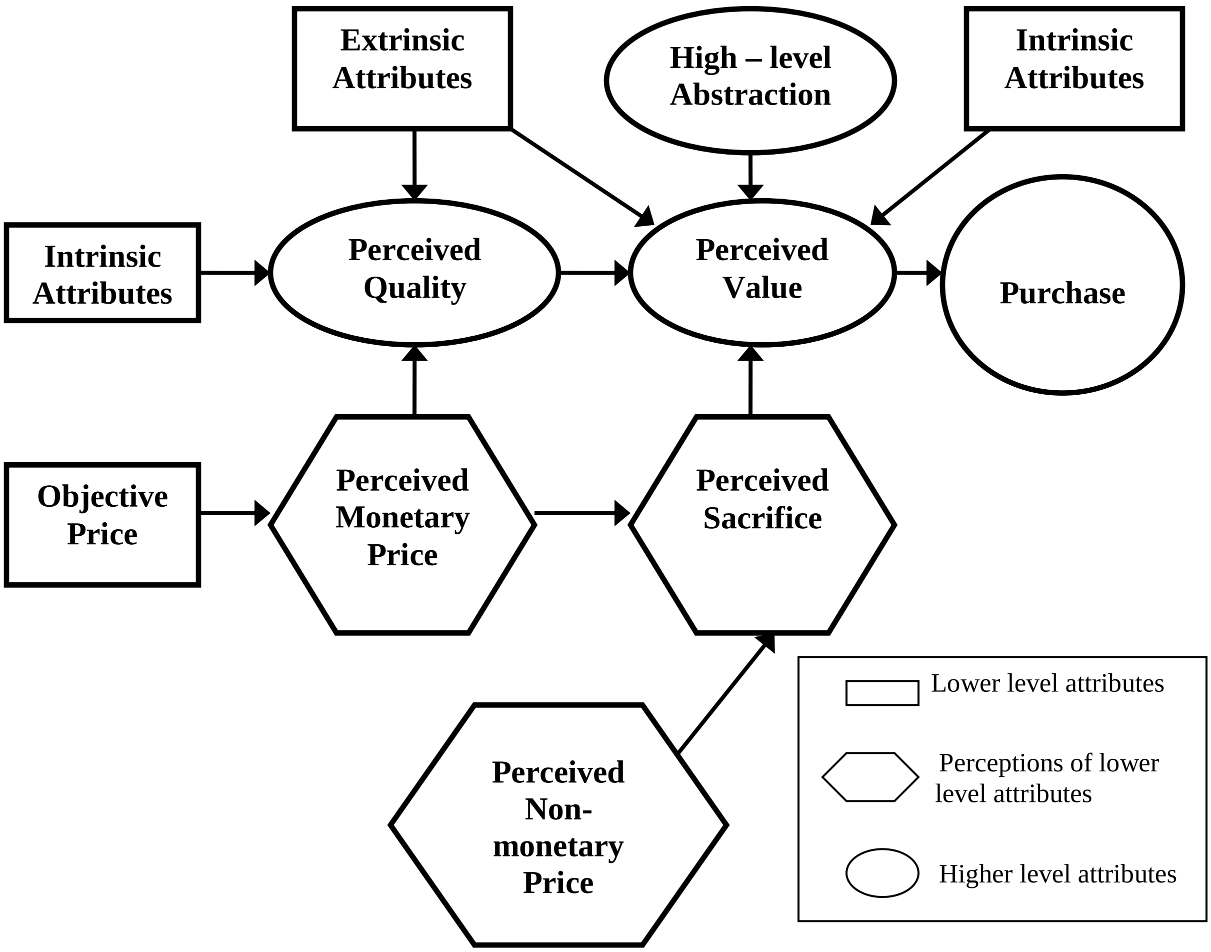
The figure shows that customers move upward from the bottom of the hierarchy by thinking about products, the attributes they desire and attribute performances. When purchasing and using the product, certain desires or preferences are formed which help the customers move to the top of the hierarchy and achieve their goals and purposes. Conversely, moving down the hierarchy, goals and purposes are used to attach meaning to the consequences desired from use. These act as a guide when it comes to determining the importance of product attributes and their performances. Based on this hierarchy, Woodruff (1997, 142) derived customer value to mean:

> "a customer's perceived preference for and evaluation of that product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations."

The work of the aforementioned authors and others to follow, propose that consumers determine value in a means-end way. This type of framework argues that "decisions are translated in terms of outcomes, which derive their meaning as to the degree they satisfy individuals' higher values, central goals or needs" (Crotts and Van Rekom 1994, 101). In other words, consumers evaluate products and/or services as a means to achieving a desired end state. Conceptually, this theory also provides a basis for understanding the relationships between the concepts of value, quality and price especially because quality for a certain price often determines value - a desired end state (Kashyap and Bojanic 2000, Zeithaml 1988). In terms of tourism, Kashyap and Bojanic (2000, 45) suggest that the means-end model "implies that the benefit or value of a product or service for a traveller is determined by the extent to which the product or service helps the traveller achieve desired ends as well as the importance of these ends for the traveller."

One of the most widely adopted means-end models was proposed by Zeithaml (1988) who related the concepts of price, perceived quality and perceived value in accordance with lower level, perceptions of lower level, and higher level attributes. Figure 2.3 (overleaf) illustrates this and demonstrates the role of these elements in the customer's pre-purchase stage.

Figure 2-3: How Consumers Evaluate Value Using a Means-End Model



(Source: Zeithaml 1988, 4)

According to the model depicted in Figure 2.3, consumers evaluate products on the basis of their perceptions of price, quality and value, rather than on the actual objective attributes. As can be seen, price and quality perceptions lead to the formation of value perceptions which end in purchase. This analogy also gives support to the previous mentioned value equation (refer section 2.2.1). Objective price is labelled as a lower level attribute where it becomes a consumer's perception of money and results in quality perceptions that lead to perceived value and purchase. Perceived monetary and non-monetary price also relates to perceived sacrifice. Therefore, the total sacrifices of a purchase are lower level attributes and result in overall value perceptions. Extrinsic and intrinsic attributes also play a dominant role particularly because they relate to the products physical composition. These elements are often used to simplify consumer choice processes and provide cues for both quality and value perceptions (Zeithaml 1988). Finally, Figure 2.3 depicts perceived value to be a higher level abstraction because value is more individualistic and personal than quality. Secondly, it involves a trade-off of ‘give’ and ‘get’ components, whereas quality alone is a ‘get’ component. Therefore, “the benefit components of value include salient intrinsic attributes, extrinsic attributes, perceived quality, and other relevant high level abstractions” (Zeithaml 1988, 14).

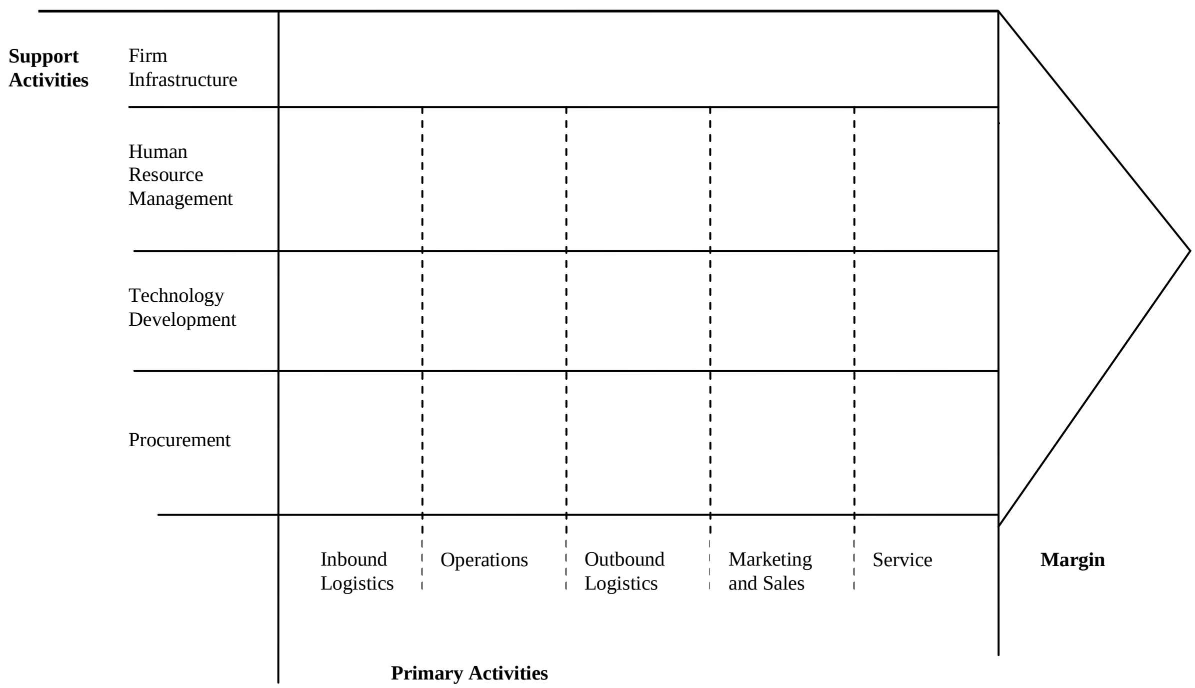
Overall, the *means-end* framework provides an avenue for management to move beyond a product or service attribute focus and begin tapping into how their products or services relate to the personal value system of their customers (Crotts and Van Rekom 1994). As consumers subconsciously adopt such an approach in their pre-purchase process by weighing the benefits of buying a product against its associated costs, suppliers need to make sure customers can see the connections between what is on offer and their desired end states (Crotts and Van Rekom 1994). Such states tend to include receiving value through the provision of quality and price while also being satisfied with the purchase outcome. Therefore, a focus on demand and the quality and price relationship in determining customer value is crucial and will be discussed below.

2.2.3 Supplier Value

Supplier value is mainly analysed in terms of an organisation’s strategy development and implementation, where the most critical aspect is its domination by customers who are known for not always thinking alike (Kahle 2003). Supplier value is therefore likely to facilitate an organisation’s competitive advantage. In support, Porter (1998, 77) argues that what “a company creates is measured by the amount that buyers are willing to pay for a product or service.” Further, Drucker (1985) suggests that what a business is, its success and what it produces is determined by customer perceptions of value and what they think they are buying.

As evidenced by discussions on value chains and systems, the concept has played an increasingly prominent role in the managerial considerations of suppliers over the years (Burns and Woodruff 1992). Specifically, Porter (1998) suggests that a company operates in a value chain, which divides a company's activities into nine generic value actions it performs to do business (see Figure 2.4). These include primary and support activities. The former consists of the product's physical creation, marketing, delivery and after sale service, while the latter provides the necessary inputs and infrastructure that allow primary activities to take place. Each of these is connected by linkages, often affecting their performance. With regards to supplier value, the chain and its related activities determine the profitability and competitive advantage of a business. This occurs when, in comparison to its rivals, the value created throughout the organisation's chain exceeds the cost of performing the activities which must be accomplished in a way that leads to supplier differentiation.

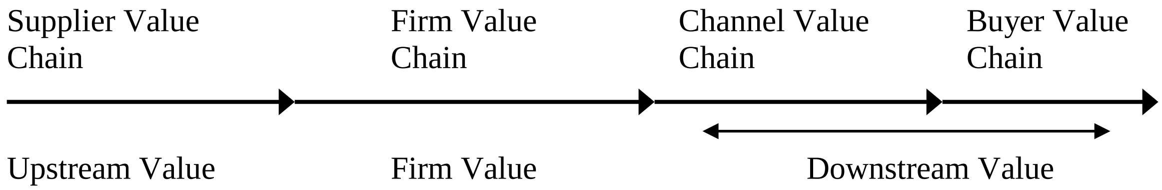
Figure 2-4: <u>The Value Chain</u>



(Source: Porter 1998, 77)

This value chain is embedded in a larger scheme of activities termed the 'value system' (Figure 2.5 overleaf). Porter (1998) describes this to include the value chain of the company, its suppliers, channels and buyers.

Figure 2-5: The Value System



(Source: Porter 1998, 78)

Therefore, when analysing value from a supplier perspective, it is important to understand these two areas of the firm. Like the value chain, the value system also comprises linkages between a company's suppliers and its channels. It is also a means to generate value and create competitive advantage where its delivery results in positive economic consequences through high revenues and less overhead costs as well as overall customer satisfaction where long-term client relationships, loyal customers and repeat business is established (DeSarbo et al. 2001, Patterson and Spreng 1997).

However, value appears to be defined by the customer and not the supplier, making it imperative that a company understands a buyer's value chain as it stands today and evolves over time (Slater and Narver 1994). Firms must continuously analyse and monitor consumer evaluation processes because they have a tendency to assess and assign value to many offering components and during every point of contact (Burns and Woodruff 1992). Ultimately, this buyer chain and its associated judgements impact several types of consumer behaviour, which in turn affect a company's success, and possibly its very existence.

2.2.4. Quality and Price

2.2.4.1 Quality

Quality, as mentioned, is viewed by many as a variable of value and an area customers use to denote whether or not value has been received. It has been widely acknowledged throughout the academic literature with its roots appearing in manufacturing (Garvin 1983). However, since the 1980s it has fast become an important concept in the marketing and service industry literature and is evidenced by the numerous works undertaken in service quality (see, for example, Gronroos 1984, Parasuraman, Zeithaml and Berry 1985 and 1988). Parasuraman et al. (1985, 41) articulate that similar to value, "quality is an elusive and indistinct construct." It is "often mistaken for imprecise adjectives like goodness, or luxury, or shininess or weight" (Crosby 1979 in Parasuraman et al. 1985, 41). Due to this complex nature, the substance and determinants of quality remain undefined, but its importance to firms and consumers is unequivocal (Parasuraman et al. 1985).

2.2.4.1.1 Quality Defined

Efforts in defining quality have dominantly emerged in the goods and manufacturing sector from the viewpoint of a company and its product base. Crosby (1979 in Parasuraman et al. 1985) defines the concept as conformance to requirements/manufacturing specifications, whereas Garvin (1983) looks at it in terms of analysing the incidence of a product's internal and external failures. Work by Deming (1986) took this manufacturing outlook a step further where he derived the quality chain reaction which had a core focus on quality within an organisation and demonstrated that the ultimate outcome of this would be that of increased market share and profitability. Particularly, however he took the traditional manufacturing focus and derived a flow of events to include support services and customers who he stated are "the most important part of the production line" and, that "quality should be aimed at the needs of the consumer, present and future" (Deming 1986, 5). The contribution of such work is significant in the measurement of quality as it acknowledges the product does not by itself determine quality. Also the customers, the way they use the product, the way they install it, maintain it and think about it in the future play an important role toward its management (Deming 1986).

Similarly, the work of Juran (1988) also focused on managing for quality where he too added the human element and derived the 'quality trilogy'. He noted that managing for quality involves the use of three interrelated management techniques: planning, control and improvement. Quality planning "is the activity of developing the products and processes required to meet customers needs" and involves determining the customers, their needs, the product features they want and the processes which are able to produce these (Juran 1988, 2.8). Quality control is used to meet the product and process goals while quality improvement aims to attain levels of performance which are unprecedented and significantly better than any past level. Overall, the abovementioned works of Crosby (1979), Garvin (1983), Deming (1986) and Juran (1989) suggest that while good management is the driving force behind achieving quality, customer satisfaction is the most important dimension in quality management in a service setting.

More recently, such explanations of quality have begun to take on a more diverse meaning. For example, The Australian Oxford Dictionary (2002, 1908) cites seven definitions of quality, which generally relate to "the degree or excellence of a thing," "general excellence," "of high quality," or "a distinctive faculty; a characteristic trait." Olshavsky (1985 in Parasuraman et al. 1988) viewed the concept as a form of overall evaluation of a product, while Zeithaml (1988) defined it as "superiority or excellence." With reference to products, Bergman and Klefsjo (2003 in Kvist and Klefsjo 2006) related it to their ability to satisfy, or exceed customer needs and expectations. Such a definition shows a shift from the traditional view to a more consumer perspective which matches earlier discussions on value. Specifically, Monroe (1990), Gale (1994) and Kvist and Klefsjo (2006) cited quality as a customer's primary benefit that should be aimed at the needs of the customer whereas Zeithaml (1988, 3) discussed the concept of perceived quality to be "the consumer's judgement about a product's overall excellence or superiority."

This study has adopted this definition by Zeithaml (1988) where quality is "superiority or excellence" as it can be applied to both suppliers and consumers. In addition, it is not just limited to a company's products but also incorporates the services it provides. Finally, the definition 'superiority or excellence' was extended by Zeithaml (1988) to incorporate the notion of perceived quality, which is an important element in the evaluation of value. Holbrook and Corfman (1985) concur, suggesting that quality acts as a global value judgement. Augustyn and Ho (1998) also agree indicating that in the tourism industry, quality processes are directly related to value, its perception and creation. With the focus of this research being on this industry, and its supply and demand elements, superiority or excellence is considered diverse enough to cover these areas. One problem with quality however was identified by Kvist and Klefsjo (2006, 523) who stated it is "judged subjectively by consumers, and is therefore a difficult concept to assess and measure." They emphasised it is even more complicated in tourism experiences because they are largely service related. This, in conjunction with the aforementioned work of Deming (1986) and Juran (1989) highlights the importance of service quality for the tourism industry because it is often used to measure and assess performance, which from the viewpoint of customers is what determines complete quality.

2.2.4.1.2 Service Quality

Service quality has emerged as an important area of academic and industry research. Simply defined, it is "the difference between consumers' expectations for service performance prior to the service encounter and their perception of the service received" (Asubonteng, McCleary and Swan 1996, 64). Therefore, it is determined by comparing the perceptions of the service performance received with the expectations desired (i.e., the discrepancy between customer's expectations before consumption and their perceptions after consumption) (Parasuraman et al. 1985, Zeithaml, Parasuraman and Berry 1990). However, few tangible cues exist in its evaluation because services are predominantly intangible, inseparable and heterogeneous (Kvist and Klefsjo 2006, Lashley and Lee Ross, 2003). That is, they are performance rather than objects based, and tend to vary from producer to producer, customer to customer and in their daily interactions (Zeithaml et al. 1990). Such limited tangibility means consumers must depend on other cues such as price to infer quality and thus value (Zeithaml 1988, Parasuraman et al. 1985, Patterson and Spreng 1997, de Chernatony et al. 2000, Al-Sabbahy, Ekinci and Riley 2004).

2.2.4.2 Price

Traditionally, price has been viewed in an economic context (see, for example, Waud, Maxwell, Hocking, Bonnici and Waud 1996, Monroe 2003). Research and anecdotal evidence however indicate that its "role is more complex than that of a simple indicator of purchase cost to buyers" (Monroe 2003). In fact as demonstrated, the concept is highly interrelated and frequently used with the elements of quality, value and sacrifice (Dodds, Monroe and Grewal, 1991). It is often conceptualised as an indicator of product quality and value, hence its use in the value equations earlier, and effects on a consumer's willingness to buy. Although it seems relatively simple to understand, the concept has both objective external properties and subjective internal representations, thus resulting in some meaning to consumers (Jacoby and Olson 1977 in Dodds et al. 1991). In particular, consumers develop price perceptions based on stimulus which may vary across consumers, products and within purchase situations and over time (Cooper 1969 in Dodds et al. 1991).

2.2.4.2.1 Price Defined

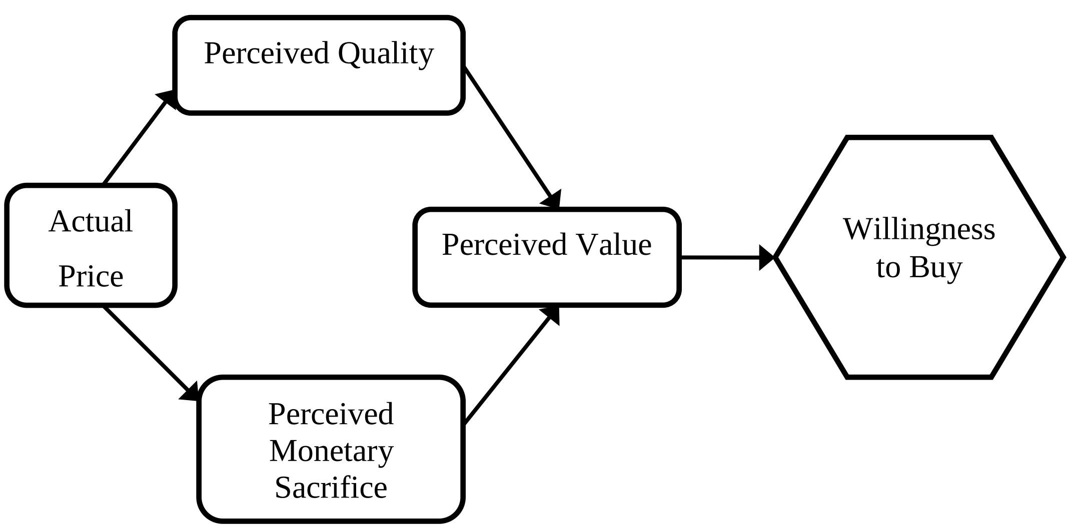
Price is generally viewed as "the amount of money we must sacrifice to acquire something we desire" (Monroe 2003, 5). That is, consumers consider it to indicate the quantities of money needed to acquire an amount of goods or services. The Australian Oxford Dictionary (2002, 1069) provides a number of definitions where it is "the amount of money or goods for which a thing is brought or sold," or "what is, or must be given, done, sacrificed, etc, to obtain or achieve something." From the consumer perspective, Zeithaml (1988, 10) defines price as "what is given up or sacrificed to obtain a product." The incorporation of sacrifice into this definition is consistent with that element of value, further highlighting a link between the concepts. Price can be both an indicator of the amount of sacrifice needed to purchase a product and the level of quality and value (Dodds et al. 1991, 308). Thus, customers do not buy solely on the basis of low price (de Chernatony et al. 2000). Instead they form expectations about a product or service where price and quality provide a foundation for the development of value perceptions.

2.2.5 The Relationship of Quality and Price With Value

The role of quality and price in value extends from the consumers' ability to evaluate trade-offs between the two from which overall pre- and post-value perceptions originate. In support, Buzzell and Gale (1987 in Kashyap and Bojanic 2000) viewed value as a function of these elements and concluded that customers could experience it over various price levels. Further, Augustyn and Ho (1998) suggest that the quality processes involved are directly related. In a study of business and leisure travellers, Kashyap and Bojanic (2000) found that price and quality determine perceptions of value and assist in the formation of intentions. Additionally, Patterson and Spreng (1997) define value in terms of performance which includes these areas while Sanchez and Iniesta (2006) articulate them to contribute to the formation of customer value. Therefore, it can be argued that both price and quality are dominant factors in the area of customer value.

Monroe (2003) supports the price relationship by suggesting that price exerts a great influence on buyers' value perceptions. More recently, Powers and Valentine (2008) argue that it has an effect on customer value where its role impacts buyers' perceptions of product quality, sacrifice, value and behavioural intentions. Figure 2.6 illustrates this role and relationship. The model, is similar to the means-end framework discussed earlier, suggesting that "buyers may use price as an index of perceived product quality as well as an index of the perceived sacrifice that is made when purchasing a product or service" (Monroe 2003, 104). Perceived value, as illustrated, follows as the result of the trade-off between buyers' perceptions of quality and sacrifice and is positive when the latter is less than the former. It is then positively related to a willingness to buy, often ending in purchase.

Figure 2-6: <u>Relationship of Price, Perceived Quality, Perceived Value and Willingness to Buy</u>



(Source: Monroe 2003, 105)

On the quality side, a number of authors argue that it contributes to customer value (see, for example, Chang 2009, Headley and Choi 1992, Zeithaml 1988, Parasuraman et al. 1985, Patterson and Spreng 1997). These authors also note that in conjunction with this, it has been found to contribute to market share, return on investment, the ability to charge higher prices that yield better profit margins, repeat visitation, positive word of mouth, brand and customer loyalty. Directly relating this to the tourism and travel industry Kandampully (2000) emphasises quality to be the main driving force of the industry if competitive challenges are to be met in the future. The relationship between value and quality means that value may also be a driving force behind the tourism industry's future and is demonstrated by the work of O'Neill and Palmer 2004, DCTA 2003 and Parasuraman et al. 1985, who all stipulate that the search for quality through value is an important consumer trend.

2.2.6 Section Summary

In summary, the above discussion reveals value to be relevant to both supply and demand. On the supply side, it relates to the products and/or services that organisations provide. Most importantly, however is the demand perspective where consumers purchase based on their pre- and post-purchase value perceptions. Within their evaluation consumers are said to assess the quality and price, (benefits and sacrifices) components of their purchase which also determine their perceived value. This highlights and introduces another important area in the study of value from the consumer perspective referred to as perceived value. This study will now explore this phenomenon including its conceptualisation and measurement.

2.3 Perceived Value

The theory of perceived value dates back to the late 1970s, however recent years have seen it develop and become an interdisciplinary area of research. The term 'perceived' is most often used in reference to a later purchase situation but consumer perceptions are now viewed as a phenomenon that can appear at any stage of the purchase decision process (Sanchez and Iniesta 2006). Various authors support this annotation suggesting that perceptions of value may be formed during the pre- or post-purchase phase or, both (Sanchez and Iniesta 2006, Patterson and Spreng 1997, Dodds et al. 1991, Parasuraman and Grewal 2000, Al-Sabbahy et al. 2004). Day (2002, 25) notes "the perceived value of a product or service can be expected to vary across different types of purchase situations because consumption goals vary and therefore evaluation of attribute performance and consequences of use differs." During pre-purchase, perceived value may either encourage or deter a consumer from buying. Patterson and Spreng (1997, 421) provide an example of this arguing that during this stage "a consumer may refrain from purchasing a product if the price is outside their range or the price signals that the quality is inferior." Post-purchase, perceived value influences customer satisfaction, intention to recommend and return behaviour (Dodds et al. 1991, Grewal, Monroe and Krishnan 1998, Parasuraman and Grewal 2000). Therefore, it influences a consumer's willingness to buy in the before stage and their willingness to re-visit and recommend in the after stage. Additionally, during pre-purchase, perceived value promotes the formation of customer expectations, which incorporate what customers expect to receive when acquiring a product/service (Patterson and Spreng 1997). In conjunction with the customers' perspective, Pechlaner et al. (2002 in Gallarza and Saura 2006) note the concept is viewed by management as an option for improving competitive advantage. Thus if organisations can identify and provide products and/or services according to the value perceptions of consumers, they are more likely to receive the rewards.

Perceived value is frequently conceptualised as involving a consumer's assessment of higher order abstractions such as the ratio of perceived benefits and perceived costs (Sinha and DeSarbo 1998, Monroe 1990, Zeithaml 1988). Indeed, these two factors represent a mental trade-off that consumers must undergo in order to acquire a product or service. Stemming from the value discussion earlier, the basic model of perceived value postulates that perceptions are formed from a trade-off between perceived quality (being benefits) and price (being sacrifice) (Grewal et al. 1998). However, perceived value and these associations are classified as having a dual function.

2.3.1 Benefits and Sacrifices

The trade-off between benefits and sacrifices is the central process of the purchase judgement made by a consumer when perceiving the value they will and have received (Al-Sabbahy et al. 2004). Commonly referred to as 'what you get for what you give,' or 'getting what you paid for,' this phenomenon is vital in understanding customer value and its associated perceptions. Benefits are often referred to as the 'get' component, and entail what the customer 'gets' from a product (Al-Sabbahy et al. 2004, Zeithaml 1988, Patterson and Spreng 1997, Dodds et al. 1991). Sacrifices, otherwise known as the 'give' component, involve what the customer 'gives' up to acquire a product or service (Al-Sabbahy et al. 2004, Zeithaml 1988, Patterson and Spreng 1997, Dodd et al. 1991).

In terms of assessing these areas, if the perceived benefits outweigh the perceived sacrifices, consumers are more likely to possess positive value perceptions and make a purchase (Zeithaml 1988). Conversely, if the opposite occurs, consumers will buy from a competitor who they believe will provide them with a better trade-off. However, Zeithaml (1988) notes that value perceptions are situational, meaning that the trade-off changes according to the context within which an evaluative judgement is being made. Huber et al. (2001) and Day (2002) agree and extend this idea by suggesting that value perceptions vary across individuals due to their personal characteristics and value system and, also across choice situations where decisions are often based on past experiences. Another two factors that play a dominant role in the 'give' and 'get' trade-off are level of risk and the degree of involvement required. Often, consumers perceive a high degree of risk because they are unable to evaluate the outcome prior to buying (Sweeny, Soutar and Johnson 1999, Zeithaml and Bitner 2000 in Alexandris, Dimitriadis and Markata 2002). In terms of involvement, the higher the degree of personal involvement the greater the chance of attention and importance attachment after consumption has taken place (Gronroos 1984). For example, purchasing a soft drink from the local corner shop is a small expenditure that does not require a high level of involvement when evaluating alternatives and making a final choice. The purchase of a holiday, however, requires a high monetary expenditure and level of involvement because there are many factors associated with the final decision. Aside from monetary expenditure, the latter type of purchase usually involves some research into alternatives and, also requires certain amounts of time and effort on the consumers' behalf. With reference to this and its impact on perceived value, Ho, Chung and Lin (2010, 305) found both time and effort to be positively influential.

In a direct discussion on benefits, Kashyap and Bojanic (2000, 46) suggest that consumers infer them by subjectively evaluating all product/service attributes. Some of the most popular conceptualisations are functional in nature whereby ‘value’ is considered to be a cognitive trade off and defined in terms of performance (Sanchez and Iniesta 2007). In particular, quality is hypothesised as the major benefit, however authors also consider positive consequences or desired outcomes to be factors in this area (Zeithaml 1988, Woodruff 1997). In support, Spreng, Dixon and Olshavsky (1993, 50) note “benefits relate to one or to some combination of attributes of the product or service.” Aside from high quality, the utility, worth, happiness, convenience, low price, efficient response, premium service, satisfaction and, in some cases added extras like after sales service, infer benefits to customers and are known for building value to the extent where the customer’s experience is improved (Kashyap and Bojanic 2000, Huber et al. 2001, Treacy and Wiersima 1995 in Khalifa 2004, Spreng et al. 1993). Horovitz (2000 in Khalifa 2004) notes that benefits are also able to be improved, extended and expanded. Improving a benefit means an organisation focuses on one or a few of the product attributes and raises those offered beyond the current range, whereas extending and expanding them involves creating customer solutions and adding intangible elements to the tangible ones (Horovitz 2000 in Khalifa 2004). Each of these indirectly suggests that value can indeed be created by improving, extending or expanding the current level of offerings, which also includes adding aspects to enhance overall value for the consumer.

On the opposing side, sacrifices are most commonly viewed as the monetary costs associated with the purchase, preparation, usage and repair of a product/service (Spreng et al. 1993). However, research in the area has also come to include non-monetary costs such as effort, the time taken to purchase, prepare, use and repair a product, and the costs associated with the search, learning, emotional, cognitive, operating, disposal, physical and psychological aspects (Treacy and Wiersima 1995 in Khalifa 2004, Zeithaml 1988, Huber et al. 2001, Slater and Narver 2000, Spreng et al. 1993). Boksberger (2008) also introduces the element of risk as a non-monetary cost. Each of these have varying impacts and according to de Chernatony et al. (2000) have a strong influence on customer pre- and post-value perceptions. For example, if the time and effort taken to search for and acquire a product is greater than the benefits a consumer thinks they are going to receive, they are more likely to investigate alternatives and purchase from a competitor who, in their opinion, provides a better 'give' and 'get' trade-off. In the post-purchase stage, if the sacrifices are evaluated to be greater than the benefits received, consumers are less likely to recommend or actively participate in repeat purchase.

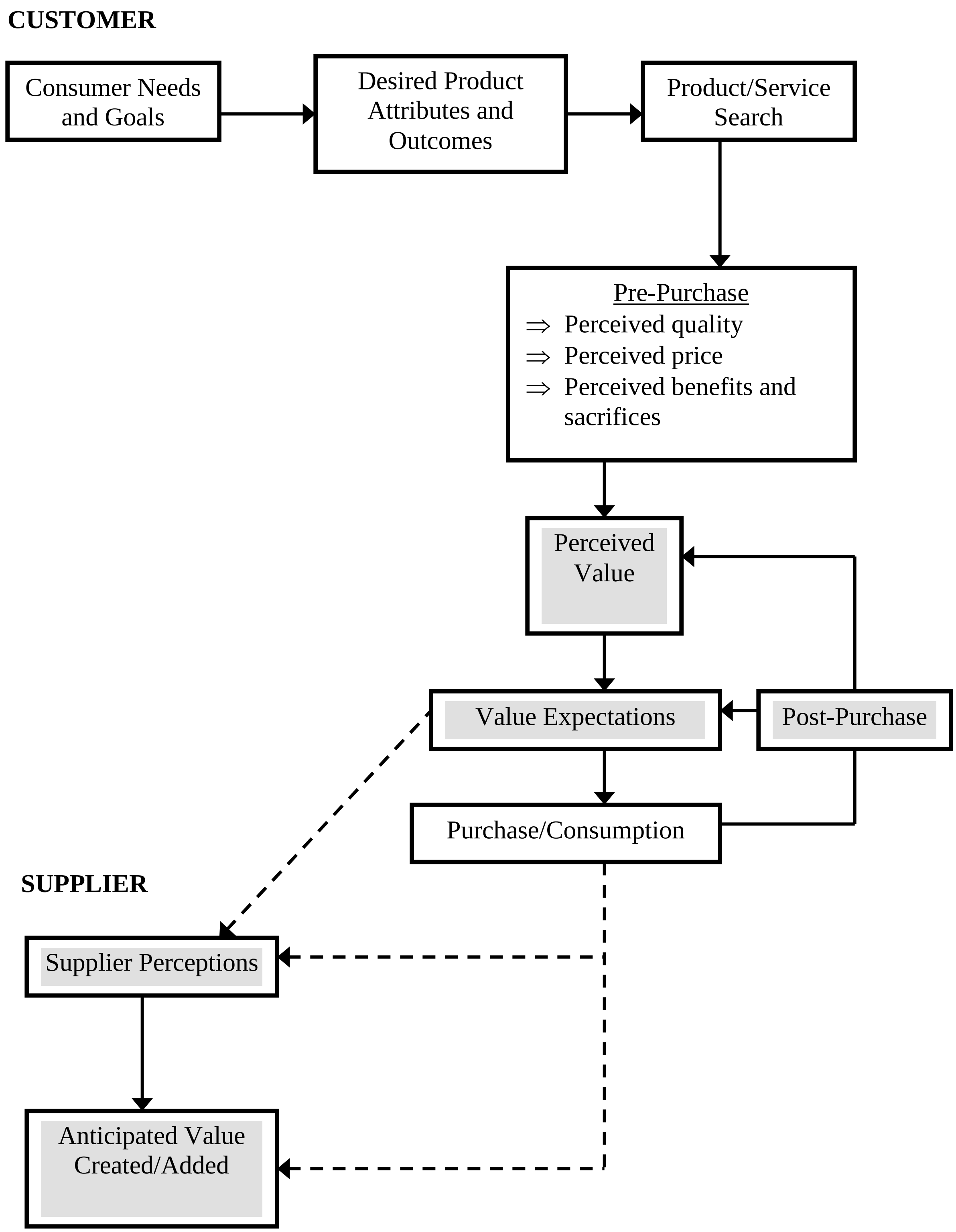
To further explain the varying nature of value across individuals, Zeithaml (1988, 14) proposed that "to some consumers, the monetary sacrifice is pivotal…[and] anything that reduces the monetary sacrifice will increase the perceived value of the product." To demonstrate this, she suggests that some supermarket shoppers will invest a great deal of time clipping coupons, reading advertising for product specials and will travel to different stores just to obtain the best bargains. However, to some, time and effort are seen as greater costs than the actual money spent (Day 2002, Zeithaml 1988). For example, those who are less price conscious will find value in store location/proximity and the product range including 'ready-to-serve' food products and home delivery.

Overall, the role of benefits and sacrifices are an important conceptualisation. These variables, in conjunction with the quality-price relationship discussed earlier, signify perceived value. Considering such a trade off, suppliers should not underestimate the function of consumer perceptions and evaluations in terms of the benefits and sacrifice.

2.3.2 Conceptualising Perceived Value

Figure 2.7 (overleaf) takes the discussions on value and perceived value presented so far and proposes a model from the perspective of customers and suppliers. On the customer side, Figure 2.7 illustrates that as stipulated by value theory, consumers have needs and goals from which desired product attributes and outcomes extend. They then begin to search for a suitable product/service containing these elements. During this process, pre-purchase perceptions regarding the product/service are formed which extend from insights regarding quality and price. Perceived benefits and sacrifices, (also related to quality and price), further contribute to the perceptions formed in this stage. Each of these variables then contributes to the overall perceptions of value one holds prior to purchase. Once this stage is reached, the model proposes that consumers form value expectations and participate in the act of purchase

Figure 2-7: Proposed Model of Customer and Supplier Perceived Value



(Source: Author)

and/or consumption. Following this, post-purchase value perceptions will be formed based on initial value perceptions (Woodruff 1997, Zeithaml 1988, Parasuraman 1997).

With reference to the supplier perspective Figure 2.7 suggests that suppliers form value perceptions which involve their thoughts and opinions about what consumers want (shown by the dotted line). Based on this they will create/add value to their products. However, the dotted lines show that it is currently unknown if these methods are in accordance with the value demanded by customers or somewhat different. In the case where discrepancies exist Huber et al. (2001) argue that suppliers should undertake target market analysis which aims to discover the value consumer's desire. He also suggests that they should not overlook the method consumer's use to structure their behaviour. Thus, findings from such analysis could possibly be used to create the types of value that are desired by consumers. This study proposes to investigate these claims as identified by the shaded areas in Figure 2.7.

This process is somewhat similar to the means-end approach discussed earlier and is supported by Huber et al. (2001) who note its relevance in categorising value, benefits, and attributes as it may help marketers identify their target consumers' central and peripheral needs. As such, an understanding of the customer will be fostered which will eventually enable organisations to provide what they want, need and expect. In fact, Jacoby and Olson (1985 in Zeithaml 1988, 16) claim that the focus "should not be objective reality but instead consumer perceptions." The distinction between pre- and post- perceived value is also a particularly important area of knowledge for organisations when considering the impact it has on consumers' purchase and/or consumption behaviours (Al-Sabbahy et al. 2004).

2.3.2.1 Perceived Value Studies

The empirical study of perceived value and its relationship to the component of quality, price, benefits and sacrifices continue to evolve. Table 2.1 (overleaf) summarises the major academic publications written in the field and shows that different authors have taken various approaches. An analysis of the studies in Table 2.1 also reveals the existence of common themes where much of the published research is evolvements of previous studies.

Table 2-1: Typology of the Approaches to Measuring Perceived Value

Author	Value Dimensions	Claimed Dimension Type
Zeithaml (1988)	• Means End Theory Perceived quality Perceived price Perceived value	Uni-dimensional
Sheth, Newman and Gross (1991)	• 5 Consumption Values Functional value Emotional value Social value Epistemic value Conditional value	Multi-dimensional
Babin, Darden and Griffin (1994)	• Utilitarian value • Hedonic value	Multi-dimensional
Bojanic (1996)	• Perceived relative value	Uni-dimensional
Kantamneni and Coulson (1996)	• Societal value • Experiential value • Functional value • Market value	Multi-dimensional
Grewal, Monroe and Krishnan (1998)	• Acquisition value • Transaction Value • Internal reference price	Uni-dimensional
Sweeney, Soutar and Johnson (1998)	• Quality • Emotional response • Price • Social	Multi-dimensional
Sweeney, Soutar and Johnson (1999)	• Social value (acceptability) • Emotional value • Functional value (price/value for money) • Functional value (performance/quality) • Functional value (versatility)	Multi-dimensional
Parasuraman and Grewal (2000)	• Acquisition Value • Transaction Value • In-use Value • Redemption Value	Uni-dimensional
Sweeney and Soutar (2001)	• PERVAL Emotional value Social value (enhancement of self-concept) Functional value (price/value for money) Functional value (performance/quality)	Multi-dimensional
Petrick (2002)	• SERV-PERVAL Behavioural price Monetary price Emotional response Quality Reputation	Multi-dimensional
Sanchez, Callarisa, Rodriguez and Moliner (2006)	• GLOVAL Functional value – establishment Functional value – personnel Functional value – product Functional value –price Emotional value Social value	Multi-dimensional

(Source: Author)

One such theme is the concept's uni-dimensional development. Sanchez and Iniesta (2007, 431) note that in this approach, "perceived value is essentially conceived with a utilitarian perspective, whereby economic and cognitive reasoning is used to assess the relevant benefits and costs." Consequently, this perspective is conceptualised as a trade-off between the utility obtained through use and the disutility (cost) of acquiring and consuming the product/service (Sinden and Worrell 1979, Ostrom and Iacobucci 1995). Work by Grewal et al. (1998) and Parasuraman and Grewal (2000) adopt the uni-dimensional approach to perceived value where they propose it is mainly conceived through the element of price. With reference to this, Grewal et al. (1998) suggest that two dimensions really exist:

1) acquisition value, and,
2) transaction value

The first takes into account both price and quality (the two dominant factors of value) and, as such represents a more global and enduring type of value (Grewal et al. 1998). Acquisition value was found to be a positive function of customer quality perceptions while also having an affect on their value perceptions and willingness to buy. Transaction value, however, dominantly focuses on the concept of price between what the consumer expects to pay and the amount for which it is offered. As described by Parasuraman and Grewal (2000, 169) this type of value refers to "the pleasure of getting a good deal," and often leads to feelings of satisfaction and the action of customer loyalty. In addition to these dimensions, Parasuraman and Grewal (2000, 169) suggest that in-use and redemption value also contribute to consumer's value perceptions. In-use value refers to the "utility derived from using the product/service;" while redemption value is the "residual benefit at the time of trade in or at the end of life (products) or termination (services). Overall, these four types of perceived value indicate its dynamic nature and illustrate how perceptions can, and do, change over time.

The second approach to perceived value as evidenced in Table 2.1 is a growing multi-dimensional interest, where it is conceived as a "construct that consists of several interrelated attributes or dimensions that form a holistic representation of a complex phenomenon" (Sanchez and Iniesta 2007, 431). Since consumers may be able to identify fifty or more different attributes that shape their value perceptions prior to, during and after consumption, Gale (1994) supports this approach noting that measuring the concept as a trade-off between price as the sacrifice and quality as the benefit is often too simplistic. Among the multi-dimensional studies listed in Table 2.1 three underling components continue to surface. In particular, the work of Sheth et al. (1991), Sweeney and Soutar (2001), Petrick (2002) and Sanchez et al. (2006) identify these commonalities as functional value, emotional value and social value.

Functional value has been defined as the perceived utility derived from the product's capacity for functional, utilitarian or physical performance. Sheth et al. (1991, 160) state it is acquired through "the possession of salient functional, utilitarian, or physical attributes" and "measured on a profile of choice attributes." Traditionally presumed to be the driver of consumer choice, this aspect of a product and/or service may be derived from its characteristics or attributes which include reliability, durability, price and perceived quality (Sheth et al. 1991). In other words, if a consumer views a product and/or service to be good quality for the price, and the characteristics for which they are buying it are present, their perceptions of functional value will be positive because their needs are being met. With reference to *emotional value,* Sheth et al. (1991, 161) define it as the utility derived from the "capacity to arouse feelings or affective states." They argue it is associated with specific feelings or, during the act of precipitating or perpetuating them. This dimension is measured therefore on a profile of feelings that are associated with purchase. Finally, the third common component of *social value* refers to the enhancement of social self-concept and looks specifically into the utility derived from the "association with positively or negatively stereotyped demographic, socio-economic, and cultural-ethnic groups" (Sheth et al. 1991, 161). The concept is therefore linked with the consumers social status gained from acquiring and using a product and/or service, their reputation and acceptability, and the social classes within which they do or wish to belong.

The multi-dimensional approach to perceived value has seen the development of robust measures through various scales all of which have been derived based on functional, emotional, and social value. Sanchez and Iniesta (2007) and Cheng et al. (2010) argue that the early work of Sheth et al. (1991) in this area is one of the most important contributions and the most frequently cited. Their theory defines a complex multi-dimensional structure for the concept and is acknowledged for laying the foundation and identifying the perceived value dimensions (Moliner, Sanchez, Rodriguez and Callarisa 2006). Many empirical studies have followed the work of Sheth et al. (1991) and prompted the development of various models, scales and theories. These scales are discussed below.

2.3.3 Perceived Value Measurement

One of the principal operational difficulties in testing and applying the theory of perceived value has been its measurement challenge. Considering the large number of definitions and the development of various measurement techniques over time, research in the area presents both consistencies and challenges. Despite this, the past decade has given rise to three particular measurement techniques. Two of these have generated wide methodological support, while the other remains in its infancy.

PERVAL (Sweeney and Soutar 2001) and SERV-PERVAL (Petrick 2002) were introduced as measures of perceived value for consumer durable goods at brand level in retail settings (PERVAL), and for the consumption of a service (SERV-PERVAL). Firstly, Sweeney and Soutar (2001) developed PERVAL, a 19-item measure from which four distinct value dimensions emerged: emotional, social, functional (quality/performance) and functional (price/value for money), while Petrick (2002) adapted earlier work in the field and applied it to services. Similar to the SERVQUAL (Parasuraman et al. 1988) and SERVPERF (Cronin and Taylor 1992) measures of service quality and performance, he developed a 25-item instrument to measure the perceived value construct and its dimensions in direct relation to services like tourism. Similar to previous scales, Petrick (2002) identified five distinct dimensions, these being; behavioural and monetary price, emotional response, quality and reputation. Since inception, both PERVAL and SERV-PERVAL have been extensively tested across different situations and found to be reliable and valid measurement instruments (Gallarza and Saura 2006, Petrick 2003, Sanchez et al. 2006). Recent arguments however, state that these instruments, although methodologically sound measurement tools, need to be broadened to capture more than just the post-purchase evaluation of a product and service (Gallarza and Saura 2006, Sanchez et al. 2006 and Petrick 2003). Perceived value is widely documented as occurring at different stages of the purchase and/or consumption process which can include pre-purchase, the moment of purchase, the time of use and, finally, after use (Sanchez et al. 2006). Indeed this highlights a need to consider all the stages involved and holistically measure perceived value from start to finish.

Sanchez et al. (2006) took note of this need and developed the GLOVAL scale which they state widens the scope of the PERVAL technique by measuring "the perceived value of a tourism package, including not only the travel agency but also the product purchased" (Moliner, Sanchez, Rodriguez and Callarisa 2007, 199). In particular, they suggest that tourists value all the elements affecting their consumption experience and take everything into account rather than simply the after purchase effects. Once the decision to purchase or consume has been made, tourists are expected to undergo a conscious and unconscious evaluation of the product, where new factors emerge that were not necessarily considered prior to purchase can now act as powerful evaluative variables. GLOVAL considered all of these factors and derived a 40-item measurement instrument based on the functional, emotional and social perceived value categorisation. Overall six dimensions were generated including: functional value – establishment; functional value – personnel; functional value – product; functional value – price; emotional value and, social value. Specifically, functional value – establishment referred to installations, functional value – personnel to professionalism, functional value – product to the product its quality and organisation and functional value – price related to the amount paid (Sanchez et al. 2006).

Each dimension was found to adequately measure tourists' perceptions of value, ranging from their emotions, social status and various functional aspects. The holistic start to finish nature of the technique and the fact that it takes into consideration elements associated with an entire tourism experience, makes it applicable for use in the present study. Importantly, it encapsulates the well documented 'give' (sacrifice) and 'get' (benefit) elements of perceived value as well as other areas of significance including satisfaction. Overall, unlike scales before it, GLOVAL addresses all elements of perceived value making it one of the more comprehensive measurement tools.

2.3.4 Section Summary

This section reveals that the study of perceived value is dominantly customer focused with little to no attention given to the supply side. This presents somewhat of a weakness in that suppliers may actually perceive value differently than their consumer counterparts. The only real links made to the supply side is that suppliers need to have knowledge and understanding of their customer value perceptions. By acquiring this information they can then enhance their offerings and generate the value desired. Otherwise known as value adding, this process can only be undertaken effectively if both supplier and tourist value perceptions are known – an area that this thesis aims to investigate. The literature review will now discuss the phenomenon of value adding after which an examination of research in the area of value and tourism will be presented and a theoretical framework derived.

2.4 Generating Value: Value Adding

In a discussion on value creation Priem (2007) states the concept is now being reconsidered among management scholars while Payne, Ballantyne and Christopher (2005 in Cheng et al. 2010) suggest it is a central driver in determining consumption behaviour and is worthy of greater scrutiny. Traditionally, value has been viewed more from the supply side in terms of value chains and systems rather than the demand side and a focus on determining what consumers actually want and value from a purchase situation (Priem 2007, DeSarbo et al. 2001). To obtain such information suppliers must become involved and analyse this perspective by asking the question 'What is it that consumers actually value?' Answers to this will provide insight into consumer expectations and perceptions while also enabling the provision of the value desired by customers. In support Priem (2007) and DeSarbo et al. (2001) argue that consumers are an important consideration in creating value which is generally conceived as a precondition for suppliers if they want to achieve beneficial economic outcomes.

All of this points towards the notion of value adding, which like value, has traditionally reflected the producer focus stipulating that a finished product is laden with value for shareholders and the organisation itself. However, the idea of doing this for consumers rather than producers is also suggested to have positive consequences for both parties.

Particularly, it should result in an increase in customer benefits (quality), and a reduction in sacrifices (monetary and non-monetary), risk and surprises from which favourable value perceptions and satisfaction will occur (Ho et al. 2010, Mitchell and Hall 2003, Parasuraman and Grewal 2000, Decorp 1999, Patterson 1993). On the supply side, such strategies will enhance product differentiation, competitive advantage, yield and customer loyalty (de Chernatony et al. 2000).

2.4.1 The Concept of Value Added

The concept of value added has been used extensively throughout the literature, predominantly in trade publications, and among different disciplines including, economics, management and accounting. Many variations in its terminology exist, making the construct ambiguous and difficult to define (Keogh 2002). It is defined in terms of a ‘good’ by The Australian Oxford Dictionary (2002) where enhancements are added to a basic line with the aim of increasing profit margins. Alternatively, it is also defined from a company perspective where it relates to “offering specialised or extended services” (The Australian Oxford Dictionary 2002, 1480).

One of the most widely discussed applications of the concept is within the economics literature. Economic Value Added (EVA), at its most basic, “is a measure of corporate performance that differs from most others by including a charge against profit for the cost of all the capital a company employs,” including that of shareholders (Ehrbar 1998, 1). This description highlights the focal point of EVA to be a company’s performance where it is concerned with the supply elements such as buying inputs and selling them as part of a product for more. Consequently, no reference is made to the consumer. As this thesis is based on creating customer value no further discussion on the concept of EVA will be provided. Rather, the perspective taken is one of marketing value added which consists of a more balanced view across the supply and demand elements.

In its marketing context, value added is considered to be a process through which something is added to a product to increase its overall value (Princeton University 1997, Webster’s in Gommel 2004, 58). InvestorWords (2002) further suggests it is “the process through which a company acquires a product or service and enhances it in some way before offering it to its customers." In marketing, the concept is "more than selling a product with a few throw-ins" (Keogh 2002, 11). Instead, it is a means for adding value to a product to improve the end user's bottom line and win over the value-conscious buyer (Tucker 2004, Gommel 2004). Examples of this include creating customer loyalty clubs, giving complimentary items or discounts, increasing service levels, and providing customer rewards. Gronroos (1997) suggests the addition of services can be classified as a strategy while Levitt (1980) discussed product augmentation, where components the customer had never thought about were added. This ideal is similar to that of Nilson (1992) who argues that a product must add value if it wants to achieve overall satisfaction. Therefore, as de Chernatony and McDonald (1998 in de Chernatony et al. 2000) emphasise, the process should include attributes that are both relevant and welcomed by customers.

Given the varying nature of the term and its association with generating value for the tourism industry, this research proposes a composite of the above literature and defines value added tourism as:

> The process through which a supplier adds attributes to an existing tourism product or service with the aim of enhancing its overall value to the tourist, meeting or exceeding their expectations and also increasing the business' yield.

2.4.2 Value Added Through Quality and Price

Given the traditional 'value = price + quality' equation, many authors suggest value can be added through the areas of price and quality (see, for example, Chang and Wildt 1994, Sinha and DeSarbo 1998, DeSarbo et al. 2001, Lepak, Smith and Taylor 2007). As such, empirical works conceptualising value adding tend to incorporate these components. Particularly well documented theories in the service industry include those developed by Parasuraman et al. (1985 and 1988) with their Gap Model and SERVQUAL. Although these theories have a particular emphasis on service quality and its measurement, price is generally considered in terms of the expectation and perception dimensions. Similar to price, the concept of value is also not directly addressed by these measurement techniques, however given the relationship between it and quality this study suggests they are indeed applicable when it comes to investigating value added. In support, Augustyn and Ho (1998, 72) state that "quality processes are directly related to value" while O'Neill and Charters (2000, 115) suggest that "service quality is critical in guaranteeing added value." Both theories are examined below followed by a discussion on their major criticisms.

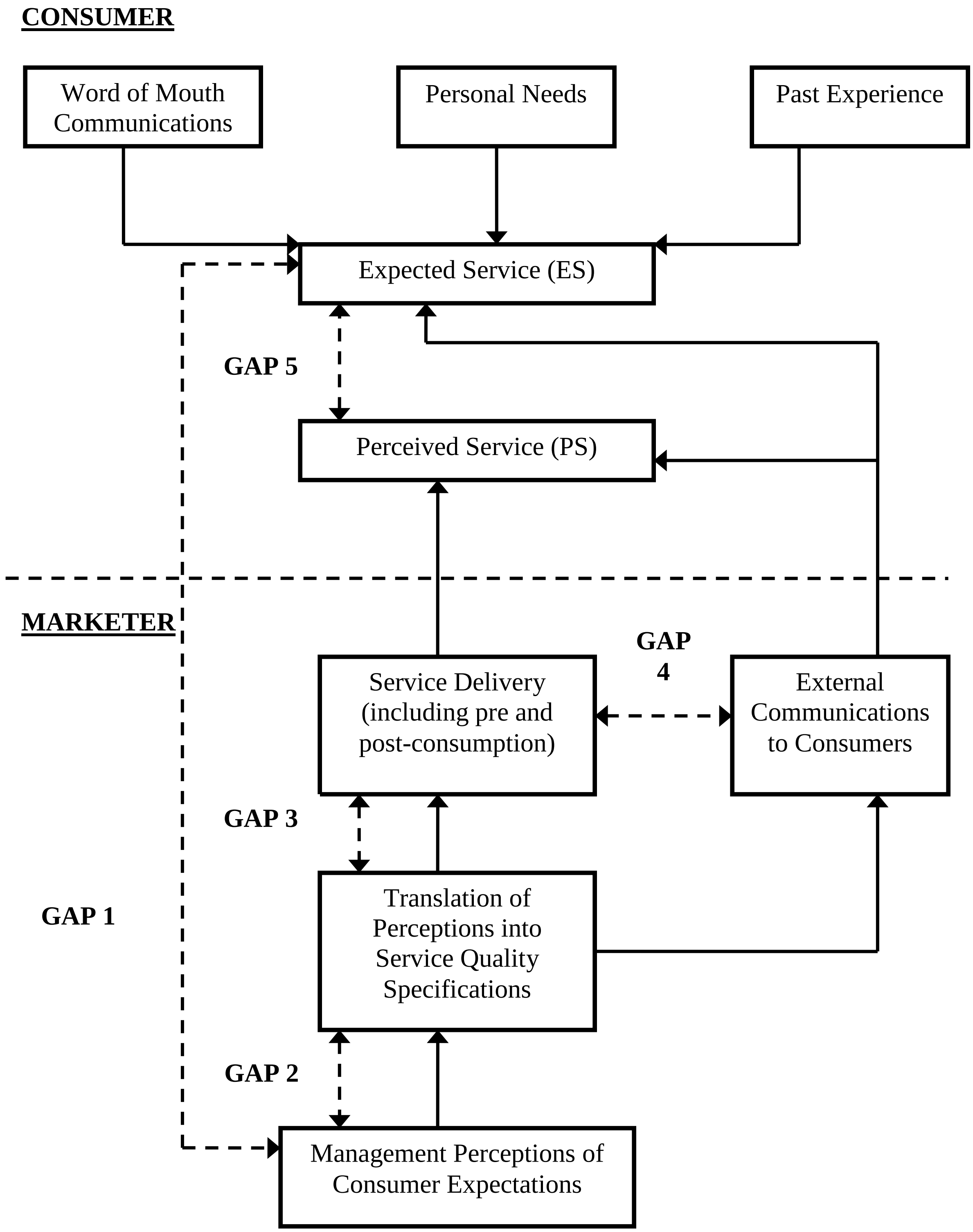
2.4.2.1 Service Quality Model – The Gap Model

The early work of Parasuraman et al. (1985) aimed to discover 1) service firm and consumer perceptions of service quality, 2) differences between these, and, 3) the problems involved in providing high quality service. Results revealed the existence of key discrepancies or gaps between executive perceptions and the tasks associated with customer service delivery. Employing these findings, the authors devised a service quality model which focused on service providers, their activities and their customers.

Illustrated in Figure 2.8 (overleaf), the paradigm identified a series of gaps in the service delivery process, four of which are on the marketing (service firms) side and one on the consumption (consumer) side. Each of these gaps are summarised in Table 2.2 (page 47). Gaps one to four were described by the authors to be "major hurdles in attempting to deliver a service which consumers would perceive as being of high quality" while gap five was argued to be the key to ensuring the delivery of good service quality (Parasuraman et al. 1985, 44).

Overall, Parasuraman et al. (1985, 46) argue that the developed model conveys that "service quality as perceived by a consumer depends on the size and direction of gap five which, in turn, depends on the nature of the gaps associated with the design, marketing, and delivery of services in gaps one through four." While the authors acknowledge that the characteristics upon which consumers evaluate services differ, they do agree with earlier work in the area (see, for example, Gronroos 1984) that, "perceived service quality is the result of the consumer's comparison of expected service with perceived service" (Parasuraman et al. 1985, 47). In brief, expectations are developed prior to the consumption process, whereas perceptions are formed after consumption has occurred.

Figure 2-8: Service Quality Model - The Gap Model



(Source: Parasuraman et al. 1985, 44)

Table 2-2: Gap Model Summary

Gap	Gap Title	Overview
Gap 1	Consumer Expectation-Management Perception Gap	• Discrepancies between executive perceptions of what consumers want and consumer expectations • Executives may not always understand what connotes high quality to consumers • Service marketers may not always understand what consumers expect in a service • This gap will have an impact on the consumer's evaluation of quality
Gap 2	Management Perception – Service Quality Specification Gap	• Discrepancies between management perceptions of consumer expectations and the actual specifications established for the service • Difficulties experienced in attempting to match or exceed consumer expectations • Resource and market constraints which prevent firms from delivering what the consumer expects • Absence of total quality commitment to service quality • This gap will affect service quality from the consumer's viewpoint
Gap 3	Service Quality Specifications – Service Delivery Gap	• The delivery of high quality service performance may not be a certainty • Employee performance has a strong influence on the service quality as perceived by consumers however, employee performance cannot always be standardised • Problems with contact personal, variability in performance • This gap will affect service quality from a consumer's standpoint
Gap 4	Service Delivery – External Communications Gap	• Media advertising and other communications by a firm can affect and influence consumer expectations • Firms must not promise more in communications than they can deliver • Discrepancies between service delivery and external communications can also affect consumer perceptions of the delivered service • This gap will affect service quality from a consumer's standpoint
Gap 5	Expected Service – Perceived Service Gap	• Discrepancies between consumer service expectations and perceptions after delivery • Judgements of high and low service quality depend on how consumers perceive the actual service performance in the context of what they expected • The quality a consumer perceives in a service is a function of the magnitude and direction of this gap • This gap is affected by the nature of gaps 1 – 4, which affects consumer perceptions of service quality

(Source: Parasuraman et al. 1985)

In concluding, their conceptualisation and its apparent gaps, the authors derived three distinct equations associated with expected service (ES) and perceived service (PS):

1) When ES > PS, perceived quality is less than satisfactory and will tend toward totally unacceptable quality;

2) When ES = PS, perceived quality is satisfactory;
3) When ES < PS, perceived quality is more than satisfactory and will tend toward customers interpretation of ideal quality.

Criteria that consumers use to evaluate service quality were also found, which appeared to fall into ten potentially overlapping key categories including; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and, access (Parasuraman et al. 1985). These categories were subsequently labelled the 'service quality dimensions' and provided the foundations for Parasuraman et al's. (1988) next study, SERVQUAL.

2.4.2.2 SERVQUAL

In conjunction with their Service Quality Gap Model, Parasuraman et al. (1988) developed a multiple-item scale for its measurement. SERVQUAL originated because at the time, no quantitative yardstick was available for gauging consumer perceptions of service quality. While The Gap Model identifies the service delivery process and its related gaps, it does not provide a method for assessing consumer perceptions. Therefore, the ten service quality determinants derived at the conclusion of this model were developed to act as the basic structure for the service quality domain's measurement.

In developing SERVQUAL, Parasuraman et al. (1988) focused on gap five and adopted the ten service quality dimensions to generate sets of statements that measured consumer expectations and perceptions. Their study revealed the possibility of seven relatively unique facets. Five of the original ten dimensions were distinct – tangibles (D1), reliability (D2), responsiveness (D3), understanding/knowing customers (D6) and access (D7). The remaining five – communication, credibility, security, competence and courtesy - were collapsed into two dimensions, D4 and D5. Retesting was then undertaken which revealed a greater overlap between dimensions D4 and D5, and D6 and D7. Eventually, after further factorial purification, the items in these dimensions were combined to form two separate ones. A final set of five dimensions was derived resulting in the five dimension scale known as SERVQUAL, which was designed to identify specific service quality attributes within particular contexts. Table 2.3 outlines the final five SERVQUAL dimensions.

Table 2-3: The Five SERVOUAL Dimensions

SERVQUAL Dimension	Description
Tangibles	Physical facilities, equipment, and appearance of personnel
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	Caring, individualised attention the firm provides its customers

(Source: Parasuraman et al. 1988)

Parasuraman et al. (1988) proposed that service quality can be quantified by using the SERVQUAL technique to obtain measures of consumer expectations (E) (before) and perceptions (P) (after) regarding the performance levels of service attributes. To do this, they developed two 22-item scales to measure both situations. Data were collected simultaneously on the same questionnaire using a seven-point Likert-type scale ranging from strongly agree (seven) to strongly disagree (one). Difference scores were then generated for each item and defined as:

Q (representing perceived quality) = P – E.

Overall, SERVQUAL provides a basic skeleton on which to assess a firm's given quality and is argued to be a method that can help management pinpoint specific areas of service quality that need their attention and action.

2.4.2.3 Criticisms

SERVQUAL has been investigated widely by many authors across a number of contexts. As such, it is recognised as a popular tool for measuring service quality and in some instances has influenced the development of other related constructs (Lee-Ross 2008). However, despite this apparent popularity, the technique is not without its flaws and, as such, has been the topic of much criticism, debate and replication (see, for example, Carman 1990, Cronin and Taylor 1992, Teas 1993, Brown, Churchill and Peter 1993, Kvist and Klefsjo 2006, Lee-Ross 2008). In one of its first critiques, Carman (1990) questioned the relevance of the expectations-performance gap as well as whether or not the five dimensions are generic across different service industries. Buttle (1996) stipulated that studies employing the instrument revealed up to nine distinct dimensions of service quality, with the number varying according to the particular service industry being investigated. In fact, Babakus and Boller (1992) claim that the number of dimensions varies depending on the service being offered and consumed. Llosa, Chandon and Orsingher (1998, 22) also support this by arguing that “the number of dimensions of the scale is not unique.” Although replications always appear to find the tangibles dimension as distinct, others are not always as apparent or, have a tendency to overlap (Llosa et al. 1998). In more recent applications, Kvist and Klefsjo (2006) revealed that all ten original dimensions should be used in tourism studies rather than the SERVQUAL groupings, while Chin and Wu (2009) emphasised that special indicators within the dimensions should be explored.

Another well documented shortcoming of the instrument is the manner in which expectation and perception data is collected and used. Several studies stress concern regarding the simultaneous collection of this type of data and the use of difference scores for analysis (see, for example, Carman 1990, Teas 1993, Cronin and Taylor 1992, 1994, Clow and Vorhies 1993). Considering this, Cronin and Taylor (1992) developed and tested a performance based alternative to the SERVQUAL method labelled SERVPERF which only measures perceptions through the use of post-purchase indicators of performance. This technique is preferred by the majority of service performance researchers because they often find it difficult to obtain a sample population that will complete the same questions both before and after their service experience (Brown et al. 1993, Spinks, Richins and Lawley 2005). By eliminating the collection of expectation (pre-purchase) data, SERVPERF removes the simultaneous data and difference score requirements that are associated with SERVQUAL.

In discussing the concurrent data collection process, Clow and Vorhies (1993, 31) argue that “for accurate measures of service quality, consumer expectations should be measured <u>before</u> the service experience and <u>evaluation</u> of the service experience <u>after</u> patronage” (author’s emphasis). They propose this to be an essential factor if unbiased data is to be obtained because expectation measures generated after consumption are influenced by the actual experience. Recent studies suggest this approach is now being executed and is a more reliable and valid technique (see for example, Chang 2009, Lee-Ross 2008, Kvist and Klefsjo

2006). Based on this, the current study will also adopt this method.

In addition to the problems already mentioned, SERVQUAL's use of seven-point Likert-type scales has also been the subject of debate. Lewis (1993 in Buttle 1996) criticised the scale for its lack of verbal labelling from points two to six. She believes this could cause respondents to overuse the extreme ends and misinterpret the meaning of the midpoint of the scale. Expectation measurement using this type of scale was also acknowledged as an area of concern by Llosa et al. (1998) who argued that it over estimates the importance of certain dimensions. Critiques have also argued that the notion of outcome quality is missing from Parasuraman et al's. (1985, 1988) formulation of service quality. In this respect, Cronin and Taylor (1992) stipulate that the dimensions of technical quality, functional quality, and image are not considered even though they have been found to influence consumer perceptions in the area. Further, SERVQUAL fails to assess customer evaluations based on absolute standards of service quality (Buttle 1996). This thesis considers such comments and subsequently adopts the use of qualitative open style questions for the collection of specific data.

In recognising some of the flaws, Parasuraman, Berry and Zeithaml (1991, 1993) revisited and revised the original SERVQUAL scale. In doing so they discovered that the negatively worded statements could prove problematic and cause confusion among respondents. Questions were therefore altered and those negative items were converted into positive ones. The authors also proposed that individual statement wording can be refined according to the service industry to which the instrument is being applied, for example, retail or banks.

While the veracity of conceptualising service quality has been questioned, the validity of the five dimensions and the 22 individual performance scale items appear to be well supported among the procedures used and by their subsequent application (Cronin and Taylor 1992). In fact in a recent study, Kvist and Klefsjo (2006, 524) argued that SERVQUAL is "the best known instrument for measuring consumers' opinions of service quality," while van Dyke (1999, 1 in Lee-Ross 2008, 47) claimed that it is "…one of the pre-eminent instruments for measuring the quality of services as perceived by the customer." Although, many authors have criticised Parasuraman et al's. (1985 and 1988) service quality models, and in some cases attempted to rectify problems or propose alternative methods, they tend to remain distinct and widely applied in today's literature. Therefore, as Cronin and Taylor (1992, 58) aptly conclude, the "22 performance items of SERVQUAL adequately define the domain of service quality." As such they are a good measure for managers to employ in the search for information regarding consumer perceptions of service quality and quite possibly value. In addition, Headley and Choi (1992) note that the gap analysis approach from which SERVQUAL originated, provides an objective glimpse at the direction and size of gaps between the critical players in the service exchange. It is therefore an excellent source and starting point for gaining information and investigating complex service situations like finding out what it is that customers' value.

2.5 Value, Perceived Value and Value Adding in Tourism Research

Although the literature on value, perceived value and value adding seems diverse, very few studies relate these concepts to tourism. Rather the attention in this research area tends to focus more on service quality and customer satisfaction. In acknowledgement, Boksberger and Craig-Smith (2006, 7) state that "unfortunately few studies have explored perceived value in a tourism context, and most value studies have focused on the 'value for money' paradigm and tended to focus on product-based measures of value." Oh (1999, 71) notes few tourism studies have considered customer value in explaining consumer product evaluations. He goes on to argue that areas such as perceptions and their relationship with customer value have been ignored in previous value based research. Spinks et al. (2005) support this whilst at the same time suggesting that measurement of tourist perceptions should include an evaluation of value.

In a study incorporating value, Murphy, Pritchard and Smith (2000, 44) examined a "destination's attributes and their effect on a visitor's sense of trip quality and value." Although relationships were identified, the authors concluded that research in the area could benefit from the inclusion of a wider range of variables. Investigation into perceived value in tourism can also be found in Jayanti and Ghosh (1996) and Bojanic's (1996) early hospitality work. Here, the authors suggest that the role of customer value is pivotal in tourism. They also emphasise a shift from managing quality to managing customer value. Williams and

Soutar (2000) took this one step further and explored customer value and the tourism consumption experience on a four wheel drive adventure day trip. They concluded several functional, emotional, social and epistemic value dimensions would be beneficial in future research.

More recently, perceived value studies in tourism have advanced with the application of a multi-item measurement technique (see, for example, Sanchez et al. 2006, Petrick 2002 and 2003, Al-Sabbahy et al. 2004). In particular, Petrick (2002) applied the conclusions of Williams and Soutar (2000) and developed SER-PERVAL to assess the post-purchase customer value of services from passengers on a Caribbean cruise. Sanchez et al. (2006) extended Petrick's (2002) attempts and derived GLOVAL where they measured tourist perceptions of a travel agency. Finally, Boksberger and Craig-Smith (2006) incorporated the element of perceived risk into tourist value perceptions.

In terms of value added some studies discuss the competitive tourism environment. Such studies make note of the role of 'value-added' and suggest it is a means of guiding business success into the future (de Chernatony et al. 2000, Dwyer and Kim 2003, Dwyer et al. 2003). Specifically, these authors contend that this process can assist the tourism industry in meeting demand conditions, maintaining destination competitiveness and maximising yield. In support, Heath (2003, 134) claims "there are various value adders that can contribute significantly to the competitiveness of a destination" and, to remain competitive destinations need to capitalise on these. Becken, Butcher, Cullen, Moriarty, Radford, Simmons and Tan (2007) also stipulate that discussions about tourism and yield now tend to encompass the concept of value adding/creation.

However, as mentioned earlier, the majority of literature on value adding seems to stem from the measurement of service quality and the use of Parasuraman et al's. (1988) SERVQUAL model. The same applies in the field of tourism. Fick and Ritchie (1991) applied SERVQUAL within the travel and tourism industry, finding that despite some of its shortcomings the instrument can provide an improved understanding with regard to selected tourism services. Ryan (1999 in Atilgan, Ackinc and Askay 2003) supported this, stating that it is a tool which tourism managers can use in tackling areas of service delivery weakness.

Further, O'Neill and Charters (2000, 115) analysed consumer perceptions of service quality though the application of the five dimensions (refer Table 2.3) to the wine tourism industry. They found that "wineries have to provide added value elements to attract customers" and that wine tourists are demanding value be created in their winery experience.

In conjunction with the SERVQUAL studies, Augustyn and Ho (1998) applied the Service Quality Gap Model to travel agencies. They concluded that the model is effective and of the utmost importance because consumer expectations are demanding and competition within the tourism industry is increasing. Murphy and Williams (1999) also used the Service Quality Gap Model in their study of rural communities. They suggest a gap analysis can be conducted to assist in the identification of differences between what is offered and what is expected by visitors, which could include value. Similarly, Atilgan et al. (2003) discussed service quality and tourism where they stressed a strong relationship between value, quality and customer services.

In more recent tourism publications, studies incorporating service quality appear to have evolved. Expectations and perceptions are beginning to be measured separately and qualitative rather than quantitative measures are being adopted. One study by Zouni and Kouremenos (2008) even considered the supplier perspective. These authors applied the Gap Model to determine if tourism providers know their visitors. The study used surveys and identified the existence of some gaps between tourism service providers and tourists' evaluations. They argue that the providers of services "have conflicting and sometimes incorrect impressions of the views and evaluations of their visitors" (Zouni and Kouremenos 2008, 292). One downfall to this study however is that it only measured tourists' evaluations after their experience. Chang (2009, 165) also studied service quality in guided package tours using a modified version of SERVQUAL. Rather than using Likert-type scales he adopted a qualitative approach allowing him to gain an insight into tour participant views. In this case, the conventional questionnaire was not considered the best tactic to investigate service quality because firstly, multiple service encounters are experienced in tourism and second, it is difficult to catch the real feelings of travellers using Likert-type scales. The current research considers these aspects and adopts a similar approach.

While the above mentioned studies explore the issues of value, perceived value and value added in terms of service quality, they fail to integrate and introduce the elements involved with generating value not only from a consumer's perspective but also a supply perspective. The majority of perceived value studies in tourism tend to only capture the post-purchase evaluation of a product and service rather than the perceived overall value that occurs at different stages of the purchase and/or consumption process (Sanchez et al. 2006, Gallarza and Saura 2006). Another downfall to value measurement is the fact that many authors conduct closed surveys asking respondents to value single dimensions, usually on Likert-type scales. In a study on customer value in air travel Beiger, Wittmer and Laesser (2007, 33) argue that this procedure simply identifies stated preferences where "respondents just offer their evaluation as far as they are conscious about them and as much as they are ready to reveal them." They suggest that the difficulties associated with value dimensions means that the underlying hidden preferences of customers in terms of value can only be identified using more complex methods.

Similar to perceived value research, the majority of service quality literature focuses on customer expectations rather than perceptions. However, perceptions are an evaluation of global quality judgement meaning that ultimately, quality is defined in this manner (Headly and Choi 1992, Parasuraman et al. 1991). Secondly, the criticisms of service quality measurement discussed earlier in terms of the simultaneous collection of expectation and perception data and the use of Likert-type scales suggest other flaws in service quality and tourism measurement.

Such issues, coupled with an inadequate knowledge of tourist and supplier value perceptions raises some interesting research avenues. With the tourism industry becoming increasingly competitive, tourism suppliers are "searching for new ways to deliver increased value to customers and improve overall company performance and capabilities" (Atilgan et al. 2003, 420). Industry also acknowledges this and suggests that customer expectations in terms of the value provided need to be surpassed and an exceptional experience with superior standards from the time they leave home to the time they return needs to be provided. In terms of tourist visitation Dwyer and Kim (2003) argue that it depends on the match between tourist preferences and perceived destination product offerings. This emerging need to match tourist expectations with actual product offerings suggests the existence of a possible gap between what is supplied by a business or destination and what is demanded of them by the tourist. In fact, the literature recognises this misalignment and proposes that including or extending services adds to the overall value of a product or experience from the customer's perspective and, is a means for gaining competitive advantage and generating yield (see, for example, O'Neill and Charters, 2000, Atilgan et al. 2003, Dwyer and Kim 2003, Charters and O'Neill 2001, Dennet, Ineson, Stone and Colgate 2000).

Overall, all of the studies mentioned reveal a degree of diversity in the measurement and creation of value in tourism. Therefore, the current study proposes to integrate perceived value and service quality theories through the investigation of expectations and perceptions, not only from the tourists' perspective but also from the suppliers. A specific methodology has been designed to enable such diversity to be captured and the actual value meaning of respondents obtained (see Chapter Three). The study then recommends that the investigation outcomes and the concept of value added could possibly be used as a means to create increased value to customers and maybe improve overall performance for suppliers. The framework to be used in this thesis will now be discussed.

2.6 Conceptual Framework

As mentioned in the discussions of conceptual foundations above, the concepts of quality, price, benefits, sacrifices, expectations and perceptions are all considered to be important elements in the evaluation of value. With the main emphasis of value generation being through the addition of value to a product or service (Princeton University 1997), these concepts are posited as a means of adding value. In considering the role that quality and price, and benefits and sacrifices play in value and one's perceptions both prior to and after consumption, it can be seen that analysing these from a consumer perspective will provide guidelines to enhance and generate overall value. Indeed, Ham, Johnson, Weinstein, Plank and Johnson (2003) suggest that conforming to customer expectations on a consistent basis means delivering quality and value. In this sense, value generation can be achieved through the reduction of price and sacrifices and an increase in quality and benefits (Monroe 2003).

Understanding consumers' pre- and post- consumption value expectations/perceptions, and the discrepancies between the two must also be considered. So far the literature review has discussed value in terms of perceptions, both pre- and post-consumption and quality in terms of expectations (pre-consumption) and perceptions (post-consumption). These terms will be used interchangeably throughout the remainder of this study. The role of these is important in generating customer value because without this knowledge managers would not know where discrepancies lie and in which area and manner action needs to be taken. In support of this, Woodruff (1997, 139) states that if "measurement is not backed up with in-depth learning about customer value and related problems that underlie their evaluations, it may not provide enough of the customer's voice to guide managers where to respond."

In addition to customer value, analysing the suppliers' perspective is also essential so as to gain a full understanding of the gaps between their perceptions, the value that their products generate and their consumers' expectations/perceptions. The provision of customer value within this framework is important, however it is most often presented based on the suppliers' perceptions of what consumers' expect (Parasuraman et al. 1985). DeSarbo et al. (2010, 9) state that "determining what the customer wants in a product or service…helps a firm formulate a clear statement of its value proposition." Therefore, looking into suppliers' value perceptions and generation techniques and comparing them with consumers' thoughts is considered an effective way of identifying gaps and pin pointing areas where future customer value can be created.

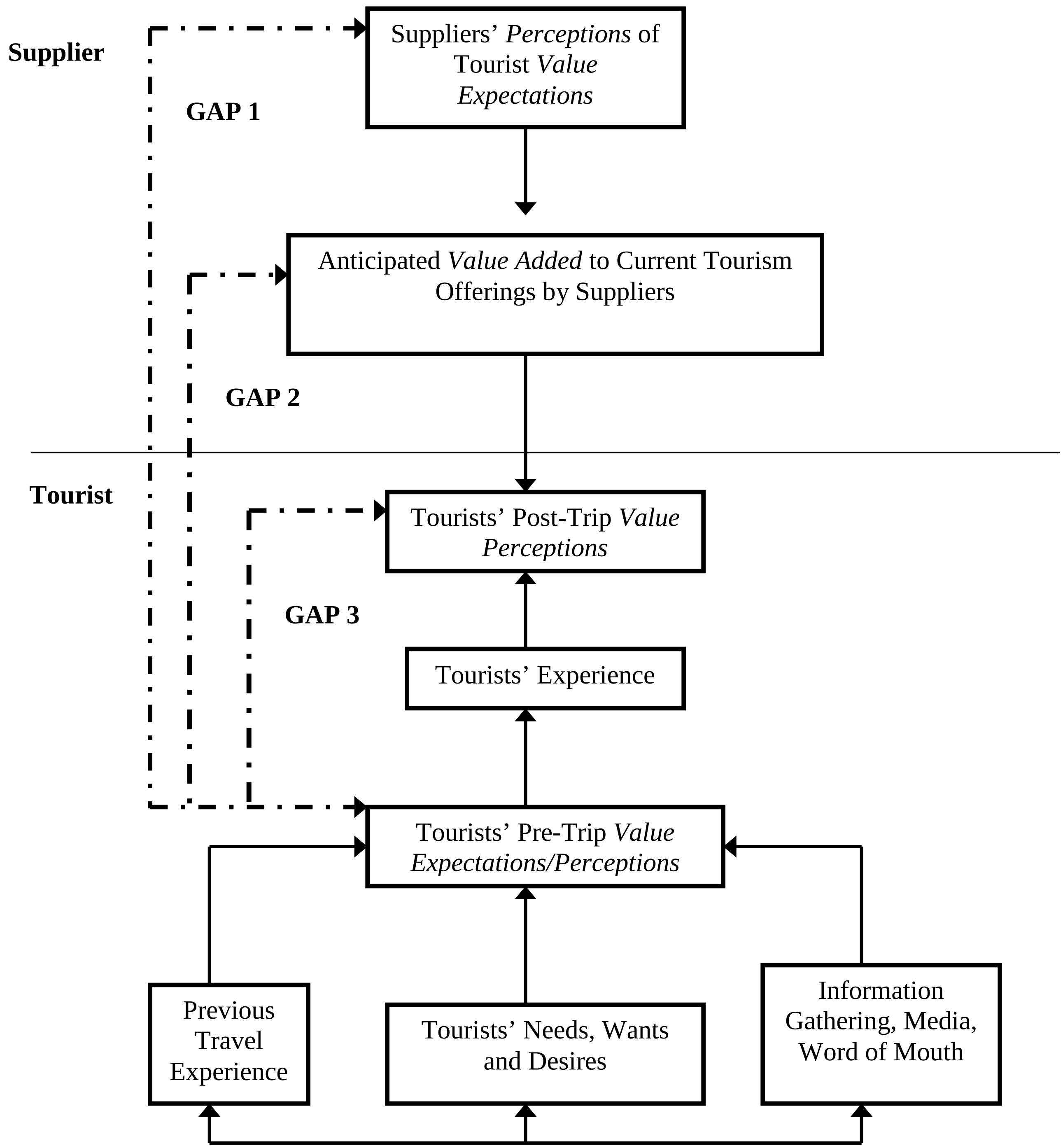
Based on an extensive literature search, the present author has determined that few tourism studies have been found which focus on perceived value from a supply and demand perspective and incorporates the concept of value adding. This thesis therefore aims to investigate these areas. Unlike the majority of previous research in the field, the current study also proposes to analyse the perceived value of tourists across their experience (pre-trip, post-trip and overall value meaning perceptions) and of suppliers in terms of their opinions and product additions. In particular the Service Quality Gap Model proposed by Parasuraman et al. (1985) and as used by Zouni and Kouremenos (2008) in their recent tourism study provides the base for this thesis. As demonstrated earlier, there is an apparent link between studies of service quality and value where service quality models have been used in value adding research. Not only this but service quality conceptualisations suggest that consumers have pre-consumption expectations and post-consumption perceptions, while perceived value research notes consumers have pre-consumption perceptions and post-consumption perceptions. This highlights that similar methods of study can be used. Therefore, the current study adapts The Service Quality Gap Model to incorporate the role of value and generating value through value adding within the total tourism experience. The adapted framework is illustrated in Figure 2.9 (overleaf).

Figure 2.9 shows that in accordance with the literature presented, three potential gaps exist between the value perceptions of suppliers and tourists, two of these are between both parties while the other exists only on the tourist side.

On the supply side Figure 2.9 stipulates that value is generated by adding elements associated with their perceptions of what they believe tourists value. Tourists then consume this product and form value perceptions. On the tourist side the figure illustrates that, based on their motivation and individual needs, tourists develop value expectations. They then undertake their travel and, once completed, develop perceptions. Specifically, the three gaps proposed within this paradigm and represented by the broken lines are:

1) a gap between tourists' pre-trip value expectations/perceptions and suppliers' value perceptions;
2) a gap between the anticipated value suppliers' add to their product and tourists' pre-trip value expectations/perceptions; and
3) a gap between tourists' pre-trip value expectations/perceptions and their post-trip value perceptions.

Figure 2-9: Value Generation and the Tourist Experience Gap Model



Tourist Travel Motivation

(Adapted From Parasuraman et al. 1985)

Each of these elements will be investigated by this study. In particular, an analysis of gaps one and two is the key to ensuring that the value generated is meeting or exceeding tourists' pre-trip thoughts. Although Parasuraman et al. (1985) proposed five gaps in their original service quality model, the current research has shifted the focus of the framework towards perceived value and value generation. Thus a different perspective and number of gaps has been proposed. While gaps two to four, as proposed by Parasuraman et al. (1985) (refer Figure 2.8) are not being disputed the value perception and creation outlook of this thesis only requires a focus on gaps one and five as illustrated in Figure 2.8. This is because these two areas are considered to be dominant factors in analysing tourist and supplier perceived value. The current study also proposes a new gap which suggests that there is a difference between tourist pre-trip expectations/perceptions and the anticipated value created by the suppliers. Consequently, the following three research questions begin the study's investigation:

Research Question 1 – (Gap One):

Is there a gap between tourist and supplier perceptions of value?

Research Question 2 – (Gap Two):

Is there a gap between tourist pre-trip value perceptions and the anticipated value suppliers have added?

Research Question 3 – (Gap Three):

Is there a gap between tourists' pre- and post-trip perceived value?

As well as using the Service Quality Gap Model this research also adopts the foundations of SERVQUAL and GLOVAL. In particular, the GLOVAL scale dimensions are used and compared with the actual meaning tourists attach to value, while SERVQUAL is adapted for the tourist post-consumption value perception stage. Although concerns were expressed about these theories earlier, they remain relevant to the context of the current study and throughout the literature today. In addressing this apprehension, the current study collects expectation and perception data separately and adopts a more qualitative style of data collection. In support of this Lee-Ross (2008), Chang (2009), Priem (2007), Beiger et al. (2007) and Spreng et al. (1993) suggest a more inductive qualitative approach is valid if theory in the area of value is to advance. Based on this, a fourth research question assessing current perceived value theory and what value actually means to tourists is proposed:

Research Question 4 – (Gap Four):

Does the perceived value theory of GLOVAL adequately cover tourists' actual value perceptions?

2.7 Summary

This chapter identified and discussed the literature that exists in relation to value, perceived value and value adding. Specific perceived value and service quality theories were highlighted and also applied to the supply and demand dimensions of tourism. It was demonstrated that few studies measure consumer and supplier value interpretations within the tourism industry. Opinions regarding misalignments and gaps between these were also presented. The aim of this study is therefore two-fold. First, it aims to determine whether value differences between the supply of and demand for tourism products exist and the possible ramifications they could have for regional tourism. Second, it provides an holistic view of these value perceptions by considering the before, after and overall meaning of value to tourists in their own words. The following chapter will address the methodological considerations that this study has adopted in order to answer the four research questions proposed above.

Chapter 3: Research Method

3.1 Introduction

This chapter describes the two step process in which primary data relating to the research questions was sought and analysed. Step one consists of an approach which was both inductive and exploratory in nature. In particular, a qualitative open-ended style of questioning was adopted during this phase because it was deemed the most appropriate technique for obtaining tourists personal value thoughts and feelings. Results from this process were then classified into categories using NVivo 7, however problems were identified relating to the inability of the program to move beyond the categorical data level into quantitative data. To counteract this, the developed categories were further refined using content analysis, where rank scales of opinion were created. Step two of the research methodology involved using the data from step one to answer the four research questions presented in Chapter Two. Null and alternate hypotheses were developed to investigate each of these and to enable the research to move from its initial inductive approach to a deductive one, where data appropriate for statistical analysis could be examined. This process saw the data transformed from its original vague personal categorical form into an ordinal rank style, which was required for a non-parametric statistical analysis to be undertaken. Specifically, Spearman's Rank Order Correlation was used to test the hypotheses within each research question.

The following account covers the procedures and techniques used for each stage of this research. It begins with a discussion on the approach, followed by details on sample size, data collection and the questionnaire and interview methods used. Treatment of data during the transformation process from the inductive to deductive phases and the statistical analysis measures employed are also outlined. To conclude, the chapter examines issues associated with the study's reliability, validity and general limitations.

3.2 Mixed Method Approach Selected

The purpose of this study is to identify and analyse differences in value between the supply of and demand for tourism offerings within the North East Victorian region. This was achieved through the collection and analysis of data from individual tourists and tourism related businesses in the defined case study region. On the demand side, tourist pre- and post-trip value perceptions were investigated. Information relating to the supply aspect involved exploring suppliers' perceptions of the value they thought tourists expect and, the actual value that they have added to their product/service offerings.

This study moves through a two part process, beginning with initial research questions and using them to develop null and alternate hypotheses. The methodology is structured but adopts an open-ended approach when obtaining respondent thoughts and feelings. This feature lends itself to quantitative observations in part two of the study which enables the use of non-parametric statistical analysis. Consequently, the overarching philosophy adopted best reflects positivism which is "a framework of research similar to that adopted by the natural scientist, in which the researcher sees people as a phenomena to be studied from the outside, with behaviour to be explained on the basis of facts and observations gathered by the researcher, using theories and models developed by [other] researchers" (Veal 1997, 31). In justifying its use, Saunders, Lewis and Thornhill (2003, 83) state that the researcher "assumes the role of an objective analyst, coolly making detached interpretations about those data that have been collected in an apparently value-free manner." They also stipulate an emphasis "on a highly structured methodology to facilitate replication and, on quantifiable observations that lend themselves to statistical analysis."

Currently, little research exists in terms of perceived value differences or gaps between the supply and demand sides of tourism. The initial inductive approach taken sets out to explore and describe these elements and uses open-ended questions to do so. Saunders et al. (2003) support this by noting that such a technique aims to gain an understanding of the meanings humans attach to events by seeking insights and assessing the associated phenomena. Consequently, the strategy adopted by this study is both exploratory and descriptive. In discussing exploratory research, Jennings (2001, 17) argues it is best "conducted when very little or no data exist on the tourism phenomenon being investigated." She also adds that it "draws on secondary sources, expert opinions and observations…[and] is informed by a qualitative methodology." Thus, as Zikmund (1994) and Malhotra, Hall, Oppenheim and Shaw (2008) state it is the initial research conducted to clarify, provide insight, understand and define the nature of a problem using qualitative data analysis. The descriptive research strategy also used in this investigation, coincides with the exploratory focus by describing the 'what is' aspects of the data that were obtained.

The second phase of the methodology used the qualitative data collected in the first stage and transformed it into a quantitative format, for the purpose of non-parametric statistical analysis. This was achieved by refining and categorising the descriptive labels allocated in step one into rank scales and frequency distributions. Null and alternate hypotheses were developed for each research question to test the observed relationships. Development of these and the use of quantitative data in this process are both indicative of this investigation's move from an inductive to a deductive research approach. In support Veal (1997) notes that the deductive style develops hypotheses and proceeds to test them against the data gathered. Saunders et al. (2003) further contend that an important characteristic of this method is its emphasis on scientific principles and the operationalisation of concepts that enable facts to be measured quantitatively.

As a result of the positivist philosophy and shift from induction to deduction, a mixed method research design was created. The combination of these aspects and, the use of exploration and description in this study, all lend themselves to favouring a mixed method approach that employs both qualitative and quantitative data analysis techniques. With little prior research available on the value gaps between tourism supply and demand, this research aimed to collect real information from the actual suppliers who produce tourism products/services and the tourists who consume them. In this respect, the gathering of qualitative responses ensured that 1) no pre-conceived notions were incorporated into the research findings and 2) caution was taken in the collection of value opinions. That is, through open-ended questioning, the individuals questioned had the freedom to provide their personal value feelings and thoughts in their own words. However, to test the hypotheses within the research questions, it became necessary to convert this nominal style data into an ordinal format.

Support and criticism exist for the mixed method approach. Those in favour argue "that mixing methods enables the 'deficiencies' of both qualitative and quantitative methods to be overcome" (Jennings 2001, 133). Critics however claim that the two methodologies are founded in specific paradigms with differing views and, mixing them results in mixing theoretical world views that are contradictory to each other (Jennings 2001). Saunders et al. (2003) state it is often beneficial to combine methods. They say that one of the major advantages in doing this is that different techniques can be used for different purposes as identified by a study (Saunders et al. 2003). Jennings (2001) confirms that this can include open ended questions which aim to elicit the reasoning behind some of the response choices made by participants. The current research acknowledges this and applies different methods for different purposes. Particularly, qualitative processes have been used for exploration purposes, such as capturing the real and actual value thoughts and reasoning of respondents, while a quantitative manner was adopted for statistical analysis and the search for pattern in the elicited survey responses.

In concluding the justification for adopting a mixed method approach, Greene, Caracelli and Graham (1989 in Jennings 2001, 135) suggest that such a system "should be based on consideration of the differences between methods and the reasons for using each, the focal point of the study, the key paradigm informing the study and, the actual operationalisation of the research process." The preceding discussion has provided evidence that this approach is logical for the current research because of its positivist paradigm and two phase methodology. Operationalisation of the study will be discussed later in this chapter and also lends support to the use of a mixed method research design.

3.3 Population, Sample and Data Collection Methods

To determine if any gaps exist between the supply and demand elements of tourism in North East Victoria from a value perspective, it was necessary to select samples that were representative of the tourist and supplier populations in the region. It was also important to adopt data collection techniques which addressed any issues of practicality and differences between the two sample sizes. Different procedures were therefore used for generating the sample sizes and in deriving data collection methods. These and are discussed below according to both groups.

3.3.1 Tourists

3.3.1.1 Tourist Population Description

The tourist population for this research is defined as all visitors to the North East Victorian region. The most recent data from Tourism Victoria's (2009) market profile on Victoria's High Country (otherwise known as North East Victoria) states that the region received 852,000 domestic visitor nights, 850,000 domestic daytrip visitors and 15,200 international overnight visitors in 2008. No data on international day trip visitors was recorded. When combined, these figures equate to a total of 1,717,200 visitors to Victoria's North East in the year ending December 2008 (Tourism Victoria 2009). Therefore, the estimated tourist population for this research was determined to be 1.7 million.

3.3.1.2 Tourist Sample Size

Considering the large tourist population of the study, it was most feasible to draw a sample otherwise known as the selection of a "fraction of the total number of units of interest to decision makers" (Parasuraman, Grewal and Krishnan 2007, 333). Saunders et al. (2003) state that the choice of sample size is governed by the confidence the researcher needs to have in their data, the margin of error that they can tolerate, the types of analyses that are going to be undertaken and the total population from which it is being drawn.

Table 3.1 (overleaf) illustrates a variety of sample sizes needed for a range of populations and the desired confidence intervals. The one which was likely to give good representation and reliability using Zikmund's (1994) preset 95% confidence level for the tourist component of this study was a target of 306.

From the target sample size of 306 tourists, 284 responses were actually received in part one of the tourist survey. Part two of the tourist survey which was in the form of a mail-back questionnaire, received 79 responses. Although the research fell short of its goal with a 93 percent response rate in the first tourist instance and a 26 percent response rate in the second survey, the number of responses received still warranted the use of non-parametric analysis, where usable sample sizes can range from six to 30 cases.

Table 3-1: Means of Determining Sample Size when Size of the Population is known

	Sample Size for Reliabilities of:			
Size of Population	± *1% Point*	± *2% Point*	± *3 % Point*	± *5% Point*
1,000	*	a	353	235
2,000	*	760	428	266
3,000	*	890	461	278
4,000	*	938	479	284
5,000	*	984	491	289
10,000	3,288	1,091	516	297
20,000	3,935	1,154	530	302
50,000	4,461	1,195	538	304
100,000	4,669	1,210	541	305
500,000 to ∞	4,850	1,222	544	**306**

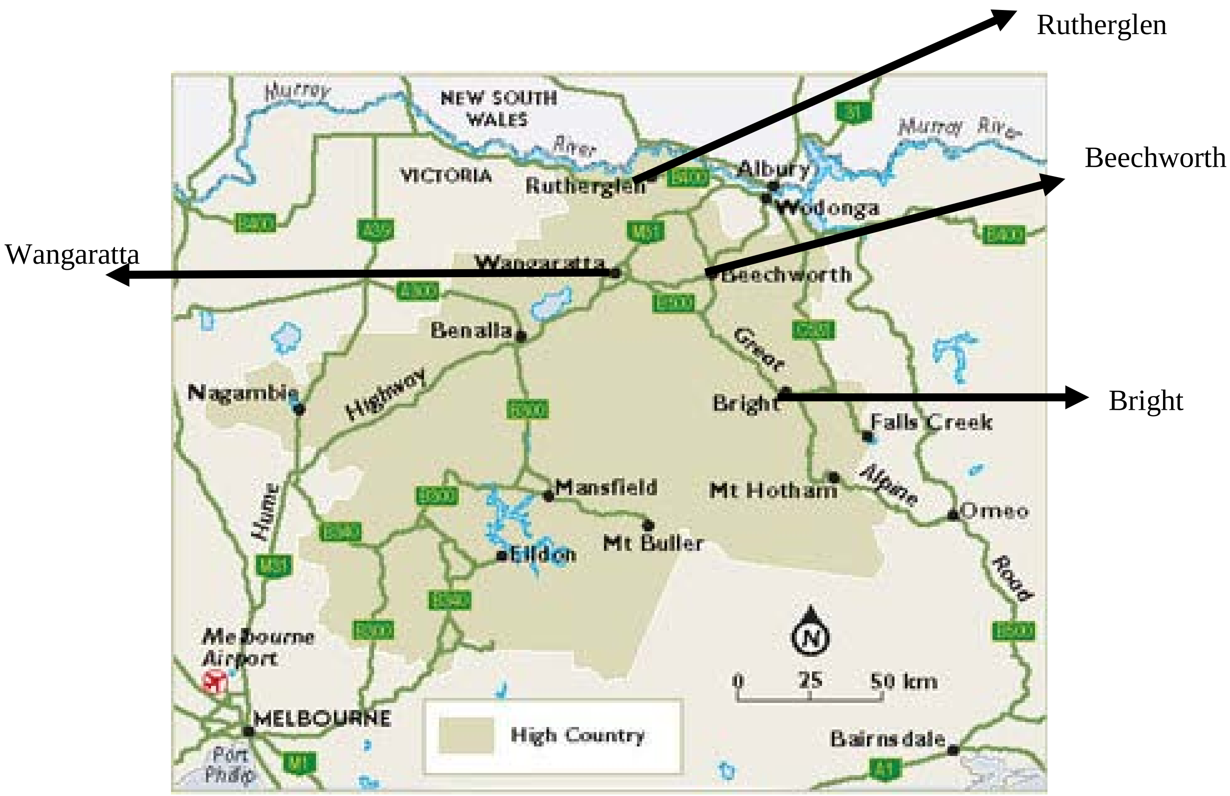
* In these cases, more than 50 percent of the population is required in the sample. Since the normal approximation of the hypergeometric distribution is a poor approximation in such instances, no sample value is given.

(Source: Zikmund 1994, 412)

3.3.1.3 Tourist Sample Selection

Respondents were selected using a probability sampling technique where "each unit of the population being studied has an equal chance of being included in the sample" (Jennings 2001, 140). This method was preferred to non-probability sampling techniques because it is an objective procedure where the researcher has no say in deciding whether or not each individual unit is included (Parasuraman et al. 2007). The specific probability practice used was stratified systematic sampling, which occurs when the population is divided into significant strata based on certain attributes from which a systematic sample is drawn at regular intervals (Jennings 2001, Saunders et al. 2003). With North East Victoria being a relatively large area, it was decided the best way to generate a sample representative of the tourist population within the region was to collect data from different localities (strata) which shared common attributes of tourist centres or hubs. As a result, four principal tourism centre locations were selected; Beechworth, Bright, Wangaratta and Rutherglen. Figure 3.1 illustrates a map of the North East Region and locates each data collection point.

Figure 3-1: <u>Tourist Data Collection Points in North East Victoria</u>



(Source: Tourism Victoria 2010a)

To ensure respondents were selected systematically within each stratum, interviewers selected the first subject using a random number lottery system. Each subsequent case was selected systematically. A screening question was also adopted to confirm that potential respondents were indeed tourists visiting the region and that only they were questioned (refer to Appendix One for a copy of the part one questionnaire). In the instance where this was not the case, the very next person to walk past the interviewer was approached and asked to participate. This procedure was also undertaken when people declined to participate.

3.3.1.4 Tourist Data Collection Method

With the aim of this study being to gather tourist pre- and post-trip value perceptions, data for this section of the study were collected in two phases. Part one gathered information on tourists' pre-trip perceptions through the use of a face to face interviewer completed questionnaire. Part two examined their post-trip perceptions and was collected through a mail back survey. Although the tourist side of this research has been identified as including an exploratory research strategy which normally encompasses in depth interviews, the questionnaire was considered most appropriate given the sample size and interviewer access to respondents. With reference to the sample size, Veal (1997) and Jennings (2001) support the use of a questionnaire by arguing that they are a popular method of collecting data from large samples. To ensure data consistent with the exploratory strategy were obtained, qualitative information was gathered using open-ended style questions.

Data collection occurred on the same days across four different locations in the North East region. Hence, interviewers other than the researcher were employed to administer the first tourist questionnaires. Interviewers consisted of local university students who were studying tourism and hospitality management in the North East region. To ensure no bias was recorded or errors were incurred, they were trained in the process and monitored on data collection days.

When undertaking this part of the study, a cross-sectional approach was adopted whereby "data were collected at a single point in time…[and] various segments of the population [were] sampled so that relationships…may be investigated" (Zikmund 2000, 178). Questionnaires were administered over a spread of five weeks on Saturdays throughout the months of April and May in 2006. Over the Easter period, Good Friday and Easter Saturday were also used as an opportunity to collect tourist data.

This data collection technique was used in the first tourist research phase for a number of reasons. First, the interviewer administered style of questionnaire has the advantage of face to face contact between the parties involved which, according to Jennings (2001) can contribute to an increase in participation levels and a higher response rate. It also allows both open and closed questions to be asked and is particularly relevant to this study given its exploratory and descriptive nature. Saunders et al. (2003) state that another strong advantage of this process is that it enables the researcher to ensure that the respondent fits the criteria sought. This was viewed to be an additional advantage, given that this study relies on the use of a screening question to certify that only tourists visiting North East Victoria were questioned.

Questionnaires were conducted by the interviewers using the intercept technique which according to Jennings (2001) can be either en-route or on-site. In the case of this research, tourists were intercepted outside Visitor Information Centres (VICs) and asked to participate in the questionnaire. Perdue (1995, 2) supports the use of these establishments by stating that welcome centres/VICs provide "attraction and facility information to enhance a visitor's experience." He also notes they are often one of the first points of interests for tourists when visiting a region and as such presented an ideal location for sourcing participants. A letter informing VICs that the research was taking place and a follow up email to confirm there were no objections was sent to the venue manager. One potential downfall to this method however is stipulated by Jennings (2001, 239) who says "that on-site surveys may be considered by some potential respondents to be the complete antithesis of the travel experience." In an attempt to avoid such rejection and/or negative response to the request for participation, certain recommended research practices were adopted. When approached and asked to volunteer as per the Australian Code of Ethical Research (refer to Appendix One for Ethics Approval), respondents were informed of the aim, content and length of the questionnaire. To ensure honest and appropriate answers were provided on behalf of those interviewed, information detailing the anonymity and voluntary nature of the survey was also disseminated. This is noted by Zikmund (2000) to be important if real, as opposed to 'made up,' responses are to be gathered.

After the completion of the first questionnaire, interviewers thanked the tourist participants and asked them to take home, complete and return part two in the postage paid envelope. This was a self completed survey which was primarily designed to capture their post-trip value perceptions. A benefit of this approach was that it enabled questions to be answered based on real experiences and fact rather than asking respondents to predict their final perceptions. One major drawback associated with the self-completion, mail-back process however is its potential to generate a low response rate. Veal (1997) notes that this is especially so with mail surveys which can have a low 25 to 30 percent response rate. In an attempt to reduce this and encourage continued participation in the study a prize draw was offered of local wine, two nights accommodation including breakfast and one dinner, to the total value of $500.

3.3.1.4 Tourist Questionnaire Design

3.3.1.4.1 Part I: Expectations

The specific aim of the first tourist questionnaire was to capture tourist pre-trip perceptions, individual value meanings and to collect general information about their visit within the North East. A cover sheet attached to the survey acted as a script for interviewers and contained information on this process. Structured open-ended questions were used to elicit tourist responses to perception and value meaning. This method of enquiry was preferred over the use of attitude measurement scales because information pertaining to perceptions and value meaning are often reflected in different ways by individuals. In support Parasuraman et al. (2007) argue that the rich data required for these areas can only be collected through open-ended style questions. This method was also adopted over closed-ended question options because the latter are known for limiting and boxing responses. In support of this, Beiger et al. 2007, Bowen 2001 and Ryan 1995 note that, closed-ended question seek only reactions and simple-stated preferences rather than allowing respondents to speak of their experiences and priorities. Additionally, Oppenheim (1966) notes that attitude measurement scales such as the Likert-type scales are designed solely on the favourable-unfavourable continuum. Edwards (1957, 163) also states that such scales "fail to represent all degrees of attitude [with responses instead falling] largely at the favourable and unfavourable ends of the scale with the middle categories neglected."

With value noted as being an extremely diverse concept in the literature review, and meaning different things to different people and across individual situations, the subjective nature of the data could be lost and unwarranted assumptions about their meaning made if closed attitude measurement scales were used in this part of tourist data collection (Bond and Fox 2001). Churchill (1991) argues that using structured open-ended questions addresses this problem by allowing for subjective responses which are not constrained by a fixed set of replies. He also adds that they provide a more accurate, though messy, picture of the respondent's true feelings regarding what is being asked.

Although structured closed questions were deemed inappropriate for the uses mentioned above, they were employed for the collection of certain standard and factual tourist trip data (i.e. reason for travel) which was standardised and limited to the stated alternatives (Churchill 1991, Parasuraman et al. 2007). This 'tick the box' format where either one or multiple options were provided was used particularly for its clarity in capturing a subject's details.

3.3.1.4.2 Part II: Experiential

The focus of the second tourist questionnaire was to gather data on tourists' actual experiences and post-trip perceptions regarding their visit to the North East. This information was gathered using the structured method of attitude/opinion style statements in the form of Likert-type scales and presented similarities with past perceived value and creation studies. Churchill (1991) and Parasuraman et al. (2007) emphasise that these type of scales are appropriate measurement tools for eliciting expressions of opinion and attitudes towards issues on which people have clear opinions. The aim of the Likert-type scales used in this research was to extract subjects' degree of agreement or disagreement with a statement or, the importance they attached to a factor. Statements used were adapted from Parasuraman et al's. (1998) SERVQUAL model and made to suit the specific aim and objectives of this research. Similar to SERVQUAL and in accordance with procedures recommended by Churchill in 1979, a seven point Likert-type scale was used ranging from 'strongly agree' (seven) to 'strongly disagree' (one) (Parasuraman et al. 1988).

Churchill (1991, 319) notes that one downfall with question techniques that measure attitudes is that they may "force a response to a question on which the subject does not have an opinion." He adds that this generally occurs if 'no opinion' category is not provided as an alternative. Consequently, a box for the category 'don't know'/'no feelings' was provided with each Likert-type scale statement. This procedure removed the tendency for respondents to use the middle number of the scale as a place where they neither agreed nor disagreed with the statement. Assumingly, this resulted in a better measurement regarding their actual perceptions of the question being asked. Another problem area as noted by Churchill (1991) is the possibility that responses to such questions do not accurately reflect an individual's attitude. In an attempt to counteract this and confirm that the attitude scores given by respondents were an accurate reflection of their opinions/attitudes, open-ended questions designed to probe the initial response were also asked after certain statements, as suggested by Churchill (1991).

As with the first tourist questionnaire a cover sheet was attached. This acted as an information sheet and guide for respondents, especially because the researcher and interviewer were not present at the time of completion. Prize draw details were provided on the cover sheet with an extra page for respondents to record their contact details and enter the prize draw. This was not used in the aggregation of results. For a copy of the information/cover sheets and both tourist questionnaires, refer Appendix Two and Appendix Three.

3.3.2 Suppliers

3.3.2.1 Supplier Population Description

The supplier population for this research consisted of businesses within the North East region which attracted tourism related expenditure. To obtain a broad representation of these within the area, three distinct types of tourism-related businesses were selected for this research. These included accommodation, attraction and food and beverage based businesses. Among these however, a wide range of business quality exists. Therefore this study opted to focus on the perceived small business leaders in their specific fields. It was felt that suppliers representing the best in the region would provide the more information-rich cases primarily sought in exploratory studies of this kind. This argument is clearly supported by Saunders et al. (2003) in their discussion on issues of data quality.

Consequently, the supplier population for this research is taken from small 'benchmark' food and beverage, attraction and accommodation businesses located and operating in the North East Victorian region. The exact number of small business benchmark tourism organisations is not available, but based on internet searches of the region (Tourism Victoria 2010b, North East Victoria Tourism Inc 2010, Tourism Internet 1998, North East Valleys 2010) and personal communication with tourism representatives from within the region (Flamsteed, W. 2005, pers. comm., 25 August), it is estimated that approximately 600 small tourism businesses operate across the three sectors within the locale. However, the exact number of these that can be considered as representative of the best in terms of benchmarking is not known.

3.3.2.2 Supplier Sample Size

Data collection for this group was primarily conducted through the qualitative technique of in-depth interviews. Parasuraman et al. (2007, 196) state that when using this method "anywhere from 10 to 40 respondents, interviewed one at a time is typically the norm." Considering this and the fact that the study population consisted of three tourism sectors, a sample size of 30 benchmark tourism suppliers operating within North East Victoria was targeted. For equal representation, 10 attraction, 10 accommodation and 10 food and beverage suppliers were included. From the sample of 30 potential operators, 24 interviews were actually achieved. Although the final number falls short of the original target of 30, the actual data collected still qualifies for non-parametric data analysis (Siegel, 1956).

3.3.2.3 Supplier Sample Selection

Non-probability or non-random sampling was the process used to select the supplier sample. This method "is a subjective procedure in which the probability of selection for the population units cannot be determined. The selection of sample units from a population is not done on a strictly chance basis" (Parasuraman et al. 2007, 343). Under this procedure "each unit of the population being studied does not have an equal chance of being included in the study" (Jennings 2001, 138). Although non-probability sampling is known for not allowing the extent of a problem to be determined, Saunders et al. (2003) argue it is often the most practical technique in exploratory studies and provides an information rich case study in which the research questions can be explored. With the supplier side of the research adopting an exploratory strategy and the research questions/hypotheses requiring responses from suppliers in the specific sectors, cases needed to be purposively selected.

The particular method of non-probability sampling used in this study was judgement sampling, also referred to as purposive sampling. Judgement sampling was selected because it was considered to be the most feasible method for selecting benchmark operators across the three sectors. Parasuraman et al. (2007, 345) support its use by stating that "the researcher exerts some effort in selecting a sample deemed to be the most appropriate for the study." Similarly, Jennings (2001, 139) emphasises the fact that based on the study focus this approach allows "the researcher [to use] their knowledge to determine who or what study units are the most appropriate for inclusion in the study."

Two tourism experts were approached to assist in the identification of benchmark tourism suppliers to be incorporated in the sample. Consequently, input into the judgement sampling technique was extended to incorporate the opinions of the researcher and two experts from within the North East Victorian region with broad knowledge about the area and its tourism offerings. One expert was from the tourism body, North East Victorian Tourism Inc whilst the other was a local tourism academic teaching within the area. Both were asked to nominate 15 suppliers for each sector which, in their opinion, were small 'benchmark tourism organisations'. To ensure genuine real expert opinion was gathered, no criteria for identifying the businesses were provided. The researcher also followed this technique.

The compiled listings were used to form a final list which was representative of the three opinions. Any businesses that appeared in all of the listings were automatically incorporated. Suppliers that had been cited by two experts were then recorded followed by those that only appeared in one listing. Correspondence was sent to the top 10 suppliers in each sector with a time period for a response stipulated. In the instance where a timely response was not received the next supplier in the listing was approached and so on, until 30 responses confirming participation had been received. Although 30 confirmations were received, only 24 actual interviews were carried out. This was due to an inability to contact interviewees, or through them leaving the company, temporary business closure for seasonal reasons or, due to the regional bushfires that occurred at the time of data collection.

3.3.2.4 Supplier Data Collection Method

The goal of the supply stage of this research was to gain insight and understanding into supplier perceptions of what they think tourists value and expect from their tourism offerings. Exploring the actual value they have added to these was also an aim of this part of the study. The need for in-depth personal views coupled with the small sample size of suppliers required a qualitative approach to data collection. Parasuraman et al. (2007) and Malhotra et al. (2008) support and praise the use of this technique in this situation stating that interviews are extremely beneficial when the information extracted is required from a single unit rather than a group of units.

Following the supplier selection process, an information sheet with a consent form implying participation was sent. Once the required consent forms had been returned the interviewer contacted each supplier to make an appointment so the interview could be conducted. Interviews took place on location at the suppliers' business in North East Victoria for approximately 30 minutes. Malhotra et al. (2008, 126) notes that "an in-depth interview may take from 30 minutes to an hour." The actual length depended on how the supplier answered the general questions outlined in the interview schedule and how much they were willing to reveal. The interview schedule design is discussed below.

3.3.2.4.1 Supplier Interview Design

The supplier interview was designed to collect particular information regarding their perceptions of what tourists want and the value they felt they had added. This document acted as a rough outline but had the ability to be influenced by the subject's replies and what they were comfortable disclosing. As such, an unstructured-undisguised questionnaire or semi-structured interview took place with respondents and was distinguished by the fact that the study's purpose was clear but the responses given were open-ended (Churchill 1991). The schedule employed for this research commenced with structured open-ended questions on the relevant topic areas under study. These were used by the interviewer as a guide, while at the same time, encouraging the subject to speak of their thoughts and opinions freely. A copy of the information sheet and interview schedule can be found in Appendix Four.

3.4 Questionnaire and Interview Schedule Pre-Test

Prior to the actual data collection process, the two tourist questionnaires and the supplier interview schedule were tested. Veal (1997) and Zikmund (2000) advise that conducting small scale 'trial runs' prior to the final research taking place enables problems in the design or instructions to be identified. As a result, the potential for respondent misunderstanding is minimised.

The pre-test setting for the tourist questionnaires was a summer semester class of La Trobe University students undertaking their Bachelor of Business (Tourism and Hospitality) or Bachelor of Business (Tourism Management) in January 2006. Members of the group represented a variety of ages and backgrounds and were therefore able to provide valuable guidance on the survey's effectiveness. Overall, 30 questionnaires were completed during this testing stage. The following outcomes and conclusions resulted:

- The majority of questions were received well, eliciting appropriate and concise answers. Some however were difficult for the group to understand because they were too 'wordy' or presented in a language where they did not understand what was being asked. Subsequently, these questions were re-written into more basic and easy to interpret English.
- Some statements were made about the possible low number of responses that would be received from the second tourist questionnaire. The survey length, forgetfulness and laziness of people were cited as reasons for possible non-responses. Although the numbers of pages made it appear to be lengthy, the questionnaire only took between 5-10 minutes to complete. The number of Likert-type scales was the main reason for the length, however in reality these take very little time to answer. Based on the

comments, a decision was made to increase the prize draw offerings in the hope that participants would be more inclined to take the time to answer the survey.

The supplier interview structure was tested using professionals employed in the tourism industry. Interview information and questions were sent by email to five individuals employed in the tourism industry outside of North East Victoria, for their feedback on the process and questions to be asked. The feedback received was that the structure and questions were straightforward and easy to understand. Therefore, no amendments were required.

3.5 Data Analysis

As this research methodology was a two part process moving from an inductive exploratory approach to a deductive strategy, data were analysed using a number of procedures. NVivo 7, content analysis and the Statistical Package of the Social Sciences (SPSS) were dominantly used.

The first part of the methodology focused on profiling respondents and analysing the qualitative data received from the open-ended questions in the tourist questionnaires and the supplier interviews. Descriptive statistics were used to generate respondent profiles while qualitative data were transcribed into individual word documents. These word files were then copied and placed in an NVivo 7 database for classification and categorisation purposes. The categories derived to classify the data were developed based on existing theory as well as the actual areas or meaning encompassed in the respondent answers. For example, the response "family friendly" was considered to relate to family and/or children and was therefore classified as 'family/children'. Saunders et al. (2003, 381) justify this process by noting that the first activity of qualitative data analysis "involves classifying your data into meaningful categories, which may be derived from these data or from your theoretical framework." They also state "the categories are in effect codes or labels that you will use to rearrange your data. They provide you with an emergent structure that is relevant to your research project to organise and analyse your data further."

The use of NVivo 7 for this process was useful, but eventually became cumbersome due to the inability to further condense data into the quantitative style that was required for the deductive phase of this research. Additionally, Atherton and Elsmore (2007, 67) argue "the risk with using standardised software packages in qualitative research is that it does not stimulate, or drive, consideration of where the researcher is 'coming from' and so does not provide a means of dealing with the subjectivity and agenda of the researcher in a reflexive way." Consequently, data were refined using a more traditional method of analysis, mainly content analysis. This procedure is known for reducing "the total content of a communication to a set of categories that represent some characteristic of research interest" (Singleton and Straits 2005, 371). Thus, the written text was transformed into the quantitative data necessary for the deductive stage of this research.

Categories developed during the content analysis process were recorded in Microsoft Excel spreadsheets. Once they had been extracted from the qualitative data, they were reorganised as key themes from which patterns or relationships became relevant. In support, Saunders et al. (2003) state that this refinement often leads to the original categories being altered where they are subdivided or integrated. For this study, refinement resulted in some categories being integrated, from which new and more general ones were formed. Table 3.2 (overleaf) illustrates some examples of categories that were formed and respondent comments that were placed within them. Column two represents the category that was formed from the content analysis while column three provides examples of comments provided by respondents. As answers to questions were not exactly the same for all respondents, final categories using content analysis were formed. That is, the actual comments as shown in column three were filed under the category label that appears in column two. As numerous open-ended questions were asked, the categories generated were developed to be fair and standardised across each question. This however, was not always possible and sometimes resulted in different categories appearing for some questions but not others.

Table 3-2: Categories and Relevant Comment Examples

Question	Category Examples	Comments Included in Category
What is 'value' to you?	Service	- Service non specific - Efficient - Good service - Helpful - Smile - Customer service - Staff attitudes
	Information	- Information non specific - Knowledge - Good information - Take away information - Readily available information - Good interpretive information

Once data were reduced and classified according to categories, the analysis moved into the second stage of the research methodology. That is, data were quantified and converted from their nominal categorical form into ordinal rank-style for non-parametric analysis. Saunders et al. (2003, 402) support this process noting that it often occurs when the researcher wishes to "count frequencies of certain events, or of particular reasons that have been given or, in relation to specific references to a phenomenon." Creswell (2003) also agrees and notes that this method enables appropriate comparisons to be performed.

To quantify the data, each category was assigned a code and entered into an SPSS database which resulted in much more refined variables. Frequency distributions were conducted to check for errors and data was cleaned where required. The hypotheses derived for each research question required measuring the closeness and direction of relationships between variables. As such, correlation analysis was performed as its use in this situation is widely supported (see, for example, Churchill 1991, Zikmund 1994, Saunders et al. 2003). In particular, Spearman's Rank Correlation analysis was used because it is considered ideal for ordinal data. Churchill (1991, 864) states "the coefficient is appropriate when there are two variables per object, both of which are measured on an ordinal scale so that the objects may be ranked in two ordered series." Parasuraman et al. (2007, 438) also support its use and state that the technique is an appropriate and powerful measure of association between two ordinal variables "when the data are refined enough to rank the sample units *one* through *n* on each variable." SPSS was used to calculate the correlation coefficient where data undergoes a two part process. First, the program automatically ranks the data as is required for Spearman's and second the correlation statistic is generated. Therefore category data in its frequency format were refined enough for the sample units to be ranked. This transformation process was confirmed to be reliable and valid by two independent statisticians at La Trobe University, one in psychological sciences and the other in management. In all cases where Spearman's Rank Analysis was used, the detection of a statistically significant association between variables was determined at the 0.05 significance level.

Although this process tested the hypotheses within each research question for relationships among variables using non-parametric analysis, it was felt that more comparative analysis between categories could be performed. Based on this, coded category data for each variable being tested were converted into quartiles from highest (4) to lowest (1) (refer to Chapter Five for details on this process). Category quartiles represented ranks for each variable being tested which were then used for comparison and the identification of differences. For example, a difference of opinion was present if the category 'food' was located in quartile four in terms of tourist expectations but in quartile one in regards to supplier perceptions. Saunders et al. (2003) justify this process by arguing that this approach provides a useful supplement to the principal means of analysing qualitative data, as it enables quantitative analysis other than frequency distributions to be conducted.

3.6 Validity and Reliability

Validity and reliability are two important issues that must be addressed throughout any research, whereby the researcher must "check that the questions and measures being used to gather data are reliable and valid" (Jennings 2001, 149). These concepts are viewed according to whether the research design was qualitative or quantitative. In the case of this study, a mixed method approach was adopted and is noted by Patton (2001 in Golafshani 2003) as strengthening research. Particularly, Golafshani (2003, 604) states "engaging multiple methods, such as, observation, interviews and recordings will lead to more valid, reliable and diverse construction of realities." The following discussion outlines how the concepts of reliability and validity have been considered in the design of this research.

3.6.1 Validity

Traditionally the criteria for validity stem from the positivist paradigm which "to an extent has been defined by a systematic theory" (Golafshani 2003, 599). Validity was emphasised not only through the positivist framework of this study, but also through the fact that the questions asked were designed to ensure they measured what was originally intended. Churchill (1991) notes that questions which provide alternatives for respondents to choose from can positively affect validity. To produce such an affect, respondents were not always restricted to only choosing one alternative. When they were restricted to one alternative, structured probing open-ended questions followed, which are noted by Churchill (1991) as a measure that generates further insight and understanding.

Creswell (2003) suggests other threats to validity include drawing incorrect inferences from the data and that participants may change their views over time. These were addressed by standardising the research procedures and ensuring they remained constant and without change during the course of the study. Additionally, the investigation was completed only once with every participant, meaning that respondents did not have the opportunity to change their opinions.

Finally, validity was also enforced through the incorporation of face/content validity which Zikmund (1994, 290) notes occurs "when it appears evident to experts that the measure provides adequate coverage of the concept, a measure has face validity." He also argues the need for clear, understandable questions to examine the issue. The current study ensured this was the case by using experts to determine the supplier sample and to test the interview schedule. The two tourist questionnaires were also tested for clarity and understanding. This course of action suggests that the issue of face/content validity was addressed adequately.

3.6.2 Reliability

Embodied in the concept of reliability "is the idea of replicability or repeatability of results or observations" (Golafshani 2003, 598). Although circumstances change and can often have an effect on replicating studies (Veal 1997), the questions asked and data collected were standard and general. According to Saunders et al. (2003) this illustrates the concept of reliability and the ability for the study to be easily reproduced in the future. Quantitative data is well known for its capacity to be replicated, whereas qualitative data is more difficult to replicate due to its softer and more individualised nature. While this study commenced with an inductive qualitative approach, its use of attitude/opinion measurement and movement to a deductive quantitative approach through content analysis, indicates the investigation was balanced and standardised, and is open to replication. Singleton and Straits (2005), Saunders et al. (2003) and Oppenheim (1966) argue that using content analysis and a standardised approach and attitude/opinion measurement improves reliability. Finally, the standardised data collection process adopted in generating information from respondents ensured that interviewer bias was kept to a minimum. Interview bias is noted as a key area where research reliability can be affected (Saunders et al. 2003).

3.7 Limitations

As in all empirical studies in social science, no research design is perfect and this one maintains that experience. The sample for this research was drawn from people who visited the North East Victorian region and from benchmark attraction, accommodation and food and beverage suppliers within the area. Considering this, results are specific to this region and general transfer to all regions or, to tourism supply and demand may not be accurate. Some of the reasons for this follow:

- Tourists were only surveyed in four distinct North East Victorian locations. However, the region covers a large land area and attracts visitors to destinations outside those where data were collected.
- Suppliers were selected based on researcher and expert opinion of benchmark businesses. It was also limited to the attraction, accommodation and food and beverage sectors which immediately excluded those tourism suppliers operating outside the three sectors and those without perceived benchmark status.
- Tourist data were collected over a short period of time. During this time school holidays and Easter break occurred which may have influenced the types of visitors the region received and reduced the cross section of those who participated in the questionnaires.
- Supplier data was collected during a time of hardship and devastation due to bushfires

for the North East region. This may have had an impact on their responses and what they had or were doing with their business in terms of value.

- The second part of the tourist questionnaire measuring post-trip perceptions made extensive use of Likert-type scales. Use of these scales has the potential for measurement error owing to different respondents attributing different emphasis or intervals to scale values (Oppenheim 1966).

Research limitations are also present in terms of the research approach and the data analysis, specifically:

- This study adopts an inductive and deductive research approach requiring a mixed method research design. As mentioned earlier these approaches are different and are not without their critics. Thus it presents somewhat of a limitation in that inductive research is qualitative and deductive research is dominantly quantitative. Moving the data from its qualitative form to a quantitative form requires the researcher to make judgements about the information provided of which others may not necessarily agree.
- The supplier sample lends itself to limitations when it is analysed in conjunction with the tourist sample. A substantial difference exists between the two sample sizes, thus making it possible that if the supplier sample size was increased the responses and their frequencies would change and generate different results. Therefore, the results of this research may only be applicable to the current study's sample.

3.8 Chapter Summary

This chapter has identified the two part methodology employed for this research. The research began with an inductive exploratory approach that was dominantly focused on the collection of qualitative data through open style questions. The research then moved to a deductive strategy where qualitative data was converted into ordinal rank format for non-parametric analysis. Specifically, this data was used to test the hypotheses derived within each of the four research questions outlined in Chapter Two. The reasons behind such a mixed method approach are explained and justified and the data analysis process associated with this two part methodology discussed. The process used in determining target sample sizes and the techniques adopted for data collection were also outlined along with issues of reliability, validity and research limitations. Overall the two part methodology demonstrates the collection of qualitative data and its conversion process which enabled statistical analysis to be performed and conclusions drawn. The following two chapters will describe the results of the data obtained and the statistical analysis performed.

Chapter 4: Data Description

4.1 Introduction

This chapter presents the data obtained from the two part methodology used in this research and describes the response results. A total of 284 questionnaires were completed from the first stage of the tourist data collection process and 79 from the second. Twenty-four supplier interviews were obtained also. These results will be described in two parts. The first begins by profiling the tourist data set and provides a comparison between it and recent tourism industry figures to gauge sample representativeness. Data pertaining to tourists' pre-trip value perceptions and on what value means to them follows. To conclude the tourist section, results regarding their post-trip value perceptions are presented.

The second part of the chapter focuses on suppliers and begins with a brief profile. Next, responses regarding the value perceptions of suppliers in terms of what they believe their tourist consumers value and, the anticipated value they have added to their tourism offerings is examined. Overall this chapter sets the scene for Chapter Five which provides an analysis of the data described here.

4.2 Part 1 – Tourist Data Description

4.2.1 Data Set (Tourist) Profile and Industry Comparison

The following section describes the origin and behavioural characteristics of this study's data set and makes comparisons with relevant North East Victoria Region survey results to gauge its representativeness. The specific North East data used has been generated by Tourism Australia (2008) in their *High Country Regional 2007 Tourism Profile* and, Tourism Victoria's (2009) *High Country 2008 Market Profile*. Industry tourism figures pertaining directly to the North East region in the year the study was undertaken (2006) were not available.

4.2.1.1 Origin

Table 4.1 indicates 60% of the study's tourist data set were from within the state of Victoria, 35.7% were interstate and 4.3% international. This is consistent in terms of rank with that presented by Tourism Australia in their High Country Region Summary (Tourism Australia 2008) and Victoria's High Country Market Profile (Tourism Victoria 2009). Both of these profiles reveal the majority of visitors were from intrastate (80% and 77%), followed by interstate (16% and 21%) and international (4% and 2%). The difference in actual values could be related to the short survey period and seasonality of the current study, compared with year-round figures for the two government surveys.

Table 4-1: <u>Sample Data Set Origin Results vs. North East Victoria Survey Origin Results</u>

Origin	2006 Study Data Set Results	2007 North East Victoria Results (Tourism Australia 2008)	2008 North East Victoria Results (Tourism Victoria 2009)
Intrastate	60%	80%	77%
Interstate	37.5%	16%	21%
International	4.3%	4%	2%

4.2.1.2 Behaviour

Table 4.2 (overleaf) highlights the behaviour of the sample data set and compares it to North East Victorian tourism results for 2007 and 2008. A comparative summary is provided below.

4.2.1.2.1 Main Reason For Travel

As indicated in Table 4.2, 75.2% of the sample respondents were travelling in North East Victoria for holiday/leisure purposes, 19% were visiting friends/relatives, 3.2% were visiting for business and 2.6% noted other reasons for travel. This is relatively consistent with the 2007 and 2008 (Tourism Australia 2008, Tourism Victoria 2009) industry results which reveal that the majority (72.6% and 62.5% respectively) travelled for holiday/leisure, followed by visiting friends/relatives (22.7% and 23.5%), business (4.5% and 4%) and other (0.2% and 10%).

4.2.1.2.2 Travel Group Composition

Almost half (43.5%) of this study's tourist participants were found to be visiting as an adult couple while 28.3% travelled as an individual family group, 21.9% with their friends only, 8.5% individually and 2.5% said they travelled in another composition. When compared with the 2007 North East Victorian Survey Results listed in Table 4.2 (Tourism Australia 2008) a notable difference is evident, where 34.5% of their sample were found to be travelling alone followed by 23.7% as an adult couple, and 41.4% as a family group or with friends/relatives (an exact distinction was not provided by the data). Data presented on the 2008 North East Victoria Market Profile in Table 4.2 (Tourism Victoria 2009) however, shows that similar to this study's data set, the highest percentage of respondents were travelling as an adult couple (32%). This was closely followed by travelling alone (28.5%), friends/relatives (17%), individual family group (10.5%) and other (12%). One reason that may explain the difference in purpose and composition between each data set is that the one for this study was collected during an Easter long weekend (2006) and a two week school holiday period, whereas industry data for the North East were collected over a year and across different travel periods.

Table 4-2: Study Data Set Travel Behaviour vs. North East Victoria Survey's Travel Behaviour

Characteristic		2006 Study Data Set Results	2007 North East Victoria Results (Tourism Australia 2008)	2008 North East Victoria Results (Tourism Victoria 2009)
Reason for Travel	Holiday/Leisure	75.2%	72.6%	62.5%
	Visit Friends and/or relatives	19%	22.7	23.5%
	Business	3.2%	4.5	4%
	Other	2.6%	0.2	10%
Travel Group Composition*	Adult Couple	43.5%	23.7%	32%
	Individual Family Group	28.3%	41.4%	10.5%
	Friends/Relatives	21.9%		17%
	Along	8.5%	34.5%	28.5%
	Other	2.5%	0.4%	12%
Length of Stay	1-3 nights	63.7%	Average night stay was 3 nights	72.5%
	4-7 nights	29%		18.5%
	8+ nights	7.3%		9%
Planned Accommodation Type**	Hotel/Motel/ Resort	32.5%	34.3%	23%
	Caravan/ Camping	32.5%	22.8%	21%
	Friends/Relatives	20%	44.8%	24%
	Bed and Breakfast	10.2%		3%
	Rented House/Apartment /Flat/Unit	3.4%		14%
	Own Property (Holiday Home)	1.0%		9%
	Other	0.5%		7%
Individual Daily Expenditure	Under $100	75%	Data not provided	Data not provided
	$101-$200	17.1%		
	$201-$300	7.9%		

* In some instances, the sample data sets' travel group composition changed over the visit, thus, the total sums to more than 100%.

** Some parties in the sample data set changed accommodation type during their stay, therefore the total sums to more than 100%.

4.2.1.2.3 Length Of Stay

Over half (63.7%) of the tourists questioned in this research planned to stay in the North East region from between one to three nights, 29% between four and seven nights and 7.3% eight or more nights (refer Table 4.2). The results of Tourism Victoria's (2009) survey are similar to this in that most (72.5%) were staying between one to three nights, 18.5% from four to seven nights and 9% eight or more nights (9%). Data provided by Tourism Australia (2008) on the regions 2007 figures reveal that the average length of stay was three nights. This is also the category where the majority percentage of nights fell in terms of this study's data set.

4.2.1.2.4 Planned Accommodation Type

Among those staying overnight, Table 4.2 shows 32.5% of planned to stay in a hotel/motel/resort and the same again (32.5%) in caravan/camping ground. 20% planned to stay with friends/relatives, 10.2% in Bed and Breakfast accommodation, 3.4% in a rented house/apartment/flat/unit, 1% had their own property and 0.5% were staying in other types of accommodation. In comparison to North East Victoria tourism survey results from 2007 and 2008 (Tourism Australia 2008 and Tourism Victoria 2009), a few differences can be seen in terms of percentage popularity. Although this may be the case, the top three ranked planned types of accommodation were consistent across all three investigations, being friends/relatives, caravan/camping and hotel/motel/resort.

4.2.1.2.5 Individual Daily Expenditure

Of the sample data set, 75% estimated their daily expenditure to be under $100 per day, 17.1% estimated to spend between $101-$200 and 7.9% estimated to spend of $201+ (Table 4.2). Expenditure data in the 2007 and 2008 North East Victoria government reports were not provided. However, the Victorian State Surveys for 2005 and 2007 indicated an average daily expenditure by tourists of $92 and $94 respectively (Tourism Victoria 2006, Tourism Victoria 2008). These figures are consistent with the current study where the majority percentage for the daily spending amount is under $100.

4.2.1.3 Summary

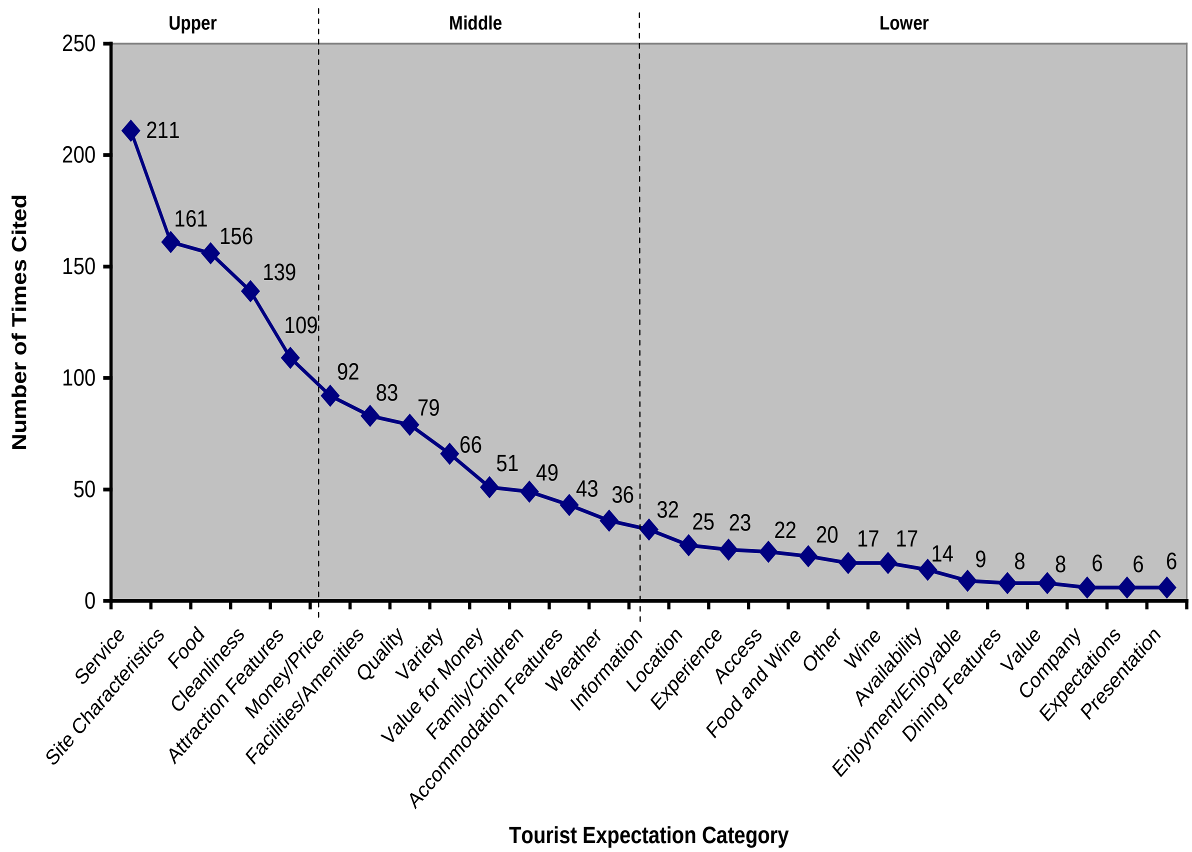
An analysis of the characteristics presented in Table 4.1 and Table 4.2 indicates that the tourist sample obtained by this study was a reliable cross-section of visitors to North East Victoria. There are some variations in figures which can be accounted for due to the different sampling periods however, the relative size and travel reasons are remarkably consistent across all three samples.

4.2.2 Tourist Pre-Trip Expectations

Tourists were asked what would make their visit to the North East Victorian region satisfactory. Questions were designed as open-ended to capture the real personal expectations and value feelings of tourists. Respondents were not limited in the number of comments they could make (refer to questionnaire in Appendix One). This generated numerous responses from which expectation categories were produced. These were originally created using NVivo7 and further examined through content analysis. Categories were developed according to the meaning of different responses. For example; responses such as ‘assistance’ and ‘easy check in/check out’ were provided in relation to what tourists expected from tourism providers. Such responses were considered to be aspects of service and therefore were categorised as ‘service’. Similarly, comments including ‘accessibility,’ ‘signage’ and ‘parking facilities/public parking/parking’ were felt to be associated with access in and around the destination. Subsequently, the category ‘access’ was formed. A total of 27 expectation categories were developed in this manner and included a category for ‘other’ which housed those expectation comments that had no direct or apparent connection with any of the already developed categories. Figure 4.1 (overleaf) illustrates the responses received and categories generated.

‘Service’ was the most frequently quoted expectation category with 211 citations. ‘Site characteristics’ (161), ‘food’ (156), ‘cleanliness’ (139), and ‘attraction features’ (109) were also emphasised as high expectations by respondents as indicated in the upper third of total responses in Figure 4.1. ‘Money/price’ (92), ‘facilities/amenities’ (83), ‘quality’ (79), ‘variety’ (66), ‘value for money’ (51), ‘family/children’ (49), ‘accommodation features’ (43), and ‘weather’ (36) appeared to be less important than the previous categories, but were mid-range when compared to the remaining ones. In the lower third, tourists mentioned 'information,' 'location,' 'experience,' 'access,' 'food and wine,' 'other,' 'wine,' 'availability,' 'enjoyment/enjoyable,' 'dining features,' 'value,' 'company,' 'expectations' and 'presentation' as aspects that also would make their visit satisfactory.

Figure 4-1: Tourist Expectations (Pre-Trip) (n=284)



'Quality,' 'money/price' and 'value for money' are among the top ten expectation categories, but appear in the mid-range area in Figure 4.1. Self declared 'value' however, is positioned fourth from the bottom with only eight responses.

4.2.3 Tourists' Interpretation of Value

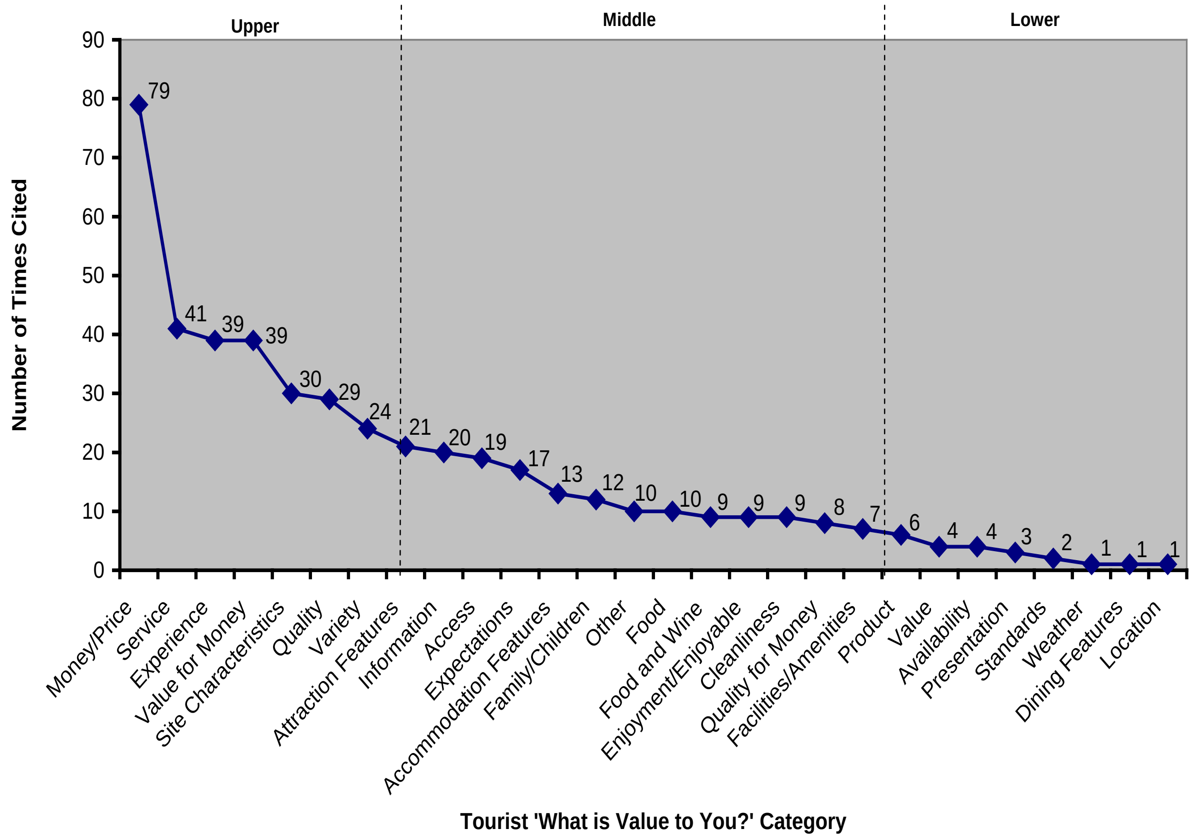
To determine what value means to tourists, the question 'what is value to you?' was asked. This question was provided in an open-ended format where respondents answered using their own words and phrases. To ensure real value meanings were captured, no prompting or input from interviewers was provided. A wide variety of responses and multiple key words were observed among participants, and a number of consistencies in terms of individual words and phrases were evident. As with tourist expectations (mentioned above) such responses were grouped according to their meaning and 'what is value to you' categories created. For example, the phrases 'good weather,' 'country atmosphere' and 'friendliness' were categorised as 'weather,' 'site characteristics' and 'service' respectively. As with tourist expectations, categories were originally developed using NVivo7 and then further examined through content analysis. Overall, 467 responses were received from the 284 completed surveys. Subsequently, 28 'what is value to you' categories were created.

Figure 4.2 (overleaf) illustrates these categories along with the number of times responses relevant to each were cited. 'Money/price' was the category most frequently cited with 79 responses. This monetary aspect is dominant and appears to indicate value more so than any other listed category. This is especially evident by the big fall from 'money/price' to the following category 'service' where the number of responses almost halves between the two. 'Service' (41), 'experience' (39), 'value for money' (39), 'site characteristics' (30) 'quality' (29), and 'variety' (24) were the next most frequently quoted groupings after 'money/price'. Another 21 'what is value to you' categories were also mentioned. Following the initial steep fall, Figure 4.2 shows a gradual decline in responses for the middle and lower thirds, indicating a wide variety of value interpretations at a relatively low level of intensity.

With respect to the quality and price aspects that were mentioned in the literature review to constitute value, Figure 4.2 shows that they are indeed significant in tourists' interpretations of value. Both areas feature in the upper third of responses along with 'value for money' which has also been documented as another way consumers perceive value (Zeithaml 1988). 'Variety' also ranked in the upper third of responses as an area tourists use to perceive value which suggests that the DCTA's (2003) claim regarding Australia's tourism industry earning a reputation for quality, value and variety is indeed important.

To determine the importance of the self-declared value components cited by tourists, a follow up question was provided asking them to indicate the relative importance of each using a percentage out of 100. Here tourists weighted each of their responses so they totalled 100 percent. The purpose of this question was to obtain an indication of which value components held the highest weightings among tourists. The data for this question are analysed in conjunction with the 'what is value to you' categories in Chapter Five.

Figure 4-2: Tourists' Value Interpretations (n=284)



4.2.4 Tourist Post-Trip Perceptions

To gather information on their post-trip perceptions, respondents were asked to complete a postal questionnaire once they returned home from their trip to North East Victoria. The aim of this second questionnaire was to collect tourists actual rather than assumed perceptions of their experience. Out of the 284 original respondents, 79 (28%) completed and submitted their post-trip observations.

To gauge these perceptions, respondents were provided with groups of Likert-type scale statements relating to how they felt about their overall North East visit and experience with the attraction, accommodation and food and beverage sectors. Four of the statements analysed related to the tourists' overall perceptions of their entire North East experience (refer to Appendix Three, pages 158-160 for a list of these statements). The remaining statements related to experiences across the three individual sectors (refer to Appendix Three, pages 160-162 for lists of these statements). All statements were presented using a seven-point Likert-type scale where, similar to SERVQUAL, seven indicated "strongly agree" and one indicated "strongly disagree."

In order to provide an holistic interpretation of tourists' post-trip perceptions, rather than an individual sector analysis, the Likert-scale statements asked (Column Two, Table 4.3) across the three sectors (Column One, Table 4.3) were grouped into a number of categories according to their purpose and what they were addressing (Column Three, Table 4.3). For example, the statement 'the attractions I visited delivered what they promised' referred to 'expectations' and was thus assigned to that category. As with SERVQUAL, statements were asked across different dimensions with some measuring the same dimension but using different wording. For example, each set of sector-specific statements (Column Two, Table 4.3) had two question statements that referred to 'expectations' but were worded differently. This totalled six 'expectation' statements across the three sectors. Each of these statements and their values were then grouped as one 'expectations' category. To demonstrate this process, Table 4.3 lists all of the statements used to measure perceptions (Column Two) by sector and non-sector (Column One) and their assigned category (Column Three).

Table 4-3: Tourist Post-Trip Perception Statement Categories

Sector	Likert-Scale Statement	Assigned Category
Attractions	The attractions delivered what they promised	Expectations
	Access to the attractions was satisfactory	Access
	Signage to the attractions was easy to follow	Access
	Parking conditions were satisfactory	Access
	The staff were caring	Service
	The service I received was prompt	Service
	The staff were helpful	Service
	The physical surrounds were visually appealing	Site Characteristics
	The facilities were clean	Cleanliness
	The facilities were up to date	Facilities/Amenities
	The price charged was reasonable	Money/Price
	Overall, I received what I expected	Expectations

Sector	Likert-Scale Statement	Assigned Category
Accommodation	The accommodation delivered what they promised	Expectations
	Access to the accommodation was satisfactory	Access
	The accommodation was well signed	Access
	The location of the accommodation met my needs	Location
	The accommodation was quiet	Site Characteristics
	The staff were caring	Service
	The service I received was prompt	Service
	The staff were helpful	Service
	The accommodation was visually appealing	Site Characteristics
	The accommodation was clean	Cleanliness
	The facilities were up to expectations	Facilities/Amenities
	If provided, meals were satisfactory	Food
	The price charged was reasonable	Money/Price
	Overall, I received what I expected	Expectations
Food and Beverage	The dining establishments delivered what they promised	Expectations
	Access to the dining establishments was satisfactory	Access
	The dining establishments were well signed	Access
	Parking conditions were satisfactory	Access
	The staff were caring	Service
	The service I received was prompt	Service
	The staff were helpful	Service
	Waiting time was satisfactory	Service
	The staff provided me with individual attention	Service
	The dining establishments were clean	Cleanliness
	The facilities were up to expectations	Facilities/Amenities
	The menu provided a good selection of food options	Food
	The menu provided a good selection of wines	Wine
	The dining establishments featured local produce	Food
	The food met my expectations	Food
	The atmosphere was pleasant	Site Characteristics
	The prices charged were reasonable	Money/Price
	Overall, I received what I expected	Expectations
Non Sector Related Questions	Considering your time away in North East Victoria, please indicate your overall level of satisfaction with your experience	Destination Satisfaction
	Please indicate how well your experience in the North East met the expectations you had prior to undertaking the trip	Experience
	Please indicate the overall value you feel you received from your trip.	Value
	Overall, do you feel you received value for money?	Value for Money

Table 4.3 shows that of all the statements across the three sectors, 11 related to the 'service' classification, eight to 'access', six to 'expectations', four to 'site characteristics' and 'food' and, three to 'cleanliness,' 'facilities/amenities' and 'money/price'. Those elements with only one related statement were 'location,' 'wine,' 'destination satisfaction,' 'experience,' 'value' and 'value for money'. After categories were assigned to each statement, the individual means were collated for the statements within the category and their average mean calculated. This figure then became the grouped mean for each post-trip perception category. For example, the mean values for the six 'expectation' statements were added together and then averaged. In the case where only one statement was represented in a category (for instance value), the individual mean was used. Table 4.4 indicates each tourist perception category and their final mean value which will be used for analysis.

Table 4-4: <u>Tourist Post-Trip Perception Categories Group Mean Value (n=79)</u>

Tourist Perception Category	Group Mean
Location	6.3
Destination Satisfaction	6.1
Access	6.0
Site Characteristics	6.0
Cleanliness	6.0
Value	6.0
Service	5.9
Wine	5.9
Expectations	5.8
Food	5.8
Facilities/Amenities	5.7
Money/Price	5.6
Experience	5.5
Value for Money	5.0

Table 4.4 shows a favourable response in terms of tourists' post-trip perceptions, with each category scoring a mean value of 5.0 or above out of a possible 7.0. 'Location' (6.3), 'destination satisfaction' (6.1) 'access' (6.0), 'site characteristics' (6.0), 'cleanliness' (6.0) and 'value' (6.0) each received a mean score of 6.0 or above, indicating strong agreement. The remaining categories featured in the lower level as represented by the dotted line in Table 4.4. Each of these had a mean value of 5.9 or less. Those of particular interest in the lower section include 'expectations,' 'money/price' and 'value for money'. As demonstrated

in the literature review these aspects are known for their close relationship with value. However, the mean score for these categories were 5.8, 5.6 and 5.0 respectively, indicating lower levels of agreement on behalf of the tourists when compared to the perception categories situated above the dotted line in Table 4.4.

This shows a difference from the pre-trip value expectations presented earlier in Figure 4.1. Particularly, 'money/price' was an aspect sought by tourists where it had a relatively high pre-trip expectation featuring at the top of the middle third. However, in terms of post-trip perceptions 'money/price' was a lower level aspect suggesting that perhaps tourists pre-trip perceptions regarding 'money/price' did not match what they received in this area. A similar outcome occurred in relation to 'food' and 'facilities/amenities'.

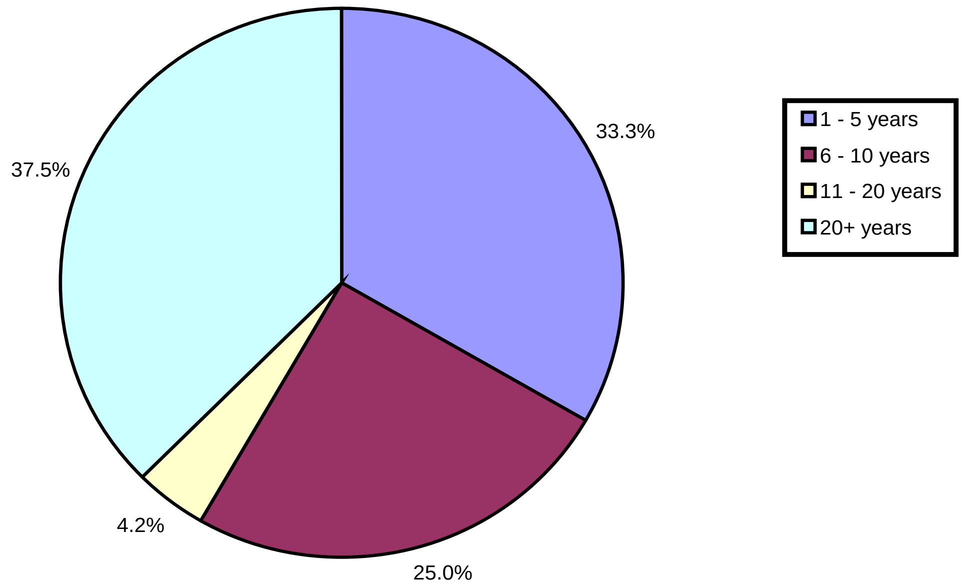
4.2 Part 2 - Supplier Data Description

4.2.1 Supplier Profile

4.3.1.1 Years of Business Operation

Of the 24 tourism businesses interviewed, 37.5% had been in operation for 20 or more years, 33.3% for one to five years, 25% for 6-10 years and a small portion (4.2%) for 11-20 years (refer Figure 4.3 overleaf). Overall, two thirds (66.7%) of businesses had been in operation for six years or more. This confirms they are both experienced and successful and, supports their classification as 'benchmark' businesses.

Figure 4-3: Years of Business Operation (n=24)



4.3.1.2 Tourist Market

Suppliers were asked the open question 'Who makes up your tourist market?' As no options were provided for them to choose from, their responses were somewhat messy and difficult to interpret. However, in general the information provided tended to focus on their anticipated tourist market's age and origin, though not all comments reflected both of these aspects. On the other hand, some suppliers provided information on all of the origins they anticipated their tourist visitors travel from. Table 4.5 and Table 4.6 (overleaf) summarise all of the age and origin responses given to this question.

Table 4-5: Suppliers' Anticipated Tourist Market by Age (n=24)

Anticipated Tourist Age	Total
40 years+	13
Under 40 years	6

Table 4-6: Suppliers' Anticipated Tourist Market by Origin (n=24)

Anticipated Tourist Origin	Total
Melbourne	18
Interstate	15
International	11
Locals	9
Regional Victoria	9
Other (no definite distinction provided)	3

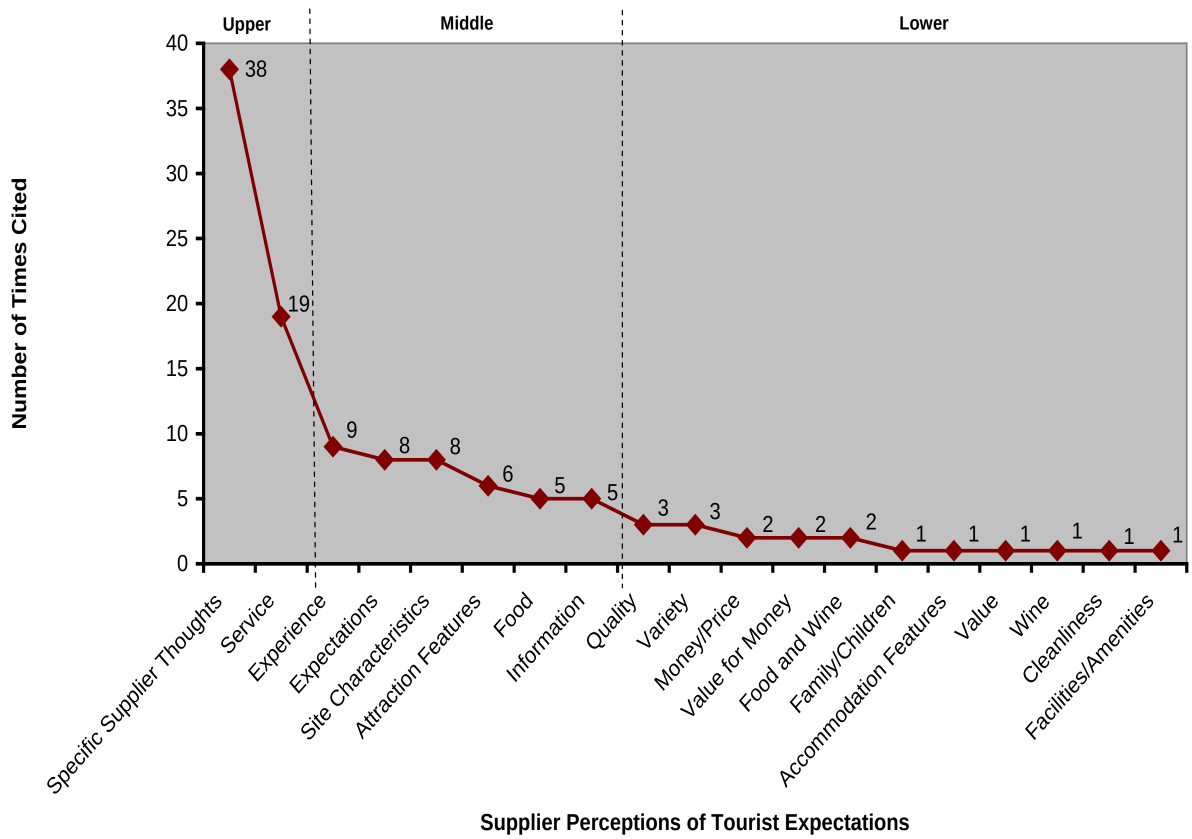
In terms of age, Table 4.5 shows 13 suppliers noted that their tourist market consists of people 40 years and over. As for anticipated origin, 18 suppliers stated some of their visitors originated from Melbourne, 15 indicated a portion of were from interstate and 11 anticipated some of their tourist market included international visitors. When compared to the tourist profile discussed earlier (refer Section 4.2.1) the anticipated origins mentioned by suppliers show similarities, in that the highest number estimate their market to be from within intrastate.

4.3.2 Supplier Perceptions of Tourist Expectations

To capture their views on tourist expectations and value, suppliers were asked the open question 'What do you think your tourist market expects from their experience with your tourism business?' Responses to this question varied among suppliers. As with the tourist data described earlier, responses were analysed and placed into categories. Figure 4.4 (overleaf) represents the 19 supplier perception categories and their number of responses.

A total of 116 citations/comments were examined. Of these, 38 (33%) referred to the supplier perception category 'specific supplier thoughts'. This category was created for those perceptions that did not fall under the general categories that had already been derived from the tourist expectation classification process. Examples of 'specific supplier thoughts' include aspects such as 'engagement with product,' 'basic small country town,' 'standards through business reputation' and 'don't know/not sure'. The 'don't know/not sure' response is somewhat concerning and is analysed further in the following two chapters. After 'specific supplier thoughts,' 'service' received 19 citations (16%). The remaining 51% of supplier perception categories in Figure 4.4 were all mentioned less than 10 times. 'Quality,' 'money/price,' 'value for money' and 'value' as cited by suppliers all appear in the lower level range of categories.

Figure 4-4: <u>Supplier Perceptions of Tourist Expectations (n=24)</u>

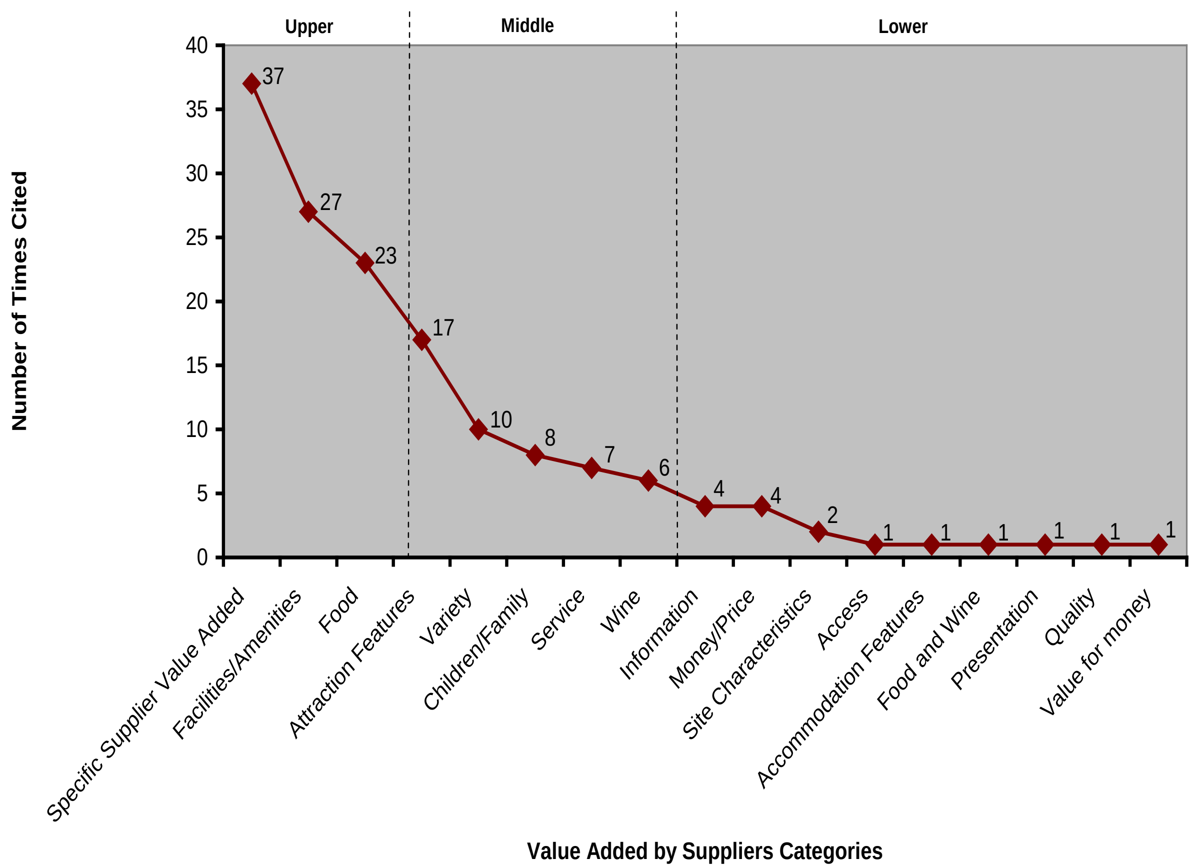


4.3.3 Value Added by Suppliers

To determine whether or not the interviewed suppliers had previously added any conscious value to their tourism products and/or services the question "What value, if any, have you added to your tourism product/service?" was asked. This also provided an insight into what types of mechanisms suppliers considered to be value creators. As with previous questions, the responses given were categorised according to what the researcher felt they were referring. For example, one accommodation supplier mentioned they had added DVD players into their rooms. This was placed under the category of 'facilities/amenities'. An attraction supplier stated they created value through providing "wine, afternoon teas and luncheons." Wine was placed under the category 'wine' whereas afternoon teas and luncheons were classified as 'food'. Finally, a food and beverage supplier noted they generate value through daily menu changes, which was grouped as 'food'.

Figure 4.5 shows 'specific supplier value added' was the most frequently cited category representing 25% of all citations. As with supplier perceptions, this category was derived to house those comments that did not fit into or were not covered by any existing categories (as created by tourist expectation data). Examples of such responses include; 'involvement with local memberships,' 'short term promotions,' 'changes in opening hours' and, 'being different from the suburbs'. 'Facilities/amenities,' 'food' and 'attraction features' were the next most mentioned categories with 27, 23 and 17 responses respectively. Together these represent 69% of total citations. 'Money/price,' 'quality' and 'value for money' each feature again as categories with low response rates at the lower end of the slope in Figure 4.5.

Figure 4-5: <u>Conscious Value Suppliers have Added to their Tourism Offerings (n=24)</u>



4.4 Chapter Summary

This chapter provides a description of the data received from the mixed methodology approach. Although the data presented provides some interesting insights into the value relationships in North East Victoria, it is dominantly descriptive. In the interests of further investigation into this area, and in ensuring research reliability and validity, the following chapter will move the data from its current state into the deductive quantitative format discussed in Chapter Three. This will involve answering the four research questions proposed in Chapter Two by creating a null and alternate hypothesis for each and undertaking statistical analysis.

Chapter 5: Data Analysis

5.1 Introduction

Information presented in Chapter Four described the data generated from the mixed method approach utilised in this study. The thesis will now analyse the individual nature of the qualitative and descriptive results that were presented. As such, the current chapter moves from the induction to the deduction stage of this research. Individual hypotheses are derived from the four research questions that were presented in Chapter Two and statistical analysis performed. Due to sample sizes and the dual approach to data collection, the testing performed is predominantly non-parametric. For this process to be effective, conversions using personal judgement in transforming the descriptive qualitative responses into quantitative measures suitable for statistical analysis were performed. Again the process used and judgements made were checked by independent statisticians in other disciplines (psychological sciences and management) at La Trobe University and have met their approval. The results of these procedures and the subsequent testing outcomes are identified and interpreted.

Many responses incorporated in this investigation were given to open-ended questions. Often these were collected with respect to the three tourism areas examined: accommodation, attractions and food and beverage. To provide an holistic rather than individual sector view, Chapter Four collated these responses and described them as one. In the instance where these are incorporated in the current chapter's quantitative analysis, only the first responses provided by participants for each sector are included. This process was selected because the first comments made were considered to be the aspects which tourists and suppliers felt were most important in respect to each question. With regards to this approach Holsti (1969) notes that one issue with qualitative data and the provision of more than one response to a question is that of the weight each response carries. Singleton, Straits and Straits (1993, 384) argue "it may be that some categories or some recoding units should be weighted more heavily than others." To give an example, Holsti (1969) suggests that front page articles or headlines featuring in a newspaper or magazine might be more important and carry a heavier weighting than those that feature later in the document. Considering this, it is possible that the same could be said for instances where more than one response is given to a question. Thus, first responses may carry more importance or a heavier weighting in the mind of participants, that is, it is their top of mind response and the aspect they consider the most important. For this reason, only first responses to open-ended questions, where no percentage weighting was provided by tourists to their responses, were used.

Overall, the analysis presented provides some interesting information with regards to the gaps and association between the supply and demand elements in the provision of tourism experiences and, between theoretical and actual consumer perceptions of value in the current sample. The results of the statistical analysis are presented according to each research question from which a null and alternate hypothesis has been derived.

5.2 Research Question #1:

Is there a gap between tourist and supplier perceptions of value?

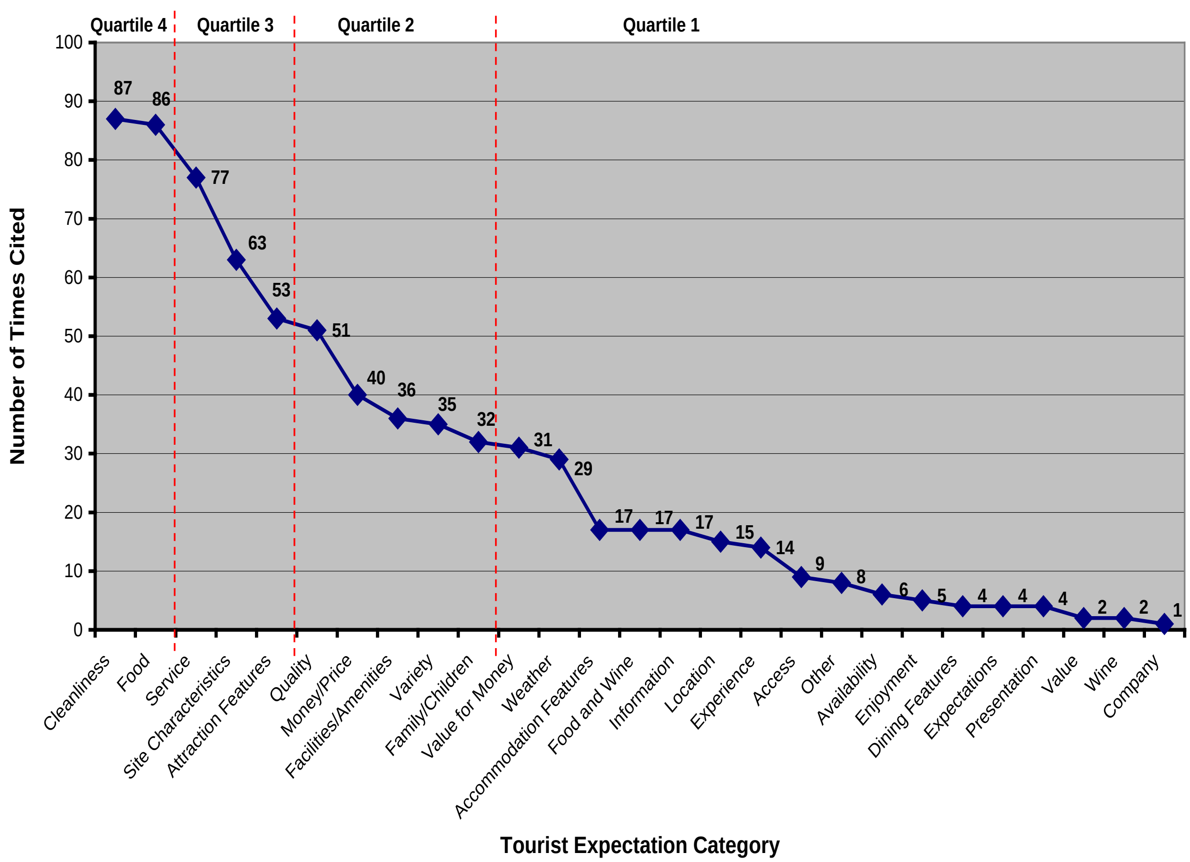
- Ho – There is no association between what tourists and suppliers perceive as product value.
- HA – There is an association between what tourists and suppliers perceive as product value.

To test this hypothesis tourist and supplier data from the previous chapter were compared. Tourist data was derived from the first survey, particularly their answers to the open question ‘What would make your visit to attractions, accommodation and dining establishments satisfactory’. Supplier data originated from the interview question ‘What do you think your tourist market expects from their experience with your tourism business?’ Thus, all first responses from the three sectors (attractions, accommodation and dining) in the first tourist survey were analysed together. The same technique was also applied for the supplier responses.

5.2.1 Tourist Data

Overall, 745 first responses were received across the three sectors in regards to tourists' pre-trip expectations. For analytical purposes, each response was grouped and categorised according to their most appropriate meaning. The categorisation process used is the same as described earlier. Following this, the data distribution was divided into quartiles and ranked from one to four, with four the highest ranking and representing the top quarter of responses and one the lowest. The highest responses were located at the peak of the linear graph in Figure 5.1 and consisted of those that received the highest number of citations. The lowest quartile ranking represents the responses which received lesser numbers and is located in the bottom right hand quarter of Figure 5.1.

Figure 5-1: Tourist Pre-Trip Expectation Quartile Rankings (n=745)

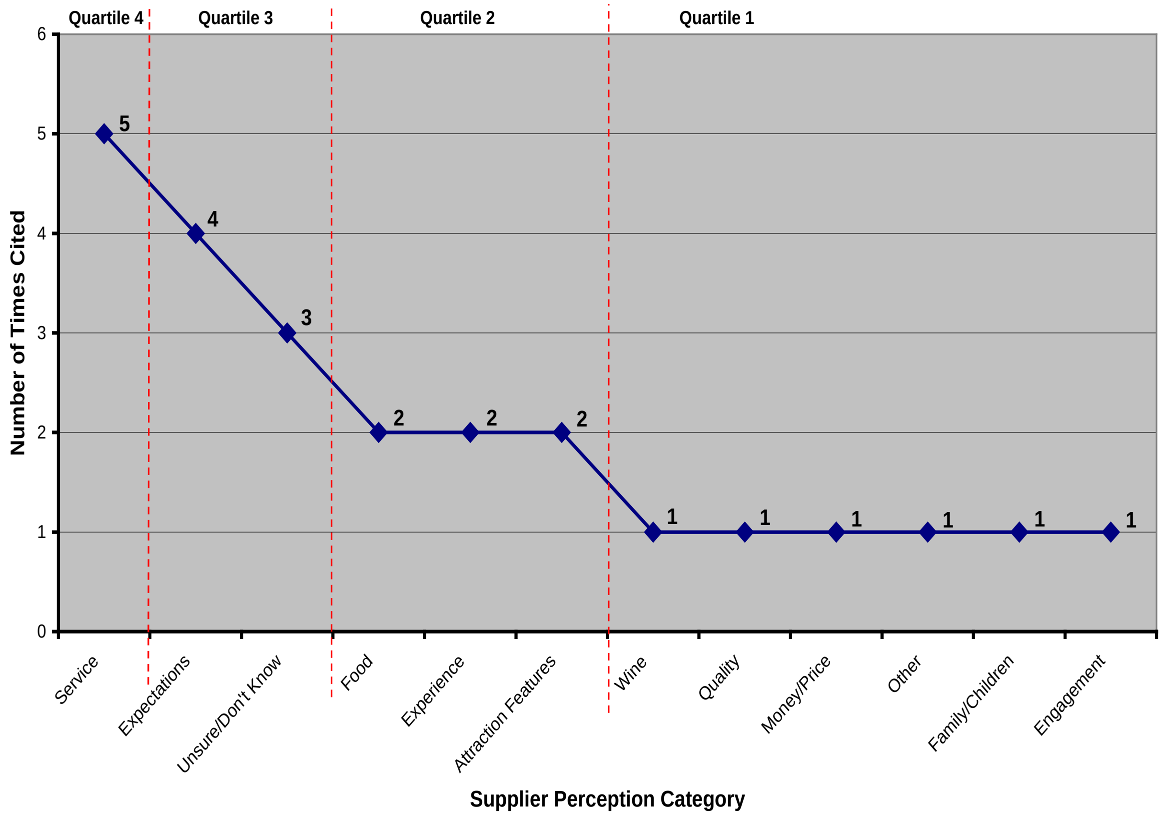


Quartiles were determined through both calculation and subjective judgement. In terms of calculation, the 745 first responses received were divided into quarters (745/4). This result suggested that, to have even quartiles, each required 186 responses. However, as data were categorised this meant some categories would need to be divided over two quartiles if the quota of 186 was exceeded. Consequently, the location of categories once they were placed from highest number of responses to lowest (Figure 5.1) in a linear graph, were also used to determine quartiles. Figure 5.1 shows that 'cleanliness' and 'food' received the largest mention in tourist responses (173) and featured in quartile four. 'Service,' 'site characteristics' and 'attraction features' were represented in quartile three, followed by 'quality,' 'money/price,' 'facilities/amenities,' 'variety' and 'family/children' in quartile two. These categories had between 77 and 32 responses each, indicating a movement from high expectations levels to moderate ones. The remaining 17 categories made up quartile one. Column Two in Table 5.1 (page 109) shows the final breakdown of tourist expectation categories and their relevant quartile rankings.

5.2.2 Supplier Data

Supplier first responses were analysed and divided into quartile rankings using the same method as used for tourist data. A total of 24 first responses were received and grouped into 12 categories. Figure 5.2 illustrates the final categories and their associated quartile rankings.

Figure 5-2: Supplier Perceptions of Tourist Expectations Quartile Rankings (n=24)



Half (six) of the categories featured in quartiles four, three and two, while the remaining six categories appear in quartile one. ‘Service’ was the category with the highest number (five) of responses and the only supplier area that featured in the highest quartile four. ‘Expectations’ and ‘unsure/don’t know’ were represented in quartile three with four and three responses respectively. Three categories, ‘food,’ ‘experience’ and ‘attraction features’ each with two responses made up quartile two while the remaining six were situated at the lower end of the citations in quartile one with one response each. Column Three in Table 5.1 (overleaf) displays each of the supplier perception categories and their related ranking.

Table 5-1: Tourist and Supplier Perception Rankings by Category

Category	Tourist Expectation Quartile Ranking	Supplier Perceptions Quartile Ranking
Cleanliness	*4*	-
Food	*4*	2
Service	3	*4*
Site Characteristics	3	-
Attraction Features	3	2
Quality	2	1
Money/Price	2	1
Facilities/Amenities	2	-
Variety	2	-
Family/Children	2	1
Value for Money	1	-
Weather	1	-
Accommodation Features	1	-
Food and Wine	1	-
Information	1	-
Location	1	-
Experience	1	2
Access	1	-
Other	1	1
Availability	1	-
Enjoyment	1	-
Dining Features	1	-
Expectations	1	3
Presentation	1	-
Value	1	-
Wine	1	1
Company	1	-
Engagement	-	1
Unsure/Don't Know	-	3

5.2.3 Tourist and Supplier Data

5.2.3.1 Spearman's Rank Correlation

To confirm the existence or otherwise of Ho a Spearman Rank Correlation with a preset level of confidence of 0.05 was performed on the category frequency data in Figure 5.1 and Figure 5.2. For this technique to be effective Churchill (1991) notes the two variables being tested need to be measured on an ordinal scale so the objects can be ranked in two ordered scales. With the tourist and supplier data for this research question both being converted from their qualitative nominal form to a quantitative ordinal style, Spearman's Rank Correlation coefficient was considered both applicable and appropriate for gauging association. Table

5.2 illustrates the results of the analysis.

Table 5-2: Spearman's Rank Correlation Results - Tourist and Supplier Value Perceptions

Statistic	Test
$r_s = 0.062$	$p = 0.749$
Conclusion: Cannot reject Ho	

The correlation coefficient of 0.062, shows that there is a low, almost non-association between tourist expectations and supplier perceptions. The probability of this correlation occurring by chance alone is 0.749. Therefore, this association is not statistically significant and Ho cannot be rejected.

5.2.3.2 Quartile Comparisons

Despite a non-significant result examination of Figure 5.1, Figure 5.2 and the quartile rankings listed in Table 5.1 show some disturbing anomalies. Overall 29 categories were formed from the combined tourist and supplier responses. The main differences between the groups is that tourists expect 'cleanliness' (ranked in the highest quartile) whereas suppliers did not perceive this aspect to be something that tourists expect (i.e. it was not mentioned by suppliers). Similar results were found in regards to the category 'site characteristics,' which was ranked in the second highest quartile by the tourists but not mentioned at all by suppliers. As evidenced by the rankings, the category of 'expectations' was more dominant in the suppliers' thoughts than the tourists, where it was ranked in the second highest and lowest quartiles respectively. 'Unsure/don't know' was only mentioned by the supplier sample, and featured in the second highest quartile, suggesting that in some cases the providers are unsure or do not know what their tourist market expects. This finding is an important result considering an ideal situation only occurs when the perceptions of both parties are matching. In reference to the categories that are best known for constituting value, 'quality' and 'money/price' were mentioned by both parties and rated within the lower half of their quartile rankings. 'Value for money' and 'value' also ranked in the lowest quartile but were only mentioned by tourists not suppliers, thus indicating the latter do not perceive these aspects to be something tourists expect.

5.3 Research Question #2:

Is there a gap between tourist pre-trip value perceptions and the anticipated value suppliers have added?

- Ho – There is no association between tourists' value expectations and the anticipated value suppliers add to their product.
- HA – There is an association between tourists' value expectations and the anticipated value suppliers add to their product.

Questions designed and selected for this comparison were gathered from tourist and supplier responses to open-ended questions and interviews. Tourist expectation data were obtained from the same question used in research question one, namely 'What would make your visit to (attractions, accommodation and dining establishments) satisfactory?', and was chosen because it provided information on what tourists expect to receive during their travel experience. Supplier data were generated from the question 'What value, if any, have you added to your tourism product/service?' This was selected because it required suppliers to provide information on the types of initiatives they have consciously implemented to create value for their consumers. The tourist results and rankings used in the analysis of this research question remain the same as that generated and applied to research question one.

For effective comparison and analysis, supplier responses were transformed from their qualitative form into quantitative data using an ordinal rank order style. Twenty-four first responses were generated, which were assigned categories in the same manner as previously mentioned in Chapter Four.

Figure 5-3: Supplier Anticipated Value Added Quartile Rankings (n=24)

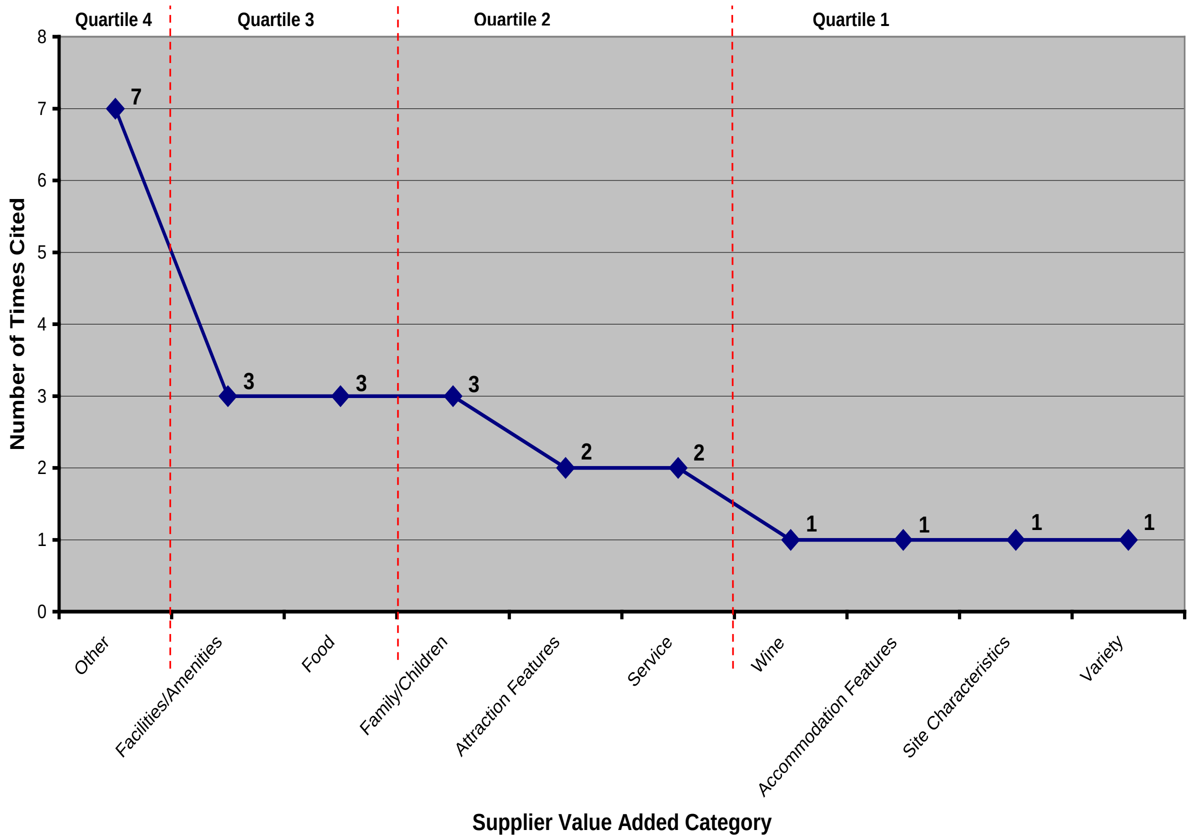


Figure 5.3 shows that of the 24 responses, 10 value added categories were derived. 'Other' was the only one to feature in quartile four with seven (29.2%) responses. Examples of 'other' include complimentary aspects, conducting business different to what tourists would receive in the suburbs, winning awards and, adjusting opening hours. An examination of these examples demonstrates that they are individual business and site specific changes rather than general ones. Of the remaining categories, two featured in quartile three ('facilities/amenities' and 'food'), three; 'family/children,' 'attraction features' and 'service' rated in quartile two while the remaining four; 'wine,' 'accommodation features,' 'site characteristics' and 'variety' were located in quartile one. Interestingly, there was no mention of anticipated value creation efforts having being made in the areas of price or quality. Table 5.3 (overleaf) illustrates the quartile distribution of the value added and tourist expectation categories.

Table 5-3: Tourist Expectation and Supplier Value Added Rankings by Category

Category	Tourist Expectation Quartile Ranking	Supplier Value Added Quartile Ranking
Cleanliness	*4*	-
Food	*4*	3
Service	3	2
Site Characteristics	3	1
Attraction Features	3	2
Quality	2	-
Money/Price	2	-
Facilities/Amenities	2	3
Variety	2	1
Family/Children	2	2
Value for Money	1	-
Weather	1	-
Accommodation Features	1	1
Food and Wine	1	-
Information	1	-
Location	1	-
Experience	1	-
Access	1	-
Other	1	*4*
Availability	1	-
Enjoyment	1	-
Dining Features	1	-
Expectations	1	-
Presentation	1	-
Value	1	-
Wine	1	1
Company	1	-

5.3.2 Spearman's Rank Correlation

To determine the strength and level of association between tourist expectations and supplier value added Spearman's Rank Correlation coefficient was conducted on tourist category frequency distributions in Figure 5.1 and supplier distributions in Figure 5.3. Table 5.4 presents the outcome of this analysis.

Table 5-4: Spearman's Rank Correlation Results – Suppliers' Actual Value Added and Tourists' Product Value Expectations

Statistic	Test
$r_s = 0.402$	$p = 0.037$
Conclusion: Reject Ho and Accept H_A	

The results reveal a positive correlation of 0.402 with a probability of occurrence of 0.037. Such a coefficient has been described as a moderate positive correlation by Saunders et al. (2003). The low probability of 0.037 indicates this is statistically significant. Thus we can reject the null hypothesis and accept the alternate that there is a statistically significant but moderate positive association between the anticipated value suppliers create and the product value tourists expect to receive.

5.3.2 Quartile Comparisons

Table 5.3 reveals the patterns behind this moderate level of correlation. It shows that 27 categories were developed in regards to research question two. All of them were mentioned by tourists in terms of their expectations, while only 10 were indicated by suppliers as an anticipated value they have created/added to their tourism offerings. Similarities between the two variables can be found first in the category of 'family/children' which was ranked in the second quartile by both groups, and second, in 'accommodation features' and 'wine'. Both of these rated in the lowest quartile by each party suggesting that tourists do not have high levels of expectations when it comes to these areas, and, that suppliers do not focus on these elements as ones that require added value as much those which featured in the higher quartile. Other similarities where quartile rankings were within one rank range of each other included 'food,' 'service,' 'attraction features,' 'facilities/amenities' and 'variety'. Of these, the tourist ranking was higher than that of suppliers in each category except for 'facilities' where the opposite occurred.

In terms of differences, 'cleanliness' was again the main discrepancy, featuring in the highest quartile among tourists' but did not receive a mention on the supply side as an area they have used to create value. A second distinctive difference was in the category 'other'. Here suppliers mentioned they anticipated to have added value in a variety of ways which were not included among the formed categories. On the tourist expectation side however, 'other', which included comments like 'real estate' and 'well done', featured in the lowest quartile. This suggests that suppliers are creating value that is not directly in line with what tourists want. 'Site characteristics' also presented a small variation. This category ranked high in quartile three by tourists but appeared less important for suppliers, receiving a rating only of one. In conjunction with the comment made earlier, the categories 'quality,' 'money/price,' 'value for money' and 'value' were all mentioned by tourists as areas they expect, but did not feature at all in the first responses or rankings of supplier value added.

5.4 Research Question #3:

Is there a gap between tourists' pre- and post-trip perceived value?

- Ho – There is no association between tourist pre- and post-trip value perceptions.
- HA – There is an association between tourist pre- and post-trip value perceptions.

Data for the tourist pre-trip perception aspect of this research came from the same question used in research questions one and two, namely the open-ended qualitative question 'What would make your visit to (attractions, accommodation and dining establishments) satisfactory?' Thus the same expectation categories used in the two previous research questions are applied for this analysis. Data pertaining to the tourists' post-trip value perceptions were collated from the 79 post-visit mail survey responses to the three sets of sector specific statements and four individual experience statements. The process that was used to prepare these statements for analysis was discussed and presented in Chapter Four, Table 4.3 and Table 4.4.

To compare tourist pre- and post-trip perceptions, the same analysis technique used in the two previous research questions was employed. Grouped tourist post-trip perception means (refer Table 4.4 in Chapter Four) were ranked into quartiles. Adopting this method provided consistency between the pre- and post- data and ensured they were in a similar ordinal style format. Figure 5.4 illustrates the tourist post-trip perception categories and their quartile locations along a linear graph.

Figure 5-4: Tourist Post-Consumption Perception Quartile Rankings (n=79)

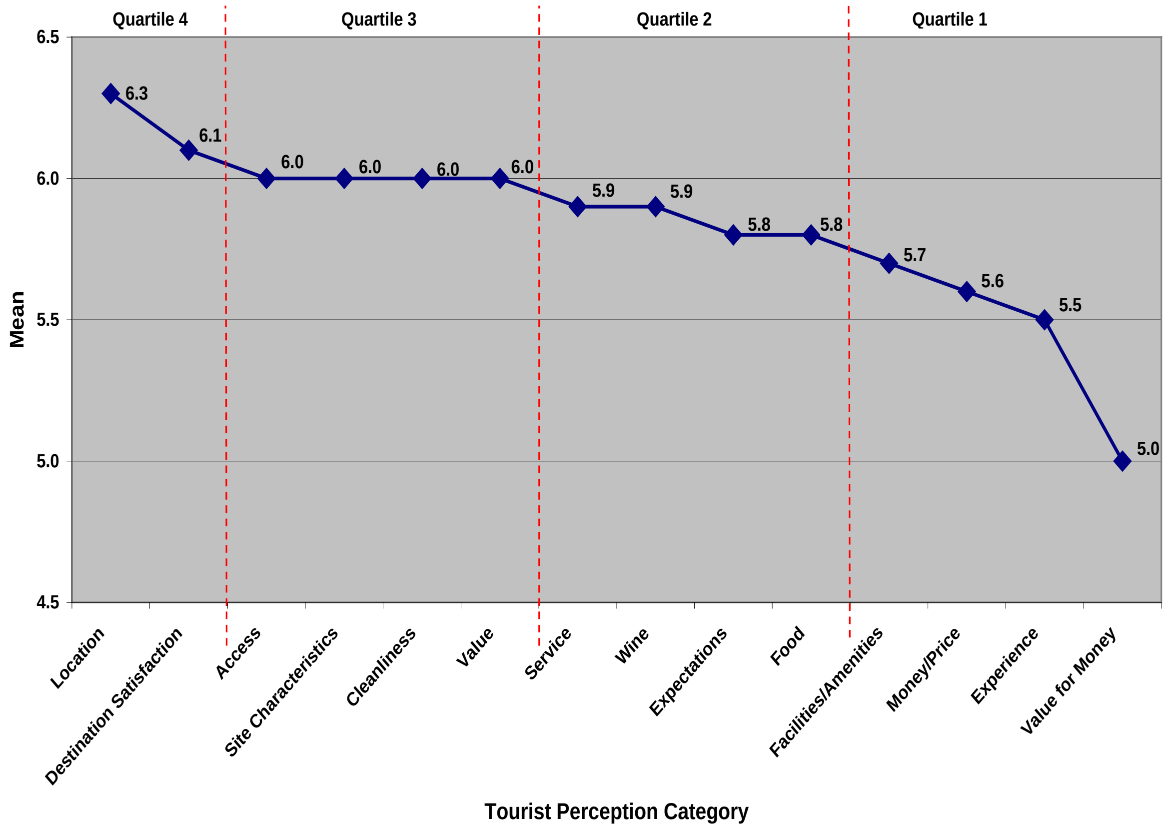


Figure 5.4 shows that tourists had a strong perception in terms of 'location' and 'destination satisfaction' with their North East experience. However, perceptions regarding 'facilities/amenities,' 'money/price,' 'experience' and 'value for money' were not as evident and featured in the lowest quartile. Eight categories were rated in both quartile three and two, suggesting that these are more mid-range perceptions. Two categories of interest in these locations are 'value' (quartile three) and 'expectations' (quartile two). This is due to the fact that they are strongly associated with value interpretations. Obviously value refers to the concept itself while customer expectations, as noted in the literature review, have a strong influence on overall perceived value. Money/price however which is also inherently linked to value was lower down in the rankings. The relevant rankings of each perception category are listed in Table 5.5 (overleaf) alongside the existing tourist expectation category rankings.

Table 5-5: Tourist Expectation Rankings and Tourist Perception Rankings by Category

Category	Tourist Pre-Trip Expectation Quartile Ranking	Tourist Post-Trip Perception Quartile Ranking
Cleanliness	*4*	3
Food	*4*	2
Service	3	2
Site Characteristics	3	3
Attraction Features	3	-
Quality	2	-
Money/Price	2	1
Facilities/Amenities	2	1
Variety	2	-
Family/Children	2	-
Value for Money	1	1
Weather	1	-
Accommodation Features	1	-
Food and Wine	1	-
Information	1	-
Location	1	*4*
Experience	1	1
Access	1	3
Other	1	-
Availability	1	-
Enjoyment	1	-
Dining Features	1	-
Expectations	1	2
Presentation	1	-
Value	1	3
Wine	1	2
Company	1	-
Destination Satisfaction	-	*4*

5.4.1 Spearman's Rank Correlation

Similar to the previous questions and hypotheses, correlation analysis was performed to determine if any association exists between tourists' pre- and post-trip value perceptions. To determine the correlation, all of the expectation category frequencies in Figure 5.1 and the perception group means in Figure 5.4 were used.

Table 5-6: Spearman's Rank Correlation Results - Tourist Pre- and Post-Trip Value Perceptions

Statistic	Test
$r_{s} = 0.039$	$p = 0.843$
Conclusion: Cannot reject Ho	

The Spearman correlation coefficient of 0.039 (Table 5.6), reveals a low and almost complete absence of association between tourist pre- and post-trip perceptions (Saunders et al. 2003). The probability coefficient is not statistically significant, in recording a high probability of occurrence at 0.843. Therefore we cannot reject the null hypothesis and conclude there is no apparent association between tourists' expected value before consumption and their value perceptions after consumption in this situation.

5.4.1 Quartile Comparisons

Table 5.5 depicts 28 categories that were compiled based on the first responses for tourists' pre- and post-trip perceptions. Of these, 27 were mentioned by tourists in terms of their pre-trip value (expectations) while only 14 were measured with regards to their post-trip perceptions.

Major differences in the rankings in Table 5.5 appear between 'location' and 'destination satisfaction'. 'Location' was ranked in quartile four for post-trip perceptions but for pre-trip only featured in quartile one revealing that 'location' may have more of an impact on value perceptions than tourists initially expect. 'Destination satisfaction' was also ranked in quartile four for post-trip perceptions but was not mentioned at all by tourists in the pre-trip phase. This is somewhat of a strange finding considering the emphasis placed on satisfaction in the literature. However, it is documented to be a post-consumption response, so it may be possible that rather than citing 'satisfaction' overall the tourists will evaluate the different elements they mentioned and consequently weigh up their satisfaction levels.

Smaller differences can be seen between 'access,' 'value' and 'food'. The first two were both ranked in the lowest quartile for pre-trip and in the third quartile for post-trip. This suggests that perhaps these areas performed better than tourists originally expected and ‘access’ and ‘value’ may indeed have a true impact on the actual tourism experience. ‘Food,’ on the other hand rated as one of the most important pre-trip elements in quartile four but featured in the second perception quartile. In this case the opposite to ‘access’ and ‘value’ has occurred indicating that the ‘food’ aspect did not meet the tourists initial expectations. Similarities exist between ‘value for money’ and ‘experience’, which were both ranked in quartile one. No post-trip perception ranking was assigned to quality because there were no specific statements reflecting this area.

Overall, these results imply that tourism suppliers in the North East Victorian region are in some cases exceeding and matching the value tourists’ expect to receive, but are also falling short in other areas. In the case of the latter, suppliers could benefit from educating themselves with regards to tourist perceived value so they can possibly provide products and services which will match those demanded by their visitors more clearly.

5.6 Research Question #4:

Does the perceived value theory of GLOVAL adequately cover tourists’ actual value perceptions?

- Ho – There is no association between GLOVAL and tourists actual value perceptions.
- HA – There is an association between GLOVAL and tourists actual value perceptions.

To determine whether or not perceived value theory addresses the actual value perceptions of tourists, data collected from the first tourist questionnaire was compared with GLOVAL (Sanchez et al. 2006). In particular, responses to the question ‘the tourism industry is keen on providing value. What is value to you?’ and its adjoining question ‘Please indicate the relative importance of these value components using a percentage out of 100’ were used in the analysis.

5.6.1 GLOVAL

As mentioned in Chapter Two Sanchez et al. (2006) note that perceived value is widely documented as occurring at different stages of the purchase and/or consumption process, including pre-purchase, at the moment of purchase, at the time of use and finally after use. Based on this, they developed GLOVAL, a six dimensional model that considers all the areas of perceived value. These dimensions (functional value – product; functional value – price; functional value – personnel; functional value – establishment; social value; and, emotional value) and their importance, as determined by Sanchez et al. (2006), are used in the analysis of research question four.

Of the six dimensions the authors found social value to be the highest component, and emotional value the lowest. Specifically, they note “the main element contributing value to the tourist refers to the impact that the purchase and consumption of the package will have on his or her image and social reputation” (Sanchez et al. 2006, 405). However, “the personal emotions generated by the tourism experience are the element that gives the tourist least value” (Sanchez et al. 2006, 406). Each of the four functional value dimensions feature in between the social and emotional value elements. This is somewhat interesting considering that areas of functional value have been stipulated to be more important to consumers than aspects like status which is associated with social value (Solomon, Russell-Bennett and Previte 2010). Further, if you combine Sanchez et al’s. (2006) functional dimensions, it would be the overwhelming contributor.

5.6.2 Tourist Data

Tourist data for this analysis was derived from open-ended qualitative style questions. Unlike in the GLOVAL scale where a five-point Likert-type scale was used to gather respondent’s answers to particular statements, tourists’ thoughts on what value meant to them and its importance were gathered for this study in an open manner. This format was discussed and justified earlier in Chapter Three. Actual data pertaining to the part of the question asking tourists ‘What value is to you?’ was originally categorised as discussed and illustrated in Chapter Four, Figure 4.2. This categorisation process however did not include the GLOVAL components. Therefore, an additional procedure was adopted.

Once tourists had revealed what value is to them, a follow up question asked them to give a percentage weighting regarding the importance of each of the mentioned aspects. For example, if a tourist stipulated that quality, price and location constituted value to them, and they recorded equal importance significance to each of these, the assigned weighting was 33.33% for each component.

Unlike the previous research questions where only first responses were analysed, all phrases generated by respondents and their accompanying percentages were categorised and placed according to the six GLOVAL dimensions. A category for those responses which did not appear to fit with any of these was also included as 'other'. For example: one respondent revealed their meaning of value as: price of accommodation, range of foods and range of accommodation, and assigned relative importance ratings of 32%, 36% and 32% respectively. Price of accommodation and its 32% importance weighting was placed under functional value – price because it was considered to be in direct reference to price. Range of foods and its weighting of 36% were placed under functional value – product, as was range of accommodation and its 32% importance. Both of these were considered to relate directly to the product being purchased, especially because of their use of the words 'range', 'foods' and 'accommodation'.

Table 5.7 (overleaf) shows the number of responses each GLOVAL dimension received (Column Two) and the combined totals of each dimension's relative importance percentages (Column Three). Combined relative importance percentages were calculated by adding all of the relative importance percentage weightings respondents assigned to the comments which were placed under each dimension. For example, the combined relative importance weighting percentage of the 124 comments placed under functional value – price was calculated by adding all the relative importance percentages for all 124 comments together, totalling 7879. The highest total combined relative importance score possible for all the GLOVAL categories together was 28,400 (284 tourist respondents each had 100% to allocate therefore, 284x100=28,400). The actual total was 26,426. This is because not all responses were given an importance ranking by respondents or they gave only one response to which they assigned a weighting of less than 100%. Table 5.7 also illustrates the percentage weighting of each GLOVAL dimension (Column Four) based on their combined relative importance (Column Three, Rows Two-Eight) as a percentage of the total combined relative importance of 26,426 (Column Three, Row Nine).

Table 5-7: Tourist Responses and Relative Percentage Importance per GLOVAL Dimension

GLOVAL Dimension	Number of Tourist Responses to 'What is Value to You?' per GLOVAL Dimension(Q.1)	Combined Relative Importance (%) per GLOVAL Dimension (Q.2.)	Percentage Weightings
Functional value – price	124	7879	29.8%
Functional value – product	148	7611	28.8%
Emotional value	65	4588	17.4%
Functional value – establishment	71	3219	11.8%
Functional value – personnel	42	2271	8.6%
Social value	9	516	1.9%
Other	8	442	1.7%
Total:	**467**	**26,426**	

Of the 284 tourists questioned during the first survey, 148 made reference to 'functional value – product' as meaning value to them, 124 to 'functional value – price,' 71 to 'functional value – establishment,' 65 to 'emotional value,' 42 to 'functional value – personnel,' and nine to 'social value' (refer Table 5.7). Only eight comments did not relate to any of the six dimensions which indicated GLOVAL's comprehensive coverage. From the perspective of the overall relative importance weightings (Column Four), 'functional value – price' had the highest percentage total (29.8%), followed by 'functional value – product' (28.8%) and 'emotional value' (17.4%). Interestingly, 'functional value – product' received more comments in regards to what value means to the tourists (Column Two), but had a lower overall relative importance percentage when compared with 'functional value – price' (Column Three and Four). The same occurred with 'functional value – establishment' and 'emotional value' where the latter had fewer responses but a higher percentage weighting. Reasoning behind this may be that aspects associated with the product/service and the establishment are more frequent in the minds of tourists because they are areas which can be visually seen and thus reduce the intangible nature of the tourism experience. However, the dimensions of 'price' and 'emotional value' may weigh heavier when it comes to tourists' actual evaluation of the overall experience. In support, Sanchez et al. (2006, 405) state that "price does not only act before the purchase, but after consumption it plays a fundamental role in the valuation of the overall experience."

To compare the value meaning outcomes of tourists in relation to the GLOVAL scale dimensions the rankings implied by Sanchez et al. (2006) in their findings and the percentage weightings in Column Four of Table 5.7 were ranked from highest (seven) to lowest (one), or were unranked in the case where a dimension was not mentioned/used. These are presented in Table 5.8.

Table 5-8: GLOVAL Dimension Importance of Sanchez et al. (2006) vs. Current Data Set

GLOVAL Dimension	Importance Ranking (Sanchez et al. 2006)	Importance Ranking (Tourists)
Social value	6	2
Functional value – price	5	7
Functional value – product	4	6
Functional value – establishment	4	4
Functional value – personnel	2	3
Emotional value	1	5
Other	-	1

5.6.3 Spearman's Rank Correlation

To analyse Ho, correlation analysis using the GLOVAL rankings (Column Two, Table 5.8) and the percentage weightings of this study (Column Four, Table 5.7) was performed. The results reveal little statistical relationship between the variables (Table 5.9) with a weak positive coefficient of 0.324 and a probability of occurrence of 0.478. Based on this we cannot reject the null hypothesis and conclude that statistically, there is little association between the theoretically derived perceived value scale (GLOVAL) and the actual perceived value of tourists in this data set.

Table 5-9: Spearman's Rank Correlation Results - Theoretical Perceived Value and Actual Consumer Value

Statistic	Test
$r_s =$ 0.324	p= 0.478
	Conclusion: Cannot reject Ho

5.6.4 Rank Comparison

Table 5.8 indicates a number of differences between the GLOVAL scale and what tourists in this study constitute as value. ‘Social value’ was found to be the most important dimension (ranked 6th) in the study by Sanchez et al. (2006) but features at the lower end of value importance (ranked 2nd) in the current study. A significant difference is also present between the ‘emotional value’ dimensions. Sanchez et al’s. (2006) study found ‘emotional value’ to be of less importance to tourists in their data set with a ranking of one, whereas this research found it to be relatively important with a rating of five. Some value perception comments were made that did not fit within the realms of Sanchez et al’s. (2006) GLOVAL dimensions but in terms of rankings these appear last. Such comments mainly saw a focus on value in terms of marketing, advertising and communication which suggests that tourists may indeed look at these methods of promotion and use them to determine the value they will receive.

5.7 Conclusion

This chapter has taken the qualitative data described in the Chapter Four and transformed it into a quantitative format for statistical analysis. Research hypothesis to answer the four research questions of this study were also developed to assist in the analytical process. Despite some differences between variables in each hypothesis, Spearman’s Rank Correlation reveals that only the alternate hypothesis in research question two can be accepted and the null hypothesis rejected. For the remaining three research questions, the null hypotheses could not be rejected. This indicates that no statistically significant associations exist between these variables in this study. The low correlation coefficients however, suggest low levels of association which open areas for industry improvement and future investigation. The results and their consequences will be discussed in the following chapter.

Chapter 6: Discussion and Implications

6.1 Introduction

The literature discussed in relation to this study revealed little work currently exists regarding the actual value perceptions of tourists and suppliers. Further, research analysing discrepancies between the two was found to be minimal, but necessary if value creation efforts and research are to advance. The majority of work in these areas was identified to be dominantly quantitative based meaning that an holistic or real interpretation of the meaning tourists attach to value is not known. As a result, theory and practice in the area of value perceptions may indeed benefit from further and more open style investigations.

The goal of this thesis was to address such shortcomings by adapting current theories and employing a more qualitative approach to data collection. In particular the 'Value Generation and the Tourist Experience Gap Model' was developed and four specific research questions were derived for examination. Rather than employing the traditional scale measurement technique, which is widely used for capturing value perceptions, this study adopted a more open method of questioning in order to uncover the real feelings and opinions of tourist and supplier respondents. This was the beginning of the adopted mixed method approach, which shifted from the original inductive qualitative style to a deductive quantitative one. In its quantitative form data were able to be transformed to an ordinal style to test levels of association and statistical significance.

The results and implications of this mixed method process are discussed in this chapter. First the major findings relating to 1) measuring value perceptions through an open question approach are addressed, followed by discussions on, 2) the value perceptions of tourists and suppliers, 3) the differences and associations found between these, and 4) an assessment of GLOVAL and the traditional components which are known to constitute value. Overall, the findings are analysed within the parameters of the study, followed with a dialogue that focuses on their implications for the tourism industry and theory. To conclude, specific recommendations are made for future research.

6.2 Major Findings

The major findings of this thesis relate not only to the outcomes of the four research questions but also to the results achieved from the mixed method approach taken. In particular, the successful execution of the methodology in comparison to the traditional approaches undertaken by previous research is in itself an important advancement. Additionally, the qualitative responses provided by respondents in the inductive stage of the research highlight some interesting points regarding value perceptions, opinions and theory. While other findings were also discovered, this section will focus on analysing these significant results because they are considered to be substantial contributions toward both the advancement of industry and perceived value theory.

6.2.1 Mixed Method Methodology – Open Question Surveys

A key outcome of this investigation was the development and implementation of a mixed method approach. Despite the numerous criticisms and concerns often associated with this type of methodology, it proved to be effective in gaining the information required for this study's objectives. In particular, the open question surveys revealed the personal perceptions of value for both tourists and suppliers which have previously been unexplored. They also identified whether or not the value creation initiatives of suppliers were targeted towards tourist demands or simply a shot-gun attempt at adding as much value as they can based on their individual supplier perceptions.

Although somewhat time consuming in collection and analysis, the use of the open questioning style and having the interviewer record responses ensured that the actual real thoughts and opinions of suppliers and tourists were obtained. Allowing respondents to speak for themselves instead of having them choose from pre-selected response alternatives ensured that the data recorded were a precise representation of their feelings towards value. This procedure also removed one of the commonly documented problems with regards to the reliability of data collection being biased. As no pre-determined answers existed to the open questions for tourist and supplier respondents to choose from, any researcher bias did not influence the answers given. Rather, the comments received were a true reflection of the participants' views which would not have been accurately determined by the traditional scale measurement technique. Whilst using the popular scale method for data collection would have provided information from which differences could be investigated, they would have been tailored toward specific elements. The open style questioning adopted in this study avoided this and allowed comparisons to be made among the real thoughts of the tourist and supplier respondents. Although this style may be doubted by some, in the case of this study it worked successfully to identify actual differences between the value perceptions of suppliers and tourists as well as the dimensions which have been documented over time in the academic literature relating to value. As a result, clear-cut comparisons between data sets have been conducted and genuine discrepancies uncovered.

There is, of course, the continual danger of researcher bias when it comes to interpreting such individual and open responses to value questions. In this case, the common problem of interpretation was tackled by undertaking content analysis that was fair and standardised across all the question responses from both data sets. This approach has been supported by numerous authors (see, for example, Saunders et al. 2003, Oppenheim 1966) to reduce bias through interpretation and, also, to improve the study's reliability.

The long transformation process associated with converting the rich qualitative data into a more workable quantitative format was also successful. This allowed for the most important 'top of mind'/'first responses' in their nominal form to become ordinal rank style data from which Spearman's Rank Order Correlation measuring for levels of association was applied. Overall, the inductive and deductive stages of this research methodology ensured that qualitative findings could be further scrutinised and, associations between variables interpreted to reveal distinctive gaps among the value perceptions of tourists and suppliers.

6.2.2 Supply and Demand Differences

The 'Value Generation and the Tourist Experience Gap Model' derived in Chapter Two suggests the presence of two potential gaps between the supply of and demand for tourism. The first is proposed to exist between tourists' pre-trip value perceptions and suppliers' perceptions of the value they believe tourists seek; while the second concerns differences among the tourists' pre-trip perceptions and the anticipated value suppliers have created/added to their tourism offerings. The quantitative analysis performed in the deductive stage of the methodology confirmed that such differences do indeed exist. These results are consistent with the findings of Parasuraman et al. (1985) in their Service Quality Gap Model, who stipulate that suppliers may not always understand what features connote high quality or what features a service must have to meet consumer needs. Although their work focused on service quality, the discrepancies identified between supply and demand in this study suggest the same to be true from a value perspective.

In both situations low to moderate positive correlation coefficients, representative of almost independent relationships between variables, were recorded. With reference to tourists' pre-trip perceptions and suppliers' perceptions of tourist value (Gap One), a 0.062 correlation coefficient indicates a very weak linear relationship between variables, where little to no association is present. This finding indicates that suppliers are not well aware of what constitutes value to consumers, which is an important element if they want to increase future visitation levels and maintain current ones.

This outcome somewhat contradicts the earlier work undertaken by Zouni and Kouremenos (2008) in the area. These authors adopted a similar gap method approach but used a structured questionnaire incorporating the five-point Likert-type scale measurement technique. From their analysis they concluded that overall service providers displayed an accurate understanding of their tourist visitors. In fact, they found suppliers tend to have a good knowledge of tourist expectations when it comes to cleanliness and the provision of facilities. However, the qualitative findings of the open-question technique used in the current study proved the opposite to be true. Here the categories of 'cleanliness' and 'facilities/amenities' were mentioned frequently by tourists as representing two of their main expectations, but were barely considered by suppliers in their perceptions. When analysing this outcome using only the first responses to the open questions, which are expected to represent 'top of mind' and important thoughts, these two categories were not mentioned at all by suppliers. This indicates many suppliers do not fully comprehend the value tourists attach to these particular areas in terms of, what they expect and, how they use them to evaluate the value they received. Importantly, and as suggested by the five SERVQUAL dimensions, these two categories assist in making the intangible element of tourism services more tangible, where they enable tourists to actually visualise components of value (Van Looy, Gemmel and Dierdonck 2003). Results of the current investigation suggest that suppliers do not perceive these areas to constitute or contribute to value, which could create problems in terms of future product/service provision and delivery.

In reviewing the second element associated with supply and demand proposed by this thesis (Gap Two), a positive but moderately weak correlation coefficient of 0.402 was found. This confirms similar but not identical perceptions between tourists' pre-trip value and the anticipated value suppliers have created. With a probability of occurrence of 0.037 this association is significant and not due to chance. Consequently, although suppliers may indeed be creating what they perceive to be value, it does not appear to be identical to what tourists are expecting to receive.

When creating value for their customers', organisations often attempt to add as much as they can and base it on what they think their market wants. Cheng et al. (2010), however, argue that this shot-gun approach to delivering value all the time is unnecessary. Rather, they advise that efforts should adopt a targeted or focused approach which are tailored according to the customer, their needs and expectations and the setting of the transaction taking place. Further, Dwyer et al. (2003) note, that matching tourist preferences and product offerings is a platform to obtaining actual tourist visitation. Evaluations of the results obtained from the open questions indicate that this is not being done in the North East region of Victoria.

This may be in part due to the fact that they do not fully understand or know the expectations of their tourist market, as evidenced by the existence of Gap One. Particular examples of this occur between the categories of 'money/price' and 'quality'. These two aspects featured higher in tourists' pre-trip value responses than they did in the value added comments of suppliers across the qualitative analysis of all responses and the quantitative examination of first responses only. In fact, neither 'money/price' nor 'quality' was ranked by suppliers as a first response perception. Based on the assumption that first responses can carry more importance or a heavier weighting, these results provide evidence that suppliers may not realise the importance these two aspects carry, or consider them a priority when it comes to value creation.

Such a finding is an unusual when compared to the literature which traditionally reports that price and quality are both dominant functions of value and a means of enhancing it (see, for example, Priem 2007, Monroe 2003, Zeithaml 1988). A similar result occurred with 'value for money' and 'value' which were again not mentioned by suppliers as a first response, however they were, along with 'quality' and 'money/price,' among those mentioned by tourists. Although the positive correlation indicates that the anticipated value suppliers are creating is somewhat associated with what tourists expect, it is not very closely matched. Indeed, if this was the case areas such as 'quality,' 'money/price,' 'value' and 'value for money' would be the same on both sides and the correlation coefficient would be closer to '1.0'.

6.2.3 Tourists' Pre- and Post-Trip Value Perceptions

The correlation coefficient of 0.039 for tourist pre- and post-trip value perceptions indicates a very weak, almost independent level of association which suggests a difference between what tourists expect and what they actually receive. Although this gap was found to exist it was not statistically significant. This result is consistent with the work by Parasuraman et al. (1985) in their Service Quality Gap Model, where they proposed discrepancies can exist between expected and perceived levels of service. The outcome also coincides with a SERVQUAL study conducted in the tour operating sector by Hudson, Hudson and Miller (2004), who concluded that service gaps in these areas are indeed present. In fact, Parasuraman et al. (1985) suggest that this difference is dependent on the nature of the gaps which precede this one (i.e. Gaps One to Four in their study) and are concerned with the design, marketing, and delivery of services. In applying this to the current study, previous discussion revealed the identification of several inconsistencies between supply and demand within these areas. Therefore, the weak relationship associated with Gap Three is most likely the cumulative outcome of Gaps One and Two. If differences were not evident in these other areas, Parasuraman et al. (1985) imply that the nature of Gap Three would be altered accordingly. For example, if suppliers had accurate knowledge of the value demanded by tourists and created it in this manner, the tourist after trip perceptions would better match their initial pre-trip ones. Overall, these incongruities clearly acknowledge that misalignments between the supply and demand elements of tourism from a value perspective do exist in North East Victoria.

Major discrepancies between the before and after tourist variables appear between the categories of ‘location,’ ‘destination satisfaction,’ ‘food,’ ‘access’ and ‘money/price’. At the pre-consumption stage, ‘food’ and ‘money/price’ were ranked highly out of all the responses received from tourist respondents, suggesting that elements associated with these areas represent high value to tourists. With reference to ‘money/price,’ this is to be expected considering the vast amount of documentation arguing it is a substantial element that infers value to customers (see, for example, Zeithaml 1988, Monroe 2003). However, the role of ‘food’ and its contribution to tourist value is not as widely recognised. Although the topic of gastronomy is receiving increased attention it remains in its early stages with little research focussing on its relationship to value. Nevertheless, the work of Mitchell and Hall (2003) implies that food is integral to the tourism experience and, is increasingly becoming known for its experiential role. The results of the current study somewhat confirm this because ‘food’ was identified has a high level expectation. Therefore its importance to the anticipated tourism experience cannot be denied.

In regards to the post-consumption stage, the categories of ‘money/price’ and ‘food’ featured toward the bottom end of the linear graph, with lower group mean values. This change reveals that in this study, tourist post-trip perceptions of these facets may not have met their initial pre-trip ones. Braithwaite (1992) and Parasuraman et al. (1985) argue that this often occurs and may indicate that the value received is less than satisfactory. ‘Location,’ ‘access,’ and ‘destination satisfaction’ recorded the opposite effect, where they were among the lower order pre-trip categories but the higher post-trip ones. This suggests that perceived value in these latter areas was beyond satisfactory and leaning toward ideal (Parasuraman et al. 1985).

6.2.4 GLOVAL and Tourists’ Actual Perceived Value

A correlation coefficient of 0.324 represents a weak relationship and provides evidence of differences between the perceived value theory GLOVAL and, the surveyed tourists’ perceptions of what value means to them. Consequently, the possibility that this theory does not adequately address the components which truly represent value to tourists is raised. A comparison of the importance rankings between the variables associated with this result highlights possible distinct inconsistencies. ‘Social value’ was ranked highest (sixth) in the theory of GLOVAL but in this study it featured in the lower region (second) of tourists’ actual value meaning. Sanchez et al. (2006) found that this component was the main element that contributed value to the tourists, as it reflected the impact of the purchase/consumption on the tourists’ image and social reputation. The current investigation however found that not only is ‘social value’ one of the least important dimensions, but also none of the tourist responses which could be associated with this element matched or were directly related to the social value definition of status and social class as provided by Sanchez et al. (2006). Rather, the open question approach used to determine what value meant to tourists generated comments of a different social nature, such as ‘meeting new people’. Although this social aspect is not incorporated in the official ‘social value’ definition proposed by Sanchez et al. (2006) or previous perceived value research, the nature of such comments were considered to be social and thus became classified in this way. Therefore, contrary to current perceived value research which tends to adopt the traditional scale method of measurement, ‘social value’ was shown by the open questioning technique to be less important in the sampled tourists’ perceptions, particularly when it came to image and reputation.

The opposite finding occurred in regards to ‘emotional value’. GLOVAL identified this dimension to be the lowest ranked of six, however outcomes from this research show it to be the third highest in terms of tourist value meaning. In fact, Sanchez et al. (2006, 406) state “the personal emotions generated by the tourism experience are the element that gives the tourist least value,” whereas the current study exposes this component as being more important in tourists’ overall perceptions of value. This finding suggests that tourists see value not just functionally in terms of quality and price, but also emotionally when it comes to enjoyment and having their expectations met. Comments provided by tourists during the qualitative stage of this research that were categorised under the ‘emotional value’ dimension included ‘enjoyment,’ ‘expectations,’ ‘satisfaction’ and ‘fulfilment’. Theory acknowledges this finding by noting these elements are indeed achieved on an emotional level when one has enjoyed their experience and their expectations have been achieved (Swarbrooke and Horner 1999).

Another obvious difference between the variables occurred with the dimension 'other,' which was created by this research for the tourist value comments which did not 'fit in' with the original six GLOVAL dimensions. Although few responses were matched to this component a common theme encompassing the area of promotion existed among four of the eight responses given. 'Advertising what suppliers actually produce,' 'marketing,' 'communication' and 'promotion' were all mentioned as meaning value by some surveyed tourists. Various authors have found these elements to be strongly associated with consumer perceived value (see, for example, Ashton, Scott, Solnet and Breakey 2010, Argawal and Teas 2001, Grewal et al. 1998, Zeithaml 1988) and also in facilitating a satisfying exchange process (Elliott, Rundle-Thiele, Waller, Paladino, Pride and Ferrell 2008). Therefore the results of the open questioning method reveal that promotion can contribute to value for some tourists, and, is an area that would not have been uncovered if the traditional Likert-type scale process had been adopted.

Among the four functional value dimensions, few inconsistencies occurred. 'Functional value – product and price' are higher level abstracts in the way tourists perceive value in comparison to 'functional value – establishment and personnel'. Comments including 'quality,' 'experience' and 'value for money' were frequently mentioned in relation to the former two dimensions. Consequently, despite the difference in questioning styles between this and previous research, these elements remain as some of the most important when it comes to tourist perceived value. This provides strong support for the notion that when it comes to value, quality, price and the tourism experience are high order attributes (Boksberger 2008, O'Neil and Charters 2000).

Overall, the consistency of cited comments such as 'quality,' 'expectations,' and 'value for money' received in this part of the study complement Stephens et al. (1987) value equation where *value = quality + needs/expectations + cost.* Each of these components had the highest relative importance percentage and were ranked in the top three perceived value dimensions of this study. Although the findings of Sanchez et al. (2006) were somewhat different, this thesis concludes that, when perceiving value, areas associated with functional value – product, price, and emotional value represent value to tourists more so than the other elements of functional (personnel and establishment) and social value.

6.2.5 Specific Supplier Thoughts

A key finding of the qualitative component of this study was reflected in the value thoughts and actions of suppliers. When asked about their perceptions and the conscious value they have added, suppliers made reference to a number of comments (33 % and 25% respectively) that were dissimilar to and did not 'fit in' or match any of the derived categories. Consequently, the supplier responses varied substantially from those provided by tourists during their open-ended questioning. In fact, supplies' provided more of these 'other' responses in comparison to all other categories. This immediately indicates that the suppliers interviewed are not completely in tune with or aware of the value perceptions of their tourist visitors. The biggest concern about this finding was the fact that some suppliers stated they 'did not know' or, 'were not sure' what value they were expected to deliver. Considering this, it is no wonder industry bodies are now placing more emphasis on the need to match the value demanded to that which is provided. Suppliers were also of the opinion that tourists' viewed aspects of engagement, standards, reputation and a small country town setting as contributing to value. However, these areas were not mentioned at all by any of the 284 tourists questioned in the first survey. Thus, this study contends that suppliers do not have a full understanding of tourists' value perceptions, rather, their view is that the 'other' elements have more value to the tourist.

When considering this in the context of the suppliers' value creation efforts, it is not surprising that a similar outcome occurred where tourism offerings were being enhanced in ways that were different to the expectations of tourists. Evidence of this can be seen from the value that suppliers stipulated they had added. For example, opening hours, festival involvement, chamber meeting involvement, new logo, customer clubs and business expansion were all mentioned by suppliers across the three sectors as value they had added. Tourists' however made no such comments. Similarly, previous research in the area of value creation does not make reference to these as being value adding areas. Rather, it states a core focus in the creation of value is in regards to price, quality and service (DeSarbo et al. 2001). These however, were much lower down in the value adding techniques of suppliers, further stressing the difference of opinion and the need to realign supply efforts with demand.

Overall, the frequency of supplier ‘other’ thoughts in the areas of value perceptions and creation is of concern and highlights very different patterns of thinking in comparison to the tourists. The conclusion drawn by Parasuraman et al. (1985) that suppliers are not always aware of the performance levels needed to deliver the value expected by the tourists is supported by the results of this study, particularly in regards to the ‘don’t know’ and ‘not sure’ comments. Therefore, as Murphy and Williams (1999) suggest, a review and comparison between supply and demand is needed if suppliers are to become better educated in the area of customer perceived value.

6.2.6 Elements that Constitute Value

As noted in Chapter Two and evidenced by the value equation, the literature argues that value is equal to price plus quality. Based on this, one would assume these would be a core focus of tourists in terms of their pre- and post-trip perceptions and, of the value creation efforts undertaken by suppliers. The qualitative findings of this study reveal this to be true for tourists, where both categories featured among some of the top responses in terms of value expectation and meaning, but not in the thinking and opinions of suppliers. From the suppliers’ perspective these components were less important and featured in the bottom half of all category responses. Considering the strong emphasis placed on price and quality toward value creation and the increasing acknowledgement that consumers are always striving to achieve good quality from their purchases, this supplier finding is unusual and unexpected. Not only does the strong emphasis placed by research on these aspects make this a strange outcome, but the fact that suppliers also act as consumers suggests that they should be aware of the significance and desire to achieve high quality at a decent price.

To illustrate the importance and sheer diversity of the price and quality elements in the tourists purchase decision, this study found that not only were they mentioned as a single entity but, they were also linked to specific elements associated with buying. For example, quality appeared in statements such as ‘quality service,’ ‘quality for money’ and ‘good quality product’. It also featured across three of the four GLOVAL functional value dimensions: product, price and personnel. With reference to price, it was often cited in terms of value for money, cheap and good price. Overall, this diverse spread of price and quality statements implies they are evaluated by tourists across more than one basic area and have varying degrees of importance attached to them. Therefore, if suppliers are not aware or do not understand this level of multiplicity used by tourists to perceive value through price and quality, their value creation efforts are likely to remain unfocused and off-target as found by this study. Finally, if supplier education in this area does not take place, tourism yield may indeed suffer.

Interestingly a shift in this result occurred in this study's quantitative findings where only the first or 'top of mind' responses were analysed. This process identified little discrepancy between the opinions of suppliers and tourists when it came to quality and price. Here, the categories featured in the lower half of both data sets responses with a quartile ranking of two or less. Considering that tourists frequently mentioned these areas as part of all of their thoughts, the fact they rate low in first responses suggests that other areas, for example cleanliness, are also important in perceiving value. Although these first response differences among the quality and price dimensions are small, ideally for suppliers to be successful they should be matching and providing according to the opinions of tourists.

6.3 Research Implications

The outcomes of this research suggest that gaps do exist among the sample data set targeted by this study. The variables measured within each gap all showed a low level of association, indicating that, although they are moving in the predicted direction, the strength of the linear relationship is somewhat weak. With specific reference to the research questions, such results imply that:

1) There is a gap between tourist perceived value (pre-trip) and suppliers' perceptions;
2) There is a gap between the actual value suppliers' add to their offerings and, the pre-trip value perceptions of tourists;
3) There is a gap between tourists' pre- and post-trip value perceptions; and,
4) There are differences between the perceived value theory GLOVAL and tourists actual value perceptions.

With regards to the implications of these findings for the tourists and suppliers of North East Victoria, it is recommended that suppliers pay greater attention to the specific value their tourist market expects and use this knowledge to create the value demanded. After all, as Webster (1994 in Khalifa 2004) states value is defined by the customer, not the supplier. For example, the analysis of first responses showed that tourists questioned in this study perceived value through 'cleanliness' (ranked in the highest quartile). Suppliers however were not of the opinion their tourist visitor's expected value through 'cleanliness,' nor did they mention they created value in this manner (i.e. this aspect did not feature among the first responses). The same occurred in regards to elements of 'site characteristics'. Therefore, suppliers need to educate themselves and acquire more accurate knowledge so they know exactly what tourists perceive as value and, can consequently ensure they provide it. In the case of 'cleanliness,' suppliers may create value by guaranteeing that all aspects of their product/service are of a particular standard. With reference to 'site characteristics' suppliers could contribute to value through enhancing the location's surrounds, atmosphere and handling of crowds.

In support, Dummond (2000) and Dwyer et al. (2003) note that understanding value can help organisations create improvements and work towards matching tourist preferences and perceived product offerings. Visitation and expenditure is dependent on this occurring, but if ignored it may affect an organisation's overall yield (Dwyer et al. 2003). O'Neil and Charters (2000) provide an example of wineries that have had to provide added value elements to attract customers. They also document that wine tourists are demanding more value than ever before from their experience. This observation highlights why it is important to enhance and provide the elements of value that customers care about and are demanding. Additionally, contrast theory postulates that if value additions are not undertaken according to customer wants, they will magnify the discrepancy and the business could suffer (Anderson 1973 in Rodriguez, Martin and Collado 2006). In the case of this research this could mean that the gaps found may grow and possibly result in the closure of some businesses.

In reference to the areas on which organisations can focus when it comes to creating value, this study found that aspects associated with functional value in terms of product, price and establishment were important. Particularly, price, quality, variety, food, site characteristics, facilities/amenities and cleanliness were aspects most frequently cited in regards to the value expected by tourists and its overall meaning to them. Therefore, suppliers should ensure the primary and secondary activities undertaken in their value chain are accurately linked, so that what is intended to be created and delivered is done so in the way which was originally sought by tourists. As discussed in the literature review, this will not only lead to value being provided for the tourist but also the supplier through the achievement of organisational competitive advantage (Porter 1998). If this does not occur it may be that quality and variety or even other aspects fail to be provided to tourists in a way which they perceive as value.

Indeed, literature published in the area of value creation supports and provides reasoning as to why suppliers should enhance their offerings in the functional value areas noted above. Sanchez et al. (2006) acknowledge that price and quality play a fundamental role in value both before and after purchase and are some of the most fundamental ways it is judged and can be enhanced. They also emphasise that the establishment be considered in creating value. This could include aspects such as the characteristics and cleanliness of the premises, which were found by Cheng et al. (2010) to be value adders and affect the functional and emotional value. Alongside quality and price, the tourism industry reports that variety is extremely important in providing value (Tourism Victoria 2002, 2006, DCTA 2003) where they argue that only by offering products exhibiting quality and variety will destinations develop and generate a good yield. In regards to facilities/amenities, Braithwaite (1992) confirms that increasing traveller's choice in these areas enhances perceived and actual value, while food and areas of gastronomy are considered by Hall and Sharples (2003) and Boyne and Hall (2003) to be an emerging area for enhancing value and achieving differentiation in tourism. Consequently, each of these areas presents ideal strategies for suppliers to contemplate and include when implementing value creation.

Aside from the functional value components discussed above, this study also found that elements associated with emotional value tend to have a high value meaning for tourists. Specifically, it identified that aspects such as 'enjoyment' and 'fulfilment' constitute value. Thus, it is suggested that suppliers in North East Victoria not only pay attention to enhancing their offerings through the functional value components but also in terms of the emotional value consumers receive. For example, tourists are often excited about being away from home and taking a holiday. Suppliers need to capitalise on this and provide a fun and interesting experience that will be enjoyed, remembered and spoken of for some time afterwards. Although this finding is opposite to that of Sanchez et al. (2006) in their GLOVAL theory, Moliner et al. (2006) state that when adding value, businesses must give special consideration to certain emotional aspects relating to consumers' enjoyment and their overall experience.

In conjunction with the implications of this research for the tourists and suppliers of North East Victoria, there is also the wider aspect regarding destination marketing and management in Australia to consider. With the DCTA (2003) focusing on the Australian tourism industry earning a reputation for quality, value and variety, and with state tourism organisations following suit (see, for example, Tourism Victoria 2002, 2006), it is becoming necessary to recognise the importance of value and, its appeal to tourists. Thus, the results of this research begin to uncover what it is that tourists actually value when it comes to tourism and may provide a useful insight for future marketing and management. Specifically, the functional elements of price and product and, the emotional components of the tourism experience were found to constitute value to tourists more than other areas. It is suggested therefore, that marketing efforts use these core areas to develop strategies which illustrate to tourists how Australia as a destination provides value to the tourist. For example, an advertising campaign which focuses on the enjoyment and fulfilment of Australian tourism may be more effective than one which simply illustrates the country's tourism icons.

6.4 Recommendations for Future Research

First and foremost, this study revealed that additional research needs to be undertaken in the area of value creation by applying perceived value and service quality theory that encompasses the concept of value adding. Most importantly this needs to incorporate the qualitative and mixed analysis approach adopted by this study as opposed to the traditional scale measurement technique, so actual value thoughts and opinions can continue to be exposed.

The results of this investigation show that differences between tourism supply and demand, and perceived value theory and actual tourist value do indeed exist. However, most of these outcomes were not statistically significant suggesting they require further examination and verification. Therefore, it is recommended that a similar mixed method study with its foundations based on the proposed 'Value Generation and the Tourist Experience Gap Model' be conducted, in a regional setting but with a larger supplier sample size. Incorporating tourism suppliers other than benchmark operators who are thought to be the 'best' may also be worthwhile.

In conjunction with testing the model and methodology put forth in this thesis, further research should also compare the actual value meaning tourists hold against the GLOVAL scale, to determine if the same low level of association occurs. The current research identified a number of differences between the two and as such, the GLOVAL scale could benefit from increased investigation and possible modification. Specifically it is suggested that the six dimensions should be revisited and their definitions revised for clarity. Detailed reasons for this include:

- Quality received a high response rate and appeared frequently across three of the four functional value dimensions relating to different aspects within each.
- Service, although defined as an important aspect of the tourism experience did not appear to be as crucial from the tourists' view point when compared to some of the other dimensions. Moliner et al. (2006) state service and the attention paid by contact personnel is heavily associated with the quality of products, implying that the two may indeed be considered in conjunction.
- Comments relevant to the social value dimension of GLOVAL did not reflect its actual definition in terms of social class, image and status. In a study of perceived value, Kantamneni and Coulson (1996) derived the notion of societal value which encompasses a product's benefits/value to society. This study found tourists' perceptions of value to coincide more with this interpretation than that proposed by Sanchez et al. (2006) in GLOVAL.
- A number of responses were provided in this study that varied in nature and often overlapped between dimensions.
- Although no dimension for 'other' has been provided by any perceived value theory

there were responses that did not 'fit in' with any of the pre-determined elements.

Finally, further research into the area of value and its significance with the development of marketing and management strategies for the nation of Australia may be worthwhile. This is particularly important considering the debate surrounding how Australia should be marketed and whether or not tourists' values play an important role in developing such strategies.

6.5 Chapter Summary

The preceding discussion has presented a dialogue on the findings and implications of this study. Particularly, the chapter presented major outcomes that were generated by this investigation and its mixed method research approach. Evidence was provided that discrepancies do exist between the value perceptions of tourists and suppliers in the North East Victorian region and, also that there are apparent differences between perceived value theory and what value actually means to tourists. The use of open-ended questioning and the mixed method approach was also confirmed as having been successful in obtaining the thoughts and opinions of the tourists and suppliers who participated in this research. Overall, the results carry certain implications for industry and raise questions about the current level of perceived value theory. Consequently, suggestions for future research are made with the aim of extending and expanding theory and maintaining the use of qualitative data collection to accommodate the study's findings. The final chapter will conclude this thesis by summarising the investigation and its results in the context of the original aim and objectives.

Chapter 7: Conclusion

7.1 Research Objectives

The academic interest in this topic emerged from a growing concern over what customers perceive to be the key ingredients of value and how to measure these perceptions. Using the literature to identify past efforts to gauge value perceptions, it became clear that this is a young and developing area of expertise. Not only is this, but the concept itself often only used to focus on the post-purchase situation without any consideration for the other stages of the purchase decision process. Various authors (see, for example, Sanchez and Iniesta 2006, Patterson and Spreng 1997, Dodds et al. 1991, Parasuraman and Grewal 2000, Al-Sabbahy et al. 2004) acknowledge this narrow focus and argue that perceptions of value may be formed during the pre- or post-purchase phase, or both. In fact, perceived value has only ever been analysed from a demand perspective with no consideration given to the value perceptions or actions of suppliers and how they can contribute to the creation of customer value. Further, tourism research in the area has generally been undertaken on a national or urban scale with little focus on country regions. Thus, supplier education in these areas could benefit from research into possible misalignments that may exist between their value perceptions and provisions and those of their tourist visitors.

There has been a steady development of sophisticated measurement scales in perceived value, with the latest – the GLOVAL scale – offering the most comprehensive assessment to date. But like all psychological scales it has a fundamental weakness, in that it asks its questions in a closed format with pre-set answer options; thus removing the individualism that is seen as an essential part in developing an opinion about value. This study attempted to overcome this limitation by asking open questions with no pre-set answer alternatives, and then combined that information into categories to see if the anticipated GLOVAL dimensions revealed themselves. It found that all six GLOVAL dimensions were referred to by the tourists, but their relative ranks and what denotes social value were not in contention with what has been predicted by the scale.

7.2 Regional Relevance

The tourism businesses in this study all operated within a large and diverse regional tourism destination. Perhaps because the operators were very aware of the region's brand and their individual roles within that brand the sampled tourists were very happy with their entire experience, and considered that overall they had received value. However, even with this good state of affairs, differences between tourists' before and after perceptions of value and, suppliers thoughts and actions were found. In some cases these present areas where suppliers are performing better than their tourist visitors expect, however in other areas, particularly 'price' and 'quality' they were found to be underperforming or not considering these value elements to be as important to tourists as they actually were. The academic viewpoint stipulates that both price and quality contribute to value, however the results of this study show that suppliers are not thinking and providing according to tourists expectations. This is particularly important for regional tourism development and the North East Region itself, especially if they are to provide tourism products and services that constitute quality, value and variety as stipulated in the Australian, Victorian and North East Victorian tourism strategic plans (DCTA 2003, Tourism Victoria 2002 and 2006, Tourism Victoria 2004). In addition, identifying value gaps and keeping abreast of the perceptions and demands of tourist visitors will hopefully assist regions in capturing tourist visitation, enhancing competitive advantage and possibly maximising tourism yield (Dwyer and Kim 2003, Dwyer et al. 2003). Finally, the uncertainty expressed by some suppliers in terms of the value tourists seek suggests that education in the area of value perception may help identify potential problem areas and create value.

7.3 Research Findings

Overall, this research and its alternative method of analysis in the area of value offers some interesting results applicable to regions with respect to the differences between tourism supply and demand and the actual value perceptions of tourists. To a large extent the mixed method approach adopted by this study and its corresponding results revealed answers to the four research questions proposed in Chapter Two. It also uncovered some tantalising additional factors with respect to this individual case study. Consequently, it is possible to put forward these questions and identify the key findings.

RQ1: Is there a gap between tourist and supplier perceptions of value?

- The value perceptions of tourists and suppliers are in many ways similar but exhibit specific differences where some elements have a higher value importance for one segment than the other. Therefore, this research agrees with Parasuraman et al. (1985) that discrepancies between the thoughts of consumers and marketers exist, a result which may have negative implications for the tourism industry. Most notably, suppliers are somewhat 'unsure' or 'do not know' what their tourist consumers perceive as value.

RQ2: Is there a gap between tourists' pre-trip value perceptions and the actual value suppliers have added?

- Research discovered that, as with RQ1, some similarities do exist between the value creation efforts of suppliers and tourist perceptions. However in terms of specifics individual differences are evident. This is considered to be a consequence of RQ1 where a gap exists between the value perceptions of suppliers and tourists. Particularly obvious in this area was the fact that suppliers enhanced their offerings by adding elements that were not mentioned by tourists as an expectation. The minimal citation of using quality and price as value adding techniques further highlighted and validated the answer to this question.

RQ3: Is there a gap between tourists' pre- and post-trip perceived value

- Again, similarities and differences were found between the two question variables. Unfortunately, due to a different questioning method in the post-trip phase, specific discrepancies outside of those revealed by statements provided were not able to be identified. Incongruities in terms of a low correlation coefficient however, were found and, although not statistically significant, may acknowledge that misalignments between the value expected by tourists and their perceptions do indeed exist in North East Victoria. This is most likely an accumulation of the gaps found in RQ1 and RQ2.

RQ4: Does the perceived value theory of GLOVAL adequately cover tourists' actual value perceptions?

- The results vindicated the six dimensions of the GLOVAL measurement approach to a large degree, where it found that all the dimensions were used by tourists when evaluating value. However, predictions made by the scales authors (Sanchez et al. 2006) were not all found to be as forecast. The relative ranks and the dimension definitions were somewhat different, especially in the context and meaning of social value and the possible overlap that can occur within the dimensions. The finding that tourists measure quality and price across a number of functional value dimensions is particularly indicative of a possible definition overlap.

In conjunction with the findings, this research has also added to the literature in a number of ways. Namely it has:

- Introduced an open ended, mixed method approach to data collection and analysis. This technique achieved its goal and obtained the real value thoughts and opinions of tourists and suppliers in terms of value perceptions. This suggests that in tourism situations, an open question approach in addition to a Likert-scale approach can produce a richer and more helpful data set for tourism businesses and regions;
- Identified that although the perceived value dimensions of GLOVAL encompass tourists' real value thoughts and opinions, the importance of some dimensions, particularly emotional and social value, may be the opposite of the initial findings of Sanchez et al. (2006);
- Uncovered that some of the GLOVAL scale dimensions were not confined to their allocated category but could feature across more than one dimension;
- Adapted and extended Parasuraman et al's. (1985) Service Quality Gap Model toward measuring value perceptions and creation in tourism. This approach was successful in identifying the differences between the two groups in terms of 1) the value perceptions between tourists and suppliers, 2) the value creation methods of suppliers and, 3) the pre- and post-trip value perceptions of tourists; and,
- Found that the price and quality elements of the traditional value equation are particularly well represented in the thoughts and opinions of tourists, but less so from the perspective of suppliers.

7.4 Practical Implications

For the benchmark businesses that formed the sampled tourism operators, their perceptions of tourists' value expectations for their individual products was similar in a general sense where the study correlation analysis revealed a movement in the same direction, but different in terms of specifics. While the operators' emphasis was on maintaining service levels and meeting or exceeding their own customers' expectations, the customer-tourists were much more focused. They viewed key value indicators to be the cleanliness of the facility and food, followed by the service received, characteristics of the site/facility and the specific features of the attractions provided. Furthermore, it was the tourist who mentioned the academic interest in value, price and quality on more occasions than the operator. Of heightened concern in this area was the fact that some suppliers were unsure or did not know what their tourist visitors expected from them in terms of value. This presents challenges for the future of the tourism industry if it is to advance through the provision of products and services that match tourists value perceptions and capture the desired levels of tourism yield. It also provides some understanding as to why the value these suppliers are adding is not quite representative of what the tourists to the region expect. Although the findings indicate that operators are certainly creating value, the main components they were found to be adding were often outside of or did not 'fit in' with the value perceptions/expectations of tourists, nor did they mention they were enhancing value through price, quality and value for money.

The immediate industry lessons from this study are significant, though should be treated with caution given that the study is an exploratory one, using new measurement techniques to uncover contiguous perceptual relationships between different stakeholder groups. Before the suggestions outlined above can be confirmed, the findings need to be verified by further research into various tourism settings. Therefore, if industry is to achieve its goal of providing tourism offerings representing value, quality and variety in order to maximise tourism yield (Dwyer et al. 2003, Dwyer and Kim 2003, DCTA 2003) it is vital that all stakeholder groups attempt to more accurately explore the before and after situation. This will be necessary to:

- Understand how tourists perceive value across the various stages of their purchase and/or consumption process. This includes before, during and after their visit;

- Identify what tourists associate with value and what does constitute value to them;
- Assist and educate tourism operators to improve their understanding of their tourist consumers and what they perceive as value. This will ensure that products and/or services are developed which meet the expectations of tourists and create value according to these needs; and,
- Recognise the importance of value creation as a means of generating tourist visitation, achieving competitive advantage and maximising yield for regional areas which are operating in an increasingly diverse market.

This can be done by conducting a similar study using the open method of questioning across different regional areas and stakeholder groups. Increasing the number of suppliers may also provide a better indication of the differences between tourists and suppliers value perceptions and actions. Also, while the GLOVAL scale and its comprehensive and holistic nature were found to fit the data generated by this study's analysis quite well, a few modifications with regard to definitions, overlaps and dimension expansion may be beneficial. Thus, it is hoped that others will take up the challenge of investigating what we all mean by value and how its perceptions influence our choices, both as tourists and operators.

7.5 Summary

Overall, this thesis concludes that more research needs to be conducted to broaden the approach to value perception measurement in order to increase its validity and reliability. More research also needs to be undertaken to communicate the tourists' value perceptions to non-corporate tourism businesses so they can present themselves and the host region in a better light. In particular, the findings of this research suggest that future actions need to focus on obtaining the actual value thoughts and opinions of tourists and their travel experience from start to finish. Efforts should also concentrate on the under researched supply aspect of tourism as shown in Figure 2.7 with respect to the value perceptions of suppliers and the value creation efforts that they undertake. It is hoped that centring attention and education to these areas will allow not only the development of industry towards achieving its goals of competitive advantage and yield maximisation, but also, the revision and expansion of perceived value theory. A movement beyond the traditional 'closed response' style of questioning to a more open technique may indeed provide the avenue required to advance and understand the multifaceted nature of value and how to best generate it through the provision of products and services.

Appendices

Appendix 1: Ethics Approval

Appendix 2: Tourist Information Sheet and Questionnaire Part One

The School of Sport, Tourism and Hospitality Management
Faculty of Law and Management

Hello,

My name is Lisa Melsen and I am currently doing tourism research for La Trobe University and North East Victoria Tourism Inc.

We are attempting to gather information concerning tourist expectations regarding Victoria's North East. After we have completed this short interview you will be given a take home survey asking about what you actually experienced during your time in the North East and your level of satisfaction with this visit. A postage paid envelope is provided with this take home survey and by returning it you will have the opportunity to enter a prize draw to win a weekend for two in North East Victoria.

All the information you provide during this short interview will be treated confidentially and will be reported anonymously as grouped data. If during the course of this interview you wish to withdraw at any time, or do not wish to answer particular questions you may do so. Are you happy to proceed with the interview, which will take only five minutes?

Thank you for your time and participation in this interview. Could you please take part two of the survey home to complete and return to me in the postage paid envelope provided within seven to ten days? Once I receive your completed survey you will be eligible to enter the prize draw which will be drawn on the 30th of June 2006.

La Trobe University
Victoria, 3086, Australia
Tel: (03) 9497 3770
Fax: (03) 9479 1010

Email: tourism@latrobe.edu.au
Web: www.latrobe.edu.au/tourism
ABN 64 804 735 113
Code: 000

Part One: Tourist Questionnaire

Screening Question

Are you a tourist visiting North East Victoria today?

Yes – proceed with interview
No – thank resident for their time

Section A: Previous Visitation

1. Have you visited North East Victoria before?

☐ Yes ☐ No

If yes, when was your last visit?

____

Section B: Travel Information

2. What sort of attractions/activities do you plan to do/visit for recreational pleasure while you are visiting North East Victoria?

☐ Wineries ☐ Food

☐ Heritage ☐ Natural

☐ Adventure ☐ Other, please specify______________

____

____

3. How long do you plan to stay in the North East?

☐ Today only

☐ Overnight, please indicate town you will be staying in, ________________________

☐ More than one night, please indicate number of nights and the town(s) you will be staying in,____

____

4. If you are staying in the region overnight or longer, what type of accommodation will you be using and how many nights do you plan to spend in each type of accommodation?

	Number of nights		Number of nights
☐ Hotel	________________	☐ B and B	____________________
☐ Motel	________________	☐ Resort	____________________
☐ Caravan Park	________________	☐ Camping	____________________
☐ Backpacker's	_________________	☐ Staying with friends/relatives	______
☐ Other, please specify	__________________________		

5. What types of eating are you planning on undertaking?

☐ Fine Dining ☐ Cafes

☐ Take Away ☐ Other, please specify_________________

____

____

Section C: Expectations and Value

6. What would make your visit to different attractions a satisfactory experience?

1.____
2.____
3.____
4.____
5.____

7. What would make your stay in your accommodation satisfactory?

1.____
2.____
3.____
4.____
5.____

8. What would make your dining experiences satisfactory?

1.____
2.____
3.____
4.____
5.____

9. The tourism industry is keen on providing value. What is value to you?

____
____
____
____
____

10. Please indicate the relative importance of these value components using a percentage out of 100.

a)____
b)____
c)____

11. Since value perceptions can be influenced by income, could you please indicate where your weekly household income lies within the following ranges?

☐ $1 - $79 ☐ $300 - $499 ☐ $1000 or more
☐ $80 - $159 ☐ $500 - $699
☐ $160 - $299 ☐ $700 - $999

Section D: General Information

12. Where have you travelled from to visit North East Victoria?

____

13. What is your main reason for travelling to North East Victoria?

☐ Holiday or Leisure ☐ To visit family
☐ To visit friends ☐ Business reasons
☐ Other: please specify____

14. For what reasons did you choose to visit North East Victoria over other destinations?

____
____
____
____

15. Who does your travel party consist of?

- ☐ Travelling alone
- ☐ Adult couple
- ☐ Family group – parents and children
- ☐ Child/Children only
- ☐ With relatives
- ☐ With friends
- ☐ Tour
- ☐ Other, please specify_______

16. What size is your travel group?

____

17. Within your travel party, are you the main decision maker?

- ☐ Yes
- ☐ No

If no, who is the main decision maker? ______________________________

Section E: Demographic Observations

Gender of respondent:

- ☐ Male
- ☐ Female

Age of respondent:

- ☐ 18-30
- ☐ 31-50
- ☐ 51+

Appendix 3: Tourist Information Sheet and Questionnaire Part Two

LA TROBE UNIVERSITY

The School of Sport, Tourism and Hospitality Management

Faculty of Law and Management

Thank you for agreeing to complete this survey regarding your North East Victoria experience.

This survey should take approximately 5 – 10 minutes to complete. All information you provide will be treated confidentially. You will not be identified in any of the results that may be published. Further, results from this study will be available upon request from March 2007 from the School of Sport, Tourism and Hospitality Management at La Trobe University Bundoora. If during the course of this survey you wish to withdraw at any time, or do not wish to answer particular questions you may do so.

Your participation and co-operation in this two part study is greatly appreciated and will help produce information that we hope will lead to a more customer oriented tourism industry. Should you have any questions regarding this survey, please do not hesitate to contact me or my supervisor using the details provided below. Alternatively, if you have any complaints or queries that the investigator has not been able to answer to your satisfaction, you may contact the Ethics Liaison Officer, Human Ethics Committee, La Trobe University, Bundoora, 3086, (ph: 03 9479 1443, email: humanethics@latrobe.edu.au).

PRIZE DRAW: SHORT WEEKEND PACKAGE
FEATURING TWO NIGHTS ACCOMMODATION WITH BREAKFAST, DINNER AT A LOCAL RESTAURANT AND 12 BOTTLES OF WINE FROM LOCAL WINERIES
(some conditions may apply)

By completing and submitting this survey you have the chance to enter the prize draw and win a short weekend package to Victoria's North East. This package features: two nights accommodation inclusive of breakfast, dinner at a local restaurant and 12 bottles of local wines.

By filling out this questionnaire, completing the contact details at the back and returning it in the addressed postage paid envelope provided within **7 to 10 days**, you will have the opportunity to win!

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Part Two – Take Home Survey

Part A – Overall Tourism Experience

The following set of questions relate to your feelings about your overall visit and experience within North East Victoria. Where statements are provided, please show the extent to which you believe your experience featured the aspects described in the statements. If you don't know, or have no feelings please tick the box provided. There are no right or wrong answers – the number you circle simply shows your perceptions about your overall experience within the North East.

1. What sacrifices did you make and what did you give up to travel to the North East? (please list in rank order from 1 to 3)
   1.______________________________
   2.______________________________
   3.______________________________

2. Overall, what benefits/outcomes do you feel you gained from your trip to North East Victoria? (please list in rank order from 1 to 3)

1.______________________________
2.______________________________
3.______________________________

3. In terms of balance, do these benefits/outcomes outweigh the sacrifices you made to take the trip?

-3	-2	-1	0	+1	+2	+3	☐ Don't Know
Sacrifices outweigh benefits			Benefits and sacrifices balance			Benefits outweigh sacrifices	

4. Considering your time away in the North East, please circle on the scale below your overall level of satisfaction with your experience (where 1 is very dissatisfied and 7 is very satisfied).

Very Dissatisfied			Satisfied			Very Satisfied	No Feelings
1	**2**	**3**	**4**	**5**	**6**	**7**	☐

5. What do you think could be added to make your North East Victoria experience more satisfactory? (please list in rank order from 1 to 3)

1.______________________________
2.______________________________
3.______________________________

6. Please indicate on the scale below how well your experience in the North East met the expectations you had prior to undertaking the trip (where 1 is expectations not met and 7 is expectations exceeded).

Expectations Unmet			Expectations Met			Expectations Exceeded	No Feelings
1	**2**	**3**	**4**	**5**	**6**	**7**	☐

7. What would you like to see the North East region do to better meet your expectations?

____

____

____

____

8. On average, how much did you spend on your total trip within the North East?

☐ under $100 ☐ $201 - $300 ☐ $401 - $500

☐ $101 - $200 ☐ $301 - $400 ☐ $500+

9. Is this your individual expenditure or for your travel party?

☐ Travel Party ☐ Individual

10. In the boxes provided, please indicate the size of your travel party and the total number of days you spent travelling in North East Victoria.

☐ Size of Travel Party ☐ Number of days spent in North East Victoria

11. Past research has identified that we make a number of sacrifices in addition to the money we pay when undergoing travel experiences. Please identify which of the following apply to you and your visit to North East Victoria by ticking the relevant boxes?

☐ Time ☐ Search costs ☐ Personal Risk

☐ Learning costs ☐ Physical sacrifices

12. Please indicate on the scale below the overall value you feel you received from your trip (where 1 is no value and 7 is high value).

No Value			Average Value			High Value	Don't Know
1	**2**	**3**	**4**	**5**	**6**	**7**	☐

13. Why did you rate the value you received in this manner?

____

____

____

____

14. Overall, do you feel you received value for money? (please indicate on scale below)

Poor value for money			Adequate value for money			High value for money	Don' Know
1	**2**	**3**	**4**	**5**	**6**	**7**	☐

15. Why did you rate your value for money in this manner?

____

____

____

____

16. What value would you like to see the North East add to their tourism experience?

____

____

____

____

Part B – Sector Experience

The following sets of statements relate to your feelings about your visit and experience to the various tourism components within North East Victoria. For each statement, please show the extent to which you believe the tourism components featured the aspects described in the statements. Circling a 7 means that you strongly agree, and circling a 1 means that you strongly disagree. If you don't know or have no feelings please tick the box provided. There are no right or wrong answers – the number you circle simply shows your perceptions about your experience among the different attractions.

Attractions Experience

Please identify your personal **top 3** favourite attractions visited within North East Victoria by name.

1.____

2.____

3.____

		Strongly Disagree						**Strongly Agree**	**Don't Know**
1.	The attractions delivered what they promised.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
2.	Access to the attractions was satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
3.	Signage to the attractions was easy to follow.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
4.	Parking conditions were satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
5.	The staff were caring.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
6.	The service I received was prompt.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
7.	The staff were helpful.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐

☐

8.	The physical surrounds were visually appealing.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
9.	The facilities were clean.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
10.	The facilities were up to date.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
11.	The price charged was reasonable.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
12.	Overall, I received what I expected.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Accommodation Experience

Please list the accommodation you stayed in by name.

1.____

2.____

3.____

1.	The accommodation delivered what they promised.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
2.	Access to the accommodation was satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
3.	The accommodation was well signed.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
4.	The location of the accommodation met my needs.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
5.	The accommodation was quiet.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
6.	The staff were caring.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
7.	The service I received was prompt.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
8.	The staff were helpful.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
9.	The accommodation was visually appealing.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
10.	The accommodation was clean.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
11.	The facilities were up to expectations.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
12.	If provided, the meals were satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
13.	The price charged was reasonable.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
14.	Overall, I received what I expected.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Dining Experience

Please identify the **top 3** dining establishments you visited within the North East by name.

1.____

2.____

3.____

1.	The dining establishments delivered what they promised.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
2.	Access to the dining establishments was satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
3.	The dining establishments were well signed.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
4.	Parking conditions were satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
5.	The staff were caring.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
6.	The service I received was prompt.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
7.	The staff were helpful.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
8.	Waiting time was satisfactory.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
9.	The staff provided me with individual attention.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
10.	The dining establishments were clean.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
11.	The facilities were up to expectations.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
12.	The menu provided a good selection of food options.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
13.	The wine list featured a good selection of wines.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
14.	The dining establishments featured local produce.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
15.	The food was met my expectations.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
16.	The atmosphere was pleasant.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
17.	The prices charged were reasonable.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
18.	Overall, I received what I expected.	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐

Part C – Future Intentions

1. After your visit to North East Victoria, please indicate by circling the appropriate number your intentions to do the following in the future.

	No Intention						Strong Intention	Don't Know
Visit North East Victoria for a short break	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
Visit North East Victoria for a longer period of time	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐
Recommend North East Victoria as a holiday destination	**1**	**2**	**3**	**4**	**5**	**6**	**7**	☐

Thank you for your time and patience in completing this survey

If you wish to take part in the prize draw and win two nights accommodation, dinner at a local restaurant and a dozen bottles of local wine, please provide your name and phone number in the space provided.

Contact Name:____

Contact Number:____

Please note that your details will be detached from this survey once returned and placed immediately in the prize draw. Your details will remain confidential and anonymous in terms of this research project.

Please place your completed survey in the return, postage paid envelope provided and post it within 7 to 10 days for your chance to win!

The prize draw will be drawn on the 30th of June at Beechworth by Brian Millar, the Director of La Trobe Beechworth. The winner will be notified by phone.

Appendix 4: Supplier Information Sheet and Interview Schedule

The School of Sport, Tourism and Hospitality Management
Faculty of Law and Management

Dear Tourism Supplier,

My name is Lisa Melsen and I am currently conducting tourism research as part of my PhD thesis. My research focus examines the role of yield and value added to the success of individual businesses and the industry as a whole. The Australian Government White Paper considers that high yielding products and markets can be achieved through developing innovative business strategies which boast quality and value. My study is attempting to determine whether this sentiment holds true in the North East Victorian Region.

Your tourism business has been identified as a successful tourism business within the North East region. Consequently, I would like to invite you to take part in my survey of tourism businesses in the region. The survey will involve personal on-site interviews, lasting approximately 30 minutes, where I will be seeking information on your best practice experience in regards to value added and yield.

Information provided by industry will then be compared with information provided by visiting tourists. A final report detailing findings will be presented to all participating industry partners in Beechworth in July/August 2007.

All information provided will be kept confidential with the data referring only to three sectors of the tourism industry, attractions, accommodation and food and beverage. You and your organisation will remain completely anonymous and will not be identified in any of the results that may be published. Further, results from this study will be available upon request from March 2007 from the School of Sport, Tourism and Hospitality Management at La Trobe University Bundoora. This study also has the support of Tourism Alliance Victoria, North East Victoria Tourism Inc (formerly Legends Wine and High Country Campaign Committee) and has received funding from the Sustainable Tourism Cooperative Research Centre.

If you are willing to assist and participate in this research, could you please take the time to return the attached slip in the reply paid envelope provided by no later than the **14th of November**. The return of the slip will indicate your consent to participate in this study and I will contact you on the details you provide to arrange a suitable time to conduct the interview. If during the course of the interview you wish to withdraw at any time, or do not wish to answer particular questions you may do so. In addition, if you wish to withdraw after the interview, you may do so within 10 days of the interview by contacting me on the details below.

Thank you in anticipation of your consent. Your co-operation in this study is greatly appreciated and will help produce the necessary information, thus ensuring the success of this research project. Should you have any questions regarding this letter, please do not hesitate to contact me or my supervisor on the details provided at the bottom of the page. If you have any complaints or queries that the investigator has not been able to answer to your satisfaction, you may contact the Ethics Liaison Officer, Human Ethics Committee, La Trobe University, Victoria, 3086, (ph: 03 9479 1443, email: humanethics@latrobe.edu.au).

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LA TROBE UNIVERSITY

The School of Sport, Tourism and Hospitality Management

Faculty of Law and Management

Consent Form for Interviews

This research project is conducting interviews with tourism businesses in North East Victoria. The identities of participants and their organisations will remain confidential to the researchers.

I understand that I am not required to participate in this research project if I do not wish to and that I can withdraw from the interview at any time without needing to explain my reasons for withdrawing. In addition, I understand that I may withdraw up to 10 days after the interview by contacting the researcher. No loss of benefit will occur as a result of my withdrawal nor will any penalty be incurred. I also understand that I am not obliged to answer any questions I do not wish to.

I have read the information sheet and the consent form. I understand that the project will be carried out as described in the information sheet, a copy of which I have retained. I have had all questions answered to my satisfaction. I agree to participate in the yield and value added research project and give my consent freely.

Please fill out and return this slip in the reply paid envelope provided to indicate your consent no later than the **14th of November**.

Contact Name:____

Business:____

Business Address:____

Contact Phone Number:____

Contact Email:____

Signature:____

Date:____

Again, thank you, your assistance in this research is greatly appreciated.

Yield and Value Added Interview Schedule – North East Victoria Tourism Suppliers

Section 1: Tourism Product and Tourist Market

1. What products/services does your tourism business offer tourists?

2. Who makes up your tourist market?

3. What do you think your tourist market expects from their experience with your tourism business?

4. Approximately, what percentage of your business is tourism?

5. What is your annual gross revenue, approximately?

Section 2: Concept of Yield and Value Added

1. What do you consider the terms value added and yield to mean?

2. On a scale of 1 to 7, with one being unimportant and 7 being extremely important, how important do you consider value added and yield to be to:
   a) your business, and
   b) the tourism industry.

   Why/Why not?

3. How important do you consider quality and price to be in generating value?

4. In general, what outcomes do you think value added has?

Section 3: Implementation and Outcomes of Value Added Strategies

1. What value, if any, have you added to your tourism product/service? Why?

2. How have you/did you add value to your tourism product/service?

3. Approximately, over what time period have you added value? Has any of this been in the last 12 months?

4. Approximately, how much has it cost your business per unit to add this value?

5. What outcomes did you expect to receive from your value added strategies?

6. What outcomes have you actually experienced since you implemented your value added strategies (if done)?

7. Has extra revenue been generated as a result of this value added? Approximately, how much does this account to per unit?

Section 4: Supplier Details

1. How many years has this tourism business been in operation?

2. How many years have you been the owner/operator of this tourism business?

3. Is this tourism business an accredited tourism business?

4. Has this tourism business received any awards and/or recognition? Please provide details.

5. Does this tourism business have membership in any tourism associations or local chamber of commerce? Please list.

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