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AIMS AND SCOPE

The *HELLENIC OPEN BUSINESS ADMINISTRATION Journal* is published two times a year and focuses on applied and theoretical research in business Administration and economics.

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***The HELLENIC OPEN BUSINESS
ADMINISTRATION JOURNAL***

EDITOR'S NOTE

The *HELLENIC OPEN BUSINESS ADMINISTRATION Journal* is concerned with theory, research, and practice in business administration and economics (in its wider sense encompassing both private and public sector activities of profit-seeking ventures, as well as of governmental, private non-profit, and cooperative organisations) and provides a forum for academic debate on a variety of topics which are relevant to the journal's central concerns, such as:

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The *HELLENIC OPEN BUSINESS ADMINISTRATION Journal* also publishes special issues. A special issue focuses on a specific topic of wider interest and significance, which is announced through relevant call for papers.

The journal was established in 2014 following the completion of the HELLENIC OPEN BUSINESS ADMINISTRATION International Conference.

The *HELLENIC OPEN BUSINESS ADMINISTRATION Journal* (The HOBA Journal) is published two times a year, in January and July. These two issues constitute one volume. One or more issues may focus on a specific topic of wider interest and significance, which is announced through relevant call for papers.

The editorial process at The HOBA Journal is a cooperative enterprise. Articles received are distributed to the Editor for a decision with respect to publication. All articles are first reviewed to be judged suitable for this journal. The Editor arranges for refereeing and accepts and rejects papers or, alternatively, forwards the papers to a member of the Board of Editors. The member of the Board of Editors, then, arranges for refereeing and accepts or rejects papers in an entirely decentralized process. In any case, each submission is sent to two referees for blind peer review and the final decision is based on the recommendations of the referees. The referees are academic specialists in the article's field of coverage; members of the Board of Editors and/or members of the Editorial Advisory Board may act as referees in this process. Only when a paper is accepted for publication it is sent again to the Editor. Subsequently, the Editor sends the finally accepted paper to The HOBA Journal office for final editing and typesetting.

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The above outlined co-editing process has major advantages. First, it is helpful in the assignment of referees and in the decision whether to publish a submission. Second, it avoids the apparent conflict of interest that results when an Editor handles a colleague's article. As a general rule the Editor and the members of the Board of Editors never assign papers written by authors at the same institution.

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TOURIST DESTINATION MARKETING AND MEASUREMENT OF TOURIST SATISFACTION: THE CASE OF SANTORINI ISLAND

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Abstract

The present paper is the first of a series of research papers that aims to investigate the structure and quality of the "Greek touristic product" in the context of a global competitive industry, identifying strengths and weaknesses and proposing appropriate marketing responses. The paper focuses on Santorini island, 16th tourist destination in Europe, examining the degree of satisfaction of the island's visitors. The research is based on primary data, collected through a questionnaire addressed to departing tourists who had spent at least 5 days on the island and had stayed in a tourist accommodation unit. The sample was compiled with the multistage random sampling method. A number of hypotheses were tested in order to investigate differentiations in tourist satisfaction responses among country of origin, income, age, individual or agency travel and type of accommodation used.

Our findings indicate an overall high level of satisfaction in most areas. The highest ratings were associated with private sector offerings (hotels, restaurants, friendliness/attitude of the local residents) against lower ratings received on public infrastructure items. Lastly, the responses were analyzed with the SPSS statistical package, using mainly the t-tests to discover statistically significant variations in the responses of different sub-groups of our

sample. The main difference was found among those that stayed in hotel rooms vs. staying in rented rooms/ apartments, with the former belonging to higher income groups and expressing higher satisfaction both for their accommodation as with other aspects of the tourist product. The conclusion is that Santorini's tourist product is best suited to those with higher holiday budget, and marketing efforts as well as improvement of the tourist experience offering must continue to focus on this segment in order to maximize both tourist satisfaction and the sector's income.

JEL codes: L83, M31

Key words: Tourist destination marketing, quality measuring, multistage sampling.

Introduction

Tourism is often characterized as Greece's "heavy industry" in the sense that it contributes significantly to economic growth, job creation and the Balance of Payments. In the midst of the ongoing economic crisis, tourism was the only sector that grew during 2013: based on Bank of Greece data, 17 million foreign tourists arrived in Greece and the tourist sector's turnover reached 12,5 billion euro in 2013, 14,5% up from the previous year.

The present paper is the first of a series of research papers that aims to investigate the structure and quality of the "Greek touristic product" in the context of a global competitive industry, identifying strengths and weaknesses and proposing appropriate marketing responses. The paper, building on concepts and research methodologies developed in the marketing and tourism literature, focuses on Santorini island, 16th tourist destination in Europe, with the aim to examine the degree of satisfaction of the island's visitors and linking it to customer loyalty.

Measuring the quality of the tourist offering: a review of the literature.

Tourism is an important industry worldwide and the determinants of its success have been widely investigated both in economic and interdisciplinary terms. In today's very competitive environment, it is no longer sufficient to rely on natural or even cultural resources in order to attract tourist flows. Marketing tools need to be deployed at national, regional and local levels. The product sought by the tourist is an experience, consisting of a combination of goods and

services.⁴ The framework of analysis varies among researchers but it generally includes three levels with one or more components each: Customer satisfaction, measured in a variety of ways is the main focus. It is linked to antecedent factors, which include factors that "cause" satisfaction and to consequences, namely customer loyalty, repeat visits, positive recommendations and complaint minimization. Customer satisfaction is at the center of most research papers, as it has been established by many researchers that it is key to the success of the tourist product. According to Baker and Crompton, (2000) measuring and monitoring consumer satisfaction is a very important process because it provides valuable information for academics and practitioners alike. Several studies have demonstrated that satisfaction is an excellent predictor of repurchase intentions⁵.

Regarding the motivators or causes or contributing factors leading to consumer satisfaction, researchers have proposed the perceived value (Parasuraman, 1997), which in turn is formulated by tourist expectations, perceived quality and destination image. Perceived value leads to satisfaction, which in turn is a predictor of the intention to revisit (Kim et al, 2009). One of the most comprehensive approaches is that of Fornell et al (1996) who studied the causes and effects of customer satisfaction in the US. A somewhat different approach (Crompton, 1979, Uysal & Jurowski,1994) distinguishes between push factors that are subjective, internal and compel the choice of the destination by an individual, and pull factors, that are related to the attractiveness of destination A vs. destination B. The former draw on disciplines such as psychology, while the latter are more cognitive/ objective and can be measured with statistical and econometric tools. Characteristics such as sightseeing, scenery, cultural events and attractions, beaches, climate, accommodation, are included in the pull factors. In this study we limit our analysis to specific pull factors.

⁴ Mac Cleary (1987).

⁵ Choir & Chu (2001), Tam (2000), Kozak & Rimmington, (2000) among others.

Customer satisfaction is a cumulative measure of total purchase and consumption experience (Anderson et al., 1994, pp.54). It is a complex and multidimensional phenomenon consisting of many different interdependent parts. For example, a tourist product is a composite of elements such as accommodation, entertainment, excursion and food (Pizam et al., 1978). Each of these elements comprises of both core and secondary attributes as introduced by Kano (1984). Core attributes are the key drivers of customer satisfaction and correspond to performance factors They directly influence overall satisfaction by leading to satisfaction, if performance is high and to dissatisfaction, if performance is low in a rather symmetrical way; In tourism literature, core attributes correspond to vacation activities and benefits sought by visitors (e.g., sightseeing, sunbathing, etc.). On the other hand, secondary attributes, corresponding to basic factors by Kano (1984), represent destination elements expected by the visitor. (e.g., banking, telecom services, drinking water). Secondary attributes are necessary but not sufficient for overall satisfaction. Their influence on overall satisfaction could be indirect and asymmetric. A negative performance by these attributes has a greater impact on overall satisfaction than does positive performance. For instance, dissatisfaction with clean water is likely to have a strong adverse impact on the overall satisfaction, while satisfaction with clean water is unlikely to have much impact. Travel satisfaction has been generally used as an assessment tool for the evaluation of travel experiences (Bramwell, 1998 ; Ross & Iso-Ahola, 1991).

Customer satisfaction is a latent variable, not measurable directly. Several theoretical approaches have been developed in order to measure customer satisfaction. The most important are:

- i) The expectation - performance, also known as the expectation/disconfirmation model, where it is stipulated that customer satisfaction depends directly on the difference, positive or negative, between what was expected and actual performance. If actual performance is greater than expectation, positive disconfirmation leads to satisfaction, whereas negative disconfirmation is associated with dissatisfaction. (Oliver, 1980, Chon, 1989 and others).
- ii) The importance- performance approach, (Hauser Jr. 1991, Huang & Sarigollu 2008) where satisfaction depends on the performance of certain important attributes.
- iii) Lastly, we mention the performance only approach, which focuses on measures of perceived performance (Tse & Wilton, 1988, Gonzalez et al., 2007) versus stated or derived performance (Chu 2002).

A good understanding of satisfaction requires assessment of not only the overall level, but also of the degree of satisfaction related to specific attributes

of the service / experience being measured. This knowledge would permit managers to prioritize attributes and allocate resources in an effective and efficient manner towards enhancing overall satisfaction. Important attributes are then emphasized in the short term advertising and long term product development strategy. The above brief literature review confirms that in practice the evaluation of tourist satisfaction has many dimensions and the choice of the model to be used in a particular applied research situation must depend on the specifics of the destination being investigated and the purpose of the research (formulating the offering, the marketing campaign etc). In the present study we follow the performance only approach, and we measure satisfaction using stated rather than derived satisfaction of the visitors.

As stated above, customer satisfaction is not studied for its own sake, but because it is directly related to and predicts customer loyalty. The degree of tourists' loyalty to a destination is reflected in their intentions to revisit the destination and in their recommendations to others (Oppermann, 2000). Tourists' positive experiences of service, products and other resources provided by tourism destinations could produce repeat visits as well as positive word-of-mouth effects to potential tourists such as friends and/or relatives (Bramwell, 1998; Oppermann, 2000; Postma & Jenkins, 1997). Recommendations by previous visitors are considered as the most reliable information sources for potential tourists and are one of the most often sought types of information by people interested in traveling, as evidenced by the success of internet sites where travellers contribute their opinion and overall ratings are provided⁶.

Concluding the literature section, it must be noted that we did not come across any papers that deal with tourist satisfaction from specific Greek tourist destinations in the way we propose in the present study.⁷ A recent paper by Faedon Theofanides and A. Karagiannopoulou⁸ does investigate tourist satisfaction and its parameters but on a country level, as they addressed their survey to departing tourists at the Athens airport. According to their findings, the most significant criteria of the visitors for selecting Greece appear to be the climate, the natural beauty, the culture and the warm

⁶ For example, www.booking.com and www.tripadvisor.com among others. Such sites actively encourage visitors to provide feedback on their visits.

⁷ An overall analysis of Greek tourism issues can be found in Buhalis, 2001.

⁸ Theofanides, Karagiannopoulou (2013) Exploring the touristic image of Greece.

hospitality of Greeks. Tourists experienced high satisfaction levels when visiting museums and archaeological sites and tasting Greek food and beverages. The quality of accommodation also scored high. Finally, tourists expressed dissatisfaction with the environmental pollution, the high price of goods and services, the road signs and the quality of the roads. One of their conclusions, however point to the inadequate impact of national campaigns from the Hellenic National Tourist Office. Recent trends in Tourism development, point to a more decentralized, regional or even local approach to successfully market a destination. Indeed, it is common knowledge that the most successful tourist destinations in Greece, such as Rhodes, Santorini, Myconos etc. have achieved their reputation based on the efforts of the local societies rather than the often ineffective national promotion campaigns. Therefore, implementing a series of investigations on tourist satisfaction from specific locations will help to identify best practices and weaknesses and thus to fine tune and improve the offering of those locations and also to adapt the marketing effort accordingly.

Tourist destination profile.

Santorini or Thira is an island situated in the south Aegean Sea. Its distance from Greece's major port, Piraeus, is 128 miles and from Crete 63 miles. Its surface is 76,2 acres and is inhabited by 15,250 permanent residents. Santorini has a desert climate which is unique in Europe. Winters are mild with frequent rainfalls but during the summer it never rains while seasonal winds keep the temperature at relatively cool levels. The island is shaped by and is well known for its active volcano, which last erupted in 1950 causing damages, deaths and a massive emigration of the islanders to the mainland cities and abroad. Within the large bay formed by a huge volcano eruption thousands of years ago, the tops of two craters stand above the sea surface and are visited by small boats, representing one among several tourist attractions of the island.

The island is arid, with no surface waters or forests but its soil is fertile and is cultivated with specialty products such as local varieties of vines, small tomatoes and fava, a pulse. The majority of the island's residents are occupied in tourism related jobs and businesses and in agriculture, cultivating the traditional vines that produce the famous Santorini wines in small wineries. Tourism started in the 1960's and has been steadily growing. In addition to the regular tourist visitors, the island is a standard destination of cruise ships sailing just in the Aegean or the Mediterranean sea, from March to November. Every year, over 3 million tourists visit Santorini. It has featured in many international tourist guides as a must see destination and lately it has become popular as a

wedding destination. Other island attractions include its immense black sand beaches, archeological sites of Minoan era, traditional settlements of unique architecture (Oia, Fira), breathtaking views of the bay with the volcano and a lively nightlife. All the above factors are thought to contribute to the tourist offering and are therefore included in our investigation.

The empirical study: scope and methodology.

Based on the above, we seek to formulate a simple model that can be duplicated for a number of tourist destinations in Greece, aiming to link visitor's perceived value of a number of attributes that constitute the tourist offering with their overall satisfaction and with loyalty creation. In addition, we attempt to investigate differentiations in customer satisfaction and preferences among various subgroups of the sample, based on the demographic section of our questionnaire.

The research is based on primary data, collected during the high season of 2013 via a questionnaire addressed to departing tourists, both from the port and the airport, who had spent at least 5 days on the island and had stayed in a tourist accommodation unit, hotel, bed and breakfast or rented rooms. The sample used in the analysis consists of 228 responses and was compiled with the multistage random sampling method. Moreover, an effort was made so that all the areas of the island were represented in proportion to their hotel capacity. Missing values, outliers and distribution of all the variables were examined in order to "clean" the data and reduce systematic errors. All the responses were transformed to categorical variables in order to be analyzed with the SPSS statistical package.

The first group of questions collected the demographic characteristics of the respondents including nationality (Greek vs. foreign), gender, income, age, marital status, education, whether they came independently or through a travel agency, length of stay and type of accommodation. Two groups of questions followed, measuring satisfaction from the accommodation (3 questions) as well as other aspects of Santorini's tourist offering (6 questions) based on a 5 point Lickert type scale with assigned values ranging from 1 (lowest) to 5 (highest). Three more questions focused on the tourists' rating of some of the island's main attractions and lastly we included a question designed to measure loyalty. A number of hypotheses were then tested in order to investigate differentiations in tourist satisfaction responses among country of origin, income, age, individual or agency travel and type of accommodation used.

The empirical study: interpreting the results.

In Table 1, below, we provide the descriptive statistics of our sample. It is evenly distributed in terms of gender and follows a normal distribution in terms of age with the median age of the visitors in the 31-45 age group. The education level of the average visitor is relatively high, with 51% of the respondents holding a University degree. However, given the method of sample collection, we must consider the possibility of bias, in case people with university education were more likely to accept to fill the questionnaire. Regarding nationality, 24% of the respondents were Greek while the remaining were foreigners. Even though they were asked for their country of origin, this information is not included in the present statistical analysis. The respondents were predominantly single, (47%) with the median annual disposable income in the 20000-50000 euro category.

Table 1. Sociodemographic characteristics

1. Gender				
Male		Female		
111		117		
48,68%		51,32%		
2. Age				
<=20	21-30	31-45	46-65	>=66
14	70	72	58	14
6,14%	30,70%	31,58%	25,44%	6,14%
3. Education				
Basic	Middle	University	MSc-PHD	
29	41	118	40	
12,72%	17,98%	51,75%	17,54%	
4. Place of habitat				
Greece		Abroad		
55		173		
24,12%		75,88%		

5. Family status				
Single	Couple	Family w children		
108	61	59		
47,37%	26,75%	25,88%		
6. Family income- annual				
<=€ 20.000	€20.001– 50.000	€50.001– 80.000	€80.001- 120.000	>=€120.001
71	58	55	26	18
31,14%	25,44%	24,12%	11,40%	7,89%

The next set of questions referred to factual information about the respondents' holiday in Santorini. It is interesting to note that the majority travelled on their own and only 20% had their vacation booked through a travel agent. Another noteworthy piece of information regarding our sample is that of those that organized their trip individually, 77% booked their holiday using the internet, 18,7% used the phone and the remaining 5,8% booked their accommodation upon arrival. Regarding accommodation choices, 51% of the respondents stayed in a hotel, 44% in a rented room/ apartment and 5% in guest rooms (B&B). The prices per night of stay ranged from the lowest (up to 40 euros) to 300+ euros with the median in the 81-150 euro per night range. Finally, when asked about the length of their stay on the island, 29% stayed up to 3 days, 31% 4-6 days, 22% 7-12 days and 18% stayed 13 or more days.

A simple observation of the data in Table 2 indicates that the price-quality or value for money of the accommodation offering, as perceived by the respondents was favorable: With over 20% of the travellers admitting they considered the cost of stay low or very low, not even one complained about the quality or infrastructure offering. The evaluation of the infrastructure offering was somewhat lower, reflecting the fact that most rented rooms and small hotels do not offer amenities such as swimming pools, gyms etc which are available only in the larger units.

Next, in Table 3 below we present the main satisfaction measurement variables that include evaluation of the various components constituting the island's tourist offering: Cleanliness, base services, (Banks, transport, information, security), food, shopping, night life and lastly the friendly attitude and hospitality of the residents.

Table 2: Evaluation of the accommodation offering.

11. What was the price of the room per night?							
<= 40€ per night	41–80€ per night	81-150€	151-300€	301€ +	Average	Median	St Dev
46	60	55	37	30	2,3	2	1,07
20,18%	26,32%	24,12%	16,23%	13,16%			
12.1 Judge the accommodation you stayed on its price:							
Very expensive	Expensive	Average	Cheap	Very cheap	Average	Median	St Dev
11	34	137	44	2	2,76	3	1,3
4,82%	14,91%	60,09%	19,30%	0,88%			
12.2 Judge the accommodation you stayed on its quality:							
Brilliant	Good	Average	Bad	Very bad	Average	Median	St Dev
99	98	31	0	0	2,96	3	0,75
43,42%	42,98%	13,60%	0,00%	0,00%			
12.3 Judge the accommodation you stayed on its infrastructure offering:							
Brilliant	Good	Average	Bad	Very bad	Average	Median	St Dev
98	94	36	0	0	1,7	2	0,7
42,98%	41,23%	15,79%	0,00%	0,00%			

Table 3. Tourist satisfaction with several dimensions of the tourist offering

13.1 How satisfied are you with the cleanliness of the island?							
Very good	good	average	bad	very bad	Average	Median	St.Dev
80	77	48	19	4	3,92	4	1,03
35,09%	33,77%	21,05%	8,33%	1,75%			
13.2 How satisfied are you with Santorini's guest services (banks, info, security, etc)?							
					Average	Median	St Dev
62	86	53	23	4	3,79	4	1,01
27,19%	37,72%	23,25%	10,09%	1,75%			
13.3 How satisfied are you on the quality of food, local cuisine, catering?							
					Average	Median	St Dev
96	85	34	11	2	4,15	4	0,91
42,11%	37,28%	14,91%	4,82%	0,88%			
13.4 How satisfied are you with Santorini's local markets, shops?							
					Average	Median	St Dev
82	86	49	10	1	4,04	4	0,89
35,96%	37,72%	21,49%	4,39%	0,44%			
13.5 How satisfied are you with Santorini's entertainment, nightlife?							
					Average	Median	St Dev
77	82	53	13	3	3,95	4	0,96
33,77%	35,96%	23,25%	5,70%	1,32%			
13.6 How satisfied are you with Santorini residents' friendly attitude and hospitality?							
					Average	Median	St Dev
129	64	22	10	3	4,34	5	0,92
56,58%	28,07%	9,65%	4,39%	1,32%			

By a simple observation, we note that the degree of satisfaction among the respondents of our sample is high in all the categories examined. The highest evaluation (4,34 average) is given to the friendly attitude and hospitality of the residents, followed by the food offering, the shopping experience, the nightlife and lastly, the basic public services. In fact, the number of respondents expressing dissatisfaction (bad or very bad) is so low (between 5 and 12%) that it would compromise the results of further analysis aiming to identify any common characteristics of this group.

Two questions asked the tourists to rate the best locations/ attractions on the island.

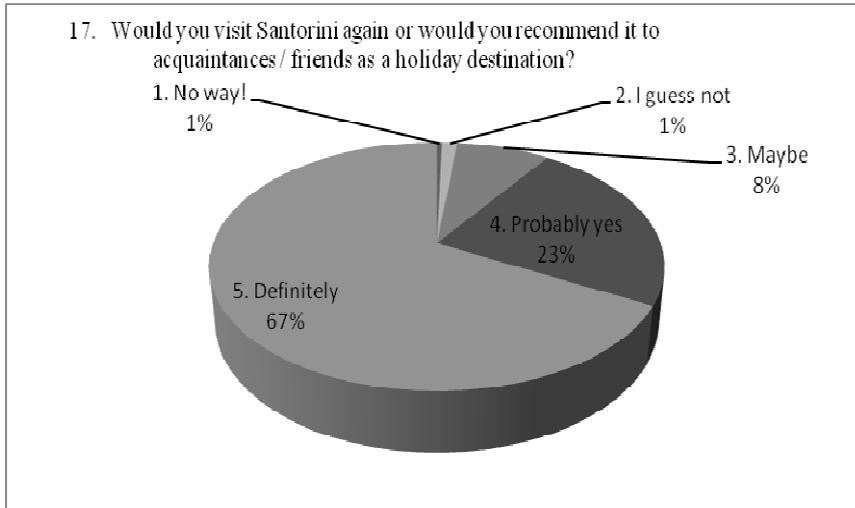
Respondents were asked to choose three among six choices and their answers are presented below in two ways, the first number in the parenthesis is based on the first choice and the second in total votes.

- The locations are ranked as follows: Oia (1,1), Fira (2,2) All the island (3,4) Akrotiri (4,3) Kamari (5,6) and Red beach (6,5).
- Attractions are ranked as follows: The romantic sunset (1,2), the Volcano (2,1) the churches (3,4), the Akrotiri archeological site (4,3), the nightlife (5,5) and the winery museum (6,6).

A separate question asked whether respondents were aware of the island's reputation as a wedding celebration destination, to which 75% replied positively, indicating that the marketing efforts towards this goal were successful.

The last question aims to measure the creation of customer loyalty. As in most similar international studies⁹, this is captured by asking the tourist whether they intend to visit Santorini again and/or to recommend the island to friends and acquaintances. The response was overwhelmingly positive, as can be seen in the graph below. Once again, the concentration of the responses to the first two categories and the very low number of those responding negatively, make the effort to statistically identify common characteristics among the groups difficult and any results questionable. Several of the papers dealing with this topic run various types of regressions with the loyalty variable as the dependent and various variables measuring satisfaction as the independent ones. In our case, such an approach could not yield reliable results due to multicollinearity among the variables.

⁹ See Yoon & Muzaffer, 2005.



Graph 1. Measuring customer loyalty

The next part of the statistical analysis was to perform t-tests for the equality of the means in the responses of various subgroups of the sample using the SPSS package. After checking for normality of distribution, we performed several such tests in an attempt to identify any statistically significant differences in the evaluation of the various dimensions of the tourist offering and in overall satisfaction that can be attributed to nationality, length of stay, level of income, education etc. Below we present only those cases where the t-test allowed us to reject the equality of the means hypothesis at the 95% confidence level, thus accepting that the means are different.¹⁰

The first test was among those that stayed in a hotel versus those who stayed either in a B&B or in rented rooms. Predictably enough, the group that stayed in hotels found the price of accommodation more expensive (question 13.1) but on the other attributes, quality and infrastructure, there was no statistically significant difference in satisfaction.

Next we checked for differences in satisfaction among those traveling on their own vs those coming in groups. The means of their responses were equal except for question 13.6, regarding the friendliness and hospitality of the locals, where the average satisfaction rating of those traveling on their own was higher (4,40) than that of the organized group travelers (4,11).

Income level is an important distinguishing characteristic; hence a number of associations were investigated. Income was not found to be associated with choice of the type of travel (individual vs. group). Regarding satisfaction with the various tourist product dimensions included in our study, statistically significant differences were identified in 13.1 (cleanliness) and 13.6 (friendliness, hospitality). In both cases, the satisfaction of the higher income group was greater, which is definitely an encouraging finding for the overall performance of Santorini as a tourist destination.

Tests were also run to establish differences in satisfaction among Greeks and foreigners. Greeks tend to stay more in rented rooms than in hotels and they expressed lower satisfaction with the level of prices, which is a direct consequence of the economic crisis. Lastly, Greeks are less aware of Santorini's image as a wedding celebration destination.

Another statistically significant variation was found to be related with length of stay: the group that stayed more than 10 days expressed higher satisfaction from shopping and food, a result that is intuitively acceptable, as the people

¹⁰ The SPSS outputs can be made available upon request to the authors.

staying longer have the opportunity to enjoy these aspects of the island's offering.

Conclusions and scope for future research.

The present study aimed to investigate and measure tourist satisfaction and customer loyalty from a specific tourist destination, Santorini island. Moreover, to identify possible weaknesses and strengths by examining the variations in expressed satisfaction among the various subgroups of the respondents. The findings confirm what is already known, that Santorini is a successful tourist destination, as the customers expressed a high degree of satisfaction with various dimensions of the tourist offering including hotels, food, shopping, natural environment, antiquities and above all the friendliness and hospitality of the residents. Loyalty generation was also very high. Higher income tourists, those travelling individually and those staying longer displayed higher satisfaction rates in several attributes. An interesting finding that emerged from the questionnaire is the high incidence of the use of the internet for booking the vacation.

Considering Santorini a successful example of Greek tourist destination, we intend to repeat the questionnaire in other areas in order to make comparisons and derive additional conclusions.

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