

**MEDIATION ROLE OF DESTINATION IMAGE IN CONNECTION  
WITH PERCEIVED VALUE AND COSTUMER VALUE TOWARD  
SATISFACTION TOURISTS**  
**(CASE STUDY OF TOURISM IN SANUR AREA)**

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**ABSTRACT**

*Bali has been imaged as a destination which describes the cultural diversity and its peaceful society. The image was one of the realities of Bali as the island of paradise that inspired many parties as a promising destination for peace and tranquility. It was characterized by unique attribute in each area tourist destinations at Sanur. It can create a Destination Image that was truly authentic in order to achieve the satisfaction of creating value expected by the tourists who visit, so as to form a perceived value rating and increase the value of customers through a destination image, This study aims to determine the perceptual maps of each region as a tourist destination, through the fulfillment of customer satisfaction was driven the value and satisfaction rating was influenced by the overall experience through destination image at Sanur. The populations in this study are foreign tourists who are visiting at Sanur. The study was to use a sample of 30 foreign tourists as respondents. The sampling method was held by purposive sampling method. The analysis technique that used in the study was Smart PLS (Partial Least Square), the findings of this study has a results of the evaluation of the structural model proved the value of Destination Image (0.582) and Satisfaction (0.437). Costumer Value has less significant toward to destination image as a mediation variable toward the satisfaction. Implication of this study has provided some insight of model satisfaction by the destination image as a mediation role.*

**Keyword: Customer Value, Perceived Value, Destination Image, Consumer Satisfaction**

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## I. BACKGROUND OF THE STUDY

Currently the needs and desires of tourists is growing in line with advances in technology make tourists have many options in choosing a tourist area (destination) wanted. The diversity of tourist destination will be the principal variables that make an interesting object as a sign of a major tourist attraction for tourists. (Pitana, 2005). The tourism industry which has the properties of intangibility, inseparability, heterogeneity, and perishability, Are led tourist to deal with the lack of attributes to evaluate whether or not of a destination, then the image of the destination travelers use as a tool for evaluating (Andreassen&Lindestad, 1998). Of course, the existing image in the minds of tourists are not always in tune with the real conditions of the destination itself. Destination image is very important to use to achieve the expected market share, it makes a tourist destination should be more competitive than other destinations, in defining its strategy by evaluating trends on the needs and desires of tourists ongoing. Purchase decision of tourist made is a decision that involves a wide range of perceptions of price, quality, and product, to help travelers plan and book a dream trip. Many stimuli can affect the image as described Andia in Chaerani (2011) one of them is to use communication techniques as a city slogan including Paris The City of Lights, New York, known as the I love NY that will facilitate the tourists picks in vacation, of course also helped by some reviews from websites that give testimony of tourists regarding their satisfaction with a global tourism destination.

Image as one of supporting a destination to attract tourists must be considered, Stephen et al., (2007) and Khan (2012), states that there is a positive influence between image and customer satisfaction. Tourism destination that constantly holds good image for tourists will get a better position in the eyes of tourists, by leveraging its competitive advantages.

Sanur as the area of the National Tourism Strategic Area (NTSA) located in the east of Bali that be a suitable place to enjoy the sunrise or the sun rises. This is what makes this place is becoming increasingly attract the tourist. In addition, the waves in Sanur beach has a white sands, so quiet and very suitable as a venue for beach recreation and not too dangerous for children. It has own advantages as a famous tourist area in Bali Sanur existence as a destination has a unique advantage in the region. Destinations can be seen as an area that covers all the products and services consumed by tourists during their stay. A destination appears important role both in terms of the destination image, quality of service and perceived value. Where consumers often provide more products based on brand new then the quality offered by the

products or services (Aaker, 1996) Furthermore, it takes an effort from us to do research that is expected to give a picture of the application in terms of the management of the destination image, customer value and perceived value in develop a customer satisfaction.

This research is in addition important to unveil a model in the development of a destination and explain the importance of efforts to build tourist satisfaction, thus this study can be formulated problem of the study "The Role of Mediation Destination Image in Relation Customer Value with Perceived Value on Satisfaction of Tourist" (a case study on the tourism region Sanur).

## II. MATERIAL AND RESEARCH METHOD

### 2.1 Literature Review and Hypotheses Development Accomplished studies

#### Previous Research

Research conducted by Hindarto (2007) confirm the model by using Structural Equation Modeling analysis techniques, this research would like to confirm the model of destination image and tourist satisfaction after the earthquake in Jogjakarta viewed from foreign tourists. The primary data were taken using a survey method using a questionnaire. The analysis showed that the travel motivation affects cognitive evaluation, cognitive evaluation affects the destination image and tourist satisfaction, revisit intention affect tourist satisfaction and willingness to recommend.

### 2.2 Customer Value

#### Customer Perceived Value

Which supports the achievement of customer satisfaction, at a destination is customer perceived value. Wherein a sense, is the anticipated benefit from the perspective of tourists from the products or services offered. The perceived value of tourists visiting on a destination comes from its obvious advantages, psychological and social, and therefore affect the demand for the products or services offered at a tourism destination, so it needs to be considered when setting the price. A set of benefits or expected value or can be perceived customer chooses to tourist destinations. According Glae (1994), Heard (1994) and Zeitahml (1988) that the customer value as what customers get (profits, appropriateness, quality, usability) that result in behavior towards or into an emotional bond (Butz and Goodstein, 1996) these products. Opinion was supported by Nauman (1994: 17), known as the triangle of customer value (customer value triad) argues that "customer value consist of product quality, service quality are the pillars that support the price

level" means the provision of customer value to customers can done with the creation of a quality product accompanied by outstanding service and the customer is also a value based on the price.

### 2.3 Destination Image

Image is an important factor affecting the demand. Based on this perspective image consisting of an objective level of enlightenment, impressions, prejudices, dreams, hopes, emotions and mind will determine tourists choosing their destinations. Given the definition of the image is a perceptive phenomenon that is shaping the minds of consumers in a logical and emotional imagery should have cognitive and emotional components (Baloglu and Bringberg, 1997: 11). Destination image is the individual's perception of the characteristics of destinations that can be influenced by promotional information, mass media as well as many other factors (Tasci and Kozak 2006: 304). Defining the concept of destination image as an expression of all objective knowledge, prejudices, imagination and emotional mind an individual or group about a particular location. Another author defines image as the sum of all beliefs, ideas and impressions that people associate with a destination. Valls (1992) present a definition from the point of view of the consumer, the brand image of a country defined as a set of consumer perception. Bigné, Sánchez Sánchez and (2001) defines an image as a destination for subjective interpretation of reality by tourists. Therefore, the tourists have a goal largely subjective because it is based on the perception each has of all the tourist destinations (Martín and Rodriguez, 2008). View on tourism marketing recognizes that the development of the image of a tourist destination based on the rationality of consumers and emotionality, and as a result of the combination of the two (2) major components (Kerstetter and Hou, 2007): Affective and cognitive: there is the primacy of the importance and value assigned to each attribute of tourist destinations. In other words, the destination image is evaluated by the attributes of resources and attractions (Stabler, 1995) that motivate tourists to visit a destination (Govers and Go, 2005). Affective: refers to feelings and emotions raised by destination (Keller, 1993; Rial et al, 2000; Rial, García and Varela, 2008). The emotional component is also greatly influenced by the tourist motivation (Beerli and Martín, 2004). It is also important to note that the cognitive component of the image have a considerable impact on the affective component (Lin et al., 2007; Ryan and Cave, 2007). Socio-demographic characteristics of tourists also greatly affects the cognitive and affective assessment of the overall image (Beerli& Martín, 2004). Therefore, the overall destination image is a combination of the

components of cognitive and affective (Mazursky and Jacoby, 1986, Stern & Krakover, 1993), whereas the actual experience that has been vacationing in tourist destinations have important effects on the destination image of the point of the cognitive and emotional point of view (Beerli & Martín, 2004).

## 2.4 Customer Satisfaction

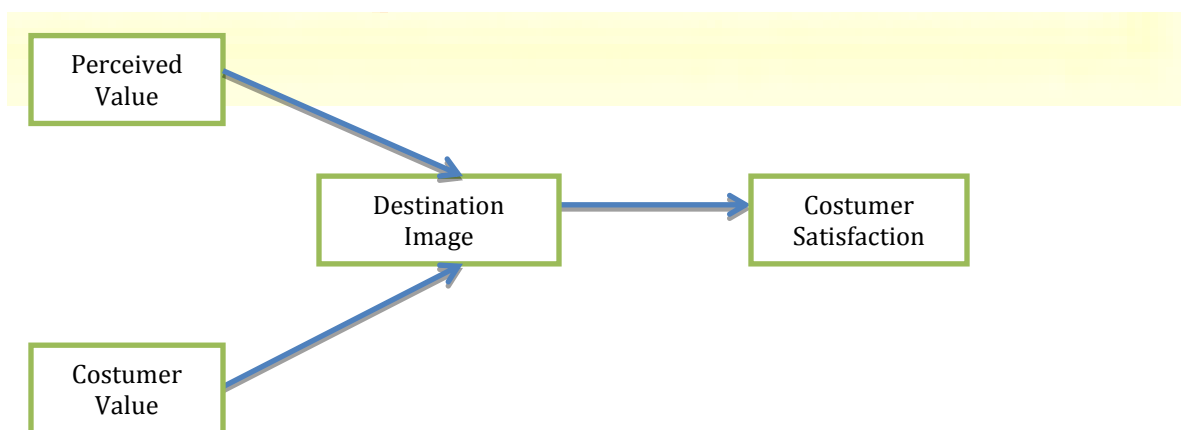
Anderson et al., (1994) in Tanujaya (2013) stated that customer satisfaction is the overall assessment of an experience of purchasing and consumption of goods and services. According to Kotler and Armstrong (2001), customer satisfaction is the customer response to the extent of the performance given by a product or service in a company commensurate with customer expectations. Deng (2009) states that high customer loyalty largely due to high customer satisfaction. Clarke (2001) in Deng (2009) proposed that effective satisfaction to be able to create loyalty among customers.

## 2.5 Model

The design of the model of this study consists of four main variables, namely Customer Value (CV), the Perceived Image (PI), Destination Image (DI), and Satisfaction (STF). Destination Variable Image (DI) is a second -level variables (second order construct) the formation of two first-level variables (first-order construct), the Customer Value (CV), and the variable Perceived Value (PV). In accordance with the approach of repeated indicators also called Hierarchical Component Model (Wold, 1982 and Wetzal et al., 2009), further indicators of both variable constituent (first order: CV and PV) is used as an indicator variable Destination Image (second order: DI), toward satisfaction (STF) as shown in Figure 1.

Figure 1.

Schematic Framework



## Hyphotesis

In examining the role of destination image design of the model proposed three hypotheses as follows .

- H1: *Customer perceived value effect on customer satisfaction is mediated by destination image*
- H2: *Customer value effect on customer satisfaction is mediated by destination image*
- H3: *Destination image as a mediated variable has effect on customer satisfaction*

## 2.6 Research methods

This research included in this type of research causality, the unit of analysis is the tourists on destinations in Sanur. In accordance with the problem are sought, this kind of research included in the research descriptive and an explanatory. Population of this research is all the tourists who visited Sanur-Bali. Samples were taken from the 30 respondents who visit the destination Sanur. The determination of the number of samples in this study refers to Sugiyono (2000) which states that the determination of minimum sample of 30 respondents in the study. The sampling technique used in this research is purposive random sampling method that is not random samples, where samples are taken in accordance with considerations or requirements that have been set previously by researchers or in accordance with the objectives to be achieved by the researcher. Data collection techniques using a questionnaire with Likert scale 5.

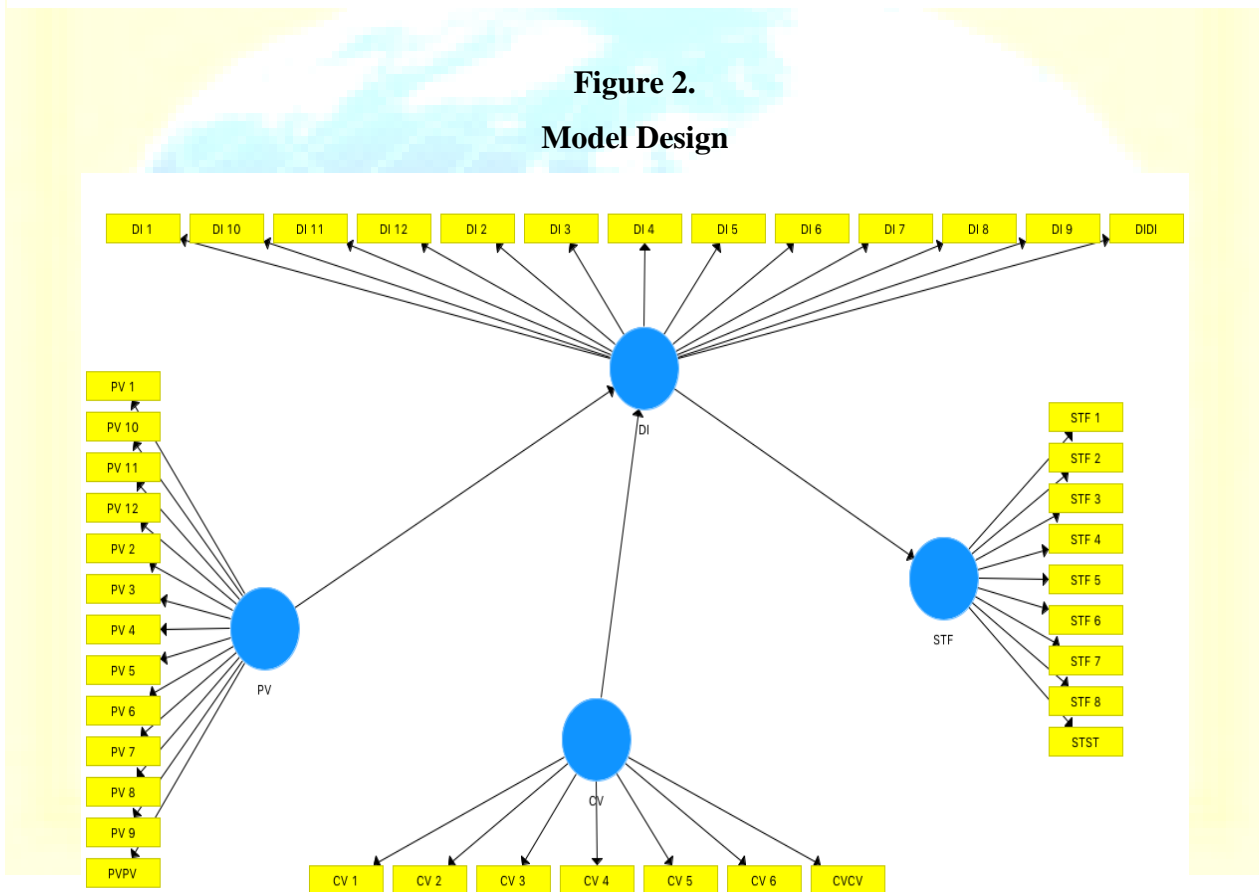
Analysis techniques using Partial Least Square (PLS) using smartPLS software v3.0. PLS-SEM, a design model (strategy) can be declared valid if the value of convergent validity (convergent validity) and discriminant validity (discriminant validity) can be met. Convergent validity requirement is met if the latent variables with reflective indicator has a value of composite reliability (CR) > 0.7 (Nunnally, 1978) as well as the average variance extracted (AVE) and communality each have a value of > 0.5 (Fornell and Larcker, 1981 ). Discriminant validity requirements are met if the square root (AVE) > construct inter-correlation (Barclay et al., 1995). Conformity assessment model using the following criteria:  $R^2 < 0.25$  categorized as weak;  $0.25 \leq R^2 < 0.5$  classified as medium / moderate; and  $R^2 \geq 0.5$  relatively strong (Hair et al., 2011). For GoF criteria:  $GoF < 0.1$  includes a small category;  $0.1 \leq GoF < 0.36$  including medium category; and  $GoF > 0.36$  including large categories (Ringle, Wende, and Will, 2009). Statistics suitability for the outer model (H2) and inner model (Q2) is evaluated from crossvalidated value (cv) -

communality and cv-redundancy results blindfolding procedure. Model otherwise have predictive relevance if  $Q^2 > 0$  quoted in Suardi, Et, All (Chin, 1998).

### III. RESULT AND DISCUSSION

The model developed consists of four main variables, namely the perceived value (PV), Customer Value (CV), Destination Image (DI) as a variable mediator, and Satisfaction (STF), In accordance with the approach of repeated indicators also called Hierarchical Component Model cited in Suardi, et, all (2009), further indicators of each variable variable constituent (ie : PV, CV, and DI) is used as an indicator variable satisfaction (STF), as shown in Figure 2.

**Figure 2.**  
**Model Design**



All indicators using the data measurement interval with a value of 1-5. Where the numbers 1-5 is the value perception of worst to best judgment assessment. The indicators were measured from each variable communication strategy as shown in table 1 below.

Table 1 .

## Variable Model and Indicators

Variable	Sub Variable	Question Item	Scale of Measurement
Costumer Value	Attribute	<ol style="list-style-type: none"> <li>1. Personal safety and security.</li> <li>2. The destination can be easily reached.</li> <li>3. Overall cleanliness of the destination.</li> <li>4. Unspoiled nature.</li> <li>5. Beach conditions.</li> </ol>	Ordinal Scale (1-5)
	Quality	<ol style="list-style-type: none"> <li>1. Diversity of cultural/historical attractions (architecture, tradition and customs ...)</li> <li>2. The quality of the accommodation (hotel, motel, etc ...)</li> </ol>	Ordinal Scale (1-5)
Perceived Value	Cost and benefit	<ol style="list-style-type: none"> <li>1. Friendliness of the local people</li> <li>2. Organization of the local transportation services.</li> <li>3. The offer of local cuisine.</li> <li>4. Possibilities for shopping.</li> <li>5. Night life and entertainment.</li> <li>6. Opportunity for rest.</li> <li>7. Availability of sport facilities and recreational activities.</li> <li>8. Offer of cultural and other events.</li> <li>9. Value for money</li> <li>10. My choice to visit this</li> <li>11. Destination was a wise one</li> <li>12. The beauty of the nature</li> <li>13. Increase the identity of this destination</li> </ol>	Ordinal Scale (1-5)
	Emotional Value	<ol style="list-style-type: none"> <li>1. Making booking at this tourist destination was easy</li> <li>2. Overall, staying in this tourist destination has been very valuable to me.</li> </ol>	Ordinal Scale (1-5)
	Functional Value (Performance/Quality)	<ol style="list-style-type: none"> <li>1. Staying at this tourist destination is worth every US\$ paid.</li> </ol>	Ordinal Scale (1-5)
	Functional Value (Price/Value for Money)	<ol style="list-style-type: none"> <li>1. The prices of additional offer at this tourist destination (i.e. prices of</li> </ol>	Ordinal Scale (1-5)



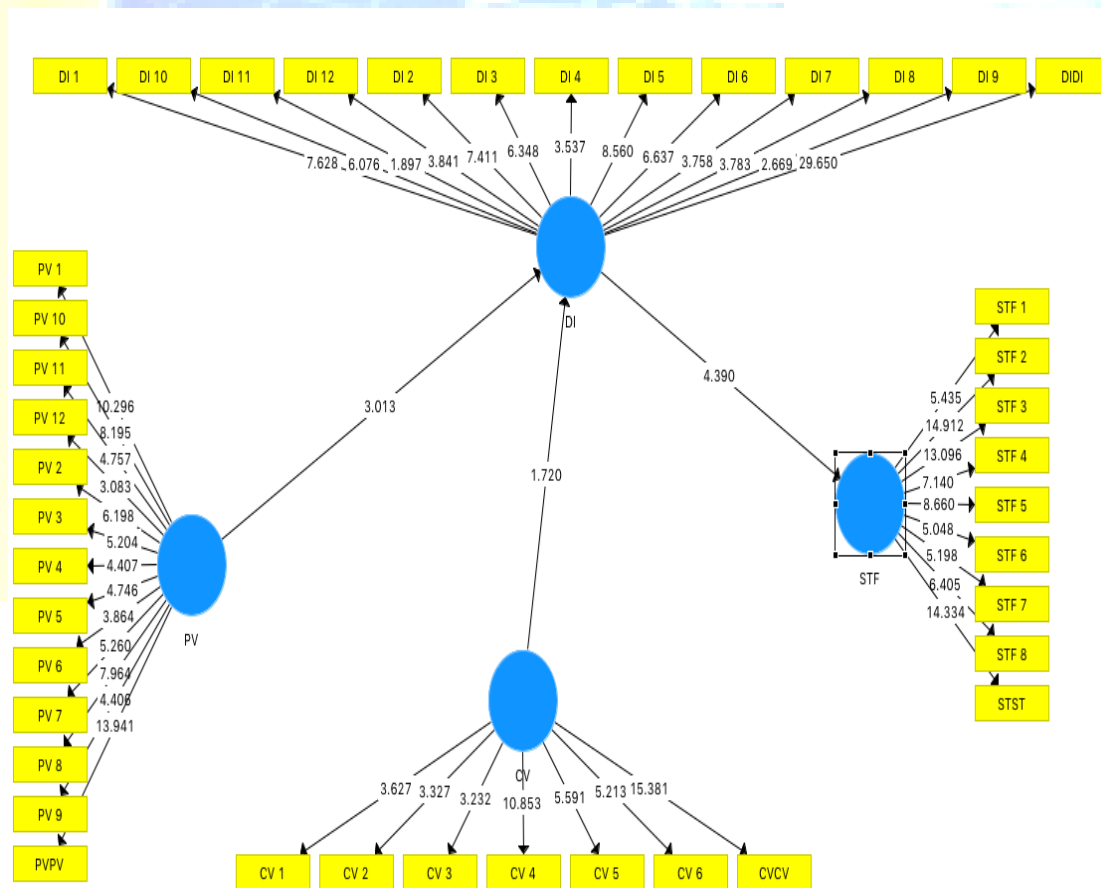
		<p>food and drink, prices of souvenirs, prices of handcrafted products, prices of excursions, prices of beauty and relaxing programs) are favorable</p> <p>2. The price of B&amp;B/half board/ full board in this tourist destination is reasonable.</p>	
	Social Value (Enhancement of Social Self-Concept)	1. I have gained a lot of new knowledge and experiences in this tourist destination.	Ordinal Scale (1-5)
Destination Image	Cognitive Image	<p>1. The number of tourist attraction on offer</p> <p>2. A variety of restaurant and accommodation in Sanur</p> <p>3. This tourist destination respects the natural environment.</p> <p>4. This tourist destination has a unique image.</p>	Ordinal Scale (1-5)
	Affective Image	<p>1. I think most people have a positive opinion about this tourist destination</p> <p>2. The people at this tourist destination is friendly towards the guests.</p> <p>3. I think this tourist destination is popular rather than other object in Bali.</p> <p>4. The staff at this tourist destination always put guest first</p> <p>5. This destination is safe and comfortable</p> <p>6. Comfortable for doing activities in Sanur</p> <p>7. Sanur offer many attractions related to my desire</p> <p>8. Sanur destination can demonstrate prestige and lifestyle</p>	
Customer Satisfaction	Expectation	<p>1. I am pleased that I decided to visit this tourist destination.</p> <p>2. The visit to this tourist destination exceeded my expectations.</p>	Ordinal Scale (1-5)
	Performance	1. If I had to decide again I would choose this tourist destination again.	Ordinal Scale (1-5)
	Comparison	1. I will recommend this tourist destination to my	Ordinal

		friends and relatives.	Scale (1-5)
	Confirmation or disconfirmation	1. I feel at home in this tourist destination. 2. I will return to this tourist destination.	Ordinal Scale (1-5)

### 3.1 Outer Model

Furthermore, for a better understanding of the role of destination image on satisfaction, will now be discussed in detail the elements of variables that include: Perceived value, and customer value with illustrations of the results of the analysis as shown in Figure 3. Through the work process analysis tools SmartPLS M3 version 2.0 can be found that reflects the amount of the value of loadings of reflective indicators, and the value of each indicator for each variable seen clearly in Figure 3.

**Figure 3.**  
**Model Design with all indicator valid**



This test is used to evaluate the relationship between latent constructs like which has been mention in the research. The results of the inner weight on the model on Figure 3, shows that the value of Model, the outer loading  $\lambda$  value of more than 0.5 and if outer model has a loading value  $\lambda < 0.5$  then the indicator should be discarded.

Based on the analysis through the stages that have been implemented, it turns a draft model of destination image as a mediating variable indicates the suitability of acceptable and have a high predictive relevance. This means that this model can be utilized in the process of creating a strategy to increase tourist satisfaction during a visit in Sanur Bali.

### 3.2 The validity of the model

Based on the analysis, it turns out the model developed is valid because the validity criteria are met convergent and discriminant validity. For convergent validity , all the indicators have CR values  $> 0.7$  and AVE values  $> 0.5$  as shown in Table 2.

Table 2  
Model Validity

Indicator	Number Indicator	Composite Reliability	AVE
CV	7	0,892	0,550
PV	13	0,923	0,487
DI	13	0,935	0,536
STF	9	0,942	0,646

for discriminant validity , all grades square root ( AVE )  $>$  inter - construct correlation as shown in Table 3.

Table 3.  
Validity Discriminant

Construct	CV	DI	PV	STF
CV	0,741			
DI	0,672	0,698		
PV	0,694	0,726	0,732	
STF	0,753	0,661	0,652	0,804

\* Diagonal element is *square root* (AVE)

### 3.3 Goodness of Fit Model

In the final stage, an analysis of the suitability of the model using a statistical approach model fit statistics covering Variance Explained (R<sup>2</sup>) on endogenous variables, statistics Goodness of Fit (GoF), and statistics suitability for Outer Model (H<sup>2</sup>) and Inner Model (Q<sup>2</sup>). Based on the results of data analysis as shown in Table 5 and pay attention to the suitability criteria for the model, the model shows the suitability of acceptable and have a low predictive relevance. It is evident from all the assessment criteria can be met, such as : R<sup>2</sup> on the destination image relatively weak (  $0.54 < 0.75$  ) ; and satisfaction ( STF ) is also relatively low (  $0.453 > 0.36$  ) ;  $H^2 = 0.54 > 0$  ; and  $Q^2 = 0.453 > 0$  .

Table 4.  
Goodness of Fit

Structural Model	Dependent Variable	R-square
1	Destination Image	0.582
1	Satisfaction	0.437

The results of this evaluation provide evidence that the structural model has a suitability (goodness of fit model) was moderate. These results can be interpreted that the information contained in the data; the perceived value and customer value variable can explain destination Image 0.582 percent, and Satisfaction variable is explained remaining 0.437 percent.

### 3.4 Direct Effect

Tabel 4.  
Direct Effect

Correlation Between Variables	Path Coeff	T-Statistic	Remarks
CV → DI	0,325	1,862	Not Sig
DI → STF	0,661	4,305	Sig
PV → DI	0,501	3,421	Sig

The findings of this study have the results of the evaluation of the structural model proved the value of Destination Image / DI and Satisfaction / STF value (4.305) (T-statistic >

1.96) with a coefficient of 0.661. Perceived Value / PV to Destination Image / DI amounted to (3.425) or (T-statistic > 1.96) with a coefficient of 0.501. While Customer Value / CV not significant to Destination Image / DI as mediating variables on satisfaction / STF. These results are shown by the path coefficient has a value of 0.325 with a T-statistic = 1.862 (T - statistic < 1.96).

#### IV. CONCLUSION

The findings of this study has a results of the evaluation of the structural model proved the value of DI (0.582) and Satisfaction (0.437). Customer Value has not significant toward to destination image as a mediation variable toward the satisfaction. These results are shown by the path coefficient has a value of 0.325 with T-statistic = 1.862 (T-statistic < 1.96).

##### 4.1 Implication of Finding

Finding to this study have important implications to both theoretical and practical considerations. For Theoretical; This study has provided some insight of model satisfaction by the destination image is a mediation role. In Practical; Sanur should continually engage in the program who create the satisfaction.

##### 4.2 Limitation and Further Research

The research setting for the study was only have 30 sample was limited because it is a due to time and resource limitations, may limit the generalizability of the research results. For the next study maybe the further testing the model not only for variable, establishing the satisfaction with other constructs;, for example for; loyalty, word-of-mouth, intention to recommend among others.

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