# **Building Positive Word-of-Mouth in the Shopping Tourism**

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# ABSTRACT

Increasing wealth, technology and education have made tourism an important sector. Many countries have paid attention to expand and develop its tourism industry to obtain benefits. As competition becoming more intense, marketing approaches are now pursued. This research focuses in analyzing the importance of positive word-of-mouth (WOM) in the tourism sector in Indonesia. In particular, shopping as one of the important tourism activities is observed. Several key predictors of WOM are proposed such as quality perception, value perception and destination image. The population of this study is Indonesian who have shopped at Malioboro, Beringharjo Market, Legi Kotagede Market, Mirota Batik, and other souvenir centers located in Yogyakarta. The sampling technique used is purposive sampling. There were 280 valid questionnaires returned and further analyzed using Structural Equation Modeling method with AMOS. The results show significant influence of destination image, perceived quality, and perceived value in the spread of WOM among shoppers in the selected areas in Yogyakarta. Perceived value and perceived quality are also significant mediating variables between destination image and positive WOM. Capability in building any dimensions from quality perception, value perception and image should always be carefully organized because they have significant influences on positive WOM.

Keywords: Shopping tourism, WOM, destination image, quality and value.

# 1. INTRODUCTION

Tourism is an industry that has become the center of attention because of its impacts on nations' economy. For the local economy, tourism increases commercial activities, employment, international exchange and income (Allameh et al., 2015). For the country, tourism industry contributes to the huge annual revenues. Tourism industry should be managed properly as it helps the country to develop quickly (Fayed et al., 2016). Paying attention on tourism industry is not merely because of its contribution to increase country's income, but also its impacts are reaching quite a huge scale of local and small business economy. For many people, tourism is still considered as a tertiary need. Therefore, building emotional attachments and positive image are important. Having a positive image is one of the important weapons to attract visitors to come.

There are several activities that tourists usually do when visiting a place. One of the most favorite activities is shopping. Tourists seek variety of experiences such as culinary shopping or shopping for unique souvenirs to bring them to their home country (Sirakaya-Turk et al., 2015; Suhartanto & Triyuni 2016; Wu et al., 2014). The increasing

amount of money spent by tourists in shopping has attracted some experts in tourism study that shopping is an important motivator for visiting a place (Egresi & Polat 2016; Zaidan 2016).

Other than image, in marketing literature, consumer perception on value and service quality are important to explain people behaviors. Value perception and quality may influence decision to conduct further actions. In the tourism area, value perception and quality play important roles in defining tourists' behavior (Ramseook-Munhurrun et al., 2015). As emotional factors have certain degree in tourism experience, thus commonly people rely more on close friends' opinions, relatives or those who have real experiences rather than rely on public advertisements. This indicates that the effectiveness of tourism promotion largely depends on the strength of word of mouth communication (WOM). The perception of value and service quality may become common in tourism sector. However, research in a more integrated model investigating destination image, value perceived, service quality and word of mouth is still very limited in the shopping sector in tourism industry.

Given the importance of what is mentioned, this research focuses on the integrative model examining relationships between destination image, perceived value, perceived service quality and word of mouth (WOM) in the tourism shopping context in Yogyakarta, Indonesia. From what has been explained, therefore, the objective of this study is to see the influence of destination image, perceived value, and perceived service quality in explaining WOM. Understanding what may explain WOM is important in determining promotional strategies and policies for developing tourism sector, either for local government or tourism national policy.

# 2. LITERATURE REVIEW

# 2.1. Yogyakarta, Indonesia

Yogyakarta is one of the important tourism destinations for Indonesia. It is strategically located in the middle of Java island. Yogyakarta is known for having rich cultural heritage, beautiful natural landscape and also known as education center. The local people are very humble and are still strongly maintaining the local tradition because there is still a running Mataram Kingdom called Kraton Yogyakarta, where the king family is highly respected by the locals. Spending holiday in Yogyakarta is always a favorite thing to do by the locals because of the hospitality and creativity of the local people. It is not surprising that tourism demand in Yogyakarta remains stable or tends to increase. According to local tourism board, in one year, 2016 to 2017, there was an increase of 15% visitors visiting Yogyakarta (5,229,298 tourists visiting Yogyakarta in 2017) (Dinas Pariwisata Daerah Istimewa Yogyakarta 2018). This statistical value showed that there is a level of positive perception by public for keeping and making decision to visit Yogyakarta.

As tourism destination, Yogyakarta understands that its resources offer huge potential opportunities and should be properly managed. The creative talents of local people, the unique culture from the past heritage and the natural landscape are the unique properties to Yogyakarta which are highly appreciated by visitors. Focusing on tourism shopping activity, this study limits the scope of area being investigated, which only covers tourism center places such as Malioboro, Beringharjo market, Legi Kotagede market, and Mirota Batik. These areas are chosen because of their popularity as tourist's shopping center, locally known as the most complete market to find unique local products and the vicinity to the tourism sites. It is expected that visitors' perception to these markets may explain the reasons why they shop there and how they would be willing to recommend (WOM).

# 2.2. Word-of-mouth (WOM) Communication

Based on the intention–behaviors theory (Theory of reasoned action (TRA) and theory of planned behavior (TPB)), individual's behaviors can be determined by their intentions (Fishbein & Ajzen 1975). In tourism and hospitality context, intention–behavior theories have been validated in varieties of empirical researches such as intentions to visit a place (Shen et al., 2009; Yamada & Fu 2012), intentions for medical tourism (Lee et al., 2012) and intentions to choose a destination (Lam & Hsu 2006). For the success of a shopping tourism, the government and tourism agencies should consider the intention–behaviors theories to understand what motives that may explain people to shop or to purchase products when travelling. There might be a different motive for people when making decision for daily shopping and tourism shopping. It is believed that tourism shopping is less price elastic than daily shopping. The existing tourism literature has identified that when satisfied, tourist would potentially continue future behavioral intention such as intention to revisit as well as a willingness to spread a positive word-of-mouth (Papadimitriou et al., 2015).

Harrison-Walker (cited by Wang et al., 2017) defined that WOM is "an informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, and organization, or a service". Virvilaite et al. (2015) in different words define that WOM is sharing experiences to others, where this activity could lead customer decision-making process in using the product or service. WOM can be defined as one of the factors to measure loyalty that may explain tourists' loyalty by passing recommendation to others (Oppermann 2000).

In a service sector particularly tourism industry, customers are more likely to rely on trust because the service can only be experienced at the same time when they come. Tourists have to pay before they come, and they need valid information to reduce risks before really experiencing the services. Therefore, tourists often rely on fellow consumers' recommendations (van Tonder et al., 2018). In addition, some people might be categorized as variety-seeking tourists where they enjoy seeking and buying souvenirs and other tourist's products from many different places. They might be satisfied by previous shopping activities, but they decided not to come back to shop at the same place (Ekinci & Hosany 2006; Kozak & Rimmington 2000). However, they can still be potentially spread the positive WOM and making recommendations to others according to their previous shopping experiences. In other words, for positive WOM, the influencer may not show loyalty to one particular place, but they positively recommend the shopping destination to others.

## 2.3. Destination Image

Destination image is perceptions by individual or group to a place (Jenkins 1999). Iordanova (2015) defined that destination image is a collection of impressions, beliefs, ideas, expectations and feelings given to describe a place, which are gathered over time and perceived according to individual's psychological and socio-demographic characteristics. Image is considered to be something intangible. Even though intangible in nature, destination image is equally important as the tangible nature of destination (Kotsi et al., 2017). Patton (as cited in Kotsi et al., 2017) argued that the strength of destination image is in accordance with the marketing axiom mentioning that "perception

is reality". This means that when someone has the beliefs that something is true, this may influence their actions.

Image has been commonly explained in two dimensions, which are affective image and cognitive image. Within the context of destination image, cognitive image refers to a person's beliefs or knowledge on the attributes of tourism destinations (Puh 2014). The cognitive image covers elements of destination that can be evaluated by tourists and this image may influence tourist to visit a destination (Stylidis et al., 2017). Cognitive image includes tourists' perceptions on the natural scenery, climate, cultural and historical attractions, culinary, shopping and other entertainment facilities. The second attribute, which is affective image, refers to the feelings or emotional responses given to the features of a destination (Zhang et al., 2014). In other words, affective image can be explained as value perceived by tourists that is attached to the destinations according to their motivation (Pratminingsih et al., 2014).

In the tourism context, destination image is an important antecedent for tourists' behavior. Papadimitriou et al. (2015) found that destination image influences WOM. Here, WOM is designed as one of the outcomes of brand loyalty. Similarly, Chen and Tsai (2007) found that destination image positively influences tourists' behavioral intentions and willingness to recommend. City image plays a significant role in developing tourist's positive word of mouth behavior (Oshimi & Harada 2016). Zhang et al. (2014) argued that the more positive the image of a destination, the greater the likelihood that tourists will voluntarily recommend the destination to other according to the real experience they have. The first hypothesis we proposed:

# H1. Destination image of shopping destination has a positive effect on tourists' positive word of mouth.

#### 2.4. Perceived Service Quality

Service quality or known as SERVQUAL is a well-known concept in marketing literature. It was initially proposed in the 1980s by Parasuraman. Parasuraman service quality conception is among the most common service quality concept used in marketing discipline. Service quality is defined as a function of the difference between expected and actual services that customer perceived in an industry (Seesaiprai 2016). Service quality enables organizations or business firms and countries to create service differentiation and market positioning so that in the long run, they can provide favorable customer perceptions (Akroush et al., 2016). Parasuraman et al. (1988) developed five dimensions of service quality such as tangibility, reliability, responsiveness, assurance, and empathy.

Despite its popularity, Parasuraman's SERVQUAL has been criticize for its reliability and validity problems (Gonzalez et al., 2007). Parasuraman et al. (1988) argued that SERVQUAL provides the basis for service quality assessment. The use of SERVQUAL in different industry should be adjusted according to the need of the related industry. Several important aspects in tourism may not covered in five dimensions of SERVQUAL such as tourist attractions, recreation and cultural experiences (Allameh et al., 2015). In such situations, Parasuraman suggested that any additional measurements can be added to those five SERVQUAL dimensions for a more valid measurement. Most researchers used the modifications of Parasuraman's SERVQUAL to specifically assess service quality to industrial needs. In the tourism sector, additional measurements include a collection of comfort amenities, recreation, shopping, food and so on (Lee et al., 2007). In addition, Žabkar et al. (2010) proposed the additional measurements that can be added

to service quality in tourism such as friendliness, courtesy, efficiency, reliability, staff competence, accommodation, food, as well as leisure facilities.

Allameh et al. (2015) have investigated that destination image can influence the perception of service by tourists. Previous tourism researches have reported on the destination image relationships to pre-visit expectations of individual. In other words, a favorable destination image may lead to the quality of a trip (Lee et al., 2005). Castro et al. (2007) further evidenced the influence of destination image on tourists' future behavior via service quality and satisfaction. Kim et al. (2013) stated that destination image shows a positive influence on perceived quality. Service quality perceived by tourists can be the most important driver for tourists' future behavioral intentions (Chen & Tsai 2007). Such future behavioral intentions to recommend the destination and intention to re-visit (Hsieh et al., 2015; Kuo et al., 2009). When tourists' expectations are met and they received high-quality services at the same time, tourists will likely to recommend the destination to others. The second and third hypotheses therefore would be:

# H2. Destination image of shopping destination has a positive effect on tourists' service quality perception.

# H3. Tourist's service quality perception during shopping has a positive effect on tourists' positive word of mouth (WOM).

#### **2.5. Perceived Value**

Other than service quality and satisfaction, perceived value is a key variable in explaining behavioral intentions. Zeithaml et al. (1988) defined perceived value as the overall customer perception of what is received and what is given. Pandza Bajs (2015) argued that perceived value is a concept which explain the perception of consumer on a given product/service and a concept that provides guidance to create products which fulfill consumers' needs and expectations. Sweeney and Soutar (2001) developed PERVAL which is a scale to measure perceived value for durable goods. PERVAL consisted of four different dimensions including functional value (quality/performance), emotional value, price value, and social value. So far, PERVAL has been widely used in many researches for tourism, retail, and consumer behavior (Choi et al., 2017). Most tourism shopping items such as souvenirs, clothes, shoes, and accessories are tangible goods. Therefore, PERVAL scale is used in this study and considered as an appropriate measurement to evaluate tourists' perceived value in a shopping destination.

Academicians in the marketing discipline have investigated the antecedents and consequences of perceived value (Choi et al., 2017). The antecedents of perceived value cover service quality, experience quality, image, trust, motivation, and involvement. The consequences of PERVAL include customer satisfaction, loyalty, behavioral intentions, visit and revisit intention and willingness to recommend. Previous studies have identified that high levels of perceived value influence tourists' behaviors such as willingness to recommend (Allameh et al., 2015). Jin et al. (2015) found that perceived value exerts a significant influence on tourists' satisfaction as well as behavioral intentions.

Based on the theories mention above, this study proposed the following hypotheses:

# H4. Destination image of shopping destination has positive effect on the tourist's value perception.

- H5. Tourist's value perception during shopping has a positive effect on tourists' positive word of mouth (WOM).
- H6. Tourist's service quality perception during shopping has a positive effect on the value perception.

# 3. RESEARCH METHODOLOGY

# **3.1.** Population and Sample

The primary data was gathered by conducting a survey through questionnaires. This research used five-point Likert scale as the itemized rating scale in order to assess data from the respondents who have previously experienced shopping in Yogyakarta, Indonesia. The population of this study is Indonesian people who have previously experienced shopping in Yogyakarta, Indonesia. More specifically, those who have shopped at Malioboro, Beringharjo Market, Legi Kotagede Market, Mirota Batik and other souvenir centers located in Yogyakarta. Non-probability sampling with a purposive sampling is used as sampling technique.

#### **3.2. Data Collection Method**

This research used primary data collected directly from respondents (first-hand experience). The questionnaires were distributed to 300 respondents, however, there were only 280 data returned and valid to go for further SEM AMOS analysis. To be effective in reaching the targeted respondents, researchers distributed both print-out questionnaires and online questionnaires via google form. The questionnaires are mostly closed questions. This study applies purposive data collection technique due to some specific requirements need to be fulfilled such as 1) respondents should have shopping experience in targeted research location in Yogyakarta, 2) respondents should recognize Yogyakarta as tourists' destination.

The questionnaire was developed from previous studies. Destination image measurements were developed from Jalilvand et al. (2012). Service quality questionnaires were developed from Gallarzaa and Saura (2006) and Žabkar et al. (2010). Perceived value measurements were taken from Choi et al. (2017). Finally, Word-of-mouth measurements were adopted from Sirakaya-Turk et al. (2015) and Wang et al. (2017).

# 3.3. Validity and Reliability Test of Research Instrument

Using SPSS, validity test is analyzed to test the accuracy of variables investigated in this study. The data is categorized as valid when the statistical finding shows a value corrected item of a total correlation greater than  $0.3 (\ge 0.30)$ . Meanwhile, reliability test is conducted to test the consistency of the measurement developed in this study. Cronbach's Alpha was used to assess the reliability of the measures in this study. To be categorized as reliable, the Cronbach Alpha should show a value greater than  $0.6 (\ge 0.6)$ (Hair et al., 2012). During the pilot study, all the initial 35 questionnaires have fulfilled the requirement for valid and reliable measures. Therefore, the questionnaires were distributed to further reaching 300 samples.

# 4. DATA ANALYSIS AND DISCUSSIONS

#### 4.1. Data Analysis

After completing data collection from paper-based and online questionnaires, the

respondents' identity can be summarized as follows. The data showed that 50.3% of the respondents were females. Meanwhile, male respondents were around 49.7%. Based on the age category, the majority of respondents in this study were 25-35 years old or representing around 38.6% of the data in age category. Meanwhile, respondents who were between 15-24 years old is 25.4%, 36-45 years old is 20.4% and above 45 years old is 15.6%. According to the educational level, the respondents were mostly holding a bachelor's degree or diploma with 195 respondents or 69.64% were in that category. According to monthly expenses data, the majority of respondents spent more than Rp3.000.000 per month.

# 4.2. Reliability and Validity Analysis

When using AMOS statistical technique, reliability and validity analysis have been provided through Confirmatory Factor Analysis (CFA). It is to measure whether the research instruments have met the criteria for valid and reliable measures. Confirmatory Factor Analysis (CFA) is done in the measurement model. To be considered as valid, the value loading of all instruments in each construct should be more than 0.5 ( $\lambda$ >0.5). Reliability is fulfilled when the value of construct reliability from each construct is more than 0.7 (Ghozali 2017). After completing the CFA testing, the results from the validity test suggested that all of the instruments developed in this study representing four variables were declared valid. All of them have loading factors greater than 0.5 ( $\lambda$ >0.5). By using CFA, the reliability of all the constructs showed the value which are greater than 0.7. Therefore, based on the results in measurement model, it can be concluded that the overall instruments developed in this study are valid and reliable and it can be further used to assess the structural model.

# 4.3. Normality Test

AMOS technique requires that the data used should be strictly fulfill the normality criteria. Normality test considers the value of skewness and kurtosis of the data distribution. Normality test is assessed by using z value which can be found in critical ratio or C.R in AMOS 22.0. According to Ghozali (2017), the critical value should be within the range of  $\pm$  2.58 and at a significant level of 0.01. The results of normality test obtained from AMOS show that the majority of the data obtained in this study is normally distributed. The normality of the data can be concluded because the critical ratio (C.R.) value for kurtosis and skewness were within the range of  $\pm$  2.58. Since this study involves the use of four main constructs, thus, multivariate normality should also be tested. The multivariate normality shows that the data also fulfills the normal assumption because the value is -2.044 which is still in the range of  $\pm$  2.58.

# 4.4. Goodness of Fit Measurements

Structural Equation Modelling (SEM) provides the goodness of fit analysis to show whether the proposed model is fit enough as a good model. In order to measure the goodness of the proposed models, researchers should follow the cut off value for the Goodness of Fit indices so that the proposed research model can be accepted as a good model. The following Table 1 provides the results of the goodness of fit analysis of this study.

# Table 1Goodness of Fit Analysis

Goodness of Fit indices	Cut-off value	Result	Model Valuation		
Degree of Freedom	Positive	854	Good Fit		
X <sup>2</sup> (Chi-Square)	Small Value	1160,376	Good Fit		
Significance Probability	$\geq 0.05$	0,000	Marginal		
CMIN/DF	$\leq 2.0$	1,359	Good Fit		
GFI	$\geq 0.90$	0,840	Marginal		
RMSEA	$\leq 0.08$	0,036	Good Fit		
AGFI	$\geq 0.90$	0,823	Marginal		
TLI	$\geq 0.90$	0,959	Good Fit		
CFI	$\geq 0.90$	0,961	Good Fit		

Source: Primary Data (Computed), 2018

Table 1 shows that not all the cut off value of goodness of fit indices were satisfied. Three indices which are categorized as "marginal" were goodness of fit value on significance reliability, GFI and AGFI. The rest of the criteria were found as "good fit" meaning that the value is fulfilling the cut off criteria. Degree of freedom has positive value. Chi-square is small which was 1160.376. CMIN/DF was 1.359 which was lower below 2.0. RMSEA was lower than 0.08. Finally, TLI and CFI were higher than 0.90 respectively, the values were 0.959 and 0.961.

Considering that not all of the goodness of value indices was in the criteria of "good fit", Haryono (2017) stated that not all of the criteria for goodness of fit should be achieved. Hair et al. (2012) suggested that the use of 4 to 5 criteria for goodness of fit is considered sufficient to accept the feasibility of the model. Based on Hair et al. (2012) and Haryono (2017) suggestions, since six of the goodness of fit indices were in a good fit valuation, therefore, the proposed model in this study can be accepted.

# 4.5. Hypothesis Testing

As explained in the earlier section, this study proposes six hypotheses. AMOS summarized the results of the proposed hypotheses, whether they are supported or not, in the probability result of standardized regression weight. The hypothesis is supported when the value of probability is less than 0.05 (p<0.05). The summary of the proposed hypotheses is listed in the following Table 2.

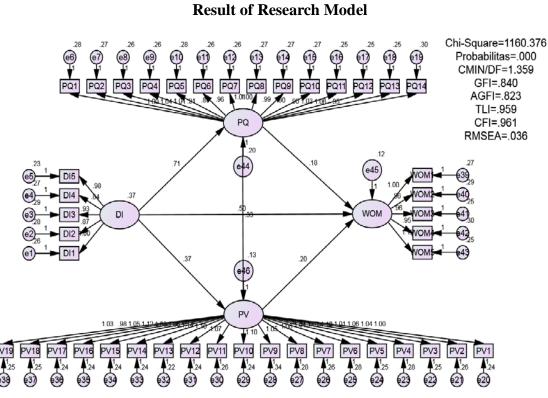


Figure 1 Result of Research Model

Source: Primary Data (Computed), 2018

Based on the analysis using AMOS 22.0, the following table details the proposed hypotheses testing explaining the causal relationship among the investigated variables:

Hypothesis	Variable Relationship			Estimate	S.E.	C.R.	P- Value	Label
H1	Destination Image	$\rightarrow$	WOM	0.496	0.09	5.64	0,000	Supported
H2	Destination Image	$\rightarrow$	Perceived Quality	0.71	0.07	9.74	0,000	Supported
Н3	Perceived Quality	$\rightarrow$	WOM	0.183	0.07	2.57	0,010	Supported
H4	Destination Image	$\rightarrow$	Perceived Value	0.372	0.07	5.37	0,000	Supported
Н5	Perceived Value	$\rightarrow$	WOM	0.203	0.08	2.52	0,012	Supported
H6	Perceived Quality	$\rightarrow$	Perceived Value	0.326	0.06	5.09	0,000	Supported

Table 2Hypothesis Testing Result Model

Source: Primary Data (Computed), 2018

#### 4.6. Discussions

Based on the Table 2, the descriptions for hypotheses testing result model are: The **first** hypothesis proposed that "Destination image of shopping destination has a positive effect on tourists' positive word of mouth". Table 2 shows that the testing of destination image on word-of-mouth is proven significant. This means that the first hypothesis (H1) of this study is accepted. This finding can be interpreted that building strong destination image, either cognitive and/or affective is potentially effective for increasing visitor's willingness to recommend. This finding supports the previous research on destination image relationship to WOM (e.g. Papadimitriou et al., 2015; Chen & Tsai 2007; Oshimi & Harada 2016; Zhang et al., 2014). In the tourism shopping context, the image of shopping centers (e.g. Malioboro, Beringharjo Market, Legi Kotagede Market, Mirota Batik) should always be maintained by keeping them clean, improving the public shopping facilities (e.g. praying room, toilets, cafes, healthcare facilities and parking spaces), improving security system, improving excellent services and providing variety of products. Destination image can create cognitive and affective perceptions, which leads to willingness to recommend to others.

The second hypothesis showed that "Destination image of shopping destination has a positive effect on tourists' service quality perception". According to Table 2, the influence of destination image on perceived quality is proven significant, so that the second hypothesis (H2) is accepted. Similarly, the third hypothesis showed that "Tourist's service quality perception during shopping has a positive effect on tourists' positive word of mouth (WOM)". Table 2 shows the result of the testing of perceived quality on word-of-mouth, that is proven significant. The result can be concluded that the third hypothesis (H3) is accepted. The finding from this research is in align with the previous researches clarifying destination image and service quality relationship (Allameh et al., 2015; Lee et al., 2005; Castro et al., 2007; Kim et al., 2013) as well as service quality and WOM relationship (Chen & Tsai 2007; Kuo et al., 2009). Shopping is one of the important tourism activities among tourists. The image of shopping areas should be well perceived by visitors. Image will impact on quality perceptions and further may lead to WOM. Tangible image can be increased by improving infrastructure. Intangible image can be increased by educating the shop owners for excellent quality services. Similarly, the local people may also support the tourism industry by being more open to tourists, willing to understand foreign language, participating in clean environment and involving more on tourism development program. When visitors are satisfied with the quality of shopping time in a destination as well as having positive image perceptions to the destination, visitors would happily share their experiences to others.

The **fourth** hypothesis showed that "Destination image of shopping destination has positive effect on the tourist's value perception". Table 2 shows significant finding on destination image and perceived value relationship. This means that the better the destination image, the higher the perceived value. It can be concluded that the fourth hypothesis (H4) is accepted. The **fifth** hypothesis showed that "Tourist's value perception during shopping has a positive effect on tourists' positive word of mouth (WOM)". Table 2 shows that perceived value, the higher the word-of-mouth. This means that the higher the perceived value, the higher the word-of-mouth. From the implied result, it can be concluded that the fifth hypothesis (H5) is accepted. Finally, the **sixth** hypothesis shows that "Tourist's service quality perception during shopping has a positive effect on the value perception". Table 2 listed the results of the testing that perceived quality has significant impact on the perceived value. This means that the higher the perceived quality, the higher the perceived value. From the finding, it can be concluded that the sixth hypothesis (H6) is accepted.

The antecedents and consequences of customer perceived value have been identified and documented in many articles in the marketing discipline as well as in some previous researches (Allameh et al., 2015; Choi et al., 2017; Jin et al., 2015). Their study has found that the antecedents of perceived value include service quality, experience quality, image, trust, motivation and involvement. Similarly, the consequences of perceived value include customer satisfaction, loyalty, behavioral intention, visit and revisit intention and willingness to recommend. In the shopping context, these three constructs (image, value and quality) are important. The image of tangible and intangible elements in destination image should be properly managed. Despite the image that visitors may consider to visit a place, consumers are still considering the benefits and costs that may incur. Therefore, maintaining and improving image should be taken as regular activities by the government, tourists' agencies and by the local communities. An excellent image would make someone think about higher expectation in shopping activities that they encounter. If they see that the benefits from the image perceptions surpass the costs, tourists will show further action such as willingness to recommend or to stay loyal. Additionally, perceived service quality may increase visitors' perception of value. When a place is perceived for providing good quality offering, people will consider about the benefits that they may receive greater than the cost they should give up.

Overall, the proposed hypotheses were all supported. This means that either direct and indirect relationships were supported. Customers are commonly good at assessing the benefits that they may receive. Thus, in the shopping context, building positive image together with quality is important because both may influence perceived value and further may lead to positive WOM. The five dimensions of service quality (tangibility, reliability, responsiveness, assurance and empathy) as well as the four dimensions of perceived value (functional value, emotional value, price value and social value) should be concerned when designing tourism shopping strategies and policies. Having an effective image, providing high service quality and favorable value perceptions will lead to higher potential for customer willingness to recommend.

# 5. CONCLUSION AND RECOMMENDATIONS

# 5.1. Conclusion

The objective of this study is to find the factors that may increase the willingness to recommend by word-of-mouth communication in shopping destination. To achieve the objective, three main variables were proposed to predict the WOM potential in tourism shopping activities. These three key variables are destination image, perceived service quality and perceived value. The structural relationships integrating all four variables in the study were tested using data obtained from tourist who have experience shopping in Yogyakarta particularly in these areas: Malioboro, Beringharjo Market, Legi Kotagede Market, and Mirota Batik. By processing 280 valid data with AMOS, the results show that all the proposed hypotheses were supported. This research, therefore, found significant positive impacts among these following relationships: 1) the influence of destination image on WOM, 2) destination image on perceived value, 5) perceived value on WOM, and 6) perceived quality on perceived value.

#### **5.2. Recommendations**

For further empirical studies, first, it is suggested that each dimension of perceived quality and perceived value could be more explored. These dimensions provide details on what elements in perceived quality as well as perceived value could better explain WOM in shopping sector. Secondly, future research could also go for different research framework. The research framework can be modified in order to find other possible better models that explain destination image, perceived quality, and perceived value contributions to the tourism industry. Last but not least, the researcher suggests to the future study to examine different target respondents such as in culinary sector, sports sector or other entertainment sectors.

In terms of managerial implication, the results can help managers to make more effective strategies and policies in tourism sector and more specifically in shopping destination sector. People's motivation is different when shopping as a tourist vs. shopping as daily households needs. Tourism shopping is considered less price elasticity. Tourism agencies and government need to consider the detail dimensions that build perceived quality and perceived value. An image in the customers' mind is a hard thing to change. Other than that, managing every elements of service quality offered should be taken as a priority because consumers' perceived quality may change a lot. Thus, tourism managers and government should be very adaptive to the industrial changes. Additionally, solely depending on perceive quality is not sufficient for maintaining competitive positioning. Thus, all tourism stakeholders should be responsible for maintaining the shopping facilities, favorable shopping environment, favorable prices, and build positive image to visitors. Overall, tourism investment and program activities should be carefully managed in align with the tourism objectives and the tourism market demand that is constantly change. A happy customer will spread good things.

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