University: The Hong Kong Polytechnic University
Unit of Assessment (UoA): 23 hotel management & tourism

Title of case study: Enhancing Tourist Destination Competitiveness through Tourist Satisfaction and Service Quality Assessment

(1)   Summary of the impact

The world's first **Tourist Satisfaction Index** (TSI) and **Tourism Service Quality Index** (TSQI) were created by researchers at The Hong Kong Polytechnic University (PolyU) in 2009 and 2012, respectively. These measures provide barometers of tourist satisfaction and tourism service quality over time and across tourism-related sectors.

These measures have enabled tourism stakeholders such as hotels, attractions, transportation providers, retail shops and restaurants in Hong Kong, Singapore, UK, South Africa and China to better evaluate their competitiveness and make operation decisions that ensure they can deliver high-quality experiences and services to tourists.

The deliverables of this research have also influenced government policy formulations at tourism destinations, including Singapore, Macau, Guangdong province in China, South Africa and Australia. Similar frameworks and methodologies have been cited by other institutions in their local country/region research.

(2)   Underpinning research

There is a growing demand for tourism around the world and in Hong Kong in particular. The tourism and hospitality industry needs to provide high-quality consumer experiences through a high-level integration of tourism products and services. Industry success requires accurate barometers of tourist satisfaction and service quality, to benchmark service performance relative to tourists' growing expectations. The growing demand for tourism necessitated the creation of the world's first tourist satisfaction index (TSI) and tourism service quality index (TSQI) in 2009 and 2012, respectively.

The research behind these two indices was led by **Prof. Haiyan Song** and **Prof. Kaye Chon** (PolyU) in collaboration with Prof. Gang Li and Dr Jason Chen (University of Surrey, UK). The research team developed a tourist satisfaction assessment system based on a dual-model framework, and demonstrated its general applicability. The first model concerns tourist satisfaction and its key antecedents and consequences. Structural equation modelling was used to investigate the relationships among the constructs in the theoretical framework, based on which the sectoral-level tourist satisfaction indices were computed. The second model is designed to estimate an aggregate service satisfaction index and an overall destination satisfaction index based on multiple indicators and causes. The framework was applied to a large dataset representing six tourism-related sectors and seven major source markets for Hong Kong's inbound tourism. It was found to be suitable for systematic and continuous analysis of tourist satisfaction. These two theoretical models, with applications, were published in two seminal articles [3.1 and 3.2].

The PolyU TSI framework is also applicable to other destinations where tourism is an important sector of the economy. For example, the framework has been applied to analyse the satisfaction levels of Chinese tourists **[3.3, 3.4** and **3.5]** and African tourists **[3.6]**.

(3) References to the research

3.1 Song, H., G. Li, R. Veen and J. Chen (2010). Assessing Mainland Chinese Tourists' Satisfaction with Hong Kong using the Tourist Satisfaction Index. *International Journal of Tourism Research,* 13(1), 82-96.

3.2 Song, H., van der Veen, R., Li, G., & Chen, J. L. (2012). The Hong Kong tourist satisfaction index. *Annals of Tourism Research*, *39*(1), 459–479.

3.3 Li, G., H. Song, J. Chen and D. Wu (2012). Comparing Mainland Chinese Tourists' Satisfaction with Hong Kong and the UK Using Tourist Satisfaction Index. *Journal of China Tourism Research*, 8(4), 373-394.

3.4 Song, H and M. Zhu (2012). Evaluating Tourists' Satisfaction Based on the Tourist Satisfaction Index: A Case of Hong Kong. *China Management Studies, 7*(1), 52-66.

3.5 Chen, Y., Schuckert, M., Song, H., & Chon, K. (2015). Why can package tours hurt tourists? Evidence from China's tourism demand in Hong Kong. *Journal of Travel Research*, 55(4), 427–439.

3.6 Saayman, M, G. Li, M. Uysal and H. Song (2018). Tourist Satisfaction and Subjective Well-Being: An Index Approach. *International Journal of Tourism Research*, 20(3), 388-399.

(4) Details of the impact

After the release of TSI and TSQI reports by PolyU **[5.1**, **5.2]**, the two indexes have attracted extensive media coverage **[5.3]**. The index system is universally applicable to any destination and is comparable between destinations and for the same destination over time. Therefore, it provides an effective tool for evidence-based, consumer-centric destination management and marketing. It helps destinations realize their competitive positions in the contemporary turbulent environment, produce effective marketing and management strategies, and revise their strategies according to the TSI/TSQI score changes. In addition, the TSI/TSQI help governments/business allocate marketing resources efficiently to the key markets based on their different levels of TSI scores. The continuous monitoring of TSI/TSQI assists government agencies in monitoring the development of various tourism-related sectors and provide necessary industrial regulation or policy support. Moreover, the TSI/TSQI assisted tourism investors in identifying the most promising areas for investments, reducing the investment risks and enhancing their confidence in the investment decision making.

Examples:
Cape Town Tourism, South Africa - The developed TSI system has been adopted by multiple Destination Management Organizations (DMOs) and governments, including Hong Kong, Macau, Singapore, South Africa (i.e. Cape Town) **[5.4, 5.5, 5.6]**. Cape Town Tourism adopted

the TSI system for the period from 2014 to 2017 to benchmark and evaluate visitor satisfaction across different target markets in order to improve visitor experience. As noted by Mr Enver Duminy, CEO at Cape Town Tourism, "The Visitor Satisfaction Index has proven a valuable resource in shaping our strategies. The factor has served as a barometer of visitor satisfaction that identifies the relative importance of elements that contribute to people's experience while visiting the city. This study has proven essential in understanding, benchmarking and evaluating visitor satisfaction across different target markets and Cape Town Tourism has been well-equipped with the data and insights that will drive an improved visitor experience" **[5.7]**.

Guangdong Province, China - The TSI system was also implemented by Guangdong Provincial Tourism Bureau, known as Guangdong TSI (GDTSI), to monitor and assess tourists' satisfaction with tourism services in all 21 cities of the province. The study was jointly conducted by Sun Yat-sen University, PolyU and Guangzhou University from September 2013 to September 2014 to investigate tourists' satisfaction of different tourism-related industries (including accommodation, restaurants, tourist spots, travel agencies and retail business). The outcomes of TSI informed the authority of the marketing resource allocation, tourism strategy in improving service quality **[5.8]**.

China National Tourism Office (CNTO) – CNTO's London Office commissioned the research team to adopt this framework for the British outbound tourism to China. The outcome showed that British tourists were most satisfied with accommodation in China with a satisfaction index of 76.94, followed by attraction (74.40), whereas they were least satisfied with travel agencies (73.06). These results helped CNTO to formulate the new marketing strategy such as further promoting Chinese cultural attractions to the British market and facilitating some training for Chinese inbound travel agencies **[5.9]**.

Wharf Hotels - Another example is that the TIS/TQSIs have been used as benchmarks for individual businesses in their operation. The TSI/TSQI reports from 2009 onward have consistently identified the overall satisfaction level with all hotels in Hong Kong by tourists from mainland China are generally lower than their western counterparts. In realising the different expectations and needs that mainland tourists have of hotel services, the Wharf Hotels that operate the luxury Niccolo Hotels collection, including The Murray, Hong Kong, a Niccolo Hotel, and the premium hotel brand, Marco Polo Hotels across Asia - utilised this information in their submission for the Hong Kong Management Association Quality Awards in 2017, and subsequently for the ongoing implementation of their quality improvement programmes. These programmes include; the introduction of the "Voice of the Customer" through ReviewPro - an online measurement tool that tracks social media feedback in 45 languages across 200 platforms; improving their customer relationship management through their DISCOVERY loyalty programme and assessing the needs and expectations of the international travellers, especially the mainland visitors. The PolyU TSI/TSQI also led the Hotel to develop the Bold Recovery programme with a view to better managing the customer complaints and service recovery. In the manpower management system, Wharf Hotels also introduced a Putonghua requirement in their employee performance assessment system. These have led to the implementation of a number of continuous improvement programmes in the company. **[5.10]**.

(5)   **Sources to corroborate the impact**

5.1   Press Releases by School of Hotel and Tourism Management (SHTM), PolyU:
        PolyU Releases Report on 2015 Tourist Satisfaction and Tourism Service Quality Indices
        https://www.polyu.edu.hk/web/en/media/media_releases/index_id_6225.html
5.2   Report on TSI & TSQI (2015, 2016)
5.3   Media coverage on TSI & TSQI

5.4   Cape Town Tourism (2015). Visitor Satisfaction Index Scoping Document, Cape Town Tourism.

5.5   Cape Town Tourism (2017). Visitor Satisfaction Index 2017. Oxford Brookes University. This confirms the TSI survey, model and methodology has been successfully applied for Cape Town to understand and provide insights to how people evaluate several factors that are important while visiting the city.

5.6   Cape Town South Africa Case Study. World Tourism Cities Federation.

5.7   Testimonial letter from Mr Enver Duminy, CEO, Cape Town Tourism. This confirms the value of TSI in shaping the strategies of a Destination Management Organization.

5.8   News clipping dated 20 January 2015 on adoption of GDTSI in 21 cities of Guangdong Province

5.9   Testimonial letter from Dr Lin Kuang, Former Director of CNTO London

5.10   Testimonial letter from Dr Jennifer Cronin, President, Wharf Hotels. This confirms the benefit from the TSI and TSQI by a large hotel company in formulation of corporate strategies and operation planning and the use of the two indexes as benchmarks for the hotel company in terms of service quality improvement.