

# Developing a perceived value model for the cruise experience

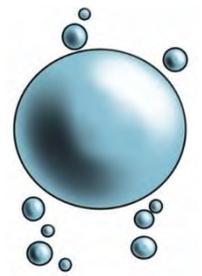
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Thesis submitted in fulfilment of the requirements for the degree  
*Philosophiae Doctor* in Tourism Management at the  
Potchefstroom Campus of the North-West University

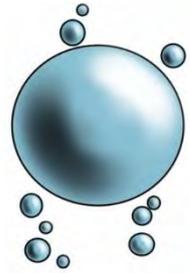
Promoter: Prof. Dr. P van der Merwe  
Co-promoter: Prof. Dr. E Slabbert

December 2015

Dedicated to my loving husband,  
**Albie Schoeman**, whom without none of this would  
be possible. Thank you for constantly inspiring me  
to reach new heights.



# Declaration of personal work



I, Kiera Danielle Schoeman, identity number 8909230019089 and student number 21184046, hereby declare that this thesis registered as '***Developing a perceived value model for the cruise experience***' as part of the completion of my *Philosophiae Doctor* in tourism at the Potchefstroom Campus of the North-West University, is being submitted as my own work, and complies with the Code of Academic Integrity, as well as other relevant policies, procedures, rules and regulations of the North West University, and has not been submitted before to any institution by myself or any other person in fulfilment (or partial fulfilment) of the requirements for the attainment of any qualification.

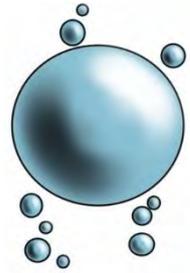
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Thank you to:

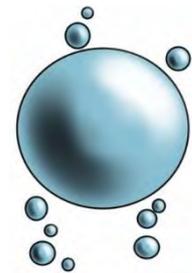
- My Heavenly Father - for giving me the strength, perseverance, self-discipline, talent and most importantly the time I needed to complete this journey.
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The future belongs to those who believe in the beauty of their dreams

- Eleanor Roosevelt



## **Developing a perceived value model for the cruise experience**

The cruise industry is one of the most important economic growth sectors in the entire tourism market and globally this industry has expanded and grown dramatically over the past 30 years. South Africa as a cruise destination is still growing and has not yet reached its full potential. However this study found that in recent years there has been a decline in growth percentages, which if not addressed soon will inevitably hold a number of complications and challenges for the industry's future, both in South Africa and globally. Competition levels between cruise liners are high and as a result the market, which is mass segment orientated is becoming saturated.

Perceived value has been seen as the most important indicator for future purchase behaviour of services, such as a cruise experience and is key to growing the cruise market ensuring sustained growth into the future. Yet, few studies have examined the underlying framework of perceived value for tourism activities and no studies to date have developed a perceived value model which captures the total cruise experience.

***Therefore, the aim of this study is to develop a perceived value model for the cruise experience.***

To achieve the above mentioned, a thorough theoretical and empirical investigation was employed. This study found a number of challenges associated with perceived value as a field of study, some of which include: the myriad number of different models which exist, unlimited determinants which are measured, unstandardised use of perceived values, obscure definitions of the function of perceived value and a lack of perceived value research in a tourism setting. These gaps are all addressed in this study.

Grounded in perceived value theory this study explored key studies developed by perceived value experts. After careful investigation, a number of perceived value dimensions were recognised as well as the determining items used to measure these values. A pilot study was conducted to measure the suitability of these items for the cruise industry and expert advice from both academics and cruise experts was used to amend final changes to the measuring instrument.

Based on theoretical evidence it was found that the cruise tourist transitions through various phases during the cruise experience and since it was important that the pre- and post-perceptions of cruise passengers be captured, two questionnaires needed to be developed. The South African cruise industry is seasonal (November-March) and as it was essential that the same respondents partake in the pre- and post-evaluations of this study. Therefore, an online questionnaire was deemed the best approach, accommodating all respondents regardless of their geographic location.

The program Adobe Form Central® (2014) was used to conduct the online survey during the cruise season 2014/15. Nine hundred and seventy eight (978) pre-perceived questionnaires were collected and on consent from the cruise passengers, 497 respondents participated in the post-perceived survey. Only those respondents who successfully participated in both the pre- and post-perceived value questionnaires could be used for final analysis; the remaining questionnaires were discarded for the purpose of this study. Therefore, the number of pre- and post-perceived value questionnaires used for statistical analyses was N = 497. The sample sizes of this research were seen as adequate to be representative of the total cruise market during the 2014/15 South African cruise season.

In order to achieve the goal of this study, selected statistical techniques were employed. Firstly, the validity and reliability of the questionnaire were tested and an initial analysis (descriptive statistics) to convey the socio-demographic and cruise traveller profile of the respondents by means of frequency tables was performed. This was followed by two separate exploratory factor analyses employed on the pre- and post-perceived value items, which revealed 13 reliable and valid perceived value dimensions. These value dimensions were used as determinants of satisfaction and loyalty in a multiple regression analysis. Other statistical analyses that were performed included: correlations; analysis of variance (ANOVAs) and independent *t*-test analysis. These analyses were used to develop the perceived value model for a cruise experience.

The results of the study confirmed that the perceived value of a cruise experience is in fact multifaceted. The perceived value with unique reference to a cruise experience therefore consists of *perceived epistemic value; perceived escape value; perceived rejuvenate value; perceived emotional value; perceived novelty value; perceived internal social value; perceived external social value, perceived social image value, perceived recreational value, perceived service and quality value, perceived sacrifice value, perceived package/money value and perceived risk value.* Though these

factors did not entirely agree with the initial classification of the value dimensions as predicted in the literature review, they focused on appropriate and effective values to measure the perceived value of a cruise experience. Large positive correlations were found between both the pre- and post-perceived values indicating their interrelatedness and dependence on one another. Various socio-demographic and cruise traveller behaviour elements indicated large positive correlations between various pre-perceived values and post-perceived values. Post-perceived service and quality value was revealed as the biggest determinant of satisfaction and loyalty. The above mentioned need to be incorporated into cruise marketing, product development and management approaches.

This study contributes in the following ways: this study is the first of its kind as it has not been applied to the cruise industry and more specifically to the South African cruise industry. Added to this a perceived value model has not been developed for the cruise experience, which measures the pre- and post-perceptions of cruise passengers and their effect on satisfaction and loyalty. The main theoretical contribution made by the author in this study and which can be tested by future researchers was the development of the theoretical perceived value framework, upon which the empirical model was based.

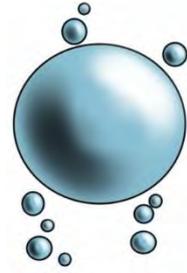
The methodological contributions of this study included the aspects used to develop a perceived value model. These were not only applied for the first time in this study, but also within a South African context. This study makes a contribution by developing a measuring instrument which measures the pre- and post-perceived value of a cruise experience, the cruise traveller profile and elements that are a result of the perceived value experience (i.e. loyalty and satisfaction). Reliability and validity for the scale were well confirmed; therefore, this measuring instrument can be adapted and used for future studies conducted in similar settings.

Empirically this study contributed by identifying the predictors of satisfaction and loyalty as a result of post-perceived values within a tourism context such as perceived value and are tested for the first time. Lastly, the most significant contribution made by this study is the development of a perceived value model, which if properly implemented by cruise companies can increase future growth numbers and the cruise experience can directly be improved by taking this information into account.

By incorporating this model into marketing strategies for the South African cruise market, the perceived value of a cruise experience can be predicted and controlled, while also enhancing the cruise experience and ensuring re-visitation.

**Keywords:** *cruise tourism, marine tourism, marketing, perceived value, relationship marketing, service, tourism experience.*

# Opsomming



## **'n Waargenome waardemodel rakende 'n skeepsreis ondervinding**

Die skeepsvaartindustrie is een van die mees belangrikste sektore in die toerisme mark, en oor die afgelope 30 jaar het hierdie industrie ekponensiële groei en uitbreiding getoon. In die jaar 2014 het die toerisme sektor, sowel as die wêreldwye skeepsvaartekonomie, aansienlike bydraes gelewer. Hierdie ontwikkelinge in 2014 het ook onder andere 'n R1 422.72 biljoen inkomste ingesluit wat spesifiek toegeskryf kan word aan skeepsvaarttoerisme; wat weer gelei het tot ongeveer 891 000 werksgeleenthede wat gegenerer is; met meer as 22.1 miljoen passasiers wat reise onderneem het.

Suid-Afrika, wat hoë potential het vir 'n oorheersende toerisme-georiënteerde skeepsvaartindustrie, het maar 0.72% tot die globale industrie bygedra in 2014. Hierdie mark is verhinder om te groei as gevolg van verskeie wanbegrippe, onder andere 'n swak infrastruktuur; bekommernisse oor veiligheid; beperkte moontlikhede vir landelike uitstappies afhangende waar die skip vasmeer, sowel as vër afstande van groot markte en die voorste toeristebestemmings. Nietemin moet 'n mens in ag neem dat Suid-Afrika, as 'n skeepsvaartbestemming, nog nie sy volle potensiaal bereik het nie en steeds besig is om te groei en gewilder te raak onder toeriste. Vir Suid-Afrika om te groei as 'n verkose skeepsvaartbestemming in toerisme, moet die land se binnelandse toerisme as 'n bron eers groei. Hierdie kan 'n uitdaging inhou vir die bedryf sienende dat die skeepsvaartindustrie wêreldwyd 'n afname in persentasie groei getoon het wat dus nadelig kan wees, nie net vir die globale skeepsvaartindustrie nie, maar ook vir die plaaslike Suid-Afrikaanse industrie.

Waargenome waarde word geag as die mees belangrikste faktor wat die toekomstige gedrag van die aankoop van dienste (reise) sal bepaal. Hierdie dienste sluit die passasiers se skeepsvaartondervinding in. Waargenome waarde word ook gesien as die sleutel tot die groei van die skeepsvaartindustrie en verseker volgehoue groei vir die toekoms. Nietemin, min studies het al die die onderliggende raamwerk van waargenome waarde vir toerisme aktiwiteite ondersoek; en tot en met hede is daar geen studie wat 'n waargenome

waardemodel al ontwerp het wat die totale skeepsvaartondervinding, van die beplanningsfase en voorgenome persepsie tot en met die terugkeer en evaluasie van die reis (post-persepsie) saamvat nie.

So 'n model bied verskeie geleenthede verbeide die skeepsvaartbestuurdeers en –bemarkers om aan potensiële voornemende market (kliënte) vernuwende idees en beloftes voor te hou en om aan te voldoen. Terselfdetyd kan bestaande kliënte behou word en kan die mark verdere groei verseker.

***Die doel van die studie is om 'n waargenome waardemodel vir die skeepsvaartindustrie te ontwerp.***

Om die bogenoemde doel te bereik, het die skrywer 'n deeglike teoretiese ondersoek gedoen. Die bevinding was dat waargenome waarde 'n uiterse komplekse proses is en is 'n aantal uitdagings geïdentifiseer: naamlik die kompleksiteit van waargenome waarde wat 'n aantal verskillende modelle tot gevolg gehad het – met geen vaste hoeveelheid bepalers om te kan meet nie: 'n ongestandaardiseerde gebruik van waargenome waardes; obskure definisies oor die funksie van waargenome waarde, sowel as 'n gebrek aan waargenome waarde in 'n toerisme-omgewing. Al die bogenoemde tekortkominge word behandel in hierdie studiestuk.

Hierdie studie, gegrond op die waargenome waardeteorie, het belangrike navorsingsvraagstukke wat ontwikkel is deur waargenome waardedeskundiges, ondersoek. Deur middel van noukeurige navorsing was 'n paar waargenome waardedimensies geïdentifiseer sowel as die bepalende items wat nodig is om hierdie waardes te meet. Na aanleiding van die bogenoemde was 'n loodsstudie onderneem om die geskiktheid van hierdie items vir die skeepsvaartindustrie te meet. Kundige advies van akademiëci sowel as skeepsvaartkundiges is gebruik om finale vrae in die vraelyste te wysig.

Soos voorheen uitgelig, asook gebaser op teoretiese bevindings, ervaar die skeepsvaarttoeris 'n oorgang van verskillende gevoelens gedurende die skeepsvaartreis; en aangesien dit belangrik was om beide die pre- en post-persepsies van skeepsvaart passasiers na te speur, was twee vraelyste opgestel. Aangesien die Suid-Afrikaanse skeepsvaartindustrie seisoenaal is (November-Maart), en aangesien dit noodsaaklik was dat dieselfde respondente aan beide

die pre- en post-evaluasies deelneem, is vasgestel dat aanlynvraelyste die beste opsie vir deelnemers sal wees aangesien dit alle deelnemers kan akkommodeer, ongeag van hulle geografiese ligging. Die program Adobe Form Central® was gebruik om die aanlyn opname gedurende die 2014/15 skeepvaart seisoen te doen. 'n Totaal van 978 pre-persepsie vraelyste was ingesamel en met die toestemming van skeepsvaartpassasiers, het 497 van hulle aan die post-persepsie vraelys deelgeneem. Net die passasiers wat suksesvol aan beide die pre- en post-persepsie waardeopnames deelgeneem het se antwoorde kon gebruik word vir navorsing. Die ander vraelyste is tot niet gemaak. Die hoeveelheid pre- en post-persepsie waardevraelyste wat gebruik was vir statistiese ontledings was N=497. Die steekproefgroottes van hierdie navorsing was bevind om voldoende te wees.

Ten einde om die studie se doelwit te bereik, was spesifieke statistiese tegnieke gebruik. Eerstens, was die geldigheid en betroubaarheid van die vraelys getoets, en 'n voorlopige ontleding (beskrywende statistieke) om die sosio-demografiese en skeepsvaartreisiger profiel van die respondent deur middel van frekwensie tabelle is uitgevoer. Gevolglik was twee aparte verkennende faktor-analises onderneem op die pre- en post-persepsie waarde dimensies; wat ook dan onthul het dat daar 13 betroubare en geldige waargenome waarde dimensies is. Hierdie waarde dimensies was dan gebruik as determinente van tevredenheid and lojaliteit in 'n veelvuldige regressie analise. Ander statistiese analises wat uitgevoer was het ingesluit: korrelasies; variasie-analise; en 'n onafhanklike *t*-toets analise. Hierdie analises was gebruik om 'n waargenome waardemodel vir 'n skeepsvaartondervinding te ontwikkel.

Die resultate van die studie het bevestig dat die waargenome waarde van 'n skeepsvaartondervinding in die werklikheid baie veelsydig is. So kan 'n skeepsvaartondervinding bestaan uit: *waargenome epistemiese waarde; waargenome onsnappingswaarde; waargenome blaaskanswaarde; waargenome emosionele waarde; waargenome uitheemse waarde; waargenome interne sosiale waarde; waargenome eksterne sosiale waarde; waargenome sosiale beeldwaarde; waargenome ontspanningswaarde; waargenome diens en kwaliteitswaarde, waargenome opofferingswaarde; waargenome pakket/geldwaarde; en waargenome risiko waarde.* Alhoewel hierdie faktore nie heeltemal ooreenstem met die aanvanklike klassifikasie van die waarde dimensies soos voorspel in die literatuuroorsig nie, is hulle steeds geag as

aanvaarbaar en effektief om waargenome waarde van 'n skeepsvaartondervinding te meet. Positiewe korrelasies was gevind tussen beide pre- en post-waargenome waardes. Dit dui op hulle onderliggende afhanklikheid van mekaar.

Verskeie sosio-demografiese faktore (taal, provinsie van verblyf en opleiding) en skeepsvaartreisiger gedragselemente (reisgenoot en reisgewoontes) het gedui op positiewe korrelasies tussen verskeie pre-waargenome waardes (waargenome epistemiese waarde, waargenome ontsnappingswaarde, waargenome emosionele, waargenome sosiale en waargenome pakket/geldwaarde), sowel as post-waargenome waardes (waargenome ontsnappingswaarde, waargenome blaaskanswaarde, waargenome emosionele waarde en waargenome opofferingswaarde. Post-waargenome diens en kwaliteitswaarde is onthul as die grootste bepaler van tevredenheid en lojaliteit; en daarom moet dit bygewerk word deur die skeepsvaartbestuur.

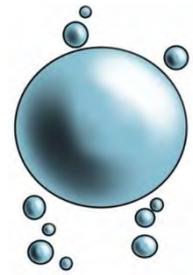
Hierdie studie dra onder andere by tot die volgende: Uit 'n teoretiese oogpunt is hierdie studie die eerste van sy soort aangesien geen ander sodanige studies al onderneem is vir die Suid-Afrikaanse skeepsvaartindustrie nie. Geensins is daar al ook 'n waardemodel ontwikkel vir die skeepsvaarindustrie wat pre- en post-waarnemings sowel as hulle effek op tevredenheid en lojaliteit meet nie. Die vernaamste bydra wat deur die ondersoeker gemaak is, en wat getoets kan word deur toekomstige navorsers, is die ontwikkeling van die teoretiese waargenome waarde raamweerk waarop die empiriese model gebaseer is. Die metodologiese bydraes van hierdie studie sluit die aspekte in wat gebruik is om die waargenome waarde model te ontwikkel. Hierdie aspekte is nie net toegepas vir die eerste keer in hierdie studie nie, maar is ook vir die eerste keer in 'n Suid-Afrikaanse konteks toegepas. Hierdie studie maak 'n bydra deur 'n maatstaf te ontwikkel wat die pre- en post-waargenome waarde van 'n skeepsvaartondervinding meet sowel as 'n skeepsvaartreisigersprofiel en ook dimensies wat ontstaan as gevolg van die waargenome waarde ondervinding (dit is: lojaliteit en tevredenheid). Betroubaarheid en geldigheid van die skaal was goed bevestig; dus kan hierdie maatstaf aangepas en gebruik word vir toekomstige studies wat in soortgelyke omstandighede uitgevoer word. Van 'n empiriese oogpunt het hierdie studie bygedra om die kenmerke van tevredenheid en lojaliteit te identifiseer wat ontstaan het as gevolg van post-waargenome waardes binne die toerisme konteks en word dus in die studie vir die eerste keer getoets. Laastens, uit 'n

praktiese oogpunt bied hierdie studie 'n waargenome waardemodel wat 'n aantal moontlikhede vir die skeepsvaartindustrie inhou. Hierdie model kan ook gebruik word vir soortgelyke studies t.o.v. toerisme ondervinding.

Deur hierdie model saam met bemarkingstrategieë te integreer waar op die Suid-Afrikaanse skeepsvaartindustrie fokus, kan die waargenome waarde van 'n skeepsvaartondervinding voorspel en beheer word, en terselfde tyd ook die skeepsvaartondervinding verbeter en vernuwing verseker. Deur die waargenome waardemodel van 'n skeepsvaartondervinding te verstaan, sal skeepsvaartmaatskappye mededingende voordele aan hulle passasiers kan gee aangesien hulle met aantreklike aanbiedings by die vereistes van 'n spesifieke nismark kan aanpas. Nuwe maniere moet gevind word om die skeepsvaartindustrie te laat herleef en te onderhou, veral in lande soos Suid-Afrika waar die skeepsvaartindustrie nog nie sy volle potensiaal bereik het nie. Hierdie studie verskaf ook 'n beter begrip oor die verhoudings wat ontstaan tussen pre- en post-waargenome waardes, en tevredenheid en lojaliteit wat deur skeepsvaartbestuurders en -bemarkers gebruik kan word om afleidings en vooruitskattings te maak oor terugkerende kliënte.

***Sleutelwoorde:*** *skeepsvaarttoerisme, lojaliteit, mariene toerisme, bemarking, waargenome waarde, waarnemings, bemarkingsverhoudinge, tevredenheid, diens, toerisme ondervinding.*

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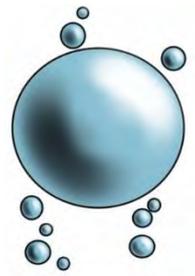
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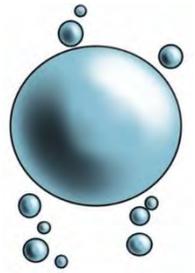
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# Chapter



## Introduction and problem statement

**'Cruising is the best experience I've ever had'**

**-Cruise Passenger and study respondent**

### 1.1 INTRODUCTION

Tourism is one of the largest industries in the world both in terms of the revenue generated and the number of people who are employed (Nara, Mao & Yen, 2014:19). Acknowledged as one of the key economic sectors, tourism has become a thriving industry in South Africa. The country received a total of 9 549 236 international tourists during 2014, with a total direct international spend of R65 billion. Domestic tourists who travelled in South Africa amounted to 28 million trips taken in 2014 and a total direct domestic spend of R26.8 billion (South African Tourism, 2015:1).

According to South African Tourism (2015:13 & 34), these domestic tourists travel for various reasons, as can be seen in Table 1.1.

**Table 1.1:** Purpose of visit - international and domestic visitors

PURPOSE OF VISIT	International purpose of visit: Average all countries	Domestic purpose of visit: National average
Holiday	32.7%	10.2%
Business	18.7%	6.6%
Medical	2.3%	0.7%
Religion	0.7%	7.9%
Visiting friends & relatives (VFR)	40.1%	74.3%
Others	5.5%	0.3%
TOTAL	100%	100%

**Source:** SAT (2015:13 & 34)

In both cases travelling for leisure purposes were the most important purpose for visit. Table 1.1 indicates that the most popular reason for travel amongst international tourists travelling to South Africa is to visit friends and relatives (40.1%) and for holidaying purposes (32.7%) (South African Tourism, 2015:90). The majority of domestic tourists who travel in South Africa, travel to visit friends and relatives (74.3%), while ten percent of domestic tourists travel for holidaying purposes (10.2%).

Tourists who travel for holidaying purposes seek exciting leisure experiences (Seymour, 2013:105). One of these leisure pursuits, which is making a significant contribution towards global tourism economies, is cruise tourism (Cruise Line International Association, 2015:18). The cruise industry is one of the most important growth sectors in the tourism market and has seen impressive growth over the past 30 years, with an average growth rate of 7% per year since 1980 (Forster, Colicchio, Liebenberg, Hassim, Alakhume, Vaudin & Mugasa, 2014:64; Kleeman, 2014:28). Over \$117 billion (+R1 422.72 billion) in revenue was generated from cruise tourism in 2014, more than 891 000 jobs were created and over 22 million cruise passengers set sail in 2014 globally (Cruise Line International Association, 2015:18), which is an increase of 4.3 million passengers since 2009.

Unfortunately, South Africa, which has a high potential for a tourism-dominated cruise industry, only saw 0.72% of this global share during 2014 (Forster *et al.*, 2014:63). However, Foggitt (2014:21) notes that South Africa as a cruise destination is still growing and has not yet reached its full potential (South Africa National Department of Tourism, 2009:3). Forster *et al.* (2014:63) state that since cruise ships are expensive to build, it creates a barrier in the market, with the market being dominated by a handful of companies (for example: Carnival and Royal Caribbean, which is the leading company, followed by Norwegian Cruise Lines/Star Cruises and the Mediterranean Shipping Company (MSC)). Cruise line companies have been reluctant to expand their services to Africa, citing poor infrastructure, safety concerns, limited shore excursions and the large distances from major markets and leading destinations (NDT, 2009:5). Former Minister of Tourism (Marthinus van Schalkwyk) took note of these challenges and opted to assist this industry in its growth and expansion to South African shores by developing a South African Cruise Tourism Strategy in 2009. Recommendations made in the strategy are currently being implemented and the country is in the process of evaluating proposals for new cruise terminals in Durban and Cape Town.

Despite its impressive record the global cruise industry, which is mass market focused, may be heading towards a phase of saturation, which will inevitably hold a number of complications and challenges for the industry's future both in South Africa and globally (Dehoorne, Murat, Petit-Charles; 2008:102). The Cruise Line International Association (CLIA from here on forth, 2015:18) has taken note of this and has stated that there is a need to create more consumer demand and develop new global markets. A never ending challenge for the cruise industry is to convert non-cruisers into cruise passengers (Young, 2015:5).

Mindful that today's traveller is attracted to tourism amenities that deliver engaging experiences and in order to understand the expectations and needs of the current cruise market, a perceived value model, which measures these tourism experiences, needs to be developed (Gallarza, Saura & Holbrook, 2011:179; Seymour, 2013:13). It has been suggested that perceived value is the most important indicator for future purchase behaviour of services (Al Sabbathy, Ekinci & Riley, 2004:226) and tourism experiences. By understanding the way in which cruise passengers perceive the value they receive, or lack thereof during a cruise experience, managers will be able to enhance their cruise offering, provide a tailor-made product to niche markets and ensure return visitation. This will also enable marketers to promote the cruise experience effectively by focusing on the perceived value aspects that cruise tourists and therefore potential cruise tourists value highly.

This thesis aims to develop a perceived value model for a cruise experience. Therefore, the purpose of Chapter 1 is to discuss the research process followed in this study. This explanation will be clarified by discussing the background to the study, analysing the problem statement, stating the goals and objectives, introducing the research methodology, discussing key concepts, and finally, by offering a synopsis of the various chapters.

## 1.2 BACKGROUND TO THE STUDY

In tourism, the addition of perceived value has become a core concept in marketing, especially in the development of relationship marketing in order to build a long-term relationship between customers/tourists and suppliers (Page & Connell, 2009:335). However, only limited knowledge exists concerning the perceived value of a tourism

experience (Gallarza *et al.*, 2011:179; Seymour, 2013:13), thereby becoming a cause for concern considering that the tourism industry, and more specifically the cruise industry, is such a highly competitive arena.

This brief background offers a foundation for the purpose of this study, which is to develop a perceived value model for a cruise experience.

Marketing has developed and progressed over the years, from the simplistic focus of satisfying basic needs to delivering and creating perceived value to specific targeted markets (Jordaan & Prinsloo, 2004:5). This marketing strategy is referred to as relationship marketing and has its focus on sustaining and building long-term relationships with customers (George, 2001:3). Christopher, Payne and Warnaby (2010:1) assert that traditionally much of the emphasis of marketing had been directed toward the 'getting' of customers rather than the 'keeping' of customers. Relationship marketing has the dual purpose of getting and keeping customers.

In relationship marketing, value is assessed from a consumer's perspective (Zeithaml, 1988; Patterson, Johnson & Spreng, 1997:6); making perceived value an important component of relationship marketing (Ravald & Grönroos, 1996:19). The relationship marketing perspective is based on the notion that on top of the perceived value of products and/or services that are exchanged, the existence of a relationship between two parties creates additional value for the customer and also for the supplier or service provider (Grönroos, 2004:99).

Feng and Morrison (2007:589) state that in both relationship and tourism marketing research domains, creating perceived value has been gradually more regarded as the next source of competitive advantage, where customers' perceived quality is commonly recognised as a significant positive antecedent. However, despite its strategic importance for marketing, perceived value remains a neglected area of research (Al Sabbahy *et al.*, 2004:226), in marketing and retail studies (Dodds, Monroe & Grewal, 1991:307; Holbrook, 1994:22; Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Wang, Lo & Yang, 2004:327; Feng & Morrison, 2007:589; Brennan & Henneberg, 2008:563) as well as the tourism literature (Gallarza *et al.*, 2011:179; Seymour, 2013:13).

A number of other gaps (as listed below) have been identified in the literature (including Dodds *et al.*, 1991:307; Holbrook, 1994:22; Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7; Peck, Payne, Christopher & Clark, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Feng & Morrison, 2007:589; Brennan & Henneberg, 2008:563; Sparks, Butcher & Bradley, 2008:98; Gallaraza *et al.*, 2011:179; Seymour, 2013:13 as seen in Chapter 3), especially in the tourism industry. Many of these authors state that despite the importance of perceived value and the fact that tourists are value driven, there is a definite need to develop a perceived value model that focuses on tourism experiences such as cruising. Summarised, these gaps encapsulate the following:

- Very little attention has been given to understanding, contextualising and specifying the exact definition or meaning of perceived value in the literature (Dodds *et al.*, 1991:307; Holbrook, 1994:22; Peck *et al.*, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Brennan & Henneberg, 2008:563; Sparks *et al.*, 2008:98; Gallaraza *et al.*, 2011:179; Seymour, 2013:13).
- The characteristics, underlying elements and the nature of perceived value are also obscured and need further investigation (Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7).
- Elements that add to the development or cause of perceived value are also relatively under investigated (Feng & Morrison, 2007:589).

It is clear that limited research has been done on perceived value and that further investigation is required (Peck *et al.*, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226). A number of authors have tried to conceptualise and define perceived value, resulting in a variety of different definitions and concepts used to measure what perceived value actually is.

The various terms that are used include customer value (Gale, 1994; Holbrook, 1996; Oh, 2000; Woodruff, 1997); perceived value (Dodds *et al.*, 1991; Monroe, 1990; Zeithaml, 1988; Zeithaml & Bitner, 2000; Iglesias & Gullien, 2004:374; Sánchez, Callarisa, Rodrigues & Moliner, 2006:394; Ku, Wu & Deng, 2009:888; Boksberger & Melsen, 2011:233; Seymour, 2013:46); consumer value (Holbrook, 1999); consumption value (Seth, Newman & Gross, 1991); service value (Bolton & Drew, 1991; Jayanti & Ghosh, 1996); acquisition and transaction value (Grewal, Monroe &

Krishnan, 1998; Monroe, 1990); and value for money (Ashworth & Johnson, 1996). For the purpose of this study, perceived value as a term will be used to describe the above.

The lack of consistency in the perceived value literature can be attributed to the fact that it is multifaceted and complex, with various meanings, not only among consumers (Zeithaml, 1988) and practitioners (Woodruff & Gardial, 1996), but also among researchers themselves.

One definition which has made a significant contribution to the perceived value literature is the relatively early proposal made by Zeithaml (1988:14), where perceived value is defined as:

*“the consumers overall assessment of the utility of a product based on the perceptions of what is received and what is given” (Zeithaml, 1988:14).*

A number of authors (for example: Lovelock, 1996; Monroe, 1990, Gallarza *et al.*, 2011:187) have used this definition on which to build their value-orientated studies. However, some have argued that because of the strong monetary focus of Zeithaml's (1988:14) definition, it is too simplistic and does not describe the full meaning and value of perceived value (Boksberger & Melsen, 2011:233, Seymour, 2013:131). For example, Ku *et al.* (2009:888) state that customers' perceived value can be defined from the perspectives of money, quality, benefit and social psychology, not only monetary value. Patterson *et al.* (1997:4) also stress that value is an abstract concept with meanings that vary according to context. It is clear that the concept of perceived value needs to be undertaken both in its definition and typologies, as a given type of perceived value can only be understood when considering its link to other types of perceived value (Holbrook, 1999:4; Sweeney & Soutar, 2001:205).

Due to the lack of application to the cruise industry, a number of perceived value definitions (Rekeach, 1973:5; Zeithaml, 1988:14; Woodruff, 1997:142; Holbrook, 1999:5; Zikmund & D’Amico, 2002:524; Iglesias & Gullien, 2004:374; Sánchez *et al.*, 2006:394; Kotler & Keller, 2006:185; Ku *et al.*, 2009:888; Boksberger & Melsen, 2011:233; Seymour, 2013:46), need to be considered in order to formulate a comprehensive definition for the cruise industry. Therefore the author proposes that perceived value for cruise tourism, for the purpose of this study, be defined as:

*A particular personal point of view, developed through a process of a cruise tourist receiving, organising and interpreting information measured against a certain set of expectations, from a cruise experience through relationship marketing when intending to purchase a cruise and the worthiness that can be gained through this process.*

After analysing the perceived value literature, it is evident that there are key primary studies that have contributed greatly its development, especially those studies which were done in the 80s (including: Holbrook & Corfman, 1985; Monroe & Chapman, 1980; Zeithaml, 1988; Seth *et al.*, 1991; Holbrook, 1994; Petrick, 2002). These studies are listed in Table 1.2.

**Table 1.2:** Contributing perceived value studies

Primary perceived value studies				Perceived value studies based on primary studies conducted		
Year	Author	Concept	Items	Year	Authors	Focus area
1980	Monroe & Chapman	Acquisition and transaction value	<ul style="list-style-type: none"> <li>• Acquisition value</li> <li>• Transaction value</li> </ul>	1998	Grewal, Monroe & Krishnan	Consumption experience – retail
				2000	Parasuraman & Grewal	Impact of technology – Information technology
1985	Holbrook & Corfman	Hedonic and utilitarian value	<ul style="list-style-type: none"> <li>• Hedonic value</li> <li>• Utilitarian value</li> </ul>	2005	Tsai	Brand purchase – retail
				2007	Smith & Colgate	Customer consumption - retail

1988	Zeithaml	A means-end model of synthesis of evidence	<ul style="list-style-type: none"> <li>• Value is low price</li> <li>• Value is whatever I want in a product/service</li> <li>• Value is the quality I get for the price I paid.</li> <li>• Value is what I get for all that I give.</li> </ul>	2008	Diep & Sweeney	Shopping trip value – retail
				1996	Zeithaml & Bitner	Benefits/costs and perceived value
				2002	Petrick	Consumption experience – service
1996	Zeithaml & Bitner	Benefits/ costs and perceived value	<ul style="list-style-type: none"> <li>• Benefits</li> <li>• Costs</li> </ul>	2000	Lapierre	Customer perceived value within industrial contexts
1991	Seth, Newman & Gross	Seth-Newman-Gross model	<ul style="list-style-type: none"> <li>• Functional value</li> <li>• Social value</li> <li>• Emotional value</li> <li>• Epistemic value</li> <li>• Conditional value</li> </ul>	1997	De Ruyter, Wetzels, Lemmink & Mattson	Service delivery
				1997	Sweeney, Soutar & Johnson	Retail
				2001	Sweeney & Soutar	Retail
				2006	Sánchez, Callarisa, Rodriguez & Moliner	Tourism product – hospitality
				2008	Diep & Sweeney	Shopping trip value – retail
				2013	Seymour	Scuba diving – Marine tourism experience
1994	Holbrook	Interactive realistic preference experiences	<ul style="list-style-type: none"> <li>• Efficiency</li> <li>• Excellence</li> <li>• Status</li> <li>• Esteem</li> <li>• Play</li> </ul>	1999	Holbrook	Consumption experiences – retail

			<ul style="list-style-type: none"> <li>• Aesthetics</li> <li>• Ethics</li> <li>• Spirituality</li> </ul>			
2002	Petrick	A multi-dimensional scale for measuring perceived value of a service	<ul style="list-style-type: none"> <li>• Multidimensional perceived value model</li> </ul>	2008	Diep & Sweeney	Shopping trip value – retail
				2008	Chen	Air passengers – aviation
				2010	Ashton, Scott, Solnet & Breakey	Hotel restaurant dining – hospitality
				2012	Morosan	Registered traveller biometric systems – E-tourism

**Source:** Author's own compilation

As can be seen from Table 1.2, the measurement and concept of perceived value has developed and changed over the past 35 years. Each of the primary studies identified (Holbrook & Corfman, 1985; Monroe & Chapman, 1980; Zeithaml, 1988; Seth *et al.*, 1991; Holbrook, 1994; Petrick, 2002) have influenced other authors to reshape, adapt and retest these perceived values in different settings (including: retail, marketing, information technology, medical sciences, higher education and tourism). This process has resulted in a myriad of different perceived value concepts that have contributed to its current form and understanding in the literature.

By describing the evolution of the studies listed in Table 1.2 this section hopes to clarify and explain perceived value. Perceived value is properly scrutinised and investigated in Chapter 3.

The earliest perceived value study that contributed to the literature and that posed an influence on other studies was done in 1980 by Monroe and Chapman. These authors (Monroe & Chapman, 1980) introduced '*Acquisition and Transaction Value*' to the literature. These two perceived value groupings were later implemented and adapted in studies conducted by Grewal *et al.* (1998) and Parasuraman and Grewal (2000). During 1985, Holbrook and Corfman introduced '*Hedonic and Utilitarian Value*' to the literature. A number of studies that also tested these two concepts were implemented by Tsai (2005); Smith and Colgate (2007) and Diep and Sweeney (2008).

During 1985, Holbrook and Corfman introduced '*Hedonic and Utilitarian Value*' to the literature. A number of studies that also tested these two concepts were implemented by Babin, Darden, Griffin (1994); Tsai (2005); Smith and Colgate (2007) and Diep and Sweeney (2008). Monroe and Chapman (1980) and Holbrook and Corfman's (1985) studies both had a very strong monetary focus, which was later found to be too simplistic and needed to be expanded on.

During 1988, a study that contributed greatly to the perceived value literature and that is still widely used today was introduced by Zeithaml (1988) and was named '*the Means-end model of synthesis*'. Zeithaml's model (1988) was later expanded by Zeithaml and Bitner in 1996 and Petrick in 2002. In 1996, Zeithaml and Bitner introduced '*the benefit/cost and perceived-value*' concept. This study indicated a change in the way perceived value was measured, and although it still had a very strong monetary focus, it also focused on elements of quality and satisfaction that are key players in the consumption or tourism experience.

In addition to studies focusing primarily on monetary concepts, other considerations have also been brought forward that are considered just as important to the total perceived value experienced by consumers. One of these studies was developed by Seth, Newman and Gross in 1991. The authors Seth *et al.* (1999) opted to shift the emphasis from only focusing on monetary value to developing a deepened understanding of other perceived value aspects that add to conceptualising perceived value. Seth *et al.* (1991:159) identified five consumption values (namely:

functional, social, emotional, epistemic, conditional value), which, according to the findings of their study, influence consumer choice behaviour. A number of studies were developed based on the '*Seth-Newman-Gross Model*', including those studies done by De Ruyter *et al.* (1997:231); Sweeney *et al.* (1997); Sweeney and Soutar (2001); Sánchez *et al.* (2006); Diep and Sweeney (2008) and Seymour (2013).

During 1994, Holbrook defined perceived value as an '*interactive relativistic preference experience*' (Holbrook, 1994:22) and proposed a model of perceived value that shared some points with the research approaches mentioned above. This concept was later enhanced by Holbrook (1999) himself. When comparing Holbrook's (1994, 1999) typology to Zeithaml's (1988) model, it can be said that it is more comprehensive and provides a better understanding of the get component of the perceived value experience. However, Duman and Mittila (2005:315) stated that the typology developed by Holbrook (1994; 1999) and Seth *et al.*'s (1991) multidimensional scale provide detailed explanations in terms of the benefits consumers get from consuming the products, but neither of these studies pay attention to which costs are associated with the consumption that balance the benefits received.

Petrick (2002:128) took note of this and developed a '*multi-dimensional scale*' that encompasses elements of sacrifice (behavioural and monetary price) and benefits (emotional responses, quality and reputation). Petrick (2002:128) developed this multi-dimensional scale to measure the perceived value of a service. A 25-item instrument was developed to measure the construct and its dimensions. Petrick's (2002) approach to measuring perceived value through a multi-dimensional approach enthused a number of other authors who then also developed multi-dimensional scales, including Diep and Sweeney (2008); Chen (2008); Ashton *et al.* (2010) and Morosan (2012).

Another deduction that can be made from Table 1.2 is that although studies have been done that measure the importance of perceived value (for example the works of Zeithaml, 1988; Bolton & Drew, 1991; Seth *et al.*, 1991; Oliver, 1996; Sweeney *et al.*, 1997; Patterson *et al.*, 1997; Grewal *et al.*, 1998; Oh, 1999; Swait & Sweeney, 2001; Cronin, Brady & Hult, 2000; Caruana, Money & Berthon, 2000; Tam, 2000; Oh, 2000; McDougall & Levesque, 2000; Sweeney & Soutar, 2001), no model yet exists to measure the perceived values experienced by tourists in a cruise tourism setting

(including: Murphy, Prichard & Smith, 2000; Chen, 2008; Chen & Chen, 2010; Ashton *et al.*, 2010; Chen & Hu, 2010; Morosan, 2012; Seymour, 2013).

This can be due to the intangibility of a tourism experience (Seymour, 2013:23). Weiermair (2003:11) states that the intangibility of the tourism product implies a large amount of risk and uncertainty of perceived value. Zikmund and D'Amico (2002:527) describe a service, such as tourism, as a task or activity performed for a buyer that is intangible and cannot be handled or examined before purchase. Ali (2007:40) pointed out that trying to measure something that is intangible can be problematic, and therefore service-marketing professionals have to employ a strategy to make the intangible somewhat tangible. This can be achieved by attempting to reduce consumers' uncertainties and reservations by enhancing certain pre-perceived values.

Perceived value is thus a fairly new topic in the tourism literature, with the earliest study being that of Murphy, Pritchard and Smith, which was conducted in 2000. Most studies done in the tourism literature, including Murphy *et al.* (2000:43); Chen (2008:711); Chen and Chen (2010:31) and Ashton *et al.* (2010:206) focus on perceived value as its own determinant measured with other items. This makes it difficult to determine the importance of items associated with perceived value, such as emotional, social, epistemic and risk values, which are all contributors to the total perceived value experienced within a tourism context (Seymour, 2013:166).

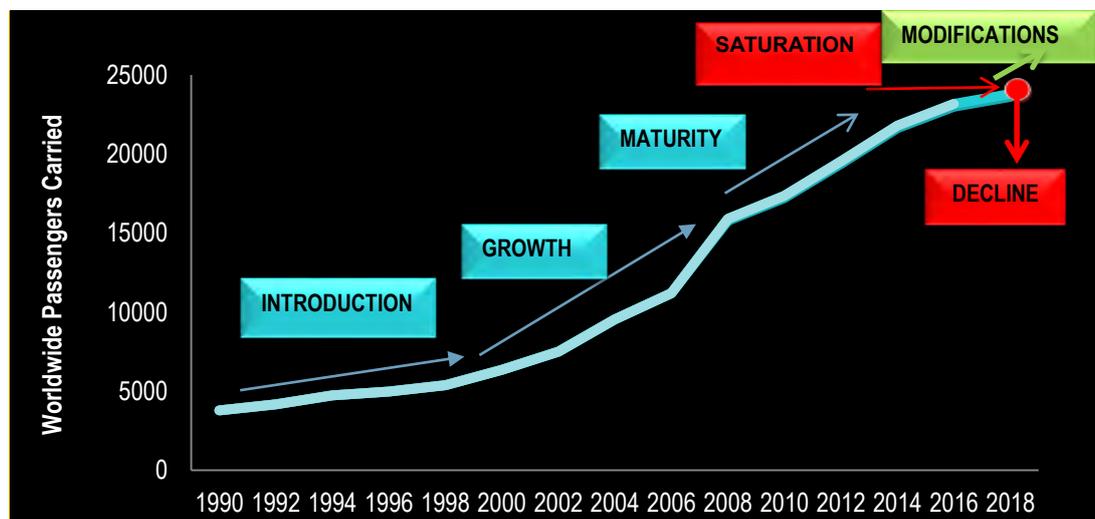
Those studies that do focus on more than one element of perceived value (for example: the GLOVAL scale developed by Sánchez *et al.*, 2006:39 and Seymour's perceived value of a tourism experience study, 2013) do not include all possible value dimensions. There is also no agreement among these authors on the number of items that should be included within a tourism context to measure perceived value. However, when comparing current tourism studies to those in the retail and marketing fields, it can be said that they are lacking and a more comprehensive perceived value model for a tourism experience needs to be developed.

This leads to the next section of this chapter: The problem statement, in which various gaps and motivations for this study are identified.

### 1.3 PROBLEM STATEMENT

Despite its success, the cruise industry is not without its challenges. With the dramatic growth of this industry, the market environment is getting competitive and has become saturated (Figure 1.1) (De La Vina & Ford, 2001:406; Kwortnik, 2006:286). On the other hand authors have more recently noted that the cruise industry is in a phase of saturation (Dehoorne *et al.*, 2008:102). If modifications are not incorporated soon, this could lead to a decline in the number of passengers who cruise annually, which would be detrimental to the cruise industry. Evidently, what is experienced in the international cruise industry, will be reflected in the South African cruise market and it can be said that the South African cruise market, which is still growing, is at risk of slower and negative growth percentages, which are experienced nationally and internationally (Foggitt, 2014:21; Forster *et al.*, 2014:66). However, the South African cruise industry is still growing and it has not yet reached its full potential (NDT, 2009:2).

The following figure presents the life cycle of the cruise industry (Figure 1.1).



**Figure 1.1:** The life cycle of the cruise industry – occupancy levels

**Source:** Adapted from Cruise Market Watch (2013:online)

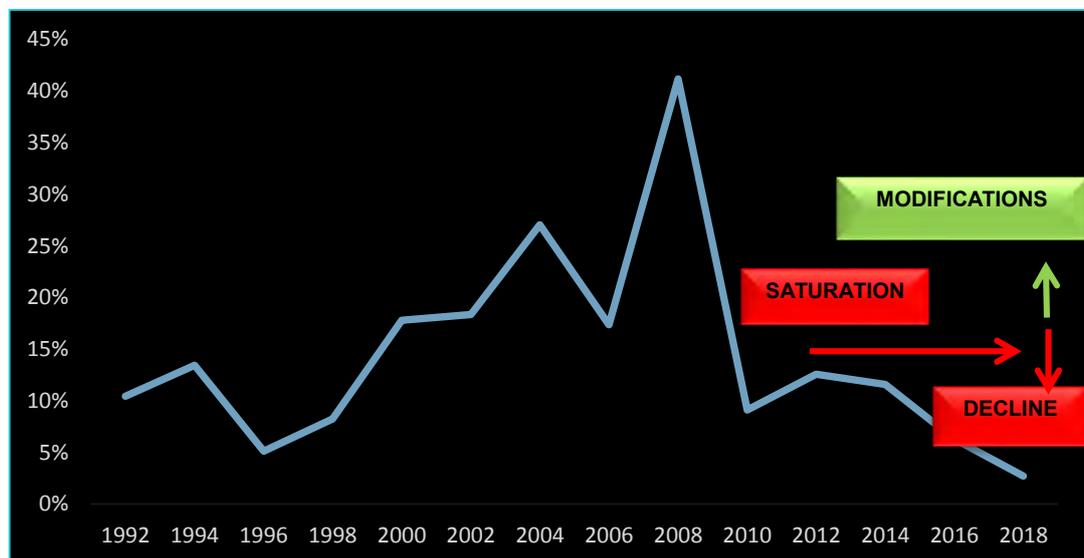
Figure 1.1 reveals the following stages of the cruise industry life cycle:

The cruise industry has experienced dramatic changes in the past, transforming from a form of travel, where the industry's main competition was other methods of travel (for example: air transport), to advertising itself as a 'floating resort'. People 'go on a

*cruise* more than they go to a specific destination and the cruise ship itself provides the maximum possible leisure and entertainment facilities.

During the *Introductory* phase (Stage 1 – from 1960 to 1998), cruise vacation sales were slow as not many people were aware of the new product. In the second phase, *Growth* (Stage 2 – from 2000 to 2010), cruise managers became aware of the slow growth which resulted in an aging segment and changed their marketing strategy to develop a mass market approach (Sánchez *et al.*, 2006:32). Sales started to pick up drastically as more tourists became aware of the product. In the third, phase namely *Maturity* (2010 to 2014), sales started to slow down as most tourists were aware of the cruise industry and started looking for other new and more exciting ventures. Most cruise liners introduced special packages during this phase to ensure that they kept their passenger capacity high.

However, the Cruise Market Watch (2013:online) has predicted the number of cruise passengers for the current years 2015 to 2018 and, according to this data, the cruise industry will decline and is entering the *Saturation Phase* (Figure 1.1) as stated by Dehoorne *et al.* (2008:102). This is confirmed when looking at the percentage growth every two years, as seen in Figure 1.2.



**Figure 1.2:** The life cycle of the cruise industry – percentage growth rate predictions

**Source:** Adapted from Cruise Market Watch (2013:online)

As can be seen in Figure 1.2, there is a definite decline in the percentage growth of the number of people who have been predicted to go on a cruise between 2014 and 2018. According to these statistics, the market will become saturated and the number

of sales will slow down and profits will decline. This could be a result of the cruise industry's mass market approach (Papathanasis, 2012:1148). Ships these days cater for all segments and offer anything from sky-diving simulators, robotic bartenders, to celebrity chef kitchens, all-suite staterooms and world-class spa experiences (Tourism KwaZulu-Natal, 2003:6). Although these diverse offerings are aimed at attracting all segments in the cruise market, this leads to a number of problems, one being that the industry has difficulty selling its very diversified products (Papathanasis *et al.*, 2012:vii-2), as not all passengers necessarily benefit from the many offerings provided by cruises. The key to this problem is that each ship/cruise company needs to distinguish its target market and offerings from the next, to ensure sustainability and future growth.

It is important to note that saturation can bring about two stages: *decline* or *modification* (Figure 1.1 & 1.2). During the *decline* phase, profits will drop and the cruise industry may be replaced by newer more exciting activities and the cycle will recommence.

The solution to prevent the cruise industry from entering the decline stage is to incorporate *modifications*. Therefore, cruise companies need to approach this problem by being pro-active. New modifications need to be introduced to prevent a decline and to improve the total cruise passenger experience. During Cruise Shipping Miami, Richard Fain, chairman and CEO of Royal Caribbean Cruises, stressed that: "*the industry must do a better job of developing new cruises*" (Young, 2015:21). While he said that "*new ship features help attract new customers, getting a whole new level of customers to come in is something we really haven't found the formula for and I think it is a big challenge for us*" (Young, 2015:21-22). This can be achieved by understanding the way in which cruise passengers perceive the value received from a cruise experience (Duman & Mittila, 2005:315; Murphy *et al.*, 2000:43; Chen, 2008:711; Chen & Chen, 2010:31; Ashton *et al.*, 2010:206). By developing a perceived value model for a cruise experience specifically in South Africa, marketers can position their cruise product correctly, thereby creating appeal for previous passengers while attracting new ones.

The problem with perceived value though, is that continuous challenges have been experienced by academics who have opted to measure it (Gallarza *et al.*, 2011:182). Very few studies have focused on the perceived value experienced in a service setting (Zeithaml, 1988:2; Seth *et al.*, 1991:159; Snoj, Pisnik & Mumel, 2004:156). A

model that measures tourism experiences, such as cruise tourism, needs to be developed. Gallarza and Saura (2008:5) state that previous research suggests that the study of perceived value in tourism is relatively recent and, compared to other evaluations and when looking at published works (service quality or satisfaction), it is still not very widespread.

There is a lack of consistency in value research and ambiguous definitions that are not standardised lead to problems associated with validating perceived value. This is a conceptual difficulty that causes concerns over the best methodological approach to assess value. This, in turn, makes it difficult to decide on the elements that need to be included when measuring perceived value. Therefore, a standardised and reliable measuring instrument and model that measures perceived value in a tourism setting such as cruise tourism is needed. Zeithaml (1988:2); Seth *et al.* (1991:159); and Snoj *et al.* (2004:156) mention that earlier literature has investigated the measurement of the perceived value of tangible products, but the domain of measuring the perceived value of a service has basically remained untouched.

Therefore, the following questions can be asked: How do cruise tourists perceive the cruise experience before they go on a cruise? Do these perceptions change when evaluating the perceived value received during the cruise experience? Lastly, how do these perceptions influence satisfaction and loyalty towards the cruise company? If these relationships can be identified and validated, the service providers can adapt and redesign their marketing plan and tailor the cruise product to suit the needs of niche markets, ensuring sustained and improved future growth.

Thus, the problem that this research would like to address is: the need for ***‘the development of a perceived value model for the cruise experience’***.

## 1.4 RESEARCH AIMS AND OBJECTIVES

To further the purpose and aim of this study, the following goal and objectives have been formulated.

### 1.4.1 GENERAL AIM

The main purpose of this thesis is to develop a perceived value model for a cruise experience. More specifically, this study aims to identify the relationships between pre- and post- perceived values and their influence on consumer satisfaction and loyalty of a cruise experience.

### 1.4.2 OBJECTIVES

To achieve the goal, the following objectives need to be realised:

#### **Objective 1:**

To contextualise marine tourism, cruise tourism and the cruise experience by:

- defining marine tourism;
- identifying the sectors that form part of marine tourism;
- defining cruise tourism;
- developing a timeline of the evolution of cruise tourism;
- distinguishing the various cruise types that exist;
- analysing the global and national cruise market;
- examining the cruise tourism experience and the phases associated with it; and
- identifying determinants of the cruise experience.

#### **Objective 2:**

To analyse relationship marketing, perceived value and behavioural intentions of tourists by:

- providing relevant theoretical definitions and background for each of these areas;
- identifying research gaps in the perceived value literature;
- scrutinising challenges associated with the researching of perceived value;
- identifying key perceived value models;
- identifying and describing key determinants used to measure perceived value; and
- identifying the link between perceived value and the behavioural intentions of tourists.

**Objective 3:**

To provide an in-depth discussion on the development of the research process, by:

- providing background information on the process followed; and
- analyses done to achieve the goal of this thesis.

**Objective 4:**

To empirically assess the pre- and post-perceived values of a cruise experience by:

- identifying the cruise traveller profile and cruise traveller behaviour elements;
- testing the relationship between the pre- and post-perceived value dimensions;
- testing the relationship between perceived value and profile aspects or cruise traveller behaviour aspects; and
- determining the influence that post-perceived value exerts on the total satisfaction or loyalty experienced from a cruise

**Objective 5:**

To draw conclusions and reveal the perceived value model of a cruise experience.

- To make recommendations regarding the understanding and application of the perceived value model for cruise experiences; and
- To discuss the limitations of this study.

## 1.5 RESEARCH METHODOLOGY

Research is not merely a process of gathering information, but it is concerned with answering unanswered questions by employing a systematic process of discovering new facts.

The empirical investigation will be discussed according to the literature study, empirical survey, research approach and design, sample plan, research instrument, pre-testing of the questionnaire, data collection, as well as data and statistical analysis. It is important to note that this section will be thoroughly investigated in Chapter 4 and that the following section merely serves as an overview.

### 1.5.1 LITERATURE STUDY

Ridley (2012:3) states that a literature review is the part of a thesis that critically looks at previous research done on the same topic as that being undertaken by the author of the thesis.

A literature review is deemed an important step to better understand the research topic and to support the conceptualisation and development of a perceived value model. This is of particular importance because of the following reasons:

- Very little academic attention has been given to the topic linking perceived value and cruise tourism (De La Vina & Ford, 2001:6).
- Limited knowledge exists about the perceived value experienced by South African consumers (Ali, 2007:1; Sánchez *et al.*, 2006:394).
- The study of perceived value in tourism is relatively recent, and compared to other evaluations (service quality or satisfaction) is still not very widespread (Seymour, 2013:13).

While the literature aimed to add a theoretical contribution to the body of knowledge with regard to perceived value and cruise tourism, it did not provide answers to the specific research question. It did, however, contribute greatly to the identification of perceived value determinants that were previously tested in a retail, product marketing and tourism experience setting (for example: Holbrook, 1994; Tunstall & Roswell, 1998; Gallarza & Saura, 2008; Chen & Chen, 2010; Yi, Day & Cai, 2011).

The following sources were consulted, which contributed to the successful development of the literature review in this thesis (Chapters 2, 3 and 4):

- **Scientific journals:** Science Direct; EBSCOhost; MetaCrawler; Sage Journals; A to Z; Emerald; ProQuest; JSTOR; Scopus and SAE Publications.
- **Books:** Tourism focused books; Relationship Marketing focused books; Cruise Industry and Cruise Tourism focused books; Research focused books; Consumer behaviour focused books; Perceived Value focused books
- **Internet Sources:** Google; Tourism Update; Google Scholar
- **Other:** Services of the Ferdinand Postma Library, North West University, Potchefstroom Campus, Potchefstroom, South Africa; Services of the UNISA Library, Muckleneuk Campus, Pretoria, South Africa. Reports released by MSC; Newspapers; Cruise Magazines; Tourism KwaZulu-Natal's Resource Centre.

The literature for this study is divided into two sections (Chapters). A comprehensive literature review in Chapters 2 and 3 ultimately assisted in gaining insights to develop a perceived value model that could be tested empirically. It is also important to note that Chapter 4 contains literature for the relevant statistics used for this study and is obtained from books based on marketing research, other peer-reviewed literature on statistical analyses, multimedia presentations on statistical techniques, as well as the internet. Both primary and secondary sources were incorporated into this study, which, among others, refer to the empirical survey and the intensive literature review.

**Specific keywords** that were used included the following: *cruise tourism, marine tourism, marketing, perceived value, relationship marketing, service, tourism experience*.

## 1.5.2 EMPIRICAL SURVEY

The following highlights the methods used to design an appropriate measuring instrument and to conduct the empirical analysis. An in-depth discussion of the empirical analysis is done in Chapter 4 of this study.

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### 1.5.2.1 RESEARCH APPROACH AND DESIGN

Two research approaches can be followed when planning a research design, namely quantitative and qualitative research (Wiid & Diggines, 2009:107; Tustin, Ligthelm, Martins & Van Wyk, 2005:89; Fouché & Delport, 2009:73; Oliver, 2012:220). Quantitative research involves the gathering of primary data from a group of respondents with the hope of projecting results to a wider population (Tustin *et al.*, 2005:89). Qualitative research, on the other hand, involves the obtaining of data variables that are in text or sound format and cannot be measured in numerical form (Trochim & Donnelly, 2006:11).

After taking the above into consideration, it has been decided to employ *quantitative research* for this study. Quantitative research data will be collected by means of an online survey utilising self-administered questionnaires.

The advantages of utilising quantitative research, as pointed out by Slabbert (2004:63), are:

- It is suitable for the collection of demographic variables including age, gender, home language and income.
- Quantitative research is inexpensive to conduct; and
- It is relatively easy to collate, tabulate and analyse the data using statistical software.

According to Cooper (2010:80), after a researcher has decided on the research approach, the researcher must decide what type of research design to implement that best meets the needs of the problem stated. The research design is the plan that has to be followed to answer the research objectives (McDaniel & Gates, 2001:28). Zikmund and Babin (2007:42-44) and Tustin *et al.* (2005:84) state that within quantitative and qualitative research, design types can be used, namely exploratory research, casual research and descriptive research.

Research design is defined in various ways and numerous authors have their own definitions of a research design (McDaniel & Gates, 2001:52; Malhotra, 2007:86). A suitable adaptation for the purpose of this study from the latter sources is given below:

*A research design is a framework or blueprint with provisions of processes for collating and investigating the relevant data, from several sources, necessary to help identify or react to a research problem or opportunity, so that the difference between the cost of acquiring various levels of accuracy and the expected value of the information associated with each level of accuracy is maximised.*

Since a quantitative approach has been used to establish the research problem, the research design states the details to implementing that approach and therefore acts as a guide during the procedure of collecting and analysing data (Iacobucci & Churchill, 2010:58; Malhotra, 2010:102). Although exploratory, causal and descriptive research may be classified into different groups of research, they are all interrelated (Malhotra, 2010:114, Iacobucci & Churchill, 2010:58). Therefore, as stated by Malhotra (2010:114), more than one type of research can be included in a given research situation and the amalgamation in which these designs are employed will depend on the nature of the problem.

To reach the objective of this study, which is to develop a perceived value model for a cruise experience, a combination of exploratory, casual and descriptive research designs are used. (This is discussed in Chapter 4.)

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#### **1.5.2.2 SAMPLE PLAN**

Maree and Pietersen (2008:172) state that there are two main classes to which sampling methods belong, namely probability methods and non-probability methods. Probability sampling and simple random sampling, were selected to conduct the survey since it allows for the generalisation of the results, namely the perceived value of a cruise experience.

MSC was used to conduct this survey and because of client contract confidentiality, the author was unable to access a database of the cruise passengers who booked a cruise for the 2014/15 cruise season. However, the cruise company assisted the author by sending a hyperlink to all passengers on their database. This hyperlink gave the cruise passengers access to the questionnaire and those who were willing and able participated in the survey. Hence, this study employed probability sampling as every cruise passenger had an equal opportunity of being included in the sample to participate in this research (McDaniel & Gates, 2013:69; Hair, Bush & Ortinau, 2006a:330; Zikmund & Babin, 2007:322).

Forty-eight cruises with an average of 1 500 passengers each were launched on the MSC Opera from November 2014 to March 2015 (MSC, 2015:1-4). This resulted in 72 000(N) passengers who cruised during the 2014/15 cruise season. The sampling size was based on guidelines by Krejcie and Morgan (1970:607) who recommend that where a population (N) of 72 000 is concerned, a sample size of 384 is considered acceptable. Those cruise passengers who were willing and able completed a questionnaire.

The following section explores elements pertaining to the development of an appropriate research instrument for the purpose of this study.

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#### **1.5.2.3 RESEARCH INSTRUMENT**

This section is divided into the following phases:



- **Phase 1:** Operationalisation of dimensions
- **Phase 2:** Development of the pre- and post-perceived value questionnaire

In addition to the in-depth discussion of each of these phases provided in Chapter 4, a brief description of each is provided below.

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#### **PHASE ONE: OPERATIONALISATION OF DIMENSIONS**

Ten different types of perceived value categories (perceived epistemic value, perceived escape value, perceived emotional value, perceived novelty value, perceived social value, perceived recreational value, perceived functional (performance/quality) value, perceived sacrifice value, perceived functional (money) value and perceived risk value), which were identified in the literature review, were operationalised to assess the perceived value of a cruise experience and the influence which these perceived values had on the cruise passengers loyalty and satisfaction. This was accomplished by considering how the multitudes of items identified in the literature relate to each other. Various studies that tested these perceived values in the literature were analysed in Chapter 3 and include the work of the following authors: Seth *et al.* (1991); Hall and Weiler (1992); Oh (1999); Cronin *et al.* (2000); William and Soutar (2000); Sweeney and Soutar (2001); Teye and Leclerc (2002); Petrick (2002); Gallarza and Saura (2006); Yuan and Wu (2008); Hung and Petrick (2011) and Seymour (2013).

These items have been recorded in their various perceived value categories, as labelled by the above-mentioned authors. Each item was then adapted (as seen in Chapter 4) for the cruise setting. This resulted in an initial set of 87 items, grouped into 10 value categories or themes. Aaker, Kumar, Day and Leone (2011:265) state that as a general guideline to developing a multiple-item scale of measurement, it is commonly accepted that the larger number of initial items are generated is, the better the final scale will be. The perceived value, satisfaction and loyalty items that were previously tested in other studies, authors who conducted these studies and the adapted items used for the purpose of a cruise experience have been recorded in Chapter 4.

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#### **PHASE TWO: DEVELOPMENT OF THE PRE- AND POST-PERCEIVED VALUE QUESTIONNAIRE**

Maree and Pietersen (2008:158) state that developing a questionnaire is one of the most important parts of the research process. Aspects that should be taken into

consideration when developing a questionnaire include the following: the questionnaire should ask the right questions in an appropriate manner; the questionnaire needs to be appealing; questions need to be asked in the correct sequence and lastly appropriate wording needs to be used (Maree & Pietersen, 2008:159).

The objective of this section is twofold. Firstly, it identifies how cruise passengers perceive the value of a cruise experience before they embark on a cruise (pre-perceived value), and secondly, this section is used to identify how cruise passengers perceive the value of their cruise experience once they returned home (post-perceived value). Since this was the crux of the study, this question is placed at the very beginning of the questionnaire (Section A). The perceived value items identified and approved during the pilot study are placed along a four-point Likert-scale, as recommended by experts, which ranged from 1 to 4, where 1 = not important and 4 = very important. Various authors (Bradley, 2007:209; Churchill & Brown, 2007:283; Zikmund & Babin, 2007:214; Tustin *et al.*, 2005:408) explain that Likert-type scales are implemented when respondents are asked to indicate their degree of agreement or disagreement with each constructed statement in question.

The questionnaire consisted of four sections, namely:

- Section A: The perceived value of a cruise experience
- Section B: Socio-demographic details
- Section C: Cruise traveller profile
- Section D: Cruise passengers' satisfaction and loyalty

Chapter 4 provides a description of the electronic development of the online questionnaire.

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#### **1.5.2.4 PRE-TESTING THE QUESTIONNAIRE**

Pre-testing the questionnaire is vital if the researcher is to be certain that the questionnaire will meet the objectives set for the study (Cooper, 2010:8). Cooper and Schindler (2006:418) add that pre-testing a questionnaire is essential for discovering errors. In this study, the questionnaire was pre-tested by means of a pilot study.

This has been achieved by conducting two separate pre-tests/pilot studies for the pre-perceived value questionnaire developed and the post-perceived value

questionnaire. During the pilot study conducted for the pre-perceived value questionnaire, 10 academics who had never been on a cruise are asked to complete the questionnaire, as well as experts in the cruise industry, directors of the cruise company used to conduct this research, the marketing and research managers of the cruise company used and academics and experts in the tourism industry.

During the same timeframe, a second pilot study was conducted for the post-perceived value questionnaire that was done with a group of 15 cruise passengers who had been on a cruise during the previous cruise season 2013/2014. On completion, personal interviews were held with each respondent to receive their inputs and feedback. The amount of time it took to complete the questionnaires, readability of the questions and user-friendliness of the questionnaire were part of this process.

Recommendations made and inputs provided by cruise experts and academics who participated in the pilot study are discussed in Chapter 4. All respondents' details and statements remained anonymous for confidentiality purposes.

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#### **1.5.2.5 DATA COLLECTION**

Data was collected by means of a self-administered, web-based questionnaire by using the programme Adobe Form Central® (2014). This form of data collection was considered the best approach, since respondents are geographically spread across the country and the same respondents needed to be used for the pre- and post-survey.

An initial meeting was scheduled with the cruise company used for the purpose of this study at the beginning of 2013. During the meeting, agreements were reached and the author was given permission to use their clientele as respondents for this study. Because they were restricted to client contact confidentiality, the author was unable to access a list of passengers who would be going a cruise during the 2014/2015 cruise season. However, the cruise company assisted the author by notifying future cruise passengers of the purpose of the study and gave them a hyperlink which enabled them to access the pre-perceived value questionnaire. The cruise company has a very loyal client base and the response rate was good. Two hundred and ten (210) pre-perceived questionnaires were completed by respondents during December 2014. In January 2015, the cruise company sent out another

notification and 768 questionnaires were collated. Therefore, the pre-perceived value survey took place from December 2014 to January 2015.

Those respondents who were willing to partake in the post-perceived value survey gave the researcher permission to send them a hyperlink that connected them to the post-perceived value survey on return from their cruise. This was facilitated through the answers given to the very first question in the pre-perceived value survey where respondents had to say when their cruise would be. These respondents provided their e-mail addresses to the researcher on condition that it would only be used to send them a post-perceived survey and that this information would be destroyed once the study was complete. The post-perceived survey took place from December 2014 to April 2015. If the researcher received no feedback or response from the cruise passenger within an allocated timeframe, another e-mail was sent out. During February 2015, only 280 post-perceived questionnaires had been received, but fortunately this number picked up since the bulk of the cruise passengers only went on a cruise during February, March and April 2015. Completed questionnaires amounted to 497. Table 1.3 provides a summary of the questionnaires received:

**Table 1.3:** Number of questionnaires completed

Questionnaire	Timeframe	Number of questionnaires received
Pre-perceived value questionnaire	December 2014 to January 2015	978 (n)
Post-perceived value questionnaire	December 2014 to April 2015	497 (n)

**Source:** Author's own compilation

Only those respondents who successfully participated in both the pre- and post-perceived value questionnaires could be used for final analysis; the remaining questionnaires were discarded for the purpose of this study. Therefore, the number of pre- and post-perceived value questionnaires used for statistical analyses was N=497. According to Krejcie and Morgan (1970:607), the sample sizes of this research are seen as adequate to be representative.

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#### 1.5.2.6 DATA AND STATISTICAL ANALYSIS

This step aimed to report, interpret and draw conclusions about the perceived value of a cruise experience. Adobe Forms Central® (2014) and Microsoft® Excel® was used to capture the data and for basic data analysis. The Statistical Package for the

Social Sciences (SPSS™, 2007) was used to process the information and assistance was rendered from the Statistical Services of the North-West University, Potchefstroom Campus.

A number of different analyses were conducted for the purpose of this study, including the following:

- The validity and reliability of the questionnaire were tested.
- An initial analysis (descriptive statistics) to convey the socio-demographic and cruise traveller profile of the respondents by means of frequency tables.
- Statistical analysis, including: an exploratory factor analysis (EFA); correlations; analysis of variance (ANOVAs) and independent *t*-test analysis.
- Lastly, a multiple regression analysis was conducted to see whether a relationship exists between the satisfaction and post-perceived value experience after a cruise experience as well as the loyalty and post-perceived value experience after the cruise experience.
- All of the above techniques were employed to develop an integrated perceived value model which encapsulates the whole cruise experience, from the planning phase to when the cruise passengers returned home.

Each of the above-mentioned statistical techniques is discussed in Chapter 4 and is described according to importance to this study.

## 1.6 DEFINING THE CONCEPTS

The following concepts are defined and clarified, as they will be used throughout the study.

### 1.6.1 CRUISE TOURISM

Cruise tourism has been defined as travel by sea where the cruise ship itself can be viewed as a floating resort or tourism destination (Yi *et al.*, 2014:3). Similarly defined, Cartwright and Baird (1999:23) state that cruise tourism is a multi-centre where you take your hotel with you from centre to centre. In the past, cruise travel was perceived as a leisure activity that was only suitable for a certain segment or market, particularly

the rich and famous. However, ships these days come in any shape and size and are suitable to cater for mass markets.

For the purpose of this study, cruise tourism is defined as:

*“time spent on a waterborne vessel (cruise ship) for leisure purposes, presenting a unique social and service setting in which experience is both created and judged according to the perceived value received before and after the cruise experience”*  
(Brejla & Gilbert, 2014:157).

### 1.6.2 PERCEIVED VALUE

A number of authors have attempted to contextualise and define perceived value (Rekeach, 1973:5; Zeithaml, 1988:14; Woodruff, 1997:142; Holbrook, 1999:5; Zikmund & D' Amico, 2002:524; Iglesias & Gullien, 2004:374; Sánchez *et al.*, 2006:394; Kotler & Keller, 2006:185; Ku *et al.*, 2009:888; Boksberger & Melsen, 2011:233; Seymour, 2013:46) and the literature reviewed very often refers to conceptual difficulties in the study of perceived value as value as an abstract concept with different meanings that turn out to be highly diverse.

Two definitions that contextualise perceived value best and that are of invaluable importance to this study are those of Stevens (1992:46) and Morrison (1989:9). Stevens (1992:46) states that perceived tourism value can be seen as value perceptions that arise from an assessment of goods and services purchased at a destination; and Morrison (1989:9) states that perceived tourism values are the mental estimates that a consumer makes of the travel product before and after experiencing it.

The author proposes that perceived value within a tourism context can be defined as:

*A particular personal point of view, developed through a process of an individual receiving, organising and interpreting information, from a specific product or service through relationship marketing. This is measured against a certain set of expectations when intending to purchase a product/service and the worthiness that can be*

*gained through this process and re-evaluated when the tourist returns home after their trip.*

### **1.6.3 MARINE TOURISM**

Marine tourism has been defined by Orams (1999:9) as those recreational activities that involve travel away from one's place of residence, which has their host or focus on the marine environment, where the marine environment is defined as those waters that are saline and tide effected.

Marine tourists are defined as diverse, with characteristics that are determined more by the nature of the activity in which they are involved than by any other influential variable (Tiedt, 2011:36).

For the purpose of this study, the author has defined marine tourism as:

*Tourism that involves travel away from the tourist's place of residence, but with the emphasis being on the marine environment, and incorporating oceanic and marine activities, such as cruising.*

### **1.6.4 MARKETING**

The earliest and most common definition of marketing is that of Kotler (1967:12), who defines marketing as the analysing, organising, planning and controlling of the firm's customer impinging resources, policies and activities with a view of satisfying the needs and wants of chosen customer groups at a profit. More than forty years later, Kotler and Armstrong (2010:19) adapted this definition and state that marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating products and values with others. Du Plessis, Strydom and Jooste (2012:5) agree with this and they state that marketing is the process by which organisations create value for customers in the form of ideas, goods and services, to facilitate satisfying exchange relationships and to capture value from customers.

### 1.6.5 RELATIONSHIP MARKETING

Different authors have taken to defining relationship marketing (Dhurup, 2003:51; Kandampully & Duddy, 1999:317, Harker, 1999:17). When simplifying these definitions, relationship marketing can be summarised as marketing that has to do with relationships, networks and interactions. Otherwise put, relationship marketing is about attracting, developing and retaining customer relationships (Berry, 1995:236). Morgan and Hunt (1994:22) refer to relationship marketing as those activities directed towards establishing, developing and maintaining successful relational exchanges. Creating perceived value for the customer through this process has been deemed as important (Page & Connell, 2009:212; Bowie & Buttle, 2004:8) and both parties should benefit mutually from any exchange that takes place.

### 1.6.6 TOURISM EXPERIENCE

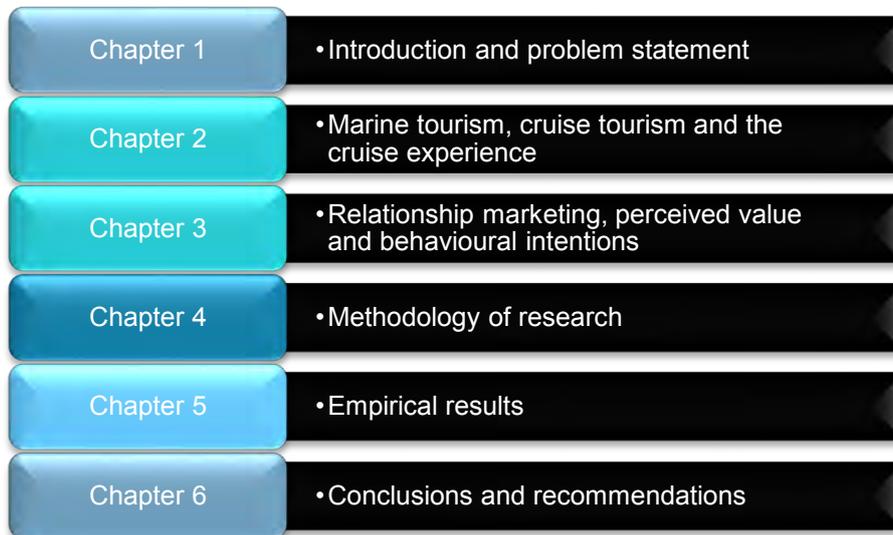
Saayman (2006:7) states that tourism contributes to an everlasting experience, and this makes a tourism product very unique in its offering, since the tourism experience portrays a specific message of a certain experience, such as cruising. Sönmez & Graefe (1998:172) note that the tourism experience is unique to the individual. In agreement with this statement, Kapferer (1986:188) notes that it may be impossible to experience another person's experience.

The most comprehensive definition of an experience, best fit for this study, is that of La Salle and Britton (2003:38), where they define experience as:

*“A product or service that when combined with its surrounding experiences events goes beyond itself to enhance or bring value to a customer's life. This is the ideal- to deliver such overall value that a product transcends the ordinary to become extraordinary or even priceless.”*

## 1.7 CHAPTER CLASSIFICATION

This section provides an overview of the chapter in this thesis. Figure 1.3 provides an outline of the chapters.



**Figure 1.3:** Outline of chapters

**Source:** Author's own compilation

A detailed description of each chapter and its contents is provided below.

### CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT

The aim of this chapter is to analyse perceived value and the need for assessment thereof in the cruise industry, with specific reference to the cruise experience. This will be achieved by including the following topics: an introduction to the study, background information to the problem, the problem statement, envisaged contribution, the main aim and objectives of this study, method of research, a definition of key concepts, and to conclude, a classification of each chapter was provided.

This is needed to accomplish the main goal, which is to develop a perceived value model for a cruise experience.

## **CHAPTER 2: MARINE TOURISM, CRUISE TOURISM AND THE CRUISE EXPERIENCE**

The purpose of this chapter is to furnish an overview of marine tourism, cruise tourism and the cruise experience. In order to contextualise marine tourism, it is defined and its role as an umbrella for a number of sub-sectors (maritime event tourism, coastal tourism, island tourism, aquatic tourism and cruise tourism) will be explored. Cruise tourism as a sub-sector of the marine tourism industry will be investigated by means of a definition and by analysing the historical revolution of the industry, to the various types of cruises offered to passengers. This chapter will conclude by analysing the cruise experience by defining and exploring experience in tourism, analysing the phases of an experience and analysing the factors that contribute to the cruise experience.

## **CHAPTER 3: RELATIONSHIP MARKETING, PERCEIVED VALUE AND BEHAVIOURAL INTENTIONS**

This chapter is formulated to provide an overview of marketing, with specific reference to relationship marketing and its relationship with perceived value. This chapter aims to contextualise perceived value and its importance in the literature by exploring gaps in the research, and challenges associated with researching perceived value are analysed (including: conceptual obstacles, methodological problems and measurement shortcomings), seven primary models are identified in the perceived value literature and previous studies done are explored. Perceived value as a field of study in tourism is scrutinised and important predictors of perceived value are evaluated.

Lastly, this chapter will analyse the behavioural intentions of tourists by looking at elements such as satisfaction, loyalty, expectations and perceptions. This literature review will conclude by analysing the importance of perceived value in tourism and pave the way forward.

## **CHAPTER 4: METHODOLOGY OF RESEARCH**

The aim of this chapter is to provide insight into the research methodology used for the empirical study, which will lead to the development of a perceived value model

for a cruise experience. This is achieved through a six-phase process, recommended by Fouché and Delport (2009:79) and adapted by the author to suite the specific needs of this study.

The methods and rationales used to conduct the empirical analysis are focused on by including an elaboration of the development of the measuring instrument by referring to aspects contributing to perceived value as identified in the literature review. The selected statistical techniques used for analyses will consequently be discussed, which include: factor analysis, correlations, ANOVAs, independent *t*-tests and the development of a multiple regression analysis. Lastly, conclusions from the above phases are drawn.

## **CHAPTER 5: EMPIRICAL RESULTS**

The purpose of this chapter is to reveal the results of the empirical survey data and to provide an interpretation thereof. Firstly, the descriptive statistics will be discussed, and then the factor analysis of the items contributing to perceived value are described. The statistical techniques used to interpret the influence of select demographic cruise profile and travel behaviour aspects on perceived value will be discussed. Lastly, the results from the multiple regression analysis and model formulation are revealed and scrutinised.

## **CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

This closing chapter will restate the purpose of the study by examining the goal and objectives listed in Chapter 1. After the importance of this study has once more been quantified, conclusions will be drawn with regard to each objective and a perceived value model for a cruise experience will be presented. The managerial implications of this study will be discussed, the limitations of the study will be noted and recommendations for future studies will be made.

# Chapter



## Marine tourism, cruise tourism and the cruise experience

**'Cruising allows me to escape from my routine'**

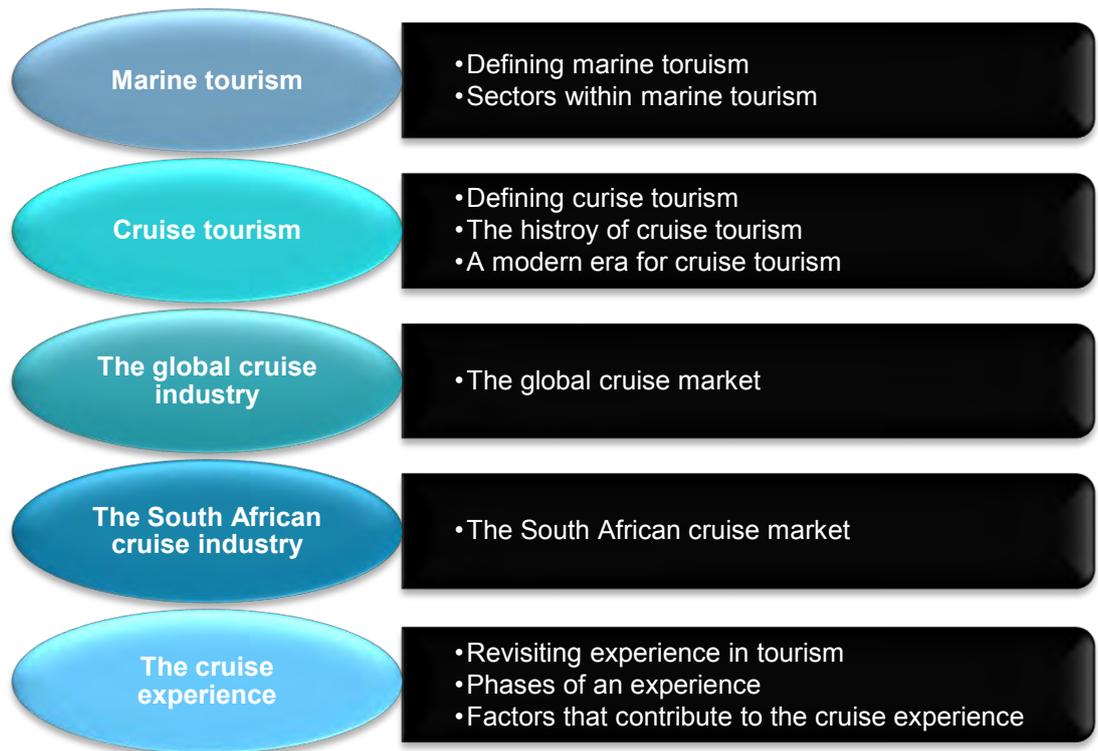
- **Cruise Passenger and study respondent**

### 2.1 INTRODUCTION

The ocean and the marine environment have become one of the fastest growing areas of the world's tourism industry (Hall, 2001:601). This is not surprising, given that 70% of the earth's surface is covered by water (Page & Connell, 2009:514, Gössling, Peeters, Hall, Ceron, Dubois, Lehmann & Scott, 2012:1). This contributes to the most significant types of holidays around the globe, often referred to as those areas that provide tourists with the 3 S's, sun, sand and sea (Page & Connell, 2009:513).

Approximately 3 000km of the African continent coastline belongs to South Africa, from the mouth of the Orange River in the west bordering Namibia to the lake system of Kosi Bay in the east bordering Mozambique (South African Maritime Safety Authority (SAMSA), 2015:6). South Africa has a wide variety of marine tourism activities to offer tourists (including: cruising, swimming, fishing, surfing, whale watching, scuba diving, snorkelling etc.), with shores that are home to an astonishingly diverse variety of natural habitats, flora and fauna, histories, cultures and traditions (SAMSA, 2015:6).

The purpose of this chapter is to contextualise marine tourism and more specifically cruise tourism as one of its sub-sectors. By defining marine tourism and its importance, this section seeks to explore how it acts as an umbrella for a number of other tourism sectors that form part of it, including maritime event tourism, coastal tourism, island tourism, aquatic tourism and cruise tourism (Figure 2.2). Framework Figure 2.1, is a representation of the proceedings of this literature chapter.



**Figure 2.1:** Literature chapter one layout

**Source:** Author's own compilation

Cruise tourism as a sub-sector of the marine tourism industry is explored from definitions and analysing the historical revolution of this industry, to the various types of cruises offered to passengers.

The chapter concludes with an analysis of the cruise experience by revisiting experience in tourism (definition and studies done), analysing the phases of an experience and analysing the factors that contribute to the cruise experience.

### 2.1.1 DEFINING MARINE TOURISM

Travel by sea or ocean, rivers and dams as a crossing for recreational purposes is not a new concept in the travel and tourism industry, although academics only took to conceptualising, studying and defining marine tourism during the late 20<sup>th</sup> century. With the earliest definition being that of Basiron and Laut (1991:3) who defined marine tourism as the temporary short-term movement of people to destinations outside their normal environment and activities that take place in that marine setting.

While the most commonly used definition is that of Orams (1999:9), who defined marine tourism as:

*‘those recreational activities that involve travel away from one’s place of residence, which have their host or focus on the marine environment, where the marine environment is defined as those waters, which are saline and tide-affected’.*

Other authors who added to this definition include Foyle and Lough (2007:18), who defined marine tourism as the sector of the tourism industry that is based on tourists and visitors taking part in either active or passive leisure holiday pursuits or journeying on (or in) coastal waters and their shorelines. Page and Connell (2009:645) simplified these definitions by stating that marine tourism is those activities that take place in a marine environment.

When these various definitions are analysed, a concluding summary can be that:

*Marine tourism involves travel away from the tourist’s place of residence, but with the emphasis being on the marine environment, and incorporating oceanic and marine activities (adapted from: Basiron, 1991:280; Orams; 1999:9; Foyle & Lough, 2007:18; Page & Connell, 2009:645).*

Tourists participating in these activities are therefore referred to as marine tourists. Marine tourists are defined as diverse, with characteristics that are determined more by the nature of the activity in which they are involved than by any other influential variable (Tiedt, 2011:36). However, Orams (1999:42) notes that the demand for marine tourism is significantly influenced by the supply and more importantly the marketing of marine tourism opportunities (marketing tourism experiences is discussed in detail in Chapter 3).

Page and Connell (2009:645) state that tourists are not content simply to stay on the beach watching the sea; they seek to make the sea itself their destination through, for example, cruises, sailing and diving holidays. Marine activities are widely diverse and sector-specific (Karydis, 2011:369). For example, beach walking can only take place in coastal or island tourism. Therefore, the following section has been developed to conceptualise these offerings in the various sub-sectors of marine tourism.

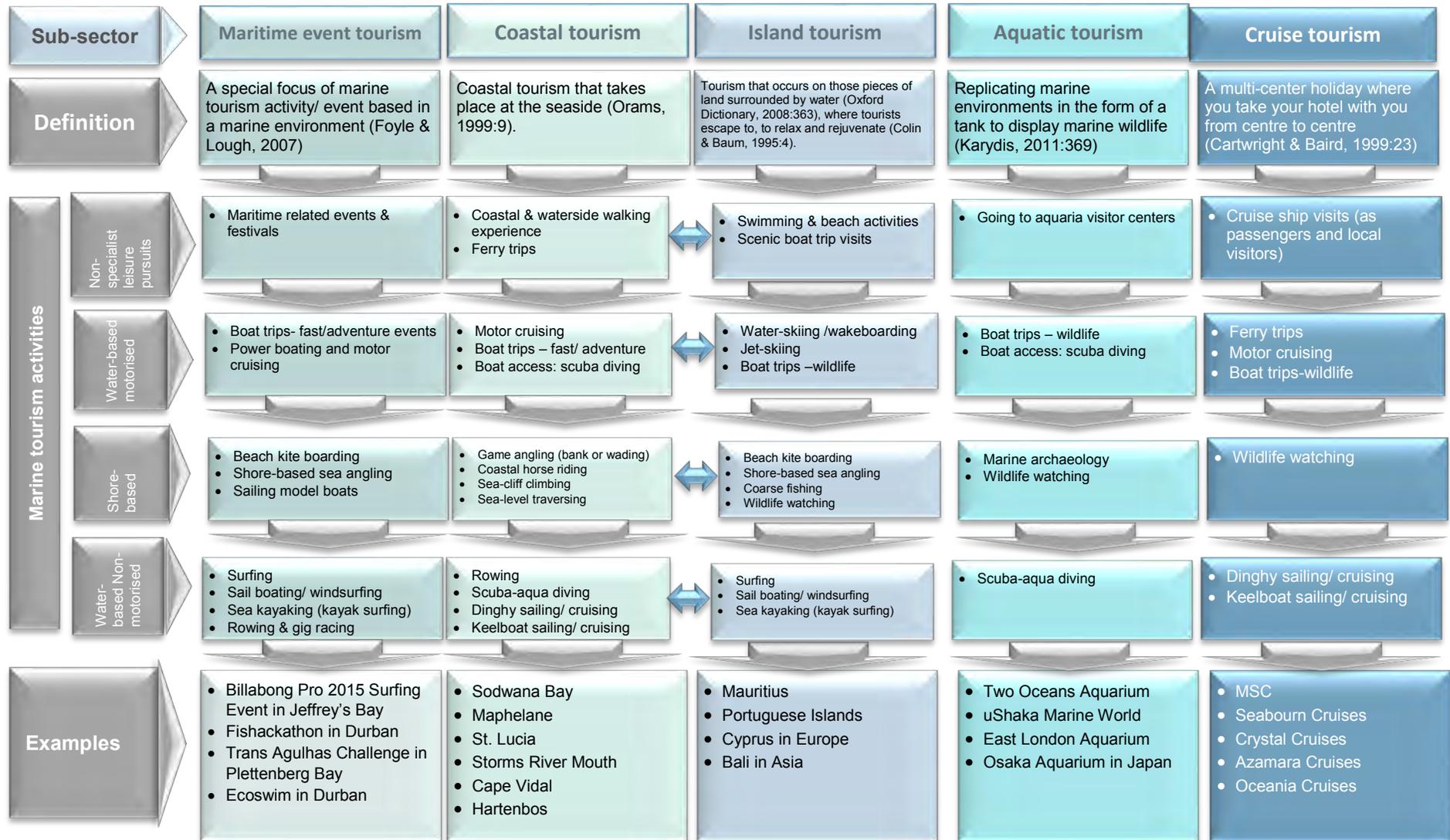
### 2.1.2 SECTORS WITHIN MARINE TOURISM

Saayman (2014:18) states that only when one starts to analyse the different marine activities, can one realise the importance of marine tourism for the country. Marine tourism comprises an extensive variety of different sectors, including maritime event tourism, coastal tourism, island tourism, aquatic tourism and cruise tourism. Since a theoretical framework which summarises these subsectors and marine tourism activities which form part of the Marine Tourism industry does not exist, the author developed one from various sources (Nulty, Annett, Balnaves, Joyce & Teysseada, 2007:18; Orams, 1999:9; Karydis, 2011:369; Foyle & Lough, 2007:18; Colin & Baum, 1995:4) as seen in Figure 2.2.

Each of the marine sectors identified in Figure 2.2 serves as an ideal host for various marine-based activities practised in marine tourism. Since not all marine tourism activities occur on, in or under the water (Orams, 1999:10), these activities have been divided into four categories by Foyle and Lough (2007:18); these categories include *non-specialist leisure pursuits, water-based (motorised), shore-based and water-based (non-motorised)*.

# MARINE TOURISM

*Marine Tourism is Tourism which involves travel away from the tourists place of residence, but with the emphasis being on the marine environment, incorporating oceanic and marine activities.*



**Figure 2.2:** Marine tourism

**Source:** Author's own compilation (sources consulted: Nulty, Annett, Balnaves, Joyce & Teysse, 2007:18; Orams, 1999:9; Karydis, 2011:369; Foyle & Lough, 2007:18; Oxford Dictionary, 2008:363; Colin & Baum, 1995:4)

Each marine tourism sector is unique in its marine activity offering, as seen in Figure 2.2, and therefore analysed and discussed separately.

- **Maritime event tourism:** South Africa is well known for its maritime event tourism sector, with popular destinations such as Jeffreys Bay where the world-renowned Billabong Pro Surfing event is held annually. Other examples include the Trans-Agulhas Challenge held in Plettenberg Bay and the Eco-swim Challenge and the Fishackathon, which are both hosted in Durban. Thousands of domestic and international tourists flock to these areas annually to take part in these events, either as spectators or participants. Dimmock and Tyrce (2001:355) state that although events can be seen as the special focus of an activity, events are special in that they are theme/activity specific attracting an array of different spectators and participants to each event. Maritime events and festivals are classified as *non-specialist/ leisure pursuits* (Foyle & Lough, 2007:18). A number of other marine tourism activities that take place in maritime event tourism are vast and include: *water-based motorised activities* such as boating events (categories include: fast/adventure) and power boating, motor-cruising events and jet-skiing events, *shore-based marine activities* such as sea angling and beach kiting competitions, or sailing model boats; *water-based non-motorised marine activities* such as surfing or sail boating/ wind surfing competitions and sea kayaking rowing (kayak surfing) and gig racing competitions.
- **Coastal tourism:** Orams (1999:9) defines coastal tourism as tourism that takes place at the seaside. The coastal environment is a magnet for tourists, although its role in leisure activities has changed in time and space, as coastal destinations have developed, waned, reimaged and redeveloped in the 20<sup>th</sup> century (Hall & Payne, 2006:291). However, not all changes are positive, as Tunstall and Roswell (1998:329) state that it is unfortunately true that there are now very few natural environments where children, and even adults, are allowed to poke about, pick-up, touch, shape, and play with its physical material and the creatures it supports – such as crayfish, worms and shellfish because of the detrimental effect that humans have on these natural environments. This is typical of the current and progressive situation in South Africa, since destinations that offer these experiences to tourists are dilapidating and quickly deteriorating (Nakin & McQuaid, 2014:303). This is especially true of areas such as the Dwesa and Mkambati Nature Reserves situated along the eastern coast of South Africa. Both of these nature areas

are currently closed to the public. Since coastal and island tourism are very similar in their marine tourism activity offerings (Hall & Payne, 2006:291; Basiron & Laut, 1991:5), these activities will be discussed together under the section island tourism.

- **Island tourism:** Island tourism is tourism that occurs on those pieces of land surrounded by water (Oxford Dictionary, 2008:363), where tourists escape to, to relax and be rejuvenated (Colin & Baum, 1995:4). Islands offer tourists a sense of solitude and separateness while on pursuit of leisure, different climates, physical environments and cultural experiences (Butler, 1993:71; Sharpley & Ussi, 2014:88). The ten most famous island tourism destinations in the world are: Santorini, Bora Bora, St Kitts and Nevis, the Maldives, St. Martin and St Maarten, Cayman Islands, Fiji, Maui, Mykonos and Bali (Sharpley & Ussi, 2014:88). Tourism is often the main economic contributor on these islands; Mauritius, for example, was built on the sugar industry, but due to the numbers of tourists who travel to the island, tourism as an economic driver has long surpassed the economic contribution gained from the island's sugar cane industry (Ambliantities *in* Ramawela, Van Wyk & Mosue, 2014:23). Basiron and Laut (1991:5) state that a significant number of marine activities are associated with Island and coastal tourism. Since those marine tourism activities that take place on islands are very similar to the marine activities that take place in coastal tourism, the author decided to discuss these two sectors' marine activities together. Therefore, marine tourism activities that take place in coastal and island tourism include the following: *Non-specialist leisure pursuits*, such as coastal and waterside walking experiences, ferry trips, swimming, beach activities and scenic boat visits; *water-based motorised activities*, such as motor-cruising, boat trips (fast/adventure), boat-access for scuba diving activities, water skiing/wakeboarding, jet-skiing and wildlife boat trips; *shore-based activities*, such as game angling (bank or wading), coastal horse riding, sea cliff climbing, sea-level traversing, beach kite boarding, shore-based angling, coarse fishing and wildlife watching; as well as *non-motorised water-based activities*, such as rowing, scuba-aqua diving, dinghy sailing/cruising, keelboat sailing/cruising, surfing, sail-boarding, windsurfing and sea kayaking (kayak surfing).
- **Aquatic tourism:** Aquatic tourism is defined as marine environments in the form of a tank to display marine wildlife (Karydis, 2011:369). The best

aquariums in the world offer plenty of marine-based activities, while also featuring exciting and informative exhibits. The core focus of aquariums is to provide an educational yet exciting experience, while creating an atmosphere that makes visitors feel like they have stepped into another world (Karydis, 2011:369). Foyle and Lough (2007:18) classify visiting an aquarium as a *non-specialist leisure pursuit marine activity*. Other marine tourism activities that are provided by larger aquariums include *water-based motorised marine activities*, such as boat trips to spot, view and observe wildlife, boat access for scuba diving activities; *shore-based marine tourism activities*, such as marine archaeology and wildlife watching/observing, since aquariums are seen as the ideal places to observe and study marine wildlife (Karydis, 2011:369); and *water-based non-motorised marine activities*, which include scuba-aqua diving. uShaka Marine World in Durban, South Africa, has been rated as the eighth biggest and best aquarium in the world (Karydis, 2011:369). The global top five biggest and best aquariums include: Turkuazoo situated inside the Forum Istanbul Shopping Mall, L'Oceanografic situated in Valencia, Spain, The Okinawa Churaumi Aquarium situated in Japan, the Dubai Mall Aquarium situated in Dubai and the largest and best aquarium in the world is situated in Atlanta, namely the Georgia Aquarium (Karydis, 2011:369).

- **Cruise tourism:** Ocean liners are historically the backbone of the maritime tourism industry and have become synonymous with a time when the journey was more important than the destination (Van Wyk, 2014:16). Cruise tourism that has been defined as a multi-centre holiday where you take your hotel with you from centre to centre (Cartwright & Baird, 1999:23), is the fastest growing sector in the marine industry and one of the fastest growing sectors of global tourism (Cruise Line International Association, 2015:online; Mak, Sheehey & Toriki, 2010:18). Cruise ship visits (as passenger and local visitors) are seen as *non-specialist/leisure pursuits* (Foyle & Lough, 2007:18). Other marine activities that take place in the cruise sector include the following: *Water-based motorised activities*, such as motor cruising and boat trips to view or spot wildlife; *shore-based marine activities*, such as marine wildlife watching from the cruise liner; *water-based marine tourism activities*, such as dinghy sailing/cruising and keelboat sailing and cruising. Examples of successful cruise companies include the Mediterranean Shipping Company (MSC); Seabourn Cruises; Crystal Cruises; Oceania Cruises and Azamara Cruises.

Since this study is based on the perceived value of a cruise experience, the following section will analyse this sector in more detail.

In conclusion, it can be said that marine tourism encompasses a wide variety of sectors, each with their specific activities, such as cruise tourism. The following section provides an in-depth overview of cruise tourism on an international and national level.

## 2.2 CRUISE TOURISM

The following section on cruise tourism provides a definition for cruise tourism, the different types of cruises are identified, the history and development of the cruise industry are analysed along a timeline, which leads to a section contextualising the modern cruise industry.

The global cruise industry is then analysed by looking at the global cruise market and the cruise industry capacity. South Africa as a cruise destination is investigated, the South African cruise market is identified, routes provided to tourists and ports of calls are explored. Since the cruise experience is of core importance to this study, the author revisits experience in tourism, the phases of an experience are analysed and factors that contribute to the total cruise experience are explored.

### 2.2.1 DEFINING CRUISE TOURISM

There is a perception that holidays at sea on a cruise ship are luxury trips – this is not surprising, considering that today's cruise ships are the descendants of the grand ocean liners (Sillignakis, 2001:2). However, Sillignakis (2001:2) states that in reality cruise ships are like hotels and come in all shapes, sizes and standards, being designed for a wide range of budgets and tastes.

For the purpose of this study Cruise Tourism is defined as:

*'Time spent on a waterborne vessel (cruise ship) for leisure purposes, presenting a unique social and service setting in which experience is both created*

*and judged according to the perceived value received before and after the cruise experience' (Sillignakis, 2001:2, Brejla & Gilbert, 2014:157).*

The tourism industry is a service-based industry and the cruise travel and the cruise ship itself can be viewed as a floating resort and tourism destination (Yi *et al.*, 2014:3). In summary, it can be said that cruise tourism refers to time spent on a waterborne vessel for leisure purposes (Sillignakis, 2001:2).

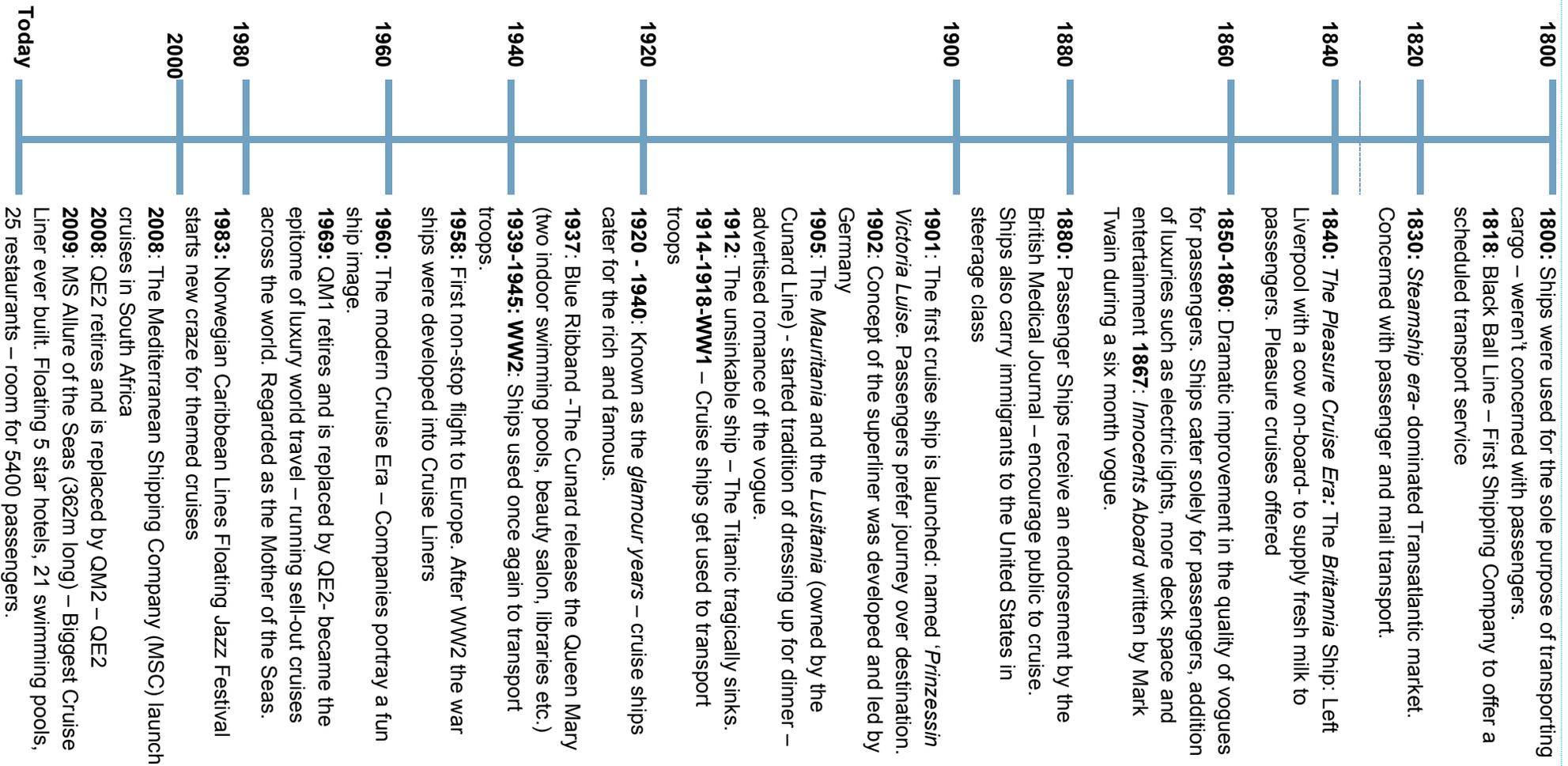
### **2.2.2 THE HISTORY OF CRUISE TOURISM**

The cruise industry has been in existence for a very long time. Kitto (1856:125) states that some of the first ships were built on the Mediterranean and Red Sea, which spurred an interest in maritime discovery. Ocean vessels during these times were not necessarily concerned with passengers, but rather the cargo they transported between ports (Van Wyk, 2014:16). Then during the year 1818, Black Ball Line in New York, which was the first shipping company, offered a scheduled transport service between the United States and England. This spurred a number of different and new eras for the cruise industry.

For example the steamship era which was started in the 1830's, introduced steamships which dominated the transatlantic market of passengers and mail transport. The 1840s saw the introduction of the pleasure cruise era (Kitto, 1856:125) which was a vital turning point for the cruise industry. The *Britannia* Ship, the first ship under the Cunard name, left Liverpool with a cow on board to supply fresh milk to the passengers on the 14-day transatlantic crossing. The advent of pleasure cruises is linked to the year 1844, and a new industry began.

During the 1850s and 1860s, there was a dramatic improvement in the quality of the voyage for passengers. Ships began to cater solely to passengers, rather than to cargo or mail contracts, and added luxuries such as electric lights, more deck space, and entertainment (Paine, 2014:i).

The following timeline has been developed to graphically give an overview of the evolution of the cruise industry (as seen in Figure 2.3).



**Figure 2.3:** The revolution of the cruise industry

**Source:** Author's own compilation (*sources consulted*: van Wyk, 2014:16; Paine, 2014:i; Alekhina, Ermilov, Korolev, Korolev, Shapiro & Shumilin, 2014:1; Poole & Walker, 2015:1; Payne, Dallinga & Gaillarde, 2005:1).

As seen in Figure 2.3 the revolution of travel by sea for recreation and luxury purposes started a long time ago, and today's cruise ships cater for mass markets with almost anything to offer on board their ships. As a result of these vast offerings a number of different cruises have been developed, making any corner of the globe accessible by cruise ship. These types of cruise liners are discussed in the following section.

### 2.2.3 A MODERN ERA FOR CRUISE TOURISM

Today, cruise tourism is its own unique sector with a wide variety of different types of cruises to offer (Research Centre for Coastal Tourism, 2012:3). A clear distinction can be made between river and ocean cruises. These cruise types have been summarised and tabulated according to description, target market and examples (Table 2.1).

**Table 2.1:** Types of cruises

Cruise Type		Description	Target market	Examples/ places
1. River cruises		<ul style="list-style-type: none"> <li>• Passengers spend several nights on-board a ship on a river</li> <li>• Smaller ships-easier to navigate close to river banks</li> </ul>	<ul style="list-style-type: none"> <li>• Luxury travellers</li> <li>• Mostly couples / singles</li> </ul>	<ul style="list-style-type: none"> <li>• The Chilean Lake District</li> <li>• The fjords of Patagonia</li> <li>• European Rivers – Seine, Rhine, Danube &amp; Douro</li> <li>• Egypt- Nile River</li> <li>• China – Yangtze River</li> </ul>
2. Sea cruises		<ul style="list-style-type: none"> <li>• Passengers spend several nights on-board a sea based ship</li> <li>• Sail worlds seas and waterways</li> <li>• Offer tourists the services and facilities they need.</li> </ul>	<ul style="list-style-type: none"> <li>• Pensioners</li> <li>• Families</li> <li>• Singles / Couples</li> </ul>	<ul style="list-style-type: none"> <li>• The Mediterranean Shipping Company (MSC)</li> <li>• Queen Mary</li> <li>• Seabourne Cruises</li> <li>• Royal Caribbean International Cruises</li> </ul>
2.1	Expedition cruises	<ul style="list-style-type: none"> <li>• Visits to special locations – normally inaccessible such as South Pole</li> </ul>	<ul style="list-style-type: none"> <li>• Curious and adventurous holiday maker</li> </ul>	<ul style="list-style-type: none"> <li>• Amazon cruises</li> <li>• Papua cruises</li> <li>• New Guinea</li> </ul>

		<ul style="list-style-type: none"> <li>• Small ships – shallow depth</li> </ul>		<ul style="list-style-type: none"> <li>• Iceland cruises</li> <li>• The Galapagos Islands cruises</li> <li>• The Falklands</li> </ul>
2.2	Theme cruises	<ul style="list-style-type: none"> <li>• Organised by cruise company</li> <li>• Specific themes</li> </ul>	<ul style="list-style-type: none"> <li>• Special Interest Groups</li> <li>• Couples/ Singles</li> </ul>	<ul style="list-style-type: none"> <li>• Golfing cruises</li> <li>• Cookery cruises</li> <li>• Music or celebrity cruises (with famous singers or bands)</li> <li>• Active bicycle cruises</li> <li>• Wine cruises.</li> </ul>
2.3	Transit cruises	<ul style="list-style-type: none"> <li>• Destination serves as the stopover</li> <li>• Passengers given enough time to explore destination</li> </ul>	<ul style="list-style-type: none"> <li>• Pensioners</li> <li>• Families</li> <li>• Couples/ Singles</li> </ul>	<ul style="list-style-type: none"> <li>• Panama Canal Cruises</li> </ul>
2.4	World cruises	<ul style="list-style-type: none"> <li>• Allow passengers to travel in a very relaxed manner.</li> <li>• High prices.</li> <li>• Departure in January.</li> <li>• Cruise lasts for 60-100 days.</li> </ul>	<ul style="list-style-type: none"> <li>• Wealthy pensioners</li> </ul>	<ul style="list-style-type: none"> <li>• Princess Cruises</li> <li>• Silversea Cruises</li> <li>• Olsen Cruise Lines</li> </ul>
2.5	Turnaround cruises	<ul style="list-style-type: none"> <li>• Cruise starts and ends at the same destination.</li> <li>• Moor at ports for passengers to embark and disembark.</li> </ul>	<ul style="list-style-type: none"> <li>• Pensioners</li> <li>• Families</li> <li>• Couples/ Singles</li> </ul>	<ul style="list-style-type: none"> <li>• The Mediterranean Shipping Company (MSC)</li> </ul>
2.6	Mini-cruises	<ul style="list-style-type: none"> <li>• Same as normal cruise</li> <li>• Very short time period</li> </ul>	<ul style="list-style-type: none"> <li>• Families</li> <li>• Couples/ Singles</li> </ul>	<ul style="list-style-type: none"> <li>• Sea Dream Cruises</li> <li>• The Mediterranean Shipping Company (MSC)</li> </ul>

**Source:** Adapted from the Research Centre for Coastal Tourism (2012:3)

As seen in Table 2.1 a distinction is made between expedition cruises, river cruises and sea cruises. Sea cruises can be further divided into theme cruises, transit cruises, world cruises, turn around cruises and mini-cruises. Each of these different types of cruises is discussed in more detail below.

1. **River cruises:** River cruises involve passengers spending several nights on board a cruise liner that is relatively smaller than most, making it easier to navigate close to the river banks (RCCT, 2012:3). Despite their size, these cruise ships are very luxurious and are especially popular with luxury travellers comprising couples or single travellers. Cruise International (2015:online) states that more than a million people choose this type of cruise holiday, with the Nile River being the most popular river cruise holiday destination. River cruising provides a '*life in the slow lane*' type of experience, giving passengers the opportunity to watch towns, villages, mountains and monuments while they slowly drift by. There are many river cruises offered in European Waters, treating passengers to spectacular scenery and cities (Van Balen, Doms & Haezendonck, 2014:71). The long, narrow shape of most river ships usually means fewer cabin choices than on large ocean-going vessels, but there are almost no inside cabins – most are outwards facing with either balconies or large windows. European rivers such as the Seine, Rhine, Danube and Douro are the most-loved among cruises; further afield, the Nile is possibly the best way to travel between the sights of ancient Egypt (Van Balen *et al.*, 2014:71).

2. **Sea cruises:** Sea cruises also involve passengers spending several nights on board. Sea and river cruises are distinctly different. Sea cruises are entirely different than the above-mentioned types. Sea cruise ships sail the world's seas and waterways, calling in at the most beautiful places on earth. These ships are the giants of the sea, often as tall as ten-storey buildings (Iglu Cruise, 2015:online). They offer passengers all the services and facilities they need. If a port wants to accommodate these giant vessels, it must have adequate facilities (i.e. a big enough cruise ship terminal).

**2.1 Expedition cruises:** The key difference between expedition cruises and other cruises is that the cruise is focused on the destination of travel and not the ship (Cruise International, 2015:online). The goal of expedition cruises is to visit special locations that would normally be inaccessible, such as the Polar Regions (RCCT, 2012:3). This type of cruise is perfectly suited to the curious and adventurous holiday-maker. It mostly involves small ships with a shallow depth and that are reasonably comfortable. Destinations include the Amazon, Papua New Guinea, Iceland, the Galapagos Islands, the Falklands, the Chilean Lake District, and the fjords of Patagonia.

**2.2 Theme cruises:** Themed cruises follow the usual itinerary, but are geared towards a particular topic or interest (Iglu Cruise, 2015:online). A few examples are golfing cruises, cookery cruises, music or celebrity cruises (with famous singers or bands), active bicycle cruises and wine cruises. Themed cruises have soared in popularity over recent years with some cruise liners reporting a market growth in numbers of passengers wishing to indulge their interest, while enjoying a cruise experience (Iglu Cruise, 2015:online).

**2.3 Mini-cruises:** A mini-cruise comprises all the ingredients of a cruise, the only difference being that it lasts considerably shorter. Usually, mini-cruises start close to home, are less expensive, and the ships are slightly smaller. Due to the nature of mini-cruises, they offer an ideal way for tourists to sample a taste of what cruise holidays have to offer (Iglu Cruise, 2015:online). Mini-cruises are offered by companies such as Sea Dream Cruises and the Mediterranean Shipping Company (MSC).

**2.4 World cruises:** A world cruise allows passengers to travel around the world in a very relaxed manner. Prices are generally quite high. Departure dates are usually in January and the tour lasts approximately 60 to 110 days. During the trip, some 30 to 60 ports are visited. Passengers can set sail across oceans to experience different continents, countries, cultures and more (Iglu Cruise, 2015:online).

**2.5 Transit cruises:** The Research Centre for Coastal Tourism (2012:3) states that a transit cruise involves a destination serving as a stopover. During a transit, the cruise ship moors early in the morning or afternoon, which gives passengers enough time to explore the destination. The visit generally lasts one or several days, after which the cruise ship heads for another destination.

**2.6 Turnaround cruises:** If a cruise starts at and returns to the same destination, this involves a turnaround cruise (RCCT, 2012:3). The cruise ships moor at ports for the purpose of the embarking and disembarking of passengers. For the passengers, these ports may not be their desired destination, but they sometimes make use of the opportunity to make a tourist trip out of it. Turnaround cruises are only possible if a port is equipped with a terminal.

From the above, it is evident that while the cruise industry is equipped with different offerings there is potential to develop and attract certain niche markets. However, marketing initiatives undertaken by cruise companies are focused on mass markets, and this is a clear indication that cruise companies do not understand why cruise passengers choose to cruise with them, nor do they understand the type of perceived value that cruise passengers experience when going on one of their cruise ships.

There is an increasing number of cruise liners being released every year and strong competition levels are apparent between liners (CLIA, 2015:online), thus cause for concern. Cruise passengers are also becoming more demanding with regard to the type of cruise products being offered. Therefore, it is important that cruise companies identify their market and the way in which these markets perceive their product offerings so that they can ensure that they continue to grow well into the future. The following section takes an in-depth look at the global cruise industry.

## **2.3 THE GLOBAL CRUISE INDUSTRY**

The following sub-sections explore the global cruise market by looking at the number of cruise routes across the globe, the most competitive cruise destinations and global cruise industry capacity.

### **2.3.1 THE GLOBAL CRUISE MARKET**

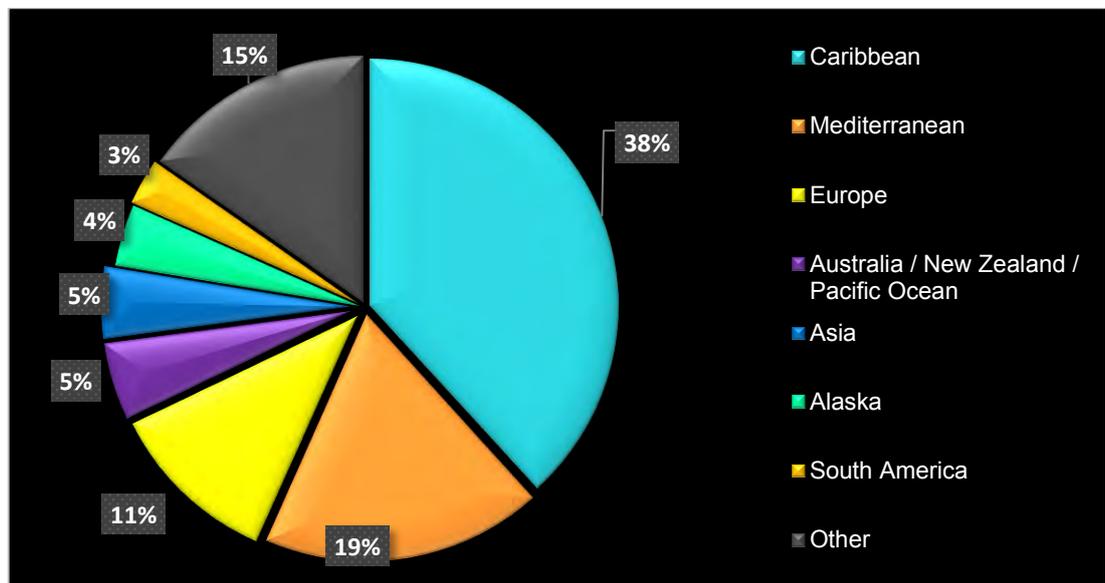
The global cruise market is dominated by the Caribbean, the Mediterranean and Europe; these markets account for more than 80% of cruise passengers (Figure 2.4). Australia and Brazil are the leading markets outside of America and Europe, together accounting for only 7% of the total cruise market, a figure which is well below that of Europe and America. The Caribbean is the dominant cruise destination with the Mediterranean next. The Cruise Line International Association (2015:30), (CLIA from here on forth) developed the following map indicating the aforementioned number of cruises across the globe (Figure 2.4).



**Figure 2.4:** Map of global cruise routes

**Source:** CLIA (2015:30)

Figure 2.5 was developed with secondary data obtained from Cruise Line International Association (2015:1) and was developed to reflect the most popular cruise destinations as graphically displayed in Figure 2.4.

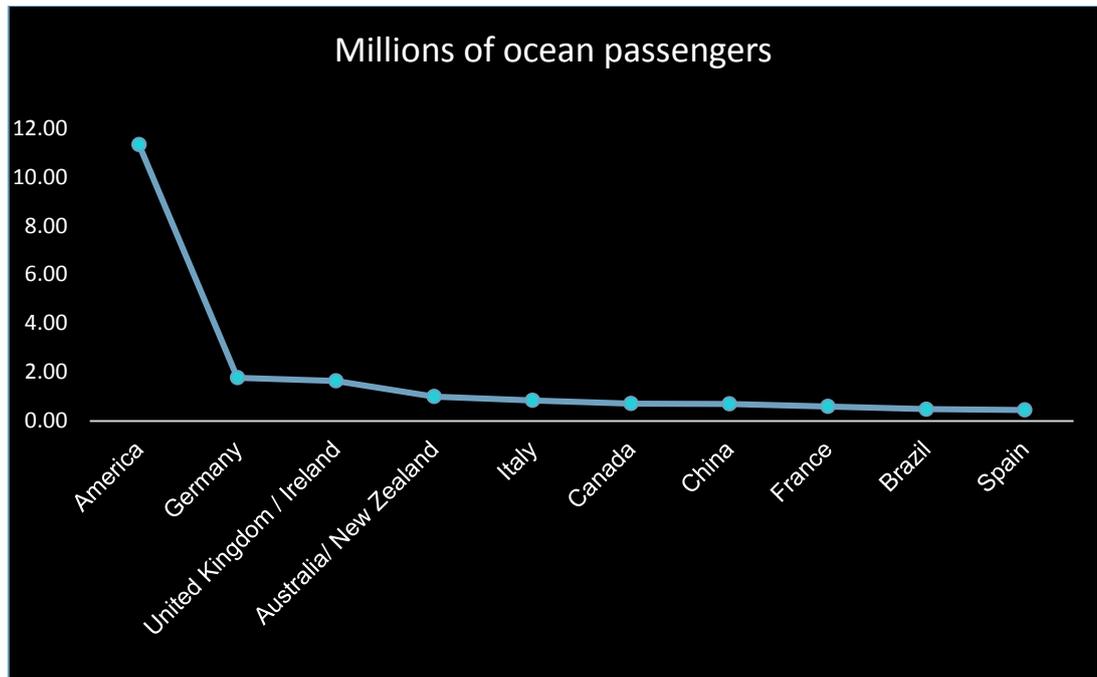


**Figure 2.5:** Share of ocean capacity by region

**Source:** Cruise Line International Association (2015:1)

As indicated in Figure 2.5, thirty-eight percent (38%) of cruise passengers choose the Caribbean as their preferred destination. Global share of ocean capacity by

region, is shared by the Mediterranean (18%), Europe (11%), Australia/New Zealand/the Pacific Ocean (5%) and Asia and Alaska attracting 4% (CLIA, 2015:1). This poses a challenge for other destinations, such as South Africa, as more than a third of all cruise passengers choose to cruise to the Caribbean. This indicates that South Africa still has potential for growth, as it can offer tourists similar experiences (e.g. warm tropical weather, blue seas and sandy beaches).

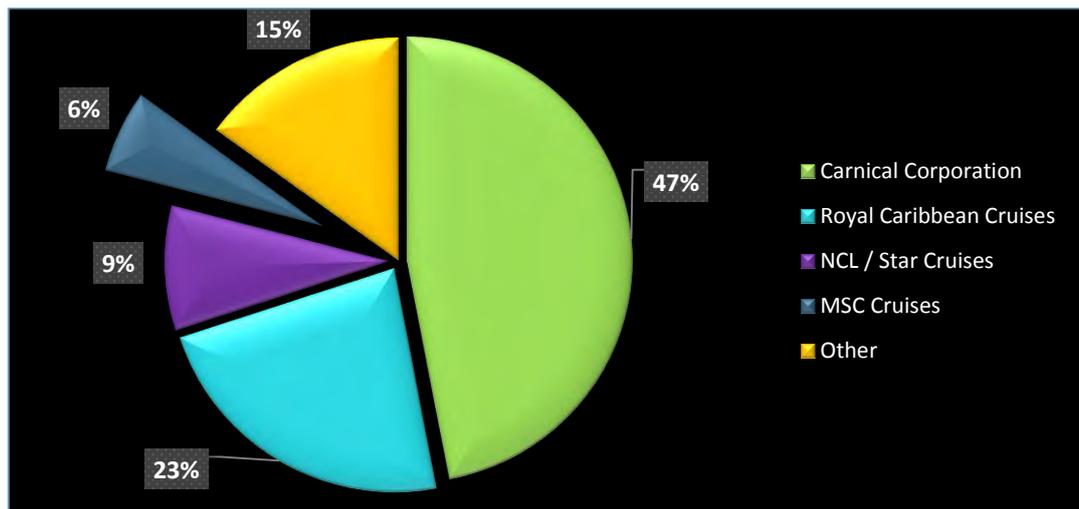


**Figure 2.6:** Top 10 international source markets

**Source:** Cruise Line International Association (2015:1)

As seen in Figure 2.6 of the 22.04 million global cruise passengers who took a cruise vacation in 2014, 11.3 million, or nearly 52%, were from the United States (Cruise Line International Association, 2015:1). This indicates that the majority of the cruise market originates from one continent, hence there is opportunity for growth and other markets need to be sourced. Germany and Ireland are the second biggest markets at 1.7 million cruise passengers who took a cruise vacation in 2014, followed by Australia and New Zealand at 1 million.

The cruise market is dominated by a handful of companies (including Carnival and Royal Caribbean, which is the leading company, followed by Norwegian Cruise Lines/Star Cruises and the Mediterranean Shipping Company (MSC)), accounting for 85% of the global cruise market. Figure 2.7 indicates cruise industry capacity by cruise company.



**Figure 2.7:** Cruise industry capacity, % of total berths

**Source:** Forster, Colicchio, Liebenberg, Hassim, Alakhume, Vaudin and Mugasa (2014:63)

Cruise ships are very expensive to build, which creates a barrier to entering the market (Forster *et al.*, 2014:63). As seen in Figure 2.7 the volume of the cruise ship market is relatively small, with important barriers both to entry and exit associated with the extremely high cost of purchasing per selling a single cruise ship, and the high investment needed to maintain and manage a cruise line, which has a decisive influence on diverse aspects and strategies related to organisational and management issues.

The South African cruise market is highly dependent in large part on the willingness of the major cruise lines to enter the market (Forster *et al.*, 2014:63). Until recently, cruise lines were reluctant to expand into Africa, citing poor infrastructure, safety concerns, limited shore excursions and the large distances from major markets and leading destinations (South Africa National Department of Tourism (NDT), 2009:5).

In summary it can be said that the Caribbean is the preferred cruise destination, while passengers residing in the United States are the biggest source market and Carnival and Royal Caribbean are the global leaders in the cruise industry. Since this study focuses on the South African cruise market, the following section has been developed to focus on the country's success to accommodate this specialist type of tourism. An in-depth overview of the African and more specifically South African cruise market is provided and market growth and economic benefits are also looked at.

## 2.4 THE SOUTH AFRICAN CRUISE INDUSTRY

Cruise tourism is a fairly new concept in South Africa (Foggitt, 2014:21). While the major cruise lines now travel to the country as a port of call on long trips, the local cruise market in South Africa was jump started when the Mediterranean Shipping Company (referred to as MSC from hereon) began operating cruises out of South Africa in 2007 (NDT, 2009:3). As seen in Figure 2.7, MSC accounts for six percent (6%) of global tourism passengers who cruised during 2014. According to the Cruise Line International Association (2015:online), MSC is the market leading cruise company in the Mediterranean, South Africa and Brazil. The company's eleven ships sail throughout the year in the Mediterranean and offer a wide range of seasonal itineraries in northern Europe, the Atlantic Ocean, the Caribbean, the French Antilles, South America, Southern Africa, the Red Sea and the United Arab Emirates (CLIA, 2015:online).

The entrance of MSC into the local South African market boosted local capacity, introducing cruise tourism as a popular holiday choice among South Africans (Forster *et al.*, 2014:64). Five years ago, passenger numbers in domestic cruising in South Africa sat at 90 000, and has steadily grown to just over 115 000 passengers who cruised during the 2013/14 cruise season (Forster *et al.*, 2014:65). South Africa's share of global cruise passengers increased to 0.72% in 2013 from 0.60% in 2009.

A map developed to provide an overview of South Africa's cruise ports is displayed in Figure 2.8 As can be seen, Durban is the leading cruise port in South Africa, accounting for approximately 70% of cruise passengers (NDT, 2009:9), followed by Cape Town. Cruises also operate out of Richard's Bay, East London, Port Elizabeth, Mossel Bay and Saldanha Bay. Future growth in the South African cruise sector and heightened demand levels will inevitably lead to the successful expansion of these ports as cruise destinations.



**Figure 2.8:** Map of South Africa's Cruise Ports  
**Source:** Authors own compilation

The Mediterranean Shipping Company (MSC) offers a number of different cruise routes in South Africa and neighbouring countries such as Mozambique. Most cruises consist of trips to specific destinations such as those cruise trips offered from either Durban or Cape Town to the Portuguese Islands, Inhambane, Maputo or Namibia (MSC, 2015:2). Short cruises of less than a week are popular among South African cruise passengers. There is a two-day cruise to nowhere that simply sails out of Cape Town, spends two days at sea and then returns without making any stops, providing passengers with the cruise experience at a lower cost than a full cruise (MSC, 2015:3). There are also Christmas and New Year's cruises that are popular attractions (MSC, 2015:2).

Week-long cruises include trips to Anakao and Fort Dauphin in Madagascar. Longer cruises include trips to Réunion, Mauritius, Seychelles, Madagascar, Mozambique, Kenya and Walvis Bay in Namibia (Forster *et al.*, 2014:65). Forster *et al.* (2014:65) state that there are also major cruises lasting up to five weeks from South Africa that cross the Equator and visit Casablanca, Lisbon and other countries in Europe as well as countries in Africa.

In the following section, the South African cruise market and demand for cruise travel will be analysed.

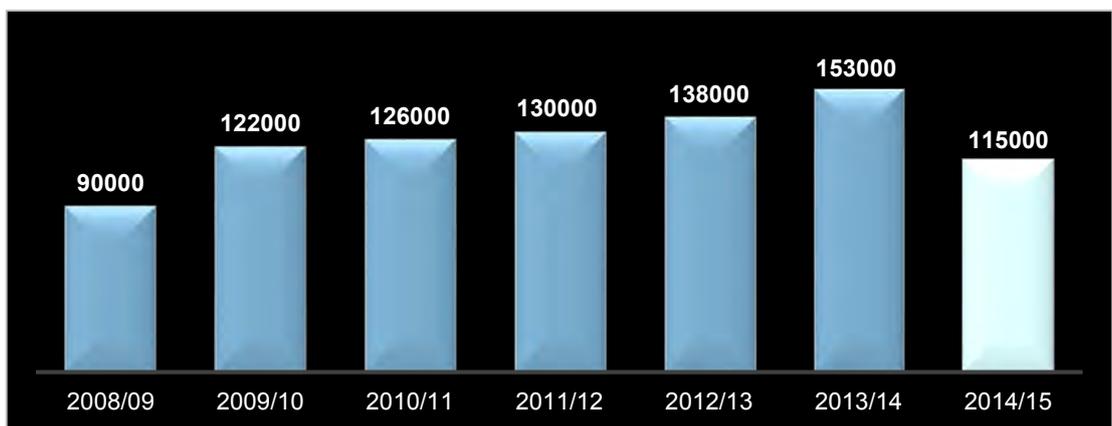
#### **2.4.1 SOUTH AFRICAN CRUISE MARKET**

MSC is the leading cruise line in South Africa with MSC Opera serving the market in the 2014/15 season (Foggitt, 2014:21). These ships have numerous restaurants, bars, pools and offer Internet cafés, spas, discos, video games, casinos and live entertainment (MSC, 2014:3). Cruises require large crews both to operate the ship as well as to provide the various amenities. A ship that can carry 2 000 passengers will have a crew of approximately 600. Because of the need for large crews, cruises are very expensive. The average cruise cost was R13 365 in the 2014/15 season, comparable to the cost of a week at a five-star hotel in Cape Town (Forster *et al.*, 2014:65).

MSC only offer cruises in and around South Africa during the summer months (November to March), which inevitably means that the cruise market is seasonal (Foggitt, 2014:2). Since these are also the busiest months for domestic and international travel in South Africa (Statistics South Africa, 2015:3), the cruise market

finds itself competing with other tourism and marine tourism offerings that are more price competitive.

Cruises are comparable to resorts in that they provide a full-service experience, and as such, compete with land-based resorts (Forster *et al.*, 2014:63). However, it has been indicated that cruise competition with hotels is limited because cruises are not used by business travellers and do not operate in the winter in South Africa (Forster *et al.*, 2014:63). The cruise market is also insignificant compared with the hotel markets. The number of cruise passengers from South Africa totalled only 115 000 for the entire 2014/2015 season, compared to 13.1 million stay units for hotels in South Africa in 2014 (Forster *et al.*, 2014:63). Figure 2.9 provides an overview of the number of cruises launched by MSC Cruises from the 2008/9 season to the most recent 2014/15 season. It is also important to note that the survey conducted for this study took place during the 2014/15 season.



**Figure 2.9:** Number of South African cruises launched by MSC

**Source:** Forster *et al.* (2014:63).

As seen in Figure 2.9, since MSC initial breakthrough in the South African cruise market during the 2007/08 cruise season, growth patterns have been growing steadily. The 2014/15 cruise season's decline of 24.8% is due to the MSC Sinfonia being absent from this season's MSC South African fleet (Foggitt, 2014:21). The MSC Opera was the only cruise ship to operate in South Africa during the 2014/15 season and served a shorter season, arriving on 1 November and returning to Europe on 28 March 2015 (MSC, 2015:online). The survey conducted in this study ran during the same period.

Although, cruise passenger numbers are expected to increase during the 2015/16 cruise season when the newly renovated MSC Sinfonia returns to South Africa (MSC,

2015:2), one needs to keep in mind that the cruise market is experiencing a decline in growth rates due to various global challenges (recession, safety when travelling overseas) and due to the market becoming saturated. As this will not only be reflected at a global level but will ultimately be reflected in the South African cruise numbers too.

However, important decisions need to be based on facts, and currently there is no academic research that exists for the South African cruise industry and hence no guidelines to assist important decision making. By understanding the cruise experience and the perceived value expected and received by cruise passengers, cruise managers can have their hand in assisting these numbers to grow. Modification can also be incorporated and future growth sustained.

The following section has been developed to provide an overview of the cruise experience and those factors which contribute towards it.

## 2.5 THE CRUISE EXPERIENCE

Cruise lines and their respective decision-making groups (including marketing and sales, marine operations, logistics and finance) expend a significant effort in evaluating a destination, and congruently, an itinerary to ensure it meets the various criteria established to differentiate their product offering and sell desirable and profitable cruise products (NDT, 2009:37). However, marketers in retail, marketing and tourism are quickly realising that tourists these days are seeking experiences (Volo, 2005:205).

The tourism experience is a widely researched topic within the social sciences as well as marketing and management literature (Ferdinand & Williams, 2010:202), and has been gaining more appreciation in recent years (Huang & Hsu, 2009:80). The total cruise experience plays a big role in total satisfaction acquired once passengers return from their trip. Therefore, the following section seeks to explore the tourist experience by firstly defining it, looking at previous studies conducted and then exploring the various phases of a tourist experience. This will lead to the development of the phases for a cruise experience (something that does not exist) and the factors that contribute towards the development of a cruise experience.

### 2.5.1 THE TOURISM EXPERIENCE

Tourism is a sacred journey and can be seen as a limitless activity, during which people travel everywhere and see everything (Stelstad, 1997:20). MacCannell (1999:203) states that the three elements of tourism (and of all human activity) include relating, sharing and experiencing. This is especially true of the modern-day tourists, who often share their experience with others on social media, while also relating to the experiences shared by others (Mossberg, 2007:62).

Ooi (2004:112) noted that destinations are becoming more globalised and alike in their offerings by targeting a mass market instead of providing experiences for specific niche markets. However, within developed Western world markets, rather than mass-delivered products and services, people are now expecting individualised and tailored experiences (Jennings, 2001:15). This has become a challenge for the tourism industry, especially in a sector such as the cruising industry where people are seeking exciting and unique experiences. The tourism industry can provide tailor-made products to tourists by understanding the way in which they perceive the value received from a tourism experience such as cruising (see Chapter 3).

Sheng and Chen (2011:7) noted that providing a definition for experience is a difficult task as it encompasses a complex variety of elements. Various definitions on experience have been given throughout literature, of which some have been tabulated below (refer to Table 2.2).

**Table 2.2:** Definitions of the tourism experience

Author	Definition of experience
Cohen & Phipps (1979:180)	A tourism experience is the relationship between people and their total world-view dependent on the location of their centre with respect to the society to which they belonged.
Alba & Hutchinson (1987:412)	The summation of a consumer's past product related consumption activities.
Graefe & Vaske (1987:309)	The culmination of a given experience formed by tourists when they are visiting and spending time in a given tourist location.
Holbrook & Hirschman (1982:132)	A steady flow of fantasies, feelings and fun.
Pine & Gilmore (1999:11)	An experience is when a company intentionally uses services as the stage and goods as props, to engage

	individual customers in a way that creates a memorable event.
Hoch (2002:448)	The act of living through an observation of events and also refers to training and the subsequent knowledge and skill acquired.
Volo (2005:205)	What the tourist is seeking.
Andereck, Bricker, Kerstetter & Nickerson (2006:82)	A complex process involving multiple parties over an extended time and retains loyalty in the long term.
Page & Connell (2009:648)	The overall impression, understanding, rating and meaning a visitor attaches to their encounter with a specific place, event, holiday or activity.
Page & Connell (2009:11)	The visitors' experience enables management to understand the overall process of travel from the visitors' perspective, while identifying other tourism organisations that influence and regulate tourism
Cutler & Carmichael (2010:14)	Authenticity is understood as only being involved in the tourist experience if this is what is being sought from the experience.
Tung & Ritchie (2011:1369)	An individual's subjective evaluation and undergoing (i.e., affective, cognitive, and behavioural) of events related to his/her tourist activities that begins before (i.e., planning and preparation), during (i.e., at the destination), and after the trip (i.e., recollection).
Sheng & Chen (2011:1)	Visitor experiences as the opinions and functions (transport and food), sensory stimulation (attractions), and the emotional description (bored or interesting) of the visitor.

**Source:** Author's own compilation.

As seen in Table 2.2, a tourist experience is an adjective undergone by tourists while on holiday, formulated from various perspectives. The only thing Li (2000), who also reviewed the various definitions of the tourist experience, found to be common for all definitions is that the tourist experience is significant to the individual. Kapferer (1986:188) agrees with this statement as he states that it may be impossible to experience another person's experience.

Individual experience is informed by the experiences of others and shared through performances, by word or action (Kapferer, 1986:191). Experience presents itself as a phenomenon that is multifaceted and complex (Mossberg, 2007:62) and has been described as imaginative and seemingly without boundaries. Morrison and Crane

(2007:62) states that experience is intimately linked with the individual quest for identity and self-realisation. Tourist experiences involve a constant flow of perception that leads to symbolic representations of aesthetics and actions (Mossberg, 2007:62).

Stelstad (1997:21) states that what humans perceive is not a blank slate; as tourists carry along a range of ideas, images and knowledge about the world. Franklin (2003:114) infers that the tourist world involves a kind of make-believe that allows people to experiment with identities. The temptation arises to see perceptions as pre-conceived, a confirmation of what is expected and the perceived value that is experienced after an experience (Franklin, 2003:114).

Page and Connell (2009:11) define the visitors' experience as something that enables management to understand the overall process of travel from the visitors' perspective. Tourists' experience, their planning and implementation can be referred to as the work of tourism (Stelstad, 1989:30). There is considerable time and effort spent in order to have an experience (Franklin, 2003:3), for example the planning and implementation that go into a vacation in order to have an experience (Mossberg, 2007:62).

For the purpose of the study the following definition for experience, as developed by La Salle and Britton (2003:38), will be used:

*'A product or service that when combined with its surrounding experiences events goes beyond itself to enhance or bring value to a customer's life. This is the ideal- to deliver such overall value that a product transcends the ordinary to become extraordinary or even priceless.'*

The following section explores criteria used to measure experience in more detail.

## **2.5.2 CRITERIA TO MEASURE EXPERIENCE**

There is no single theory that defines the meaning and extent of tourist experiences, although a number of authors have attempted to formulate criteria to measure experience by generalising and aggregating information. Table 2.3 provides a summary of studies that measure the tourism experience.

**Table 2.3:** Studies done to measure experience and criteria used in tourism settings

Date (year)	Author	Title	Criteria used to measure experience
1983	Hood	<i>Staying away: why people choose not to visit museums</i>	<ul style="list-style-type: none"> <li>• Being with people or social interaction</li> <li>• Doing something worthwhile</li> <li>• Feeling comfortable and at ease in one's surroundings</li> <li>• Having a challenge of new experiences</li> <li>• Having an opportunity to learn</li> <li>• Participating actively</li> </ul>
1993	Arnould & Price	<i>River magic: extraordinary experience and the extended service encounter</i>	<ul style="list-style-type: none"> <li>• Communion with nature</li> <li>• Communion with friends, family and even strangers</li> <li>• Personal growth and renewal of self</li> </ul>
1998	Pine & Gilmore	<i>Welcome to the experience economy</i>	<ul style="list-style-type: none"> <li>• Creating sensations through entertainment</li> <li>• Providing an educational experience</li> <li>• Developing an aesthetic experience</li> <li>• Allowing the client to experience escapism</li> </ul>
1999	Schmitt	<i>Experiential marketing: how to get customers to sense, feel, think, act and relate to your company and brands</i>	<ul style="list-style-type: none"> <li>• <b>Sense:</b> which includes aesthetic and sensory qualities</li> <li>• <b>Feel:</b> Includes moods and emotions (this is in agreement to research done by Richins (1997) on consumer behaviour)</li> <li>• <b>Think:</b> includes convergent/ analytical and divergent/ imaginative thinking</li> <li>• <b>Act:</b> refers to motor actions and behavioural experiences</li> <li>• <b>Relate:</b> refers to social experiences, such as relating to a reference group</li> </ul>
2004	Volo	<i>Foundation for an innovation indicator for tourism: an application to SMEs</i>	<ul style="list-style-type: none"> <li>• <b>Accessibility dimension:</b> how accessible is the tourism experience to one who may seek it?</li> <li>• <b>Affective transformation dimension:</b> what degree of affective transformation is experienced?</li> <li>• <b>Convenience:</b> what level of effort is required to access the experience?</li> <li>• <b>Value:</b> what is the benefit received per unit of cost</li> </ul>
2010	Huang & Hsu	<i>Effects of travel motivation, past experience, perceived constraint, and attitude on revisit intention</i>	<ul style="list-style-type: none"> <li>• The interaction between tourists and the people of local community</li> <li>• The interaction between tourists and of the host community</li> </ul>

			<ul style="list-style-type: none"> <li>• The interaction between tourists within the host destination (Pearce 2005)</li> </ul>
2010	Noe, Uysal & Magnini	<i>Visitors' customer service satisfaction: an encounter approach</i>	<ul style="list-style-type: none"> <li>• Word-of-mouth communication plays an important role in visitors' expectations and thus visitors are easily influenced by relatives and friends</li> <li>• Personal needs are controlled by visitors to the extent to which they place limits on their expectations</li> <li>• Past experience plays a vital role in the experience as it will lead to return visits</li> <li>• Good marketing is an important indicator of what the service provider offers and external communication determines the expectations of visitors</li> </ul>
2012	Kruger & Saayman	<i>Creating a memorable spectator experience at the Two Oceans Marathon</i>	<ul style="list-style-type: none"> <li>• Factor 1: Amenities</li> <li>• Factor 2: Comfort and visibility</li> <li>• Factor 3: Marketing</li> <li>• Factor 4: Personnel and provisions</li> </ul>

**Source:** Author's own compilation

As seen in Table 2.3, there are no set criteria used to measure an experience and each is unique in its specific offering. Wang *et al.* (2004:327) suggest that tourists' experiences must be seen as an organic whole in which peak (art, culture and heritage) and supporting experiences (accommodations, transportations, shopping, entertainment and food establishments) complement one another. This is especially true in the cruise industry where managers and marketers can control the tangible elements (such as accommodation, attractions, transport, food and beverage and entertainment) that contribute towards the total cruise experience.

The above criteria assisted with the development of the questionnaire used for this study, since this is the first study of its kind the researcher needed to consider all elements which play a role during a tourism experience, since these will ultimately have an effect on the cruise passengers' perceived value towards the cruise experience.

As previously stated, planning an experience such as a cruise vacation, takes a great deal of time and effort. Therefore, the phases of an experience start long before the journey and often last until long after. The following section has been developed to explore these phases in more detail.

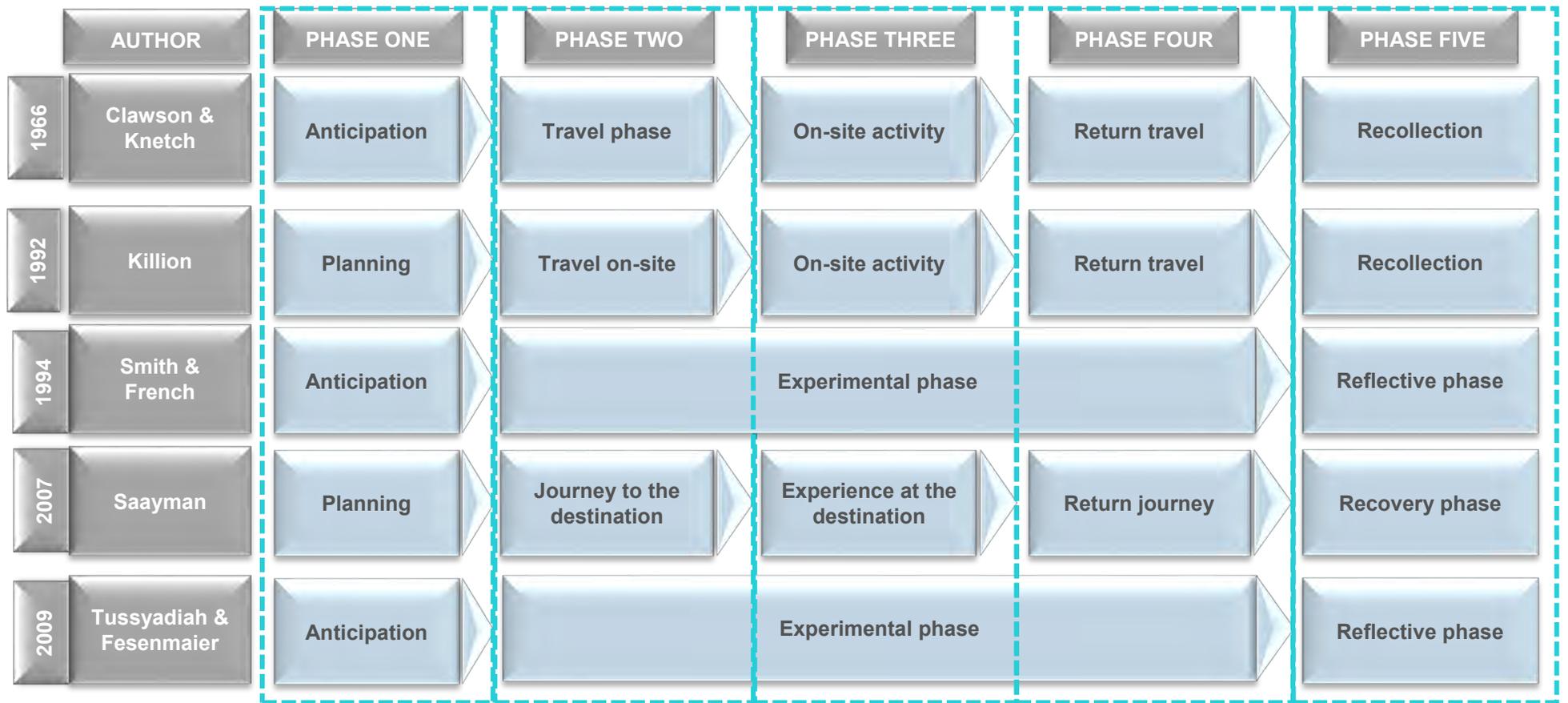
### 2.5.3 PHASES OF AN EXPERIENCE

Clawson and Knetsch (1966:5) noted that most definitions refer to the experience as the destination; however, they argue that the experience of a tourism event begins before the trip in the planning and preparation phases and continues after the tourist returns through the recollection and communication of the events that took place.

Similar to this, Falk and Dierking (2012:121) also suggested that visitor experience is not a static state, but is a dynamic process including experiences before, during and after the visit. During the visit, interaction among the three contexts could be studied, and after the visit, the experience could be examined according to the visitors' memories.

In a study done by Falk and Dierking (2013:121), they indicated that museum visitors' pre-attitude toward the visiting experience is influenced by visitor expectations, and is a part of personal context. Tussyadiah and Fesenmaier (2009:27) states that since visitor expectations significantly influence the visiting experience, and visitors' post-memory is usually related to pre-perceived value and expectations, it is important to probe into visitor expectations.

Figure 2.10 explores the phases of an experience by five different authors.



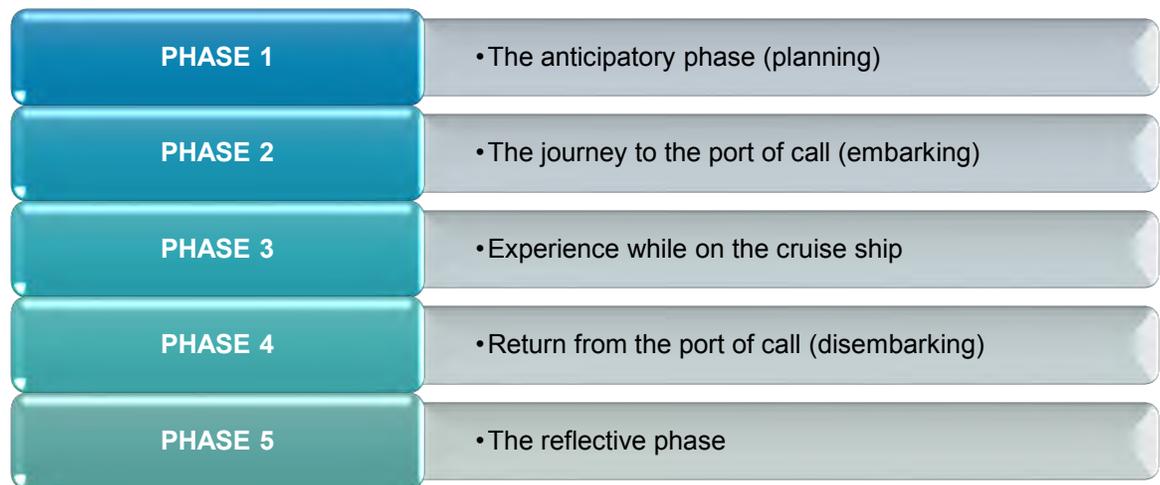
**Figure 2.10:** Phases of an experience

**Source:** Author's own compilation

As seen in Figure 2.10, three of the authors mentioned used a five-phased approach when developing their 'phases of an experience'. However, in a study done by Smith and French in 1994, they group the middle phases into one phase, namely the experimental phase; this was duplicated by Tussyadiah and Fesenmaier (2009:27) fifteen years later. The following provides a summary of the phases listed in Figure 2.10.

- As early as **1966**, a model presenting the phasing of experience was developed by Clawson and Knetsch and applied to tourism by Cohen in 1979 and later by Graburn in 2001. The Clawson and Knetsch model involves five distinct yet interacting phases: anticipation, travel on site, on-site activity, return travel and recollection (Clawson & Knetsch, 1966:5).
- In **1992**, Killion defined the travel experience in terms of five phases through the use of the Clawson and Knetsch (1966:5) reaction experience model. These constituted of: the planning phase, travel phase, on-site activity phase, return travel phase and the recollection phase (Killion, 1992).
- In **1994**, a simpler model proposed by Craig-Smith and French views the vacation experience as three linear phases with previous experiences informing future ones (Ferdinand & Williams, 2010:206). These are the anticipatory phase, experimental phase and the reflective phase.
- In **2007**, Saayman developed five integrated phases that are very similar to that of Killion (1992). These phases include the following (Saayman, 2007:9): the planning, journey to the destination, experience at the destination, return journey and the recovery phase.
- The most recent and up-to-date model is that of Tussyadiah and Fesenmaier (2009:27). These phases comprise of the anticipatory phase, the experiential phase and the reflective phase.

Since the phases of a cruise experience do not exist, the author used the above-mentioned phases to develop the phases of a cruise experience based on the just mentioned research.



**Figure 2.11:** The phases of a cruise tourism experience

**Source:** Author's own compilation (Sources consulted: Clawson & Ketch, 1966, Killion, 1992, Smith & French, 1994, Saayman, 2007; Tussyadiah & Fesenmaier, 2009).

Tourist expectations and perceptions have an influence on each phase of the cruise tourism experience. Figure 2.11 was developed based on available literature contributing to the topic of this study and the following can be deduced from each phase:

- **Phase 1:** The anticipatory phase (planning): The first phase includes all the planning aspects such as accessing accurate information through advertising and promotion, travel literature, suggestions and reports from other travellers, travel trade suggestions, recommendations made by travel agents and intermediaries and recommendations made by family and friends. This phase also includes the booking process and decisions of which excursions to go on while aboard the cruise liner.
- **Phase 2:** The journey to the port of call (embarking): The second phase is en-route to the destination of choice and will impact the experience as to how expensive it was to reach the port of call, visitor service and length of travel. Some cruise passengers may arrive a day or two early to experience the destination before boarding the cruise liner.
- **Phase 3:** Experience while on the cruise ship: Thirdly, certain aspects will have an impact on the experience while aboard the cruise liner. Examples include cruise personnel (crew); other cruise passengers; facilities and entertainment (including excursions); the physical environment (including aspects such as the

weather); and food and beverages. It's during this phase that cruise passengers measure their expectations against the actual experience and they may either be satisfied or dissatisfied with the offering.

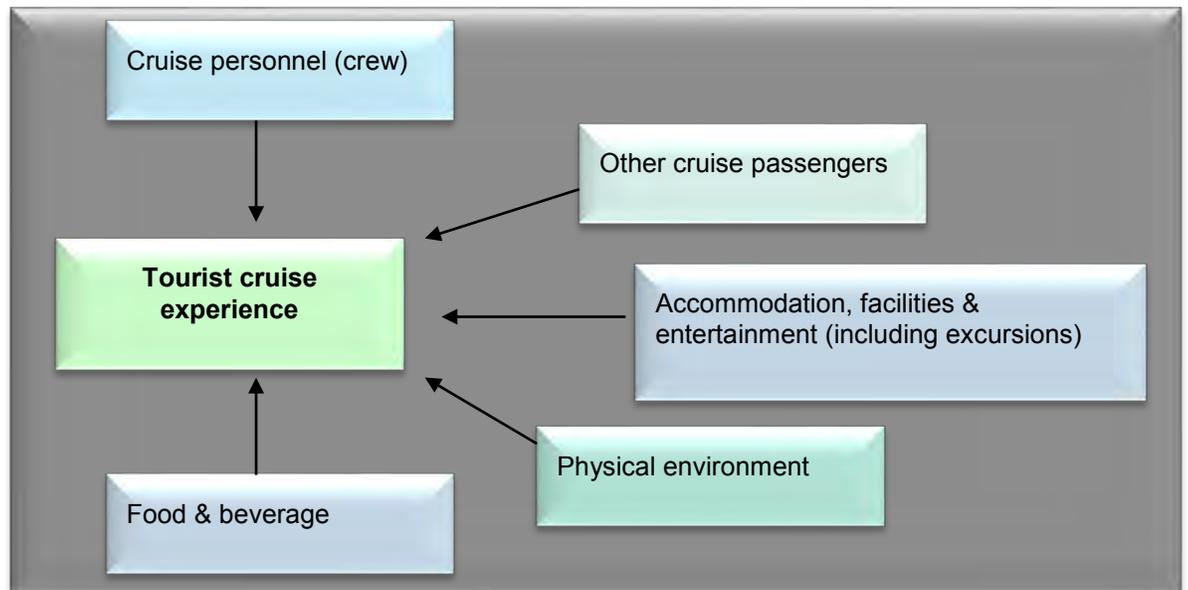
- **Phase 4:** Return from the port of call (disembarking): The fourth phase is the return journey to the port of call and disembarking. During this phase, the visitors have a different mind-set towards the product and, in some cases, are reluctant to go home.
- **Phase 5:** The reflective phase: Finally, the visitor reaches the fifth phase, in which they recall the actual experience and they relive it in their memories. This phase will determine whether the passengers feel loyal and satisfied towards the cruise experience. Loyalty and satisfaction will increase the perceived value which cruise passengers feel towards the total cruise experience (see Chapter 5).

As seen above, the phases of a cruise experience start long before the journey at sea, and last long afterwards. The following section explores elements which can influence the cruise experience.

#### 2.5.4 CONTRIBUTING FACTORS OF A CRUISE EXPERIENCE

Mossberg (2007:65) proposes that there are certain factors that can have an influence on the total tourist experience; this is explored in more detail and adapted to the cruise experience in this section.

The destination or cruise company has more control over elements that pose an influence on the experience. For example, families are strongly attracted to cruising because they are value conscious and time-pressed (Mancini, 2011:96). Mancini indicates that cruising solves these problems for families as some lines feature special kids' menus, or an 'endless soda option' and some cruises offer a full children's programme with a wide variety of activities. The author proposes that factors that influence the total cruise experience include a number of elements as developed by Mossberg (2007:65) and adapted for a cruise experience by the author (see Figure 2.12).



**Figure 2.12:** Factors influencing the tourist cruise experience

**Source:** Adapted from Mossberg (2007:65)

Each of the elements that have an influence on the total cruise experience is discussed below:

- **Cruise personnel (crew):** The service provided by the employees of the destination can influence the tourists' experience and perceptions (Mossberg, 2007:66). The personnel are the employees on board the cruise liner who ensure that the tourist has an enjoyable stay. These members are the cleaners, the receptionists who welcome the guests aboard the cruise liner, the captain, the waitrons, waitresses, barmen, photographers or the crew who assist the tourists in the activities that they participate in. Each staff member has his/her own unique duties to ensure that the passengers are satisfied during their cruise holiday. The service that these personnel render to the passengers, for example the friendliness and professionalism of the reception, can determine the satisfaction of the passengers' total cruise experience.
- **Other cruise passengers:** Mossberg (2007:67) states that another factor that influences the tourists' experience is the effect that other passengers have on them during the cruise. These *other* cruise passengers share the facilities, amenities and services with the tourist during the cruise. The interaction between the tourists has an effect on their satisfaction levels and contributes to the total cruise experience (Larsen, 2012:595).

- **Accommodation, facilities and entertainment:** Mossberg (2007:68) states that the accommodation, facilities and entertainment provided to a tourist, for example on-board a cruise liner, have an effect on their experience. In his work, Mancini (2011:96) identified the following facilities and entertainment provided on-board cruise liners that have an effect on the cruise experience:

**Accommodation:** Accommodation on-board cruise liners caters for many class and price ranges. The choice of accommodation for passengers seems to be simply a matter of identifying the price that is acceptable relative to the standard of accommodation available.

**Entertainment and facilities:** Entertainment and facilities provided on-board a cruise liner constitute the following:

- **Shows:** The entertainment on-board cruise liners is becoming increasingly important as more and more cruise companies now offer themed cruises, such as the *5fm* or *Jukebox* themed cruises provided by MSC.
- **Shore excursions:** Shore excursions are sold before and during the cruise. These excursions generate revenue, but are also designed to add value to the cruise experience. Because of the constraints on time, shore excursions or tours ashore are configured to maximise the experience for passengers.
- **Beauty, therapy and hair care:** Some cruise brands contact the service as a concession (an arrangement where the operator comes to a financial agreement with the cruise company to operate on board) and other employ their own staff directly.
- **On-board shopping:** Shops on-board provide a welcome indulgence for passengers seeking to enhance their usual routine of retail shopping.
- **Casino:** Casinos on-board seem to meet the expectations of some passengers – for that James Bond moment.
- **Wedding, renewal of vows, and other celebrations:** While on-board, passengers can elect to celebrate a special occasion. On some vessels, couples can even get married. Birthday celebrations and family reunions are also popular celebrations.

- **Physical environment:** The physical environment can have a detrimental or pleasant effect on the cruise experience. Many cruises are perceived as bad experiences because of stormy and scary conditions at sea, while others are perceived as pleasant because of sunny conditions and calm seas. This is confirmed by Mossberg (2007:65) who states that the experience takes place in specific areas and surroundings and these have to facilitate the tourists' needs.
  
- **Food and beverage:** Many people enjoy the endless food and beverage services of a cruise experience, which is often included in the ticket price. Food and beverage facilities provided to cruise passengers include the following (Mancini, 2011:96):
  - **Dinning on-board:** The archetypal view of a cruise ship as a place to indulge in good food, good wine and good company is as true today as it was in the heyday of traditional liners. Cruise passengers are encouraged to dress-up for their evening meal and often sit around a table with other passengers.
  - **The buffet:** Buffets are often a flexible option on cruise liners, usually located on the upper deck and frequently designed to extend from the one side of the ship to the next.
  - **The main restaurant:** Passengers can eat as much or as little as they please on cruise liners. An array of different cuisines is offered to passengers.
  - **Bars:** Bars offer cruise passengers a wide variety of alcoholic and non-alcoholic beverages. Drinks are often included in the price of a cruise ticket.

As seen above there are many factors that contribute to the total cruise experience, influencing the way in which a tourist perceives the value received from their experience. These elements were all considered for inclusion during the development of the measuring instrument used to conduct this study (see Chapter 4).

Binkhorst and Den Dekker (2009:312) report that today we see (tourists and travellers) and want context-related, authentic experiences and seek a balance between control by the experience stager and self-determined activity with its spontaneity, freedom and self-development. Memory is important for the tourism industry because future decisions are based on it. For the tourist, that memory is perhaps the single most important source of

information he or she will use in making a decision about whether or not to revisit. Recommendations from these assessments will influence potential cruise passengers from cruising in the future. These word-of-mouth recommendations also have an influence on family members and friends' perceived value of a cruise experience.

## 2.6 CONCLUSION

This chapter aimed to address objective one of this study (see Chapter 1), which was to contextualise marine tourism, cruise tourism and the cruise experience.

This was achieved by providing an in-depth discussion on the marine industry, cruise tourism and experience within a tourism context. Since a summative framework of marine tourism and its sectors (maritime event tourism, coastal tourism, island tourism, aquatic tourism and cruise tourism) does not exist, the author developed one (see Figure 2.2) from various sources. This framework encompasses a brief overview of the five core sectors of marine tourism, with a definition of each and examples.

Since it has been noted that marine activities are widely diverse and sector-specific, these were simplified and divided into four categories: water-based non-motorised, shore-based, water-based motorised and non-specialist leisure pursuits. These categories were then divided in their marine tourism sub-sector-specific locations in Figure 2.2. Each of the marine tourism sub-sectors and their specific marine tourism activity offerings were carefully analysed and detailed.

The following section magnified cruise tourism as a sector in marine tourism, since this is the focus area of this study. After defining cruise tourism, its history and origin were analysed. The state of the current day cruise industry was analysed and the South African cruise sector was looked at. South Africa as a cruise destination was investigated, the South African cruise market was identified, and routes provided to tourists and ports of calls were scrutinised.

The next section aimed at examining experience in a tourism environment such as cruising. This was achieved by analysing the various definitions of experience and

evaluating previous studies done. Since various phases of an experience exist, these were carefully studied; however, an important finding made by the author was the fact that phases specific to a cruise experience do not exist. Since the cruise experience is of core importance to this study, the author developed the phases of a cruise experience adapted from previous phases done.

The next section analysed factors (personnel, other tourists, products, souvenirs & physical environment) that influence a tourism experience as developed by Mossberg (2007:65). Through analysing various sources, the author developed a model that indicates the factors (cruise personnel (crew), other cruise passengers, accommodation, facilities and entertainment (including excursions), physical environment, food and beverage) that could have an influence on a cruise experience; these were discussed accordingly.

Chapter 3 will focus on relationship marketing within a tourism context and the development of perceived value as core importance to this study.

# Chapter



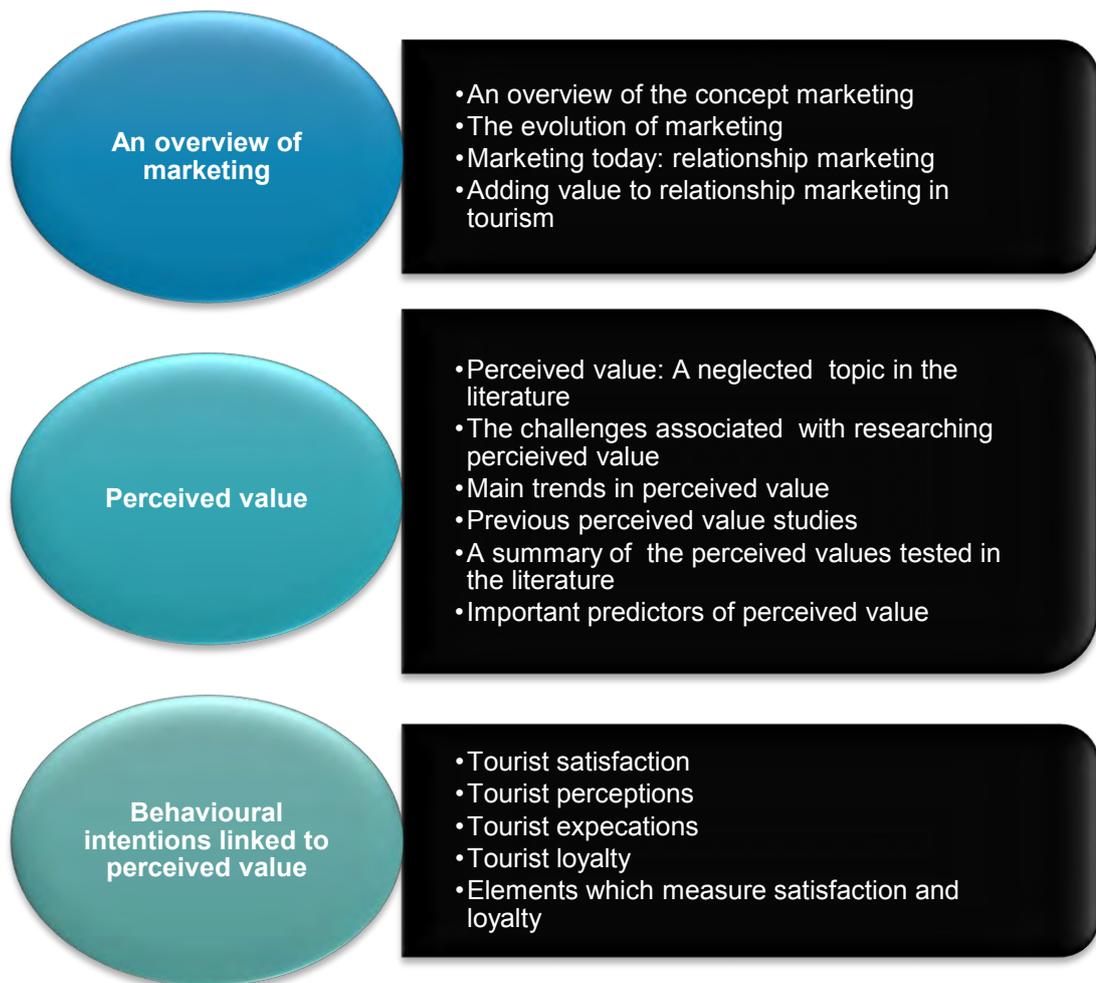
## Relationship marketing, perceived value and the behavioural intentions of tourists

**'One cannot explain the value of a cruise, it is highly personal'**

**- Cruise Passenger and study respondent**

### 3.1 INTRODUCTION

In tourism, the addition of perceived value has become a core concept in marketing, especially in order to build a long-term relationship between customers/tourists and suppliers (Page & Connell, 2009:335). However, while a number of studies have been done which focus on retail and marketing settings (Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Feng & Morrison, 2007:589; Brennan & Henneberg, 2008:563; Sparks, Butcher & Bradley, 2008:98), and despite the importance of perceived value in tourism settings, it has received little attention in the tourism literature (Gallarza *et al.*, 2011:179; Seymour, 2013:13). This chapter has been developed to provide valuable insight into perceived value and the importance thereof in the tourism literature; this is achieved in three sections, as illustrated in Figure 3.1.



**Figure 3.1:** Literature chapter two layout

**Source:** Author's own compilation

As seen in Figure 3.1, this literature review aims to conceptualise and separately explore relationship marketing, perceived value and behavioural intentions through an in-depth analysis of each of these areas.

Section one has been developed to provide an overview of marketing; this will be achieved by analysing the various definitions (Clark, 1922:1; Maynard & Beckman, 1927:1; Clark, 1942:1; Dhurup, 2003:25; Mostert & Du Plessis, 2007:11-12; Grewal & Levy, 2009:523) as they developed through the evolution of marketing: The production era (1900s), the product era (1920s), the sales and marketing era (1950s), marketing orientation and consumer approach (1960s), the strategic approach (1970s) and current day – relationship marketing (adapted from Grewal & Levy, 2009:523; Mostert & Du Plessis, 2007:11-19). Section 3.2.3 will explore relationship marketing and its relation to perceived value. This will be done by looking at various definitions of relationship

marketing (including: Dhurup, 2003:51; Kandampully & Duddy, 1999:317; etc.) and by investigating the benefits of relationship marketing (as noted by Zeithaml & Bitner, 1996:174; Gummesson, 1998:6; Christopher *et al.*, 2010:4). Lastly, this section explores relationship marketing in a service-based setting such as tourism.

Section 2 has been developed to identify gaps in the perceived value literature (Dodds *et al.*, 1991:307; Holbrook, 1994:22; Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7; Peck *et al.*, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Feng & Morrison, 2007:589; Brennan & Henneberg, 2008:563; Sparks *et al.*, 2008:98; Gallarza *et al.*, 2011:179; Seymour, 2013:13). The challenges associated with researching perceived value will then be analysed under three sub-headings, namely: conceptual obstacles, methodological problems and measurement shortcomings. Seven primary trends identified in the perceived value literature will be explored.

Since perceived value obtained its origin from the marketing and retail literature, studies done in these fields will be explored and summarised according to the seven primary perceived value trends identified. Although perceived value is a fairly new concept in the tourism literature, those studies that have been done will be summarised and the evolution of perceived value in tourism will be explored. Those perceived values that have been identified in the literature will be summarised and important predictors of perceived value will be analysed (perceived epistemic value, perceived emotional value, perceived novelty value, perceived social value, perceived (performance/ quality) value; perceived sacrifice value, perceived functional (money) value and perceived risk value).

Section 3 of this literature review will focus on behavioural elements and their link to perceived value, including customer satisfaction, customer perceptions, customer expectations and customer loyalty. A number of studies will be analysed and satisfaction and loyalty will be investigated (Sweeney *et al.*, 1996:139; Murphy *et al.*, 2000:43; Chen, 2008:716; Chen & Chen, 2010:31; Ashton *et al.*, 2010:207; Chen & Hu, 2010:409).

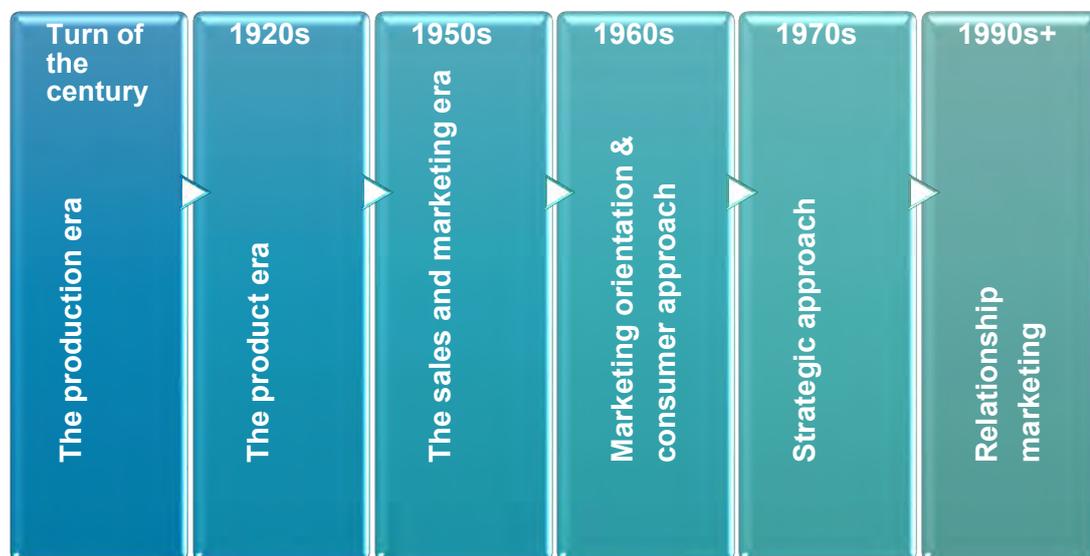
This literature review concludes by analysing the importance of perceived value in tourism and paves the way forward.

## 3.2 AN OVERVIEW OF THE CONCEPT MARKETING

Researchers have taken to analysing and researching marketing as a field of study since the early 1920s (including: Clark, 1922:1; Maynard & Beckman, 1927:1). When examining this historical development, it has been found that marketing as a concept has developed and changed as consumers and tourists' needs and wants have evolved over the years. This section has been developed to provide an overview of marketing's historical development and to conceptualise the various descriptions used to define marketing, with an application to the tourism sector.

### 3.2.1 THE EVOLUTION OF MARKETING

The practice of marketing has a long tradition in the evolution of tourism. Page and Connell (2009:334) state that this is evident from the early work of Thomas Cook in using promotional material for tourism. There are a number of phases, as illustrated in Figure 3.2, which added to the evolution of marketing and tourism as we know it today. These phases are explored in more detail below.



**Figure 3.2:** Marketing evolution: production, sales, marketing and value

**Source:** Adapted from Grewal & Levy (2009:523), Mostert & Du Plessis (2007:11-19)

- **1900s: The production era**

The earliest definition that can be found is that of Duncan (1920:1-2), where he defines marketing as:

*The actual distribution of goods, the buying and selling process. It includes all the processes of transportation, storing, weighing, grading, buying and selling, etc.*

This era (1900-1920), which was a result of the Industrial Revolution of the eighteenth and nineteenth century, was known as the production-orientated era (Figure 3.2). The production concept was based on meeting unsatisfied demands by producing more at a lesser cost (Kumar, Dixit, Javalgi & Dass, 2015:484). As a result, mass production was prominent, and during the late 1920s supply started to surpass demand, which resulted in the product era (Mostert & Du Plessis, 2007:11-12).

During this time, travel for leisure was focused on and supplied to wealthier society. In Europe, for example, tourism marketing was focused on health tourism, and spa seaside resorts such as Scarborough in England became attractive to wealthy European travel segments.

- **1920s: The product era**

During the product era (1920s to 1950s), Brown (1925:3) defined marketing as:

*“the process of transforming goods through commercial channels from producer to consumer.”*

What makes Brown’s (1925:3) definition different from that of Duncan (1920:1-2) is the evident progression from the distribution and selling of goods to the actual transformation and use of commercial channels in late 1925. Various authors (Maynard & Beckman, 1927:1; 1939:3; 1946:3; Clark, 1942:1) add to Brown’s (1925:3) definition by stating that marketing involved all activities necessary to effect transfers in the ownership of goods and to provide for their physical distribution. As supply exceeded demand, businesses started to compete on grounds of the characteristics they could manufacture into products (Mostert & Du Plessis, 2007:12). As a result, the product era focused on the idea that the consumers prefer quality products with sound performance and innovative features (Kumar *et al.*, 2015:484). The danger associated with the product and service concept to marketing is that managers were consumed by the

product characteristics and product potential that they would lose sight of (changing) market conditions, needs and wants (Mostert & Du Plessis, 2007:12). This was especially true of the tourism market, which was becoming more sophisticated. Marketing therefore progressed into the sales and marketing era.

- **1950s: The sales and marketing era**

Marketing during the sales and marketing era was defined by various authors (Maynard & Beckman, 1952:3; 1957:4; Converse, 1952:1; 1958:4) as:

*all business activities necessary to effect transfers in ownership of goods and to provide for their physical distribution (Maynard & Beckman, 1952:3; Converse, 1952:1; 1958:4).*

Marketing had therefore progressed from simply transferring goods (Brown, 1925:3) to including all those business activities involved that make it possible (Maynard & Beckman, 1952:3; Converse, 1952:1; 1958:4). Post-World War II (AD 1939-1945) saw dramatic changes and improvements in communication and air transport, which made travel and consumption experiences easier than earlier days. However, consumers had conditioned themselves to consume far less, forcing production and distribution techniques to become more sophisticated (Grewal & Levy, 2009:523). However, manufactures were still overproducing and needed to find a way to sustain their product offerings. It was during this period that firms truly discovered the value of marketing (Grewal & Levy, 2009:523).

Personal selling and advertising seemed to effectively alleviate the high-supply-low-demand problem; however, this resulted in a negative perception of marketing as consumers felt that some of these techniques were unethical, misleading and aggressive (Grewal & Levy, 2009:523, Mostert & Du Plessis, 2007:12). This led to the marketing orientation and consumer approach phase.

- **1960s: Marketing orientation and consumer approach**

It was during this era that Kotler (1967:12) defined marketing as:

*the analysing, organising, planning, and controlling of the firm's customer-impinging resources, policies and activities with a view to satisfying the needs and wants of chosen customer groups at a profit.*

Where Maynard and Beckman (1952:3) and Converse (1952:1; 1958:4) described marketing as “*all those business activities*”, Kotler (1967:17) took to specifying the exact activities involved (including: *analysing, organising, planning, and controlling of the firm’s customer-impinging resources, policies and activities*) in marketing, indicating the further refinement and progression made in the marketing field. True to Kotler’s (1967:12) definition, marketing started to concentrate more on product quality, pricing decisions, suitable distribution methods and the elements of marketing communication such as sales promotion, publicity and personal selling (Mostert & Du Plessis, 2007:12-13).

During this era, McCarthy (1960:33; 1964:16) defined marketing as the performance of business activities that direct the flow of goods and services (such as tourism) from producer to consumer or user in order to best satisfy consumers and accomplish the firm’s objectives. Marketing orientation emphasised the effective execution of marketing tasks; the consumer-orientated approach, in contrast, developed from the necessity to satisfy consumer needs and wants in conditions of increased competition (Mostert & Du Plessis, 2007:12-13). This led to the strategic approach phase.

- **1970s: Strategic approach**

During this time, Kotler (1972:12, 1976:5) defined marketing as:

*“the set of human activities directed at facilitating and consuming exchanges.”*

Similarly put, Pride and Ferrell (1977:9; 1980:7, 1983:10, 1987:7) defined marketing as:

*“individual and organisational activities aimed at facilitating and expediting exchanges within a set of dynamic environmental forces.”*

Marketers were starting to take note of the important role played by individuals/humans involved in the successful process of marketing. According to Mostert and Du Plessis (2007:13), the strategic approach to marketing prevailed during the 1970s. The contribution of the marketing function in solving strategic issues in business was acknowledged by the fact that market research was used to monitor the market in a dynamic marketing environment, which resulted in macro- and micro-marketing (Mostert & Du Plessis, 2007:13). Where macro-marketing was defined as: “being concerned with designing an efficient (in terms of use of resources) and fair (in terms of distribution of output to all parties involved) system which will direct an economy’s flow of goods and

services from producers to consumers and accomplish the objectives of the society” (McCarthy, 1971:19). Micro-marketing was defined as: “the performance of business activities which directed the flow of goods and services from producers to consumer or user in order to satisfy customers and accomplish the company’s objectives” (McCarthy, 1971:19, 1975:18-19, 1978:7-8, 1981:8, 1984:11, 1987:8).

In summary, marketing and marketing management were seen as the analysis, planning, implementing and control of programmes designed to bring about desired exchanges with target audiences for the purpose of personal or mutual gain, which relied heavily on the adaption and coordination of product, price, promotion and place to achieve effective responses (Kotler, 1972:13, 1976:7, 1980:22, 1984:14, 1988:11).

Business and leisure travel expanded rapidly during these years (which were also known as the boom-years). Baby-boomers were seeking a variety of travel products, which included exciting holidaying experiences, such as adventure travel, ecotourism and luxurious travel. There was also a rapid expansion in tourist destinations. With the fall of the Berlin Wall in Germany in 1989, countries such as Russia and the Czech Republic became new tourist destinations, and were advertised to business as well as vacation travellers.

- **1990s-Today: Relationship marketing**

The market place has changed over the years as a result of major societal forces such as technological advances, globalisation and deregulation (Kotler, 2000:26). Before the turn of the 21<sup>st</sup> century, better marketing firms recognised that there was more to good marketing than simply discovering and providing what consumers wanted and needed; to compete successfully, they would have to give their customers greater value than their competitors did (Grewal & Levy, 2009:523). Grönroos (2004:9) defines relationship marketing as:

*‘marketing to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of parties involved are met. This is achieved by mutual exchange and fulfilment of promises’.*

Adding to this, Kotler (2003:9) states that marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering,

exchanging products and services of value. Marketing management is seen as the art and science of choosing target markets and getting, keeping and growing customers through creating, delivering and communicating superior customer value (Kotler, 2003:6; Pride & Ferrell, 2003:4; 2006:4). Kumar *et al.* (2015:484) state that current-day marketing activities should be based on creating communication and delivering superior value to targeted customers (Kumar *et al.*, 2015:484).

When analysing the above definitions, it is clear that marketing has progressed from the simple distribution (Duncan, 1920:1-2) and transforming of goods (Brown, 1925:3), to focusing on business activities involved in this process (Maynard & Beckman, 1952:3; Converse, 1952:1; 1958:4), which were noted as the “*analysing, organising, planning, and controlling of the firm’s customer-impinging resources*” (Kotler, 1967:12); to taking note of the human element involved in successful marketing (Kotler, 1972:12, 1976:5), otherwise noted as the “*individual and organisational activities aimed at facilitating and expediting exchanges*” (Pride & Ferrell, 1977:9; 1980:7, 1983:10, 1987:7), to current-day marketing, which focuses on “*creating value for customers*” (Du Plessis, Strydom & Jooste, 2012:5); “*offering exchanging products and services of value*” (Kotler & Keller, 2006:6; Pride & Ferrell, 2003:4; 2006:4) and “*delivering superior value*” (Kumar *et al.*, 2015:484).

The above mentioned shows that marketing has become more sophisticated as a process and a tool used by businesses to nurture customers, and, in tourism, it adds value to the experiences offered to tourists (Page & Connell, 2009:334). This section aimed to explore the development and evolution of marketing into what is known as relationship marketing, a widely adapted and common concept today. Since this study’s core focus is on perceived value, which is a result of relationship-marketing practices (Kumar *et al.*, 2015:484, Christopher *et al.*, 2010:2), the following section has been developed to explore relationship marketing and its relation to perceived value in more detail.

### **3.2.2 MARKETING TODAY: RELATIONSHIP MARKETING**

Today, marketing-orientated companies are ‘market driven’ in the sense that they are structured, organised and managed with the sole purpose of creating and delivering value to chosen markets (Kumar *et al.*, 2015:484, Christopher *et al.*, 2010:2). Marketing

is about satisfying needs and wants (Jordaan & Prinsloo, 2004:5). As approaches to marketing have evolved, the consumer has evolved in sophistication. The tourism sector has responded to meet their needs, as markets and sub-markets have developed, reflected in the use of segmentation techniques (Page & Connell, 2009:334).

The concept relationship marketing has emerged from the fields of service marketing, industrial marketing (Grönroos, 2004:9, Kumar *et al.*, 2015:484, Christopher *et al.*, 2010:2) and recently tourism marketing (Page & Connell, 2009:338). Christopher *et al.* (2010:1) assert that traditionally the emphasis of marketing has been directed towards the 'getting' of customers rather than the 'keeping' of customers. Relationship marketing therefore has the dual purpose of getting and keeping customers (Dhurup, 2003:51).

This section aims to explain the importance of relationship marketing in tourism service-based experiences such as the cruise experience, through defining it and relating the benefits it holds for both product owners and consumers. Lastly, marketing tourism as a service is scrutinised and the importance of perceived value in relationship marketing is emphasised.

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### 3.2.2.1 DEFINING RELATIONSHIP MARKETING

Researchers and practitioners have proposed a variety of definitions in an attempt to explain relationship marketing (Dhurup, 2003:51; Kandampully & Duddy, 1999:317). While no universally accepted definition of relationship marketing exists, various researchers have contributed to its understanding and their concepts are used to expound the potential range of relationship marketing (Kandampully & Duddy, 1999:317).

Berry (1983:25), who was among the first to introduce the term 'relationship marketing', simply defines it as "*Attracting, maintaining and enhancing customer relationships*" (Berry, 1983:25). Morgan and Hunt (1994:22) refer to relationship marketing as "those activities directed towards establishing, developing and maintaining successful relational exchanges".

As seen from these definitions, relationship marketing is described as an attempt not only to attract new customers, but also to maintain long-term relationships with them (Du Plessis, Rousseau & Blem, 1995:280). Berry (1995:172) adds to this by stating that

relationship marketing is attracting, developing and retaining customer relationships and indicates that numerous long-term benefits can be gained by the product/service provider. In an attempt to define relationship marketing, Harker (1999:17) developed seven conceptual categories of relationship marketing that may encompass its definition (refer to Table 3.1).

**Table 3.1:** The seven categories of relationship marketing

Primary construct	Other common constructs
Creation	Attracting, establish, getting
Development	Enhancing, strengthening
Maintenance	Sustaining, stable, keeping
Interactive	Exchange, mutually, co-operative
Long-term	Lasting, permanent, retaining
Emotional content	Commitment, trust, promises
Output	Profitable, rewarding, efficiency

**Source:** Harker (1999:17)

Harker's (1999:71) seven categories of relationship marketing undoubtedly summarise the fundamental importance and quintessence of relationship marketing. Du Plessis *et al.* (1995:279) emphasise that the traditional focus of marketing efforts on attracting new customers, at times to the detriment of keeping existing ones, can be viewed as short-sighted and even wasteful. Building relationships with current consumers is highly beneficial to a company's future growth and existence (Grewal & Levy, 2009:523).

Relationship marketing focuses on a shift from attracting customers to retaining customers; this necessitates the creation of customer loyalty so that a stable, mutually beneficial and long-term relationship is enhanced (Ravald & Grönroos, 1996:19). Zeithaml and Bitner (1996:174) identified five important benefits an organisation may gain by adopting the concept of relationship marketing, namely:

- increased purchases;
- reduced costs;
- free advertisement by word-of-mouth;
- employee retention and; and
- the lifetime value of the customer.

Gummesson (1998:12) suggested that the relationship marketing approach resulted in both parties deriving value from the transaction, and Voss and Voss (1997:293) identified shared value as a key objective in the design and implementation of a relationship marketing programme.

Relationship marketing embodies the following benefits (Christopher *et al.*, 2010:4; Dhurup, 2003:51; Sigala, 2015:181; Zeithaml & Bitner, 1996:174):

- Emphasises a relationship, rather than a transactional approach to marketing.
- Understands the economics of customer retention and therefore ensures the right amounts of money and other resources are appropriately allocated between the two tasks of retaining and attracting customers.
- Highlights the critical role of internal marketing in achieving external marketing success.
- Extends the principles of relationship marketing to a range of diverse market domains, not just customer markets.
- Recognises that quality, customer service and marketing need to be much more closely integrated.
- Illustrates how the traditional marketing concepts of the four Ps do not adequately capture all the key elements that must be addressed in building and sustaining relationships with markets.
- Ensures that marketing is considered within a cross-functional context.

It is evident that relationship marketing is highly beneficial to all parties involved; however, companies are faced with many new challenges that were not relevant a decade ago and they need to adapt their approach to survive in this new dynamic and ever-changing market place. The following section explores how value can be added through relationship marketing.

### **3.2.3 ADDING VALUE TO RELATIONSHIP MARKETING IN TOURISM**

In today's high-paced, quickly changing world, constantly delivering on the promises made through relationship marketing can be challenging. Consumer perceptions change quickly, competitors constantly enter markets, and global pressures continually reshape

opportunities (Grewal & Levy, 2009:523). Marketers must keep a vigilant eye on the marketplace so they can adjust their offerings to meet customer needs, keep ahead of their competition and influence the pre-perceived value received through their marketing strategies, especially in a highly dynamic and ever-changing setting such as tourism.

Therefore, it becomes essential to analyse the way in which clients perceive the value they receive from product offerings and to ensure that they deliver on consumers' perceived value expectations. This approach to relationship marketing will ensure return visitation, as well as a positive and loyal customer who spreads good word-of-mouth of the company's offerings, which is essential in today's highly technical world. Value is considered to be an important constituent of relationship marketing and the ability of a company to provide superior value to its customers is regarded as one of the most successful strategies (Ravald & Grönroos, 1996:19).

Consumers have more knowledge of services gained through experience and advertising (Dhurup, 2003:17). As competition increases, delivering better services becomes more important (Akan, 1995:39). Consumers make explicit and implicit trade-offs between the perceived benefits of a product or service and their costs. Customers naturally seek options that provide the greatest benefits at the lowest costs. However, Grewal and Levy (2009:523) state that good value is not just limited to good prices and that value-based relationship marketing is not just about creating strong products and services; but that it should be at the core of every firm's functions. To better understand value and to develop a value-based relationship marketing orientation, a business must also understand what consumers view as the key benefits of a given product or service and how to improve on them (Grewal & Levy, 2009:522). Consequently, the basis of being marketing orientated is to try to identify, understand and satisfy the needs of consumers (Dhurup, 2003:25).

Tourism has been noted as the largest industry in the world in terms of the revenues generated and the number of people employed, making it challenging to deliver services of value (Martin, Rosenbaum & Ham, 2015:1819). The intangibility associated with services and more specifically tourism make it a challenging sector to market. The following section has been developed to explore the intangibility associated with services and the marketing challenges it faces.

### 3.2.3.1 MARKETING TOURISM AS A SERVICE

Hospitality and tourism managers need to deliver service products in a dynamic global world (Martin *et al.*, 2015:1819). As approaches to marketing have evolved, the consumer has also evolved in sophistication. The tourism sector has responded to meet their needs, as markets and sub-markets have developed (Page & Connell, 2009:334). The key feature here, according to Page and Connell (2009:334), is to stress how marketing is based on a value proposition, which are the benefits that organisations put forward to satisfy consumers' needs as the marketing offer (including: the combination of products, services and experiences) to satisfy needs and wants.

In order to understand tourism as a service, it is necessary to first define and understand the meaning of services. Table 3.2 provides a summary of service definitions found in the literature.

**Table 3.2:** Service Definitions

Author	Definition
Judd (1964:57)	A service is a market transaction by an enterprise or entrepreneur where the object of the market transaction is other than the transfer of ownership of an intangible commodity.
Grönroos (1982:30)	The object of marketing that is the company is selling the service as the core of its marketing offering.
Payne (1993:6)	A change in condition may occur and the production of services may or may not be closely associated with the physical product.
American Marketing Association (1960:1)	Activities, benefits or satisfaction that are offered for sale, or are provided in connection with the sales of goods.
Grönroos (1982:32)	The consumption of a service is process consumption, rather than outcome consumption, where the consumer or user perceives the production process as part of service consumption.
Zeithaml & Bitner (1996:5)	Explain services as deeds, processes and performances.
Kotler (2000:428)	Any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

Jordaan & Prinsloo  
(2004:8)

An act or performance that one party can offer another, which is essentially intangible and does not result in the ownership of anything.

**Source:** Author's own compilation

In summary, from Table 3.2, services and more specifically tourism services can be defined as: *an activity that has some element of intangibility associated with it, which involves some interaction with customers and does not result in the transfer of ownership.*

Intangibility is the primary source of difference between physical goods and services (such as tourism) and is also the source from which all other characteristics emerge (Jordaan & Prinsloo, 2004:13). Ali (2007:40) pointed out that trying to measure something that is intangible can be problematic; therefore, service-marketing professionals have to employ a strategy to make the intangible somewhat tangible. This can be achieved by attempting to reduce consumers' uncertainties and reservations by enhancing perceived values.

In their study, Pressey and Mathews (2000:278) came to the following conclusions with regard to the relationship marketing of service-orientated offerings:

- Services, which are most personal, are more likely to involve more communication and so have greater potential for the use of relationship marketing.
- Successful marketing is best achieved when neither party dominates the relationship.
- Service providers, who furnish expert advice, effectively handle complaints, engender trust and generally show professionalism, tend to create good conditions for relationship marketing.
- Services with a large amount of contact between the customer and the provider, and a high degree of personal involvement by the customer, create good conditions for relationship marketing to flourish.

Perceived value is considered to be an important constituent of relationship marketing and the ability of a company to provide superior value to its customers through service offerings such as tourism is regarded as one of the most successful strategies (Ravald & Grönroos, 1996:19).

Page and Connell (2009:333) state that marketing is central to tourism services to enable organisations to create value through their transactions with consumers. The tourism product, which can be thought of as several services (Page & Connell, 2009:338), is experienced during the tourism experience. Core marketing concepts and issues are fairly universal and constant, but tourism marketing reflects some of the special characteristics of the industry (Page & Connell, 2009:333).

To assist the industry in keeping ahead and to offer services that are perceived valuable, a perceived value model for the tourism experience, and more specifically the cruise experience, needs to be developed. The following section has been developed to provide an in-depth analysis of perceived value and to explore its importance in a tourism-based sector.

### 3.3 PERCEIVED VALUE: A NEGLECTED TOPIC IN THE LITERATURE

Despite the importance of perceived value and the wide range of theoretical and empirical work conducted, the study of perceived value has attracted little attention over the years, especially within a service context (Gallarza *et al.*, 2011:179). Gallarza and Saura (2008:5) state that previous research suggests that the study of perceived value in tourism is relatively recent, and compared to other evaluations (service quality or satisfaction), it is still not very widespread. Ali (2007:01) and Sánchez *et al.* (2006:394) agree that little is known about consumers' perceived value, and more truly so in the South African context. Various gaps have been identified throughout the literature (Table 3.3), providing motivation to pursue further research on perceived value in a highly competitive environment such as the cruise tourism industry.

**Table 3.3:** Gaps and motivations for perceived value in the literature

Author	Quote	Gap/ motivation
Dodds, Monroe & Grewal (1991:307)	Though marketing managers are interested in what influences consumers' perceptions of value, researchers <b>rarely have investigated or measured the concept of perceived value.</b>	Motivation

Holbrook (1994:22)	Despite the obvious importance of perceived value to the study of marketing in general and buyer behaviour in particular, researchers have thus far devoted surprisingly <b>little attention</b> to central questions concerning the <b>nature of perceived value</b> .	Gap
Lai (1995:381)	Creating superior customer perceived value is a necessary condition for a company securing a niche in a competitive environment, not to mention a leadership position in the market. A theoretical framework that underlies the consumer overall <b>product valuation is still missing in the literature</b> .	Motivation Gap
Anderson & Littrell (1995:360)	The mechanism underlying value creation and value sharing, and the methodologies for accurately assessing them <b>remain largely unknown</b> .	Motivation
Gabbott & Hogg (1998:7)	Only by understanding how value is achieved can goods and services be designed in such a way as to attract customers. What is <b>less clear</b> and of central importance, is why consumers desire the goods and services on offer and <b>the nature of the value that they place on, or receive from it</b> .	Motivation Gap
Peck, Payne, Christopher & Clark (1999:421)	The starting point of any relationship marketing programme should be the <b>clear definition and specification of the precise nature of the value</b> to be delivered customer by customer.	Motivation
Holbrook (1999:xiii)	The nature and types of perceived value constitute the essential foundation and fundamental basis for both the academic study and the managerial practice of marketing. Yet, <b>remarkably little attention</b> has been devoted to the problem of understanding the philosophical and empirical underpinnings of a concept that plays such a critical role in the formulation of our discipline.	Motivation Gap
Day & Crask (2000:42)	Although a core concept in marketing, surprisingly <b>little is known</b> about what value is, what its characteristics are, or how customers determine it. The importance of understanding <b>perceived value is underscored</b> in numerous journal articles, conference	Gap Motivation

	presentations, books, and discussions in the business press	
Sweeney & Soutar (2001:204)	Despite value's importance, there has been <b>little empirical research</b> to develop an in-depth understanding of the concept. <b>Even less research</b> has focused on specifying its domain or to develop a practical and operational value scale.	Gap
Al Sabbahy, Ekinci & Riley (2004:226)	Despite its strategic importance for marketing, perceived value has <b>not received sufficient attention</b> in the literature.	Motivation
Wang, Lo & Yang (2004:327)	Although the significance of perceived value is widely recognised, the growing body of research about perceived value is <b>quite fragmented</b> and the definition of customer perceived value is <b>divergent</b> .	Gap
Feng & Morrison (2007:589)	<b>Limited research</b> exists on how customer quality influences value for the organisation engaging in the relationship.	Motivation
Brennan & Henneberg (2008:563)	Although the concept of value is an ancient one that has been developed extensively over many centuries, largely by philosophers and economists, the concept of customer perceived value is a comparatively <b>recent subject</b> of investigation within the marketing literature.	Motivation
Sparks, Butcher & Bradley (2008:98)	Without value, there is little likelihood of any market development of sustainability. Yet research into consumer value is still <b>underdeveloped</b> .	Motivation
Gallarza, Saura & Holbrook (2011:179)	Despite the wide range of relevant theoretical and empirical works, the study of customer perceived value continues to suffer from numerous <b>remaining lacunae</b> .	Motivation
Seymour (2013:13)	The limited knowledge that exists regarding tourism value is <b>cause for concern</b> .	Motivation

**Source:** Author's own composition

As seen in Table 3.3, researchers regrettably agree that perceived value is a neglected aspect in the literature of marketing research (Dodds *et al.*, 1991:307; Holbrook, 1994:22; Lai, 1995:381; Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7; Peck *et al.*, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar,

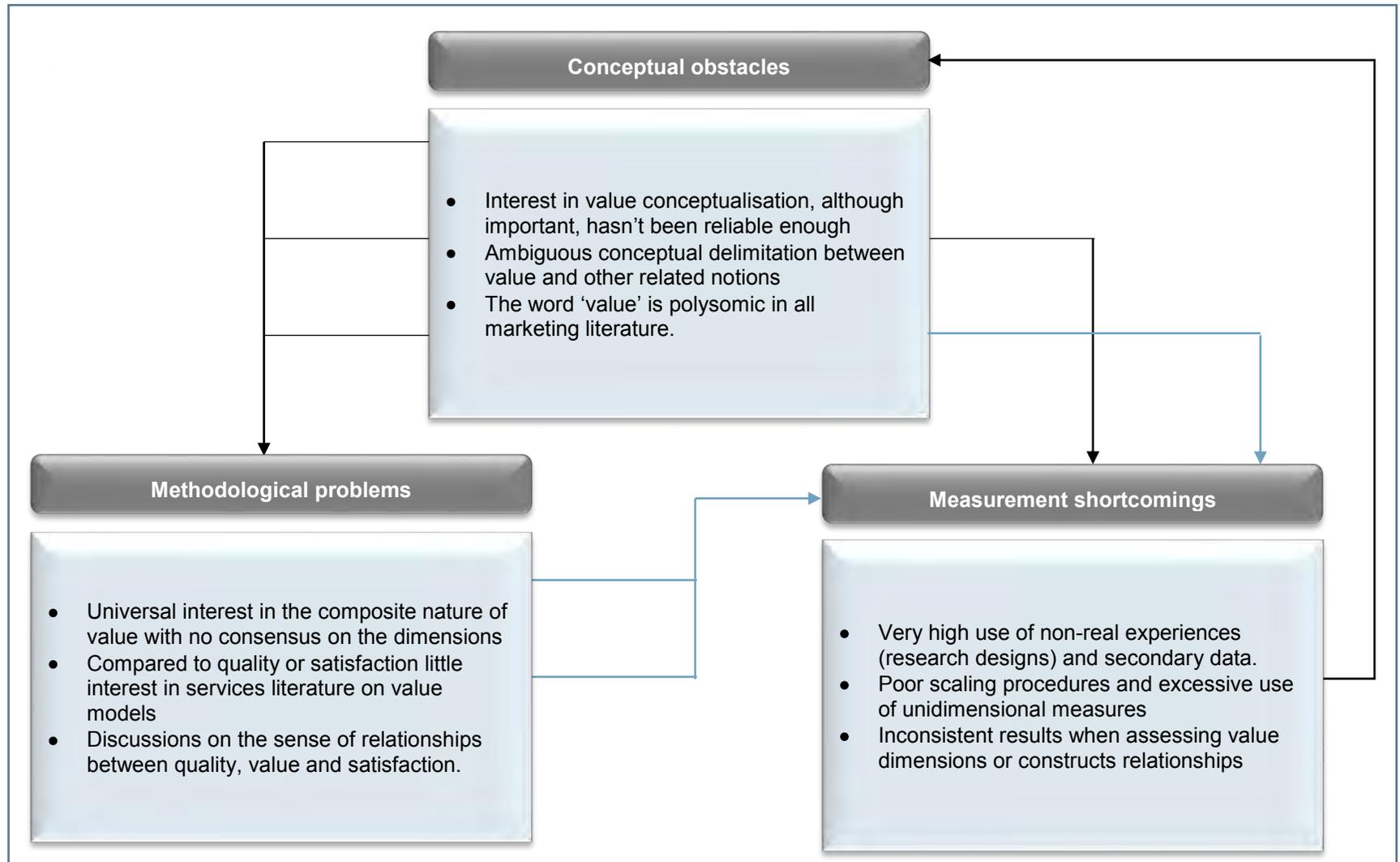
2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Feng & Morrison, 2007:589; Brennan & Henneberg, 2008:563; Sparks *et al.*, 2008:98; Gallarza *et al.*, 2011:179; Seymour, 2013:13). Tourists are value driven, but despite the accepted importance of value, there has been relatively little research done focusing on the perceived value of an experience (Sweeney & Soutar, 2001:204) especially cruise tourism.

Since limited knowledge exists concerning perceived value in tourism, it becomes a cause for concern considering that the tourism industry and more specifically the cruise industry is such a highly competitive area. Therefore, a definite gap and opportunity exists to develop an in-depth understanding of the concept perceived value. The following sections assess some of the difficulties associated with measuring and researching perceived value.

### **3.3.1 THE CHALLENGES ASSOCIATED WITH RESEARCHING PERCEIVED VALUE**

In both relationship marketing and tourism marketing research domains, creating customer value has been regarded as the next source of a competitive advantage, where a customer's perceived value is commonly recognised as a significant and positive antecedent (Feng & Morrison, 2007:589). Hassan (2000:239) adds to this statement and states that Perceived value is key to long-term sustainable tourism practices and one of the most important measures to gain a competitive edge; therefore, research in this regard is essential. From a marketing perspective, value focuses on the assessment made by the customer of his/her purchase and can be seen as a way of achieving product differentiation (Gallarza & Saura, 2008:6).

However, despite its importance, perceived value remains a relatively ambiguous area of study, and this causes a number of difficulties when attempting to measure and study it. Some of the challenges recorded in Table 3.3 have been explored in more detail and difficulties associated with the study of perceived value are recorded in Figure 3.3.



**Figure 3.3:** Difficulties associated with measuring perceived value

**Source:** Gallarza *et al.* (2011:182)

As can be seen from Figure 3.3, a continuous cycle of challenges has been experienced by academics who have opted to measure perceived value. Conceptual obstacles caused by a lack of consistency in value research and ambiguous definitions that are not standardised lead to problems associated with the validity of perceived values measured, which is associated with confusion concerning the best methodological procedures to assess value. This, in turn, creates problems when deciding on the number of value dimensions that need to be included in measurements, the structure of the value models and uncertainty about the link between satisfaction, loyalty and perceived value. These elements affect the reliability of quantitative value measurements, and cause vagueness about measurements. This is also attributed to the lack of agreement on the scaling of value dimensions that further confuse the conceptualisation of value (Gallarza *et al.*, 2011:182). However, it is important to note that one can only understand a given type of value by considering its relationship to other types of value and that perceived value is situation specific (Holbrook, 1999:4).

This section has been developed to look at each of these three problem areas (conceptual obstacles, methodological problems and measurement shortcomings) in more detail.

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### **3.3.1.1 CONCEPTUAL OBSTACLES**

Academics remain relatively undecided about the function and meaning of perceived value and not only does this cause a number of difficulties when measuring perceived value, but it also makes it difficult to define (Gallarza *et al.*, 2011:179). Despite value's importance, it has lacked consistency, although this could be attributed to the fact that it is multifaceted and complex, with various meanings, not only among consumers (Zeithaml, 1988:23) but practitioners too (Woodruff & Gardial, 1996:51). For example, researchers use different terms of the value construct even though, in principle, they mean the same thing. The various terms that are used include consumer value (Holbrook, 1999), consumption value (Seth *et al.*, 1991), customer value (Gale, 1994; Holbrook, 1996; Oh, 2000; Woodruff, 1997), perceived value (Dodds *et al.*, 1991; Monroe, 1990; Zeithaml, 1988; Zeithaml & Bitner, 2000; Iglesias & Gullien, 2004; Sánchez *et al.*, 2006; Ku *et al.*, 2009; Boksberger & Melsen, 2011; Seymour, 2013), service value (Bolton & Drew, 1991; Jayanti & Ghosh, 1996), acquisition and transaction value (Grewal *et al.*, 1998; Monroe, 1990) and value for money (Ashworth & Johnson,

1996). For the purpose of this study, the term perceived value will be used to describe all of the above.

The relatively early proposal by Zeithaml (1988:14) has stood as one of the most universally accepted definitions of perceived value (for example: Monroe, 2003, Gallarza *et al.*, 2011:187):

*“Perceived value is the consumers overall assessment of the utility of a product based on the perceptions of what is received and what is given” (Zeithaml, 1988:14).*

Though widely used, this definition does not consider all the facets of developing a multi-dimensional model; in fact, it focuses solely on the get-versus-give component. The various models and dimensions of perceived value are discussed under the methodological problems, but what is of importance here is that through the evolution of perceived value more facets contributing to its importance have become evident and need to be considered when defining it.

It is clear that the concept of perceived value needs to be tackled both in its definition and typologies, because one can understand a given type of value only by considering its relationship with other types of value (Holbrook, 1999:4; Sweeney & Soutar, 2001:205). Table 3.4 provides a summary of definitions of perceived value found in the retail and marketing literature.

**Table 3.4:** Various definitions of perceived value

Author	Definition
Woodruff (1997:142)	Customer’s perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use of that facilities achieving the customers goals and purposes in use situation.
Holbrook (1999:5)	Customer value (also known as perceived value) is an interactive relativistic preference experience.
Iglesias & Gillien (2004:374)	Perceived value represents an exchange of what is received and what is given.
Sánchez, Callarisa, Rodrigues & Moliner (2006:394)	Perceived value is a dynamic variable, experienced before purchase, at the moment of purchase, at the time of use and after use.

Ku, Wu & Deng (2009:888)	Customer's perceived value can be defined from the perspectives of money, quality, benefit and social psychology.
Boksberger & Melsen (2011:233)	Perceived value is neither a simple trade-off between quality and price nor merely an outcome of any other single factor.
Seymour (2013:46)	Perceived value can be defined as the overall assessment, perceptions, mental estimates, interpretations of information or enduring beliefs of product attributes, attribute performances and consequences of the cognitive-trade off of value received between consumers, the product source and the benefits received.

**Source:** Author's own compilation

Keywords and phrases associated with perceived value include: dynamic variable, perception, overall assessment, attributes, interpretation, trade-off, and a process where an individual receives, organises and interprets information (Table 3.4). From these keywords and phrases, as seen in Table 3.4, it is understandable that the literature reviewed often refers to conceptual difficulties in the study of perceived value. Various authors (Zeithaml, 1988:14; Patterson *et al.*, 1997:4) state that value is an abstract concept with different meanings that turn out to be highly diverse.

One potential source of misunderstanding comes from the discrepant meanings of the singular word 'value' versus the plural word 'values' in the marketing literature (Lai, 1995). Although various authors (Bolton & Drew, 1991:373, Sweeney & Soutar, 2001:204) have suggested that viewing value as a trade-off between only quality and price is too simplistic, and when researching perceived values, monetary value should be a dimension among others. Sweeney and Soutar (2001:203) add to this by stating that existing value constructs are too narrow and that dimensions other than price and quality would increase the constructs usefulness.

However, one meaning cannot be separated from the other and this was noted by Woo (1992:85) who conducted a study entitled '*Cognition, value and price: A general theory of value*'. Woo (1992:85) expanded on these definitions and identified four primary meanings of the words perceived value, namely:

- Perceived value indicates what is of true worth to people within the broad context of well-being and survival of individuals.
- What society collectively assess as important, regardless of whether or not such high value objects of consumption really contribute to their well-being.

- What the individual holds to be worthwhile to possess, to strive or exchange for.
- The amount of utility that consumers see as residing in particular objects that they aim to maximise out of a particular act of being and consuming.

When considering all of the above, the author proposes that perceived value, for the purpose of measuring the perceived value of a cruise experience, be defined as:

*A particular personal point of view, developed through a process of a cruise tourist receiving, organizing and interpreting information, from a cruise experience through relationship marketing. Measured against a certain set of expectations when intending to purchase a cruise and the worthiness that can be gained through this process.*

As mentioned before, the uncertainty associated with defining perceived value has led to a number of methodological and measurement problems, and each of these areas is explored in more detail below.

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### **3.3.1.2 METHODOLOGICAL PROBLEMS**

As seen in Table 3.3, a number of authors have noted a lack of research focused on perceived value (including Dodds *et al.*, 1991:307; Holbrook, 1994:22; Lai, 1995:381; Anderson & Littrell, 1995:360; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Feng & Morrison, 2007:589; Sparks *et al.*, 2008:98; Gallarza *et al.*, 2011:179; Seymour, 2013:13). These gaps have unavoidably led to a number of methodological problems in the literature.

Since Seth *et al.* (1991:162) developed a multidimensional scale to measure perceived value, a number of other studies inspired by this approach have developed their own multidimensional scales (including Holbrook, 1994; Petrick, 2002; Sweeney *et al.*, 1997; Murphy *et al.*, 2000; Swait & Sweeney, 2001; Chen, 2008; Chen & Chen, 2011; Ashton *et al.*, 2010:207; Chen & Hu, 2011). However, despite the vast number of studies conducted to develop multi-dimensional scales measuring perceived value, the literature offers no consensus on the number or nature of the relevant dimensions involved (Gallarza *et al.*, 2011:183).

Thirty years ago, Holbrook and Corfman (1985) introduced a two-dimensional scale that measured hedonic and utilitarian value, which was later expanded on in other studies conducted by authors such as Babin *et al.* (1994), Lee, Bendle, Yoon and Kim (2012) and Diep and Sweeney (2008). Monroe and Chapman (1980) also measured perceived value on a two-dimensional scale introducing acquisition and transaction value to the literature. In 1991, Seth *et al.* (1991:160) introduced a five-dimensional framework to measure perceived value (functional value, social value, emotional value, epistemic value and condition value). Holbrook (1994; 1999) broke all records and introduced eight category types to measure perceived value, namely efficiency, excellence, status, esteem, play, aesthetics, ethic and spirituality.

Later on, other studies such as the one conducted by Lapierre (2000), divided benefits and sacrifices into 13 measurement items, including alternative solutions, product quality, product customisation, responsiveness, flexibility, reliability, technical competence, supplier's image, trust, supplier solidarity with customers, price-product and service-related, time/effort and energy and conflict. These items were used to measure customer perceived value within an industrial context.

One such study that was done within a tourism context was conducted by Sánchez *et al.* (2006). The authors made use of a multidimensional procedure, where they developed a scale of measurement of the perceived overall value of a purchase through 24 items grouped into six dimensions. These dimensions were labelled: functional value of the travel agency (installations), functional value of the contact personnel of the travel agency (professionalism), functional value of the tourism package purchased (quality), functional value price, emotional value, and social value.

As can be seen from the above, there is no limit to the number of perceived values that can be tested; however, this causes a number of measurement problems, as discussed below.

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### **3.3.1.3 MEASUREMENT SHORTCOMINGS**

Arvidsson (2006:133) noted the evident gap that exists between research on empirical attempts at modelling and measuring value-related experiences as a fundamental immeasurability of values. This can be attributed to the manifested complexity of the

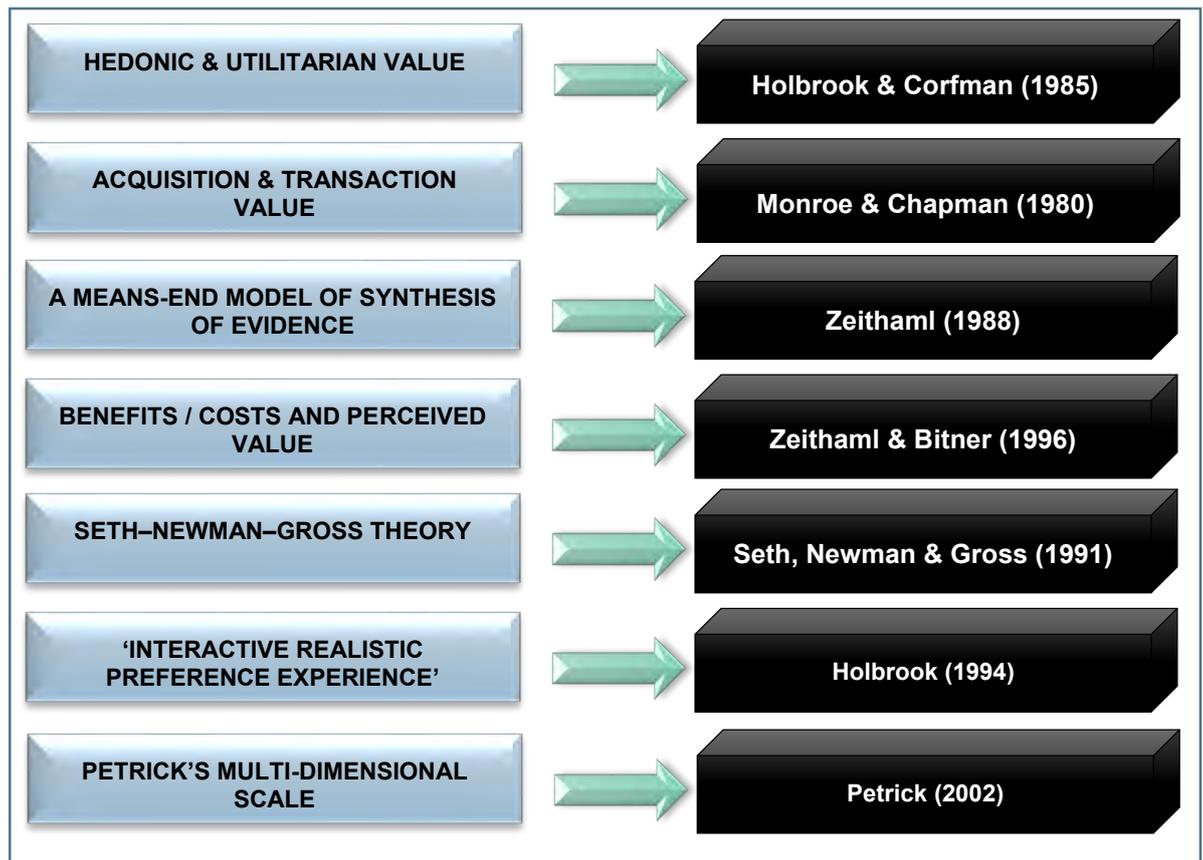
value concept (Gallarza *et al.*, 2011:1833). Numerous authors (Mathwick, Malhotra & Rigdon, 2001; Sweeney & Soutar, 2001; Petrick, 2002) have sought to address this problem by providing reliable and valid indices of value; however, Gallarza *et al.* (2011:183) state that such measures often fail to capture the full multidimensional richness of the value concept.

Parasuraman (1997:160) states that, in view of perceived values, complexity and richness, operationalising perceived value in its entirety and developing one standard scale to capture all of its facets may pose a challenge. However, viewing all perceived values the same is too simplistic, as perceived value is highly personal and situation specific. In other words, the perceived values used to measure the purchase of a new car and the satisfaction/loyalty drawn from that purchase cannot be treated the same as the purchase of a cruise holiday, as each element serves different needs and purposes. Gallarza *et al.* (2011:183) add to this by stating that because of the inconsistency produced by various studies, this clearly indicates that the nature of the relevant value dimensions hinges delicately on the type of product or service investigated.

Since the various challenges associated with perceived value have been stipulated, the following section scrutinises studies that have contributed the most to the development of perceived value by analysing seven key trends developed by various authors.

### 3.3.2 MAIN TRENDS IN PERCEIVED VALUE

Perceived value's significance has evolved from two-dimensional items (for example, Holbrook & Corfman, 1985; Monroe & Chapman, 1980) to multidimensional scales (Seth *et al.*, 1991:159; Holbrook, 1994; Petrick, 2002). The focus of perceived value was primarily monetary, but shift to focus on all facets of perceived value and the influence that it has on consumer satisfaction and loyalty. Important trends have emerged over the past 30 years, and seven of these trends that had the greatest impact on the evolution of perceived value have been captured in Figure 3.4.



**Figure 3.4.** Main trends in Perceived Value

**Source:** Authors own compilation

The perceived value trends identified in Figure 3.4 are discussed in more detail below.

### 3.3.2.1 HEDONIC AND UTILITARIAN VALUE

As seen in Figure 3.4, one of the earliest concepts of perceived value, which was developed by Holbrook and Corfman (1985), was based on psychological and economic theory. The two concepts used to measure the perceived value of a consumption experience were hedonic and utilitarian value (Table 3.5).

**Table 3.5:** Hedonic and utilitarian value

Value	Description
Hedonic value	The extent to which a product creates appropriate experiences, feelings and emotions for the customer.
Utilitarian value	This refers to quality and monetary price.

**Source:** Author's own compilation

Holbrook and Corfman (1985) set a trend that inspired studies conducted by many other authors, including Diep and Sweeney (2008), Tsai (2005), Smith and Colgate (2007) and Babin *et al.* (1994) who measured utilitarian and hedonic value.

Hedonic value, which later evolved into emotional value (Seth *et al.*, 1991:159), can add to a cruise experience by creating appropriate experiences, feelings and emotions for the cruise tourist. While utilitarian value, which refers to the quality received for the price paid for a product or service, can also be an important contributor to the cruise experience.

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### 3.3.2.2 ACQUISITION AND TRANSACTION VALUE

Gallarza *et al.* (2011:181) state that psycho-economic theories of price value judgements are at the foundation of all influential works on perceived value. Another study that highlights price-value judgements (or monetary value) was conducted by Monroe and Chapman in 1980.

These authors (Monroe & Chapman, 1980) introduced the concepts acquisition and transaction value to the marketing literature. Acquisition and transaction value are defined in Table 3.6.

**Table 3.6:** Acquisition value and transaction value

Value	Description
Acquisition value	Refers to the perceived net gains from the trade-off between benefits (quality of service) and sacrifices (price of service).
Transaction value	Refers to the difference between the consumers' internal reference price and price offered within the context of a special deal.

**Source:** Author's own compilation

Petrick and Backman (2001:233) state that transaction value can be used as an objective and monetary measure of utility (physical value), while acquisition value is a more subjective measure of utility (behavioural value).

It can be inferred from Table 3.6 that cruise tourists will measure the quality of the service against the price that they paid to go on a cruise (acquisition value), while they also have an expected price (internal price), which they are willing to pay (transaction value). These concepts were later implemented by Grewal *et al.* (1998) and Parasuraman and Grewal (2000) in their studies.

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### 3.3.2.3 A MEANS-END MODEL OF SYNTHESIS OF EVIDENCE

The third trend identified in Figure 3.4 was inspired by the work of Zeithaml (1980). Patterns of responses from the exploratory analyses conducted by Zeithaml (1988:14) were grouped into four consumer categories (Table 3.7):

**Table 3.7:** Findings by Zeithaml

Consumer propositions	Value is:
	low price
	whatever I want in a product/service
	the quality I get for the price I paid
	what I get for all that I give

**Source:** Zeithaml (1988:14)

Zeithaml (1988:14) deduces that an understanding of what quality and value mean to consumers offers the promise of improving brand positions through more precise market analysis and segmentation, planning, promotion and pricing strategy. Intrinsic cues (for example: flavour, colour, texture of beverages) involve the physical composition of the product, whereas extrinsic (for example: price, brand name and level of advertising) cues are product related, but not part of the physical product itself (Zeithaml, 1988:6).

In conclusion to Zeithaml's (1988) perceived value price theory, elements that will add value to the perceived value of a cruise experience from this study include: the cleanliness of the cruise ship; friendly, neat, experienced staff; an enjoyable dining experience; and satisfying experiences.

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### 3.3.2.4 BENEFITS/COSTS AND PERCEIVED VALUE

The fourth trend noted in Figure 3.4 is labelled the benefits/cost and perceived value theory and was developed by Zeithaml and Bitner (1996). This study was conducted for

a services marketing context. The benefit/cost theory items tested by Zeithaml and Bitner (1996) are recorded in Table 3.8.

**Table 3.8:** Factors tested by Zeithaml and Bitner

Value	Description
Benefits	Quality, satisfaction and specific benefits
Costs	Costs (money, time and effort)

**Source:** Zeithaml and Bitner (1996)

Although this study still has a very strong focus on the monetary value experienced by consumers, the importance of providing quality products and satisfactory experiences started to emerge as strong key players. The most influential studies that advanced from Zeithaml and Bitner's (1996) benefit/cost model include those done by Lapierre (2000) and Helander and Ulkuniemi (2012).

When applying the cost/benefit perceived value to cruise tourism, the author considered elements of benefits such as the quality of the service received while on board the cruise liners, satisfaction of the total experience, and other benefits such as the activities, beverages, entertainment, accommodation and food, which are all included in the price of the ticket. Sacrifices include the money spent to acquire a cruise experience.

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### 3.3.2.5 SETH-NEWMAN-GROSS THEORY

When re-evaluating the definition of marketing as developed and adopted by Du Plessis *et al.* (2012:5), where they define marketing as: *"The process by which organisations create value for customers in the form of ideas, goods and service to facilitate satisfying exchange relationship and to capture value from customers"*, it is clear that value is playing an increasingly important role not only in monetary aspects as emphasised by earlier studies (Holbrook & Corfman, 1985; Monroe & Chapman, 1980; Zeithaml, 1988; Zeithaml & Bitner, 1996), but also to understand consumer behaviour within a marketing context.

The dichotomy of transaction value versus acquisition value is a key point in all value research and is normally related to price perceptions (for example: Jayanti & Ghosh, 1996; Kwon & Schumann, 2001; Al Sabbahy *et al.*, 2004). However, Duman and Mittila (2005:315) state that the modelling of perceived value as a product solely based on

price is an important but insufficient conceptualisation, because most of the time consumers do not only consider the price of a product for the purchase, they also consider other attributes such as the emotional, social and epistemic value.

Therefore, in addition to studies focused primarily on monetary concepts, other considerations have also been brought forward that are considered just as important to the total perceived value experienced by consumers (Figure 3.4). One such study was conducted by Seth, Newman and Gross in 1991, where they shifted the emphasis from only focusing on monetary value to developing a deepened understanding of other perceived value aspects that add to conceptualising perceived value. Their paper was titled: '*Why we buy what we buy*' and the theory which was developed by Seth *et al.* (1991:159) identified five consumption values (namely functional, social, emotional, epistemic, conditional value), which, according to the findings of their study, influence consumer choice behaviour. Table 3.9 provides a definition for each of these values:

**Table 3.9:** Five proposed consumer values identified by Seth

Value	Description
Functional value	The perceived utility acquired from an alternative's capacity from functional, utilitarian or physical performance.
Social value	The perceived utility through the association with positively or negatively stereotyped demographic, socio-economic and cultural-ethnic groups.
Emotional value	The perceived utility through the creation or perpetuation of feelings or affective states.
Epistemic value	The perceived utility through the arousal of curiosity, the provision of novelty and/or the satisfaction of a desire for knowledge.
Conditional value	The perceived utility through the presence of antecedent physical or social contingencies in a specific situation.

**Source:** Seth *et al.* (1991:160)

Seth *et al.* (1991:160) theory of perceived values enthused a number of other studies, including those done by De Ruyter *et al.* (1997:231); Sweeney *et al.* (1997); Sweeney and Soutar (2001); Sánchez *et al.* (2006); Diep and Sweeney (2008) and Seymour (2013).

Functional, social, emotional, epistemic and conditional values were all considered important contributors to the perceived value of a cruise experience and are discussed in-depth in section 3.3.4.

### 3.3.2.6 INTERACTIVE REALISTIC PREFERENCE EXPERIENCE

Despite the thoroughness and importance of Seth *et al.* (1991) study, Duman and Mattila (2005:315) note that measuring these aspects together can be perilous, as one product element might fulfil the expectations of a consumer, while another is very disappointing and can influence the experience negatively. Therefore, it would be necessary to evaluate as many perceived value aspects as possible to identify those that are highly satisfactory and those that are lacking.

It is also important to keep in mind that consumers, such as cruise tourists, will go on a cruise vacation with an end-goal in mind, such as spending quality family time together, or having a rejuvenating experience. The elements that contribute greatly to the way in which they perceive the value they receive during the cruise also need to be considered. The next perceived value trend identified in Figure 3.4, namely Holbrook's interactive realistic preference experience typology (1994, 1998), addresses this problem by adding more facets to measuring perceived value.

In 1994, Holbrook defined perceived value as an "*interactive relativistic preference experience*" (Holbrook, 1994:22) and proposed a theory of perceived value that shared some points with the research approaches mentioned above. Holbrook's Typology A consisted of eight types of values, as seen in Table 3.10 (Holbrook, 1994; 1999).

**Table 3.10:** Holbrook's typology a

Value	Description
Efficiency (output/ input ratio or convenience)	The perceived value from an active transformation of means in the pursuit of a self-oriented end.
Excellence (quality)	The perceived value associated with a distanced apprehension or receptive admiration.
Politics (success)	The perceived value of one's own consumption experience as a mean to achieve a favourable response from someone else.

Esteem (reputation)	The perceived value from the reactive contemplation of one's own status as reflected in the probative opinion of others.
Play (fun)	The perceived value of an active self-oriented experience enjoyed for own sake.
Aesthetics (beauty)	The perceived value of an essentially reactive appreciation as an end itself.
Morality (virtue)	The perceived value from an ethical action favouring others.
Spirituality (faith or ecstasy)	The perceived value of devotional experience.

**Source:** Holbrook (1994:22)

The typology of experiential value was expanded by Holbrook (1994:22) to include an environment factor and the interaction between the environment and individuals, thereby incorporating the three dimensions (self-orientated vs. other-orientated, active vs. reactive and extrinsic vs. intrinsic). Holbrook (1994:22) made a major effort to describe value in the consumption experience by introducing these eight distinguished categories of consumer value (Table 3.11). These eight categories, as defined by the three dimensions, are illustrated in Table 3.11 and are referred to as Holbrook's Typology B.

**Table 3.11:** Holbrook's typology b

Self/other orientation	Active/reactive orientation	Extrinsic orientation	Intrinsic orientation
Self	Active	Efficiency	Play
	Reactive	Excellence	Aesthetics
Others	Active	Status	Ethics
	Reactive	Esteem	Spirituality

**Source:** Oliver (1996:143)

Drawing from both of the typologies developed by Holbrook (1994; 1999) it can be said that cruise tourists might value their cruise experience because of the fun element, which is actively sought, self-orientated and intrinsically characterised.

### 3.3.2.7 PETRICK'S MULTIDIMENSIONAL SCALE

When comparing Holbrook's (1994, 1999) typology to Zeithaml's (1988) model, it can be said that it is more comprehensive and provides a better understanding of the get component of the perceived value experience. However, Duman and Mittila (2005:315)

state that the typologies developed by Holbrook (1994; 1999) and Seth *et al.* (1991:160) multidimensional scale provide detailed explanations in terms of the benefits consumers get from consuming the products, but neither of these studies pay attention to which costs are associated with the consumption that balance the benefits received. Petrick (2002:128) took note of this and developed a multi-dimensional scale that encompasses elements of sacrifice (behavioural and monetary price) and benefits (emotional responses, quality and reputation). Petrick (2002:128) developed this multi-dimensional scale to measure the perceived value of a service. A 25-item instrument was developed to measure the construct and its dimensions. The five dimensions that were identified are listed in Table 3.12.

**Table 3.12:** Petrick's multi-dimensional scale to measure perceived value of services

Value	Criteria measured
Behavioural price	<ul style="list-style-type: none"> <li>• Is easy to buy</li> <li>• Requires little energy to purchase</li> <li>• Is easy to shop for</li> <li>• Required little effort to buy</li> <li>• Is easily bought</li> </ul>
Monetary price	<ul style="list-style-type: none"> <li>• Is a good buy</li> <li>• Is worth the money</li> <li>• Is fairly priced</li> <li>• Is economical</li> <li>• Appears to be a good bargain</li> </ul>
Emotional response	<ul style="list-style-type: none"> <li>• Makes me feel good</li> <li>• Gives me pleasure</li> <li>• Gives me a sense of joy</li> <li>• Makes me feel delighted</li> <li>• Gives me happiness</li> </ul>
Quality	<ul style="list-style-type: none"> <li>• Is outstanding quality</li> <li>• Is very reliable</li> <li>• Is very dependable</li> <li>• Is very consistent</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>• Has a good reputation</li> <li>• Is well respected</li> <li>• Is well thought of</li> <li>• Has status</li> <li>• Is reputable</li> </ul>

**Source:** Petrick (2002:128)

Petrick (2002:119) states that the instrument was further found to be reliable, and has convergent and discriminant validity. The elements used to measure the perceived value of a service as investigated by Petrick are highly beneficial. For example, a cruise tourist might go on a cruise to feel good or because it makes him/her feel delighted or happy (emotional response).

The seven trends identified as contributors to the study of perceived value were analysed in this section and provided a good foundation on which to build a perceived value model for a cruise experience. The following section provides a summary of previous studies conducted in the marketing, retail and tourism literature.

### **3.3.3 PREVIOUS PERCEIVED VALUE STUDIES**

Those studies that emerged from the seven primary trends identified in the previous section have been tabulated and explored in this section. Since perceived value got its origin from the retail and marketing literature, these studies will be summarised and evaluated first. Secondly, though a fairly new concept to tourism, there are some studies that have focused on perceived value in this area; these too will be summarised and analysed in this section.

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#### **3.3.3.1 PREVIOUS STUDIES CONDUCTED SURROUNDING THE TOPIC PERCEIVED VALUE IN A RETAIL AND MARKETING SETTING**

Those perceived value studies which have been done in the marketing and retail literature are tabulated below (Table 3.13).

A summary of each of these studies is provided under the following headings: year, author, title and conceptualization or dimensions of perceived value. Each of these studies is explored in more detail and items which can be used to measure the perceived value of a cruise experience taken from these studies are considered for evaluation in the Section 3.3.4.

**Table 3.13:** Previous studies done on perceived value in marketing and retail literature

No.	Date (Year)	Author(s)	Title	Conceptualization/dimensions of perceived value
1.	1985	Holbrook & Corfman	Quality and value in the consumption experience: Phaedrus rides again	<ul style="list-style-type: none"> <li>• Hedonic value</li> <li>• Utilitarian value</li> </ul>
2.	1980	Monroe & Chapman	Framing effects on buyers' subjective product evaluations	<ul style="list-style-type: none"> <li>• Acquisition value</li> <li>• Transaction value</li> </ul>
3.	1988	Zeithaml	Consumer perceptions of price, quality and value: A means-end model and synthesis of evidence	<ul style="list-style-type: none"> <li>• Value is low price</li> <li>• Value is whatever I want in a product/ service</li> <li>• Value is the quality I get for the price I paid.</li> <li>• Value is what I get for all that I give.</li> </ul>
4.	1991	Seth, Newman & Gross	Why we buy what we buy: A theory of consumption values	<ul style="list-style-type: none"> <li>• Functional value</li> <li>• Social value</li> <li>• Emotional value</li> <li>• Epistemic value</li> <li>• Conditional Value</li> </ul>

5.	1992	Nilson	<b>Value-added marketing: Marketing management for superior results</b>	<ul style="list-style-type: none"> <li>• Tangible values</li> <li>• Intangible values</li> </ul>
6.	1994	Babin, Darden & Griffin.	<b>Work and/or fun: Measuring hedonic and utilitarian shopping value</b>	<ul style="list-style-type: none"> <li>• Hedonic value</li> <li>• Utilitarian value</li> </ul>
7.	1994 + 1999	Holbrook	<p>1994: The nature of consumer value: An axiology of services in the consumption experiences</p> <p>1999: Consumer value: A framework for analysis and research.</p>	<ul style="list-style-type: none"> <li>• Efficiency</li> <li>• Excellence</li> <li>• Status</li> <li>• Esteem</li> <li>• Play</li> <li>• Aesthetics</li> <li>• Ethics</li> <li>• Spirituality</li> </ul>
8.	1995	Kotler	<b>Marketing management: Analysis, planning, implementation and control</b>	<ul style="list-style-type: none"> <li>• Expected value</li> <li>• Received value</li> </ul>
9.	1996	Lovelock	<b>Services marketing</b>	<ul style="list-style-type: none"> <li>• Pre-use value</li> <li>• Post-use value</li> </ul>
10.	1996	Zeithaml & Bitner	Services marketing	<ul style="list-style-type: none"> <li>• Benefits (quality, satisfaction and specific benefits)</li> <li>• Costs (money, time and effort)</li> </ul>
11.	1997	Woodruff	<b>Customer value: the next source for competitive advantage</b>	<ul style="list-style-type: none"> <li>• Desired value</li> <li>• Received value</li> </ul>

12.	1997	Grönroos	<b>Value-driven relational marketing: From products to resources and competencies</b>	<ul style="list-style-type: none"> <li>• Cognitive value</li> <li>• Emotional value</li> </ul>
13.	1997	De Ruyter, Wetzels, Lemmink & Mattson	<b>The dynamics of the service delivery process, a value-based approach</b>	<ul style="list-style-type: none"> <li>• Emotional or intrinsic value</li> <li>• Functional/ extrinsic value</li> <li>• Logical/ value for money</li> </ul>
14.	1997	Sweeney, Soutar & Johnson	<b>Retail service quality and perceived value</b>	<ul style="list-style-type: none"> <li>• Perception of value</li> <li>• Perception of product quality</li> <li>• Willingness to buy</li> <li>• Functional service quality</li> <li>• Technical service quality</li> <li>• Relative price</li> </ul>
15.	1998	Grewal, Monroe & Krishnan	<b>The effects of price-comparison advertising on buyers' perceptions of acquisition value, transaction value and behavioural intentions</b>	<ul style="list-style-type: none"> <li>• Acquisition value</li> <li>• Transaction value</li> </ul>
16.	2000	Parasuraman & Grewal	<b>The impact of technology on the quality-value-loyalty chain: A research agenda</b>	<ul style="list-style-type: none"> <li>• Acquisition value</li> <li>• Transaction value</li> <li>• Value 'in-use'</li> <li>• Redemption value</li> </ul>

17.	2000	Lapierre	<b>Customer-perceived value in industrial contexts</b>	<ul style="list-style-type: none"> <li>• <b>Benefits:</b></li> <li>• Alternative solutions – product related</li> <li>• Product quality – product related</li> <li>• Product customization – product related</li> <li>• Responsiveness – service related</li> <li>• Flexibility – service related</li> <li>• Reliability – service related</li> <li>• Technical competence – service related</li> <li>• Supplier’s image – relationship related</li> <li>• Trust – relationship related</li> <li>• Supplier solidarity with customers – relationship related</li> <li>• <b>Sacrifices:</b></li> <li>• Price-product and service related</li> <li>• Time/effort and energy – relationship related</li> <li>• Conflict – relationship related.</li> </ul>
18.	2001	Sweeney & Soutar	<b>Consumer perceived value: The development of a multi-item scale.</b>	<ul style="list-style-type: none"> <li>• Functional (price/value for money)</li> <li>• Functional (performance/ quality)</li> <li>• Emotional Value</li> <li>• Social Value</li> </ul>
19.	2001	Swait & Sweeney	<b>Perceived value and its impact on choice behaviour in a retail setting</b>	<ul style="list-style-type: none"> <li>• <b>Product characteristics</b></li> <li>• Perceived value</li> </ul>

				<ul style="list-style-type: none"> <li>• Perceived quality</li> <li>• Major vs. minor durable</li> <li>• Actual price</li> <li>• <b>Store characteristics</b></li> <li>• Store effect</li> <li>• Chain effect</li> <li>• Relative price</li> <li>• Image congruence</li> <li>• <b>Consumer characteristics</b></li> <li>• Difficulty in evaluating product quality</li> <li>• Income</li> </ul>
20.	2002	Mathwick, Malhotra & Rigdon.	<b>The effects of dynamic retail experiences on experiential perceptions of value: An internet and catalogue comparison</b>	<ul style="list-style-type: none"> <li>• Aesthetics (visual appeal and entertainment)</li> <li>• Playfulness (escapism and enjoyment)</li> <li>• Service excellence</li> <li>• Customer ROI (efficiency and price)</li> <li>• Utilitarian (quality and monetary price)</li> </ul>
21.	2002	Petrick	Development of a multi-dimensional scale for measuring the perceived value of a service	<ul style="list-style-type: none"> <li>• Non-monetary costs</li> <li>• Monetary price</li> <li>• Emotional response</li> <li>• Quality</li> <li>• Reputation</li> </ul>

22.	2002	Teye & Leclerc	<b>The white Caucasian and ethnic minority markets: Some motivational perspectives</b>	<ul style="list-style-type: none"> <li>• Social Value</li> <li>• Escape Value</li> </ul>
23.	2005	Tsai	<b>Utility, cultural symbolism and emotion: a comprehensive model of brand purchase value</b>	<ul style="list-style-type: none"> <li>• Utilitarian (quality and monetary price)</li> <li>• Affective (emotional and behavioural price)</li> <li>• Symbolic (reputation)</li> </ul>
24	2006	Gallarza & Saura	<b>Value dimensions, perceived value, satisfaction and loyalty: An investigation of university students' travel behaviour</b>	<ul style="list-style-type: none"> <li>• Functional service/quality value</li> <li>• Perceived sacrifice value</li> <li>• Recreational value</li> </ul>
25.	2007	Smith & Colgate	<b>Customer value creation: A practical framework</b>	<ul style="list-style-type: none"> <li>• Functional/ instrumental value</li> <li>• Experiential/hedonic value</li> <li>• Symbolic/expressive value</li> <li>• Cost/ sacrifice value</li> </ul>
26.	2008	Diep & Sweeney	<b>Shopping trip value: Do stores and products matter?</b>	<ul style="list-style-type: none"> <li>• Product value – Emotional</li> <li>• Product value – Social (enhancement of the self – concept).</li> <li>• Product value – Functional (price/value for money)</li> <li>• Product value – Functional (performance/quality)</li> <li>• Store value – Utilitarian</li> <li>• Store value – Hedonic</li> <li>• Shopping trip value - Utilitarian</li> </ul>

				<ul style="list-style-type: none"> <li>• Shopping trip value – Hedonic</li> </ul>
27.	2012	Lai, To, Lung & Lai	<b>The perceived value of higher education: the voice of Chinese students</b>	<ul style="list-style-type: none"> <li>• Functional value (the usefulness of a degree)</li> <li>• Social value</li> <li>• Emotional value</li> <li>• Epistemic value</li> <li>• Functional value (the experiential aspect)</li> <li>• Functional value (the image)</li> <li>• Conditional value</li> </ul>
28.	2012	Helander & Ulkuniemi	<b>Customer perceived value in the software business</b>	<ul style="list-style-type: none"> <li>• Benefits</li> <li>• Sacrifices</li> </ul>

**Source:** Author's own compilation

When analysing the studies in Table 3.13, the seven primary perceived value trends identified in Section 3.3.2. are prominent. Therefore, this section explores the studies done that built their perceived value concepts on these seven primary perceived value trends.

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## A. BUILDING ON HOLBROOK AND CORFMAN'S (1985) HEDONIC AND UTILITARIAN VALUE THEORY

Those studies that built on Holbrook and Corfman's (1985) Hedonic and utilitarian value theory include authors such as Babin *et al.* (1994) and Diep and Sweeney (2008). Two authors who further developed these dimensions by adding items of their own include Tsai (2005), and Smith and Colgate (2007). Each of these studies is briefly discussed below.

- A study was conducted by Tsai in 2005, titled: *Utility, cultural symbolism and emotion: a comprehensive model of brand purchase value*. The author adapted the Holbrook and Corfman hedonic and utilitarian value theory (1985) by adding three more dimensions, namely trade-off value, affective value and symbolic value (Tsai, 2005:277).

Through this study, Tsai (2005:277) recommends that a holistic approach, featuring the synergistic unison of total quality management, integrated marketing communications and multiple brand representation in pursuing comprehensive brand purchase value management that generates the holistic impact to enhance the possibility of repurchase behaviour.

- In 2007, Smith and Colgate conducted a study titled: *Customer value creation: A practical framework*. This paper presented a new conceptual framework for marketers to ponder when exploring ways to distinguish themselves, in the eyes of the customer, from others in the marketplace. This framework was built on the strengths of existing frameworks, including the Holbrook and Corfman hedonic and utilitarian value theory (1985).

The following dimensions were tested by Smith and Colgate (2007:10-12):

- Functional/instrumental value: Concerned with the extent to which a product (good or service) has desired characteristics, is useful, or performs a desired function.
- Experiential /hedonic value: Concerned with the extent to which a product creates appropriate experiences, feelings, and emotions for the customer.
- Symbolic/expressive value: Concerned with the extent to which customers attach or associate psychological meaning to a product.

- Cost/sacrifice value: Concerned with transactions involving purchase, ownership and use of product.

The framework developed in this study was found to illustrate value creation strategies, illustrate brand and organise positioning, identifying opportunities for new value creation propositions of existing products (Smith & Colgate, 2007:10-12).

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## **B. BUILDING ON MONROE AND CHAPMAN'S (1987) TRANSACTION AND ACQUISITION VALUE THEORY**

Monroe and Chapman's (1987) transaction and acquisition value theory was later implemented by a number of other authors, including Grewal *et al.* (1998) and Parasuraman and Grewal (2000).

In 1998, Monroe and Krishnan conducted a study titled: '*The effects of price-comparison advertising on buyers' perceptions of acquisition value, transaction value and behavioural intentions*', in which they extended the research that Monroe conducted with Chapman (1987) by applying transaction and acquisition value to the context of price comparison advertising. The authors (Monroe & Krishnan, 1998:46) found that the effect of advertised selling price on buyers' acquisition value was mediated by their perception of transaction value.

In 2000, Parasuraman and Grewal conducted a study titled: '*The impact of technology on the quality-value-loyalty chain: A research agenda. In which they applied the following four criteria to measure value*'. In this article, the authors propose a simple model summarising the key drivers of customer loyalty, including:

- Acquisition value
- Transaction value
- Value in use
- Redemption value

In this study, the authors identify a number of avenues for additional inquiry pertaining to the three types of linkages investigated (technology-customer; technology-employee and technology-company linkages).

### C. BUILDING ON THE BENEFITS/COSTS MODEL DEVELOPED BY ZEITHAML AND BITNER (1996)

The most influential studies that advanced from Zeithaml and Bitner's (1996) benefit/cost model include those done by Lapierre (2000) and Helander and Ulkuniemi (2012). These two studies are briefly discussed below:

- Lapierre (2000) conducted a study titled: *Customer perceived value in industrial contexts*. This study reported the development of measures and tested two customer-perceived value structures similar to those of Zeithaml and Bitner (1996). Data was collected from industrial customers of the information technology industry by deriving 13 value-based items that were divided into benefits and sacrifices (Lapierre, 2000:122).

The benefits that were tested included: *Alternative solutions – product related; product quality – product related; product customisation – product related; responsiveness – service related; flexibility – service related; reliability – service related; technical competence – service related; supplier's image – relationship related; trust – relationship related; supplier solidarity with customers – relationship related.*

The costs tested included: *Price-product and service related; Time/effort and energy – relationship related; Conflict – relationship related (Lapierre, 2000:122). Lapierre (2000:122) concluded that flexibility and responsiveness (two service-related benefits) are important value drivers to the respondents who participated in this study. Relationship value drivers were assessed the most differently in two of the three sectors studied (Lapierre, 2000:122).*

- During 2012, Helander and Ulkuniemi conducted a study titled: *Customer Perceived value in the software business*. This paper addressed customer perceived value within the context of the high-technology industry, specifically in the software business. This was an exploratory study, with an empirical insight gained through two qualitative case studies from the software business.

Instead of using costs and benefits in this study, the authors used benefits and sacrifices to measure perceived value. The most important value elements that

were tested in their study include: benefits: *Total system solution from single supplier and deeper understanding and support of the customer's overall creation process; and sacrifices/costs: Schedule problems and committing to the supplier:*

The complexity of the customer's perceptions was found to be rather low – customers perceived as the biggest sacrifice the commitment to a supplier that was not always ready to offer a turn-to-key solution that was the ultimate aim of the customer. Still, they wanted to continue due to a long shared history. The conclusion presented elements of customer perceived value within both software project and product businesses (Helander & Ulkuniemi, 2012:33).

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#### **D. BUILDING ON HOLBROOK'S TYPOLOGY (1994, 1999)**

A study that emerged from the dimensions tested by Holbrook (1994:22) was that of Mathwick, Malhotra and Rigdon (2002:51). This study is briefly discussed below:

- Mathwick *et al.* (2002:51) conducted a study titled: *The effects of dynamic retail experience on experiential perceptions of value: An integrated and catalogue experience.* The following dimensions were used to test perceived value (Mathwick *et al.*, 2002:51): *Aesthetics: visual appeal and entertainment; Playfulness: escapism and enjoyment; Service excellence: Efficiency of a service; Customer ROI: Efficiency and price; Utilitarian: Quality and monetary price.*

Mathwick *et al.* (2002:51) state that in their empirical investigation, the nature of a consumer's shopping task is found to exert a direct influence on consumers' perceptions of efficiency, economic value, and shopping enjoyment, all which are active dimensions of value. In addition to this congruent interactions between the shopping task and retail information, display properties exert an enhancing effect on the reactive dimensions of value, as evidenced by perceptions of visual appeal, entertainment value and service excellence (Mathwick *et al.*, 2002:51).

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#### **E. BUILDING ON THE SETH-NEWMAN-GROSS THEORY**

Seth *et al.* (1991:160) theory of values influencing consumer choice have been applied to a number of different studies since, including studies done by De Ruyter *et al.*

(1997:231); Sweeney *et al.* (1997); Sweeney and Soutar (2001); Sanchez *et al.* (2006); Lai, Lung and Lai (2012); and Seymour (2013). Each of these studies is discussed in more detail below.

- In 1997, De Ruyter, Wetzels, Lemmink and Mattson conducted a study titled: *The dynamics of the service delivery process: A value-based approach*. The authors measured perceived value using two dimensions developed in the Seth-Newman-Gross theory and one new proposed dimension (logical/value for money): Criteria that were used by De Ruyter *et al.* (1997:231) in their study included the following: *Emotional or intrinsic value; Functional/extrinsic value; and Logical/value for money*.
- Sweeney and Soutar developed a study titled: *Consumer perceived value: The development of a multi-item scale* in 2001. The multiple-item scale that they developed was based on the broad framework of Seth *et al.* (1991:160) consumption values. The measure was developed for use in retail purchase situations to determine what consumption values drive purchase attitude and behaviour.

Four distinct value dimensions emerged and were found to help significantly in explaining attitudes and behaviour. These four dimensions were (Sweeney & Soutar, 2001:211):

1. Emotional value: The perceived utility through the creation or perpetuation of feelings or affective states.
  2. Social value: The perceived utility through the association with positively or negatively stereotyped demographic, socio-economic and cultural-ethnic groups.
  3. Functional value (price/value for money): The utility derived from the product due to the reduction of its perceived short-term and long-term costs.
  4. Functional value (performance/quality): The utility derived from the perceived quality and expected performance of the product.
- In 2008, Diep and Sweeney conducted a study titled: *Shopping trip value: Do stores and products matter?'*. This study identified the impact of product and store value on overall shopping trip value. Through enhancing the consumption values developed by Seth *et al.* (1991:160) and that of Sweeney and Soutar

(2001:211), the authors proposed the following in their study (Diep & Sweeney, 2008:399): Product value: Emotional; Social (enhancement of the self-concept); Functional (price/value for money); Functional (performance/quality); Store value: Utilitarian and hedonic shopping trip value: Utilitarian and hedonic. Empirically, the author found that utilitarian store value and performance-related product value have significant effects on utilitarian shopping trip value. Hedonic shopping trip value is most influenced by hedonic store value and emotional product value. Women appeared more prone to hedonic shopping trip value and utilitarian store value. Men were more attentive to utilitarian product value (Diep & Sweeney, 2008:399).

- In 2012, Lai, To, Lung and Lai conducted a study titled: *The perceived value of higher education: The voice of Chinese students*. This paper describes an exploratory study on the perceived value of higher education by Chinese students in Macao SAR, Guangzhou, Shanghai, and Taipei. Using responses from 316 students, they found that the Seth-Newman-Gross theory of consumption values explains how students perceive the services offered by higher education institutions. Students had different opinions on the value items, which they grouped using factor analysis into the following (Lai *et al.*, 2011:271): Functional value: The usefulness of a degree; Functional value: The experiential aspect; social value; emotional value; epistemic value and conditional value.

A stepwise multiple regression analysis showed that students' satisfaction depended on two functional values – the experiential aspect and the usefulness of a degree. When they compared value judgements based on gender as well as other demographic and social variables, the results showed no significant differences between the mean scores in perceived values.

Other studies done in the retail and marketing sectors that added value to the perceived value literature include the following:

- In 1997, Sweeney, Soutar and Johnson conducted a study titled: *Retail service quality and Perceived Value*. This study examined the way in which service quality at the point of purchase influenced consumers' perceptions of value and willingness to buy. Two alternative theoretically justifiable models were compared. Consumer perceptions of a specific service encounter were collected

from samples of shoppers who were actively searching for an electronic appliance.

The results obtained indicated that a salesperson's knowledge influenced consumers' perceptions of product quality, while the manner of the salesperson, although influencing willingness to buy indirectly through product knowledge, also had a direct effect, independent of product evaluation on willingness to buy. It was also found that perception of service quality during a service encounter influenced consumers' willingness to buy more than did perceptions of product quality.

The dimensions that were used to measure retail service quality and perceived value are (Sweeney *et al.*, 1997:39): perception of value; perception of product quality; willingness to buy; functional service quality; technical service quality; and relative price. The findings supported both structures and provided empirical support for a value proposition with 13 drivers. Results indicated that most of the 13 drivers were assessed in a similar way by industrial customers of three service sectors surveyed, ICE, distribution and finance. Sweeney *et al.* (1997:39) found that flexibility and responsiveness were important factors in literature.

- In 2001, Swait and Sweeney did a study titled: *Perceived value and its impact on choice behaviour in a retail setting*. This paper discusses an approach to modelling consumer choice behaviour based on consumers' value orientation and their perceptions of various product and store characteristics appropriate to the specific in-store experience. A survey of over 1 000 shoppers who were actively searching for an electrical appliance in various retail stores was conducted.

The following three categories were used to measure perceived value (Swait & Sweeney, 2001:81): Product characteristics: Perceived value; Perceived quality; Major vs. minor durable; and Actual price. Store characteristics: Store effect; Chain effect; Relative price and Image congruence. Consumer characteristics: Difficulty in evaluating product quality and Income.

The results obtained strongly supported the contention that value perception influences consumer shopping behaviour. Therefore, value orientation is a useful construct in differentiating between consumer segments.

### 3.3.2.2 PREVIOUS PERCEIVED VALUE STUDIES DONE IN THE TOURISM LITERATURE

Although perceived value is a relatively underdeveloped field in the tourism literature, there are a few studies which have been done in this field and which have contributed to the literature. This section explores those studies in more detail by analysing the development of perceived value as has been recorded in Table 3.14.

**Table 3.14:** Previous perceived value studies done in the tourism literature

No.	Date (Year)	Author(s)	Title
A.	2000	Murphy, Pritchard and Smith	The destination product and its impact on traveller perceptions
B.	2006	Sánchez, Callarisa, Rodriguez & Moliner	Perceived value of the purchase of a tourism product
C.	2008	Chen	Investigating structural relationships between service quality, perceived value, satisfaction, and behavioural intentions for air passengers: Evidence from Taiwan
D.	2010	Chen & Chen	Experience quality, perceived value, satisfaction and behavioural intentions for heritage tourists.
E.	2010	Ashton, Scott, Solnet & Breakey	Hotel restaurant dining: The relationship between perceived value and intention to purchase
F.	2011	Lo & Lee	Motivations and perceived value of volunteer tourists from Hong Kong
G.	2011	Lu & Shiu	Decision-making framework of customer perception of value in Taiwanese Spa Hotels
H.	2013	Seymour	The perceived value of a tourism experience

**Source:** Author's own compilation

Perceived value is a fairly new topic in the tourism literature, with the earliest study being that of Murphy, Pritchard and Smith (2000), which was conducted in 2000 (Table 3.14).

The evolution of perceived value as a field of study in the tourism literature, though fairly undeveloped compared to the marketing and retail literature, is explored below:

- At the turn of the century, Murphy *et al.* (2000) conducted a study titled: *The destination product and its impact on traveller perceptions*. This paper reviewed the literature and identified two sub-components of a destination product, then proceeded to examine their significance as perceived by tourists. Testing of the conceptual model was undertaken using secondary data relating to visits to premier Canadian destinations, with respect to its visitors' perceptions of quality, value and intent to return.

The authors used the following criteria to test traveller's perceived value (Murphy *et al.*, 2000:43): environment; infrastructure; quality; value; and intention to return. In this study, perceived value was measured as a complete item and not subdivided into predictors of other perceived value determinants such as emotional and social value.

- During 2006, an important contribution to the tourism literature was made by Sánchez, Callarisa, Rodrigues and Moliner, who conducted a study titled: *Perceived value of the purchase of a tourism product*. By adapting the Seth-Newman-Gross theory, Sánchez *et al.* (2006:405) developed a multi-dimensional scale named the GLOVAL scale (**G**lobal purchase **P**erceived **V**alue). The scale was developed to measure the overall perceived value of a purchase through 24 items grouped into six dimensions.

The six dimensions used in the GLOVAL scale identified by Sanchez *et al.* (2006:398) were the following: Functional value of travel agencies (installations); functional value of the contact personnel of the travel agency (professionalism); functional value of the tourism package purchased (quality); functional value price; emotional value; and social value.

The authors found that a tourist's valuation of a purchase experience does not separate the experience of consumption from that of purchase, but evaluates them as a single whole. This statement comes into perspective when considering the phases of a cruise experience (see Chapter 2), which start

long before the port of call and lasts long after the cruise passenger has returned home.

- During 2008, Chen developed a study titled: *Investigating structural relationships between service quality, perceived value, satisfaction, and behavioural intentions for air passengers: Evidence from Taiwan*. This study aimed to investigate the relationships between the following constructs through a structural equation model (SEM): expectation; perceived performance; perceived value; overall satisfaction; and behavioural intentions (Chen, 2008:711)

The author (Chen, 2008:716) deduced that service expectation had a significantly positive effect on perceived performance, but not on perceived value and satisfaction. Chen (2008:716) also found that perceived performance had a significantly positive effect on perceived value, but not on satisfaction. Perceived value had a significantly positive effect on satisfaction (Chen, 2008:716). Both perceived value and satisfaction had significantly positive effects on behavioural intentions. In addition, perceived performance revealed the indirect effect on satisfaction moderated by perceived value. Finally, perceived value revealed a larger effect than overall satisfaction on behavioural intentions.

- During 2010, Chen and Chen conducted a study titled: *Experience quality, perceived value, satisfaction and behavioural intentions for heritage tourists*. This paper examined the visitor experience of heritage tourism and investigated the relationships between the quality of those experiences, perceived value, satisfaction, and behavioural intentions. A total of 447 respondents completed a survey conducted at four main heritage sites in Tainan, Taiwan (Chen & Chen, 2010:31). Chen and Chen (2010:31) used the following dimensions in their study: experience quality; perceived value; satisfaction; and behavioural intentions.

Using the structural equation modelling (SEM) technique, the results revealed the direct effects of the quality of experience on perceived value and satisfaction. However, it is the indirect and not direct effects of the quality of experience that affected behavioural intentions when mediated by perceived

value and satisfaction. Overall, the relationship experiences quality/perceived value/satisfaction/ behavioural intentions appeared to be evident.

- Another study that was conducted in 2010 was that of Ashton *et al.* (2010). Their study was titled: *Hotel restaurant dining: The relationship between perceived value and intention to purchase*. This paper examined how perceived value relates to intention to purchase within the context of hotel restaurant dining using a quantitative approach involving multiple regression analysis. In their study, Ashton *et al.* (2010:206) used the following dimensions: perceived brand image; perceived quality; and perceived sacrifice (monetary and non-monetary price). The findings indicated that there were three significant key variables that positively contributed to intention to purchase (Ashton *et al.*, 2010:206).
- During 2011, Lu and Shiu conducted a study titled: *Decision making framework of customer perception of value in Taiwanese spa hotels*. In this study, the authors examined the framework linking antecedents of perceived value and willingness to buy in the Taiwanese spa hotel industry. Lu and Shiu (2011:1184) developed six hypotheses to identify the factors that were evaluated by customers, which included perceived quality; perceived price; perceived risk; perceived value; and willingness to buy. Results revealed that the source of multi-collinearity among the antecedents resulted in perceived value, which was positively associated with willingness to buy being assigned varying levels of importance. The results also confirmed the two distinct and different effects of perceived price to perceived value and perceived quality in the service domain.
- During 2011, Lo and Lee conducted a study titled: *Motivations and perceived value of volunteer tourists from Hong Kong*. The perceived value of these volunteer travellers includes (Lo & Lee, 2011:329): personal growth and development; relationship enhancement; and change in perspective on life. Lo and Lee (2011:326) state that in addition to the above, motivations that were found to be significant include cultural immersion and interaction with local people; a desire to give back and show love and concern; a shared experience with family members and an educational opportunity for children; religious involvement; and escape from everyday life. The factors influencing

volunteer tourists from Hong Kong's future decision to participate in this niche tourism type include time, financial ability, safety and health issue arrangements, scale of the tour, and reputation of the organiser (Lo & Lee, 2011:326).

- During 2013, Seymour conducted a study titled: *The perceived value of a tourism experience*. This study aimed to determine the perceived value of a scuba diving experience at a marine destination, namely Sodwana Bay. In this study, the author, similar to that of Sanchez *et al.* (2006:39), adapted the Seth-Norman-Gross theory to better suit a tourism experience such as scuba diving. Instead of using conditional value, the author added perceived-risk value, which was introduced by Hall, Robertson and Shaw (2001:352), and therefore the following perceived values were tested (Seymour, 2013:106): Functional value, social value, emotional value, epistemic value and perceived risk value. The author found that epistemic value had the highest mean revealing that respondents consider curiosity, acquiring knowledge, providing novelty and broadening knowledge as key in a valued experience.

Most studies done in the tourism literature, including Murphy *et al.* (2000:43); Chen (2008:711); Chen and Chen, (2010:31); Ashton *et al.* (2010:206); and Lo and Lee (2011:72) focus on perceived value as one item among other items. This makes it difficult to determine the importance of items associated with perceived value, such as emotional, social, epistemic and risk values, which are all contributors to the total perceived value experienced within a tourism context (Seymour, 2013:166). Those studies that do focus on more than one element of perceived value (for example: the GLOVAL scale developed by Sánchez *et al.*, 2006:39 and Seymour's perceived value of a tourism experience study, 2013) do not include all possible value dimensions. There is also no agreement among these authors on the number of items that should be included within a tourism context.

Seymour (2013:76) states that perceived value within a tourism context can be seen as the total experience of the service offered, not just mere monetary exchange. Holbrook (1999:5) deduced that consumer value reflects an experience in that it does not reside solely in the product purchased, the brand chosen, or the object possessed, but rather in the derived consumption experience. Therefore, a number of perceived value items

need to be tested to develop an ideal model measuring the perceived value of a tourism experience.

The following section provides a summary of the perceived value items tested in the above-mentioned studies, after which those perceived values that are deemed most important in a tourism setting will be scrutinised.

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### **3.3.2.3 A SUMMARY OF THE PERCEIVED VALUE TESTED IN THE LITERATURE**

Table 3.15 provides a summary of the perceived values tested in the literature (refer to Table 3.13 and Table 3.14). Studies done in the retail and marketing literature are numbered 1 to 30 as indicated in Table 3.13, and those studies that were done in the tourism literature are alphabetically numbered A to H (Table 3.14).

Through careful analysis, the author has identified the perceived values (marked by a red block in Table 3.15) that are important contributors to the development of a perceived value model of a cruise experience. The most important contributors to perceived value were determined by those which have been analysed in previous studies the most and that were deemed most important by previous authors (as indicated in Table 3.15). Items used to measure these perceived values and the authors who tested them are discussed accordingly. It is important to note that the author adapted the questions asked in these studies to develop the questionnaire used in this study (refer to Annexure A).

**Table: 3.15:** A summary of perceived values tested in the literature

Values measured	1985	1987	1988	1991	1992	1994	1995	1996	1997	1998	2000	2001	2002	2005	2006	2007	2008	2009	2010	2011	2012	2013
Hedonic value	1					6										25	26					
Utilitarian value	1					6							20	23			26					
Acquisition value		2								15	16											
Transaction value		2								15	16											
Functional (performance/quality) value			3						13, 14		a	18	21		b	25	26, c		d, e	27, f		h
Functional (money) value			3	4				10	13		17	18, 19	21		24, b	25	26		e	27	28	h
Social value				4								18	22		24, b		26		e	27, g		h
Emotional value				4					12, 13			18	21	23	b		26				27, g	h
Epistemic value				4																	27	h
Novelty value				4																		h
Perceived Risk/ Sacrifice value															24	25						
Conditional value				4																	27	
Risk value																						h
Symbolic value														23		25			e			
Cognitive value									12													
Tangible values					5																	
Intangible values					5																	
Expected value							8															
Received value							8															
Pre-use value								9														
Post-use value								9														
Desired value									11													
Received value									11													



### 3.3.4 IMPORTANT PREDICTORS OF PERCEIVED VALUE

This section provides an analysis of the predictors of the perceived value items, which are deemed important for the purpose of this study (perceived epistemic value, perceived emotional value, perceived novelty value, perceived social value, perceived functional (performance/ quality) value; perceived risk/ sacrifice value; perceived recreational value, perceived functional (money) value; perceived escape value). Each perceived value item is discussed in-depth below by providing a definition for each, stating previous studies done and listing important predictors that measure the specified value.

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#### 3.3.4.1 PERCEIVED EPISTEMIC VALUE

Seth *et al.* (1991:159) included epistemic value in their Seth-Newman-Gross theory, which identified five perceived value items that have an influence on the consumption experience. A number of authors who tested in epistemic value in their studies include: de Ruyter *et al.* (1997:231); Sweeney *et al.* (1997); Sweeney and Soutar (2001); Sanchez *et al.* (2006); Diep and Sweeney (2008); Lai, Lung and Lai (2012); and Seymour (2013). Seth *et al.* (1991:159) defined perceived epistemic value as “*the perceived utility through the arousal of curiosity, the provision of novelty and/or the satisfaction of a desire for knowledge*”.

The following items that get their origin from the Seth-Newman-Gross theory (Seth *et al.*, 1991:159) and that have previously been tested by various authors (Hung & Petrick, 2011:389; Jang & Feng, 2007:585; Teye & Leclerc, 2002:236) were deemed an important contribution to this study:

- Something I would like to try at least once (Hung & Petrick, 2011:389)
- Something new (Jang & Feng, 2007:585; Hung & Petrick, 2011:389)
- Visiting a place I can talk about when I get home (Jang & Feng, 2007:585)
- To enjoy nature (Hung & Petrick, 2011:389)
- To enjoy the natural beauty (Teye & Leclerc, 2002:236)
- More knowledgeable (Jang & Feng, 2007:585; Hung & Petrick, 2011:389)
- Do and see a variety of things (Jang & Feng, 2007:585)
- Interesting experience (Jang & Feng, 2007:585; Hung & Petrick, 2011:389)
- Satisfy my curiosity (Hung & Petrick, 2011:389)

- Gain knowledge (Hung & Petrick, 2011:389)
- Increase my knowledge about people, places and things (Jang & Feng, 2007:585)

The above items add value to the development of a perceived value model for a cruise experience and were therefore considered during the development of the measuring instrument used for this study (see Chapter 4).

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#### **3.3.4.2 PERCEIVED EMOTIONAL VALUE**

Perceived emotional value has been defined by Seth *et al.* (1991:162) as ‘a socio-psychological dimension that is dependent on a product’s ability to arouse feelings of affective states’. Emotions are strongly influenced by personal experience (Seymour, 2013:172). Emotional perceived value is, therefore, likely to be a key factor in the total perceived value experienced during a cruise vacation. Perceived emotional value has its origin from the Seth-Newman-Gross theory (Seth *et al.*, 1991:162) and has been adapted and used by a number of studies since, including those done by Petrick (2002); Sweeney and Soutar (2001); Jamal, Othman and Muhammad (2011); Seymour (2013:107); De Ruyter *et al.* (1997); Grönroos (1997) and Diep and Sweeney (2008).

A number of predictors have been used to measure perceived emotional value, and after careful analysis, the author deemed the following most important for the purpose of this study:

- To increase my feelings of self-worth (Sweeney & Soutar, 2001:212; Hung & Petrick, 2011:389)
- To help me feel like a better person (Hung & Petrick, 2011:389)
- To derive a feeling of accomplishment (Hung & Petrick, 2011:389)

These values will be analysed in Chapter 4 and adapted to suite a cruise experience.

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#### **3.4.4.3 PERCEIVED NOVELTY VALUE**

Hall and Weiler (1992:3) introduced perceived novelty value as an important contributor to perceived value and found it to be of significant importance in their study. Perceived novelty value is defined as “*value being new and previously unknown*” (Oxford

Dictionary, 2008). Other studies done that measure perceived novelty value include Petrick (2002:128); Sweeney and Soutar (2001:212); Hung and Petrick (2011:398); Petrick (2002:128); Huang and Hsu (2010:87); and Gallarza and Saura (2006:445).

These authors each developed items they deemed important when measuring perceived novelty value and the following were considered important within a cruise tourism context:

- Feel excited (Petrick, 2002:128; Sweeney & Soutar, 2001:212; Hung & Petrick, 2011:398)
- Sense of adventure (Petrick, 2002:128; Sweeney & Soutar, 2001:212; Hung & Petrick, 2011:398)
- Feel good after being physically active (Huang & Hsu, 2010:87)
- Great atmosphere (Gallarza & Saura, 2006:445)

Each of these items will be analysed in Chapter 4 and will be included in the measuring instrument used for the purpose of this study.

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#### **3.3.4.4 PERCEIVED SOCIAL VALUE**

Perceived social value has been defined as '*the perceived utility acquired from an alternative's association with one or more specific groups*' (Seth *et al.*, 1991:161). Choices involving highly visible products (for example clothing) and goods or services shared with others (for example gifts) are often driven by social value (Seth *et al.*, 1991:161). In a tourism setting such as a cruise experience, social interaction is highly prominent between cruise passengers; therefore, perceived social value was deemed an important contributor to the perceived value of a cruise experience.

Perceived social value found its origin from the Seth-Newman-Gross theory (Seth *et al.*, 1991:161) and was defined as "*the perceived utility through the association with positively or negatively stereotyped demographic, socio-economic and cultural-ethnic groups*". Various authors have used it in their studies since, including Sweeney and Soutar (2001:212); Lai *et al.* (2011); Hung and Petrick (2011:108); Chen and Hu (2010); and Sánchez *et al.* (2006).

The above-mentioned authors adapted the predictors developed by Seth *et al.* (1991:161) to suit the purpose of their studies; however, the following were deemed important contributors to the perceived value of a cruise experience.

- To spend time with another (spouse, partner, family) (Teye & Leclerc, 2002:236)
- To enjoy the nightlife (Teye & Leclerc, 2002:236)
- To meet someone special (potential romance) (Teye & Leclerc, 2002:236)
- To celebrate a special occasion (Teye & Leclerc, 2002:236)
- To rekindle, improve or strengthen a relationship (Teye & Leclerc, 2002:236)
- Relationship with other tourists outside the group (Gallarza & Saura, 2006:445; Sweeney & Soutar, 2001:212)
- Reinforce my feeling of belonging to the group (Gallarza & Saura, 2006:445)
- Being socially accepted into the group (Gallarza & Saura, 2006:445)
- Opportunity to meet new people (Hung & Petrick, 2011:389)
- Would improve the way I am perceived (Sweeney & Soutar, 2001:212)

These items will be analysed in Chapter 4 and adapted for the measuring instrument used for the purpose of this study.

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#### 3.3.4.5 FUNCTIONAL (PERFORMANCE/ QUALITY) VALUE

Zeithaml (1988:3) defined perceived quality as: *'the customer's judgement about a product's overall excellence or superiority'*. Oliver (1996:143) states that excellence may be a desired value in consumption. In Holbrook's typology (see Section 3.3.2.6) it is presumed that the value of consumption increases as quality increases. A number of studies have focused on perceived (performance/quality) value as a determinant of the total perceived value experienced during a consumption experience. These studies include: Petrick (2002:128); Sweeney and Soutar (2001:212); Gallarza and Saura (2006:445); Oh (1999:75); and Seymour (2013:108).

The items used to measure perceived (performance/quality) value that were deemed important to this study include the following:

- Courteous, polite and respectful employees (Gallarza & Saura, 2006:445)
- Will provide quality (Ashton *et al.*, 2010:217).

- Will offer a good service (Ashton *et al.*, 2010:217; Gallarza & Saura, 2006:445; Sweeney & Soutar, 2001:212).
- Provide service reliability, consistently and dependently (Gallarza & Saura, 2006:445);
- I have heard good comments about it from others (Ashton *et al.*, 2010:217; Hung & Petrick, 2011:389)
- Provide service in a timely manner (Gallarza & Saura, 2006:445)
- Security and safety (Oh, 1999:75)
- Offers value for money (Petrick, 2002:128)
- Will meet all my specific needs (Ashton *et al.*, 2010:217)
- Check-in speed (Oh, 1999:75)

These items will be analysed in Chapter 4 and used in the measuring instrument aimed at determining the perceived value of a cruise experience.

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#### 3.3.4.6 PERCEIVED SACRIFICE VALUE

Although perceived risk and sacrifice value have been measured as one item in various studies (Sweeney & Soutar, 2001:204; Seymour, 2013), there are studies which suggest that the two dimensions measure different components and are therefore split for the purpose of this study (Zeithaml, 1998; Sönmez and Graefe, 1998; Gallarza and Saura, 2006).

Zeithaml (1998:14) suggested that perceived value can be regarded as a “*consumer’s overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given*”. Sweeney and Soutar (2001:204) state that this assessment could be referred to as a comparison of the product or services ‘*get and give*’ components. The give element refers to perceived sacrifice value (Zeithaml, 1998:14) and has been tested by a number of authors, including: Gallarza and Saura (2006:445) and Sönmez and Graefe (1998). In a service setting such as tourism, perceived sacrifice refers to a number of fears that the cruise tourist will consider before going on a cruise.

The following items were considered important contributors to the total perceived value of a cruise experience:

- Fear of any kind of accident (Gallarza & Saura, 2006:445)
- Fear of suffering a natural disaster (Gallarza & Saura, 2006:445)
- Fear of suffering any disease or infection (Gallarza & Saura, 2006:445)
- Fear of a terrorist attack during my trip (Gallarza & Saura, 2006:445)

Each of these items will be adapted and included in the measuring instrument for analysis.

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#### **3.3.4.7 PERCEIVED RISK VALUE**

Perceived risk value has been deemed important in a consumption experience because of safety issues and the planning needed to minimise risk (William & Soutar, 2000:1419). Authors who found perceived risk value to be significant value in their studies include Hall, Robertson & Shaw (2001:530); Hall and Weiler (1992:3); Jang and Feng (2007:585); William and Soutar (2000:1451); and Seymour (2013:108). Hall *et al.* (2001:530) define perceived risk value as “*the utility derived from factors reducing risk are highly sought*”.

The following items that have been used to measure perceived risk value in previous studies were considered important for the development of a perceived value model of a cruise experience:

- Marketing and promotions (Hall *et al.*, 2001:352; Seymour, 2013:105)
- Always wanted to do (Seth *et al.*, 1991:165; Hall & Weiler, 1992:3, Jang & Feng, 2007:585; William & Soutar, 2000:1451; Seymour, 2013:108)
- Recommendations of friends (Hall *et al.*, 2001:352; Seymour, 2013:105)
- Recommendations of experts (for example: travel agents) (Hall *et al.*, 2001:352; Seymour, 2013:105)

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#### **3.3.4.8 PERCEIVED RECREATIONAL VALUE**

Items that were theoretically identified to test *perceived recreational value* were previously tested by Gallarza and Saura (2006:445), Hung and Petrick (2011:389) and

Oh (1999:75). No definition of *perceived recreational value* exists. However for the purpose of this study the author has defined it as: '*the perceived value/ gain from an activity done for enjoyment while one is on holiday*'.

The following items which were used to test *perceived recreational value* in previous studies were deemed an important contribution to the development of a perceived value model for the cruise experience:

- There is good food (Hung & Petrick, 2011:389)
- Shopping facilities at the destination (Gallarza & Saura, 2006:445; Holbrook, 1999)
- Infrastructure at the destination (Gallarza & Saura, 2006:445; Holbrook, 1999)
- The lodging facilities at the destination (Gallarza & Saura, 2006:445; Holbrook, 1999)
- The entertainment is good (Hung & Petrick, 2011:389)
- Laundry (Gallarza & Saura, 2006:445)
- Cleanliness of lobby areas (Oh, 1999:75)
- Employee friendliness (Oh, 1999:75)

The above items have been analysed in more detail in Chapter 4.

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#### **3.3.4.9 PERCEIVED FUNCTIONAL (MONEY) VALUE**

Value has been defined as: '*value in use in an economic sense, related purely to monetary value, price and cost*' (Hirschey & Pappas, 1993:21). Seth *et al.* (1991:160) refer to functional (money) value as the utility derived from the product due to the reduction of its perceived short-term and long-term costs. Functional value has formed an important part of perceived value, with the earliest recording of monetary value within a perceived value context being that of Monroe and Chapman (1980) who used transaction value to measure monetary value in their study. A number of authors have included it in their studies since, including, Petrick, 2002:128; Sweeney and Soutar, 2001:212, Hung and Petrick, 2011:389.

The following items were deemed important contributors to the development of a perceived value model for a cruise experience:

- Is appealing (Chen & Hu, 2010:409)

- Is fairly priced (Petrick, 2002:128)
- Is worth the money (Petrick, 2002:128)

Since the price paid for a cruise is all inclusive, these questions need to be adapted for the measuring instrument used in this study.

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#### 3.3.4.10 PERCEIVED ESCAPE VALUE

*Perceived escape value* is fairly new to the literature and has only been tested by two authors including Hung and Petrick (2011:389) and Teye and Leclerc (2002:236). Hung and Petrick (2011:389) state that *perceived escape value* can be defined as: '*where tourists break-free to, to relax and be rejuvenated*'.

The following items which were used to test *perceived escape value* in Hung and Petrick (2011:389) and Teye and Leclerc (2002:236) studies were deemed an important contribution to this study:

- To switch off from the demands of work and relax (Teye & Leclerc, 2002:236)
- To get away from everyday life, have a change of scenery (Teye & Leclerc, 2002:236)
- To improve one's mental state of mind (Teye & Leclerc, 2002:236)
- To have fun (Hung & Petrick, 2011:389)
- To give my mind a rest (Hung & Petrick, 2011:389)

These items were further analysed and adapted in Chapter 4.

It can be deduced from this section that, although studies have been done that measure the importance of perceived value, no model yet exists to measure the perceived value experienced by tourists in a highly competitive setting such as the cruise industry. Gallarza and Saura (2008:4) state that destination and tourism services can be better understood if analysed through the multidimensionality of value, as the tourist can simultaneously experience several factors.

Various authors (Seth *et al.*, 1991:159; Snoj *et al.*, 2004:156; Zeithaml, 1988:2) mention that earlier literature has investigated the measurement of the perceived value of

tangible products, but the domain of measuring the perceived value of service has basically remained untouched. Adding to this statement, Petrick (2002:13) notes that while recent multidimensional scales have been created to measure the perceived value of tangible products, a multidimensional scale for the measurement of the perceived value in intangible products, such as a tourism experience, does not exist. Although this could be because the study of perceived value in tourism is relatively recent compared to other evaluations (service quality or satisfaction), it is still not very widespread (Gallarza & Saura, 2008:5).

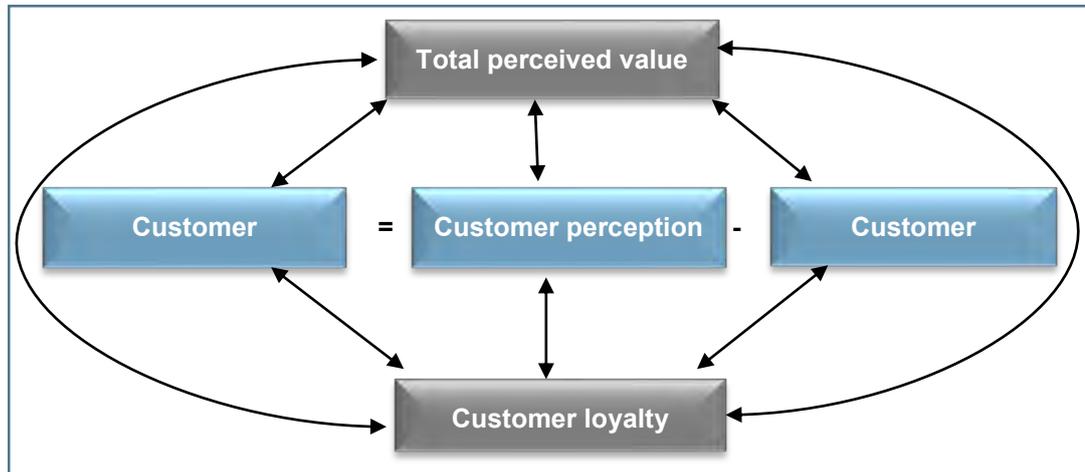
Tourism as an experience is an intangible element and perceived value cannot be singled out as it will have an influence on aspects such as behavioural intentions, which is a result of satisfaction and loyalty. A number of studies analysed in this literature review found satisfaction and loyalty to be of relative importance when measuring perceived value (Sweeney *et al.*, 1997:39; Murphy *et al.*, 2000:43; Chen, 2008:716; Chen & Chen, 2010:31; Ashton *et al.*, 2010:206; Chen & Hu, 2010:409; Lo & Lee, 2011:326). Therefore, the following section has been developed to scrutinise these components.

### 3.4 BEHAVIOURAL ELEMENTS AND THEIR LINK TO PERCEIVED VALUE

Very few studies have attempted to measure the pre- and post-perception value of a consumption experience and no studies could be found that have measured both these concepts in a tourism setting. Therefore, the following section explores behavioural elements, such as consumer expectations, perceptions, satisfaction and loyalty, which are linked to the post-perception value experience.

Although the link between customer satisfaction and loyalty has been investigated in great depth (Gallarza *et al.*, 2011:184), its link towards the total perceived value experienced has remained a comparatively neglected aspect of customers' service experience, especially within a service context such as tourism (Caruana *et al.*, 2000; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327).

Only a few studies measuring perceived value have attempted to measure its relationship to customer satisfaction (including, Patterson *et al.*, 1997; Eggert & Ulaga, 2002; Caruana & Fenech, 2005; Chen, 2008; Chen & Chen, 2010) and loyalty (including Chen & Hu, 2010; Patterson *et al.*, 1997; Eggert & Ulaga, 2002; Caruana & Fenech, 2005; Chen, 2008). Figure 3.5 has been developed to visually display the link between the total perceived value experienced and various behavioural items.



**Figure 3.5:** Elements in customer satisfaction and loyalty

**Source:** Adapted from Jordaan and Prinsloo (2004:28)

Figure 3.5 indicates that the total perceived value experienced, before and after consumption, is affected by customer satisfaction, customer perception, customer expectation and customer loyalty. All these elements are, in turn, affected by the total perceived value. Customer satisfaction is influenced by perceptions minus expectations and these elements all determine the customer's loyalty towards the product/service. Each of the elements captured in Figure 3.5 are discussed in more detail below.

### 3.4.1 TOURIST SATISFACTION

Post-purchase perceived value, which takes place after the experience, serves as a learning experience since it is during this phase that consumers/tourists decide whether it was a satisfactory experience or not. An increased level of satisfaction will also influence the perceived value of the total experience (Sánchez *et al.*, 2006:398).

Ultimately, in order to properly utilise relationship marketing, tourism entities need to ensure that the total tourism experience is perceived as satisfactory. Although this outcome may seem easy to accomplish, ecological influences, unconscious thought and price influence consumers' expectations and therefore achieving customer satisfaction becomes an overwhelming challenge (Martin *et al.*, 2015:1819).

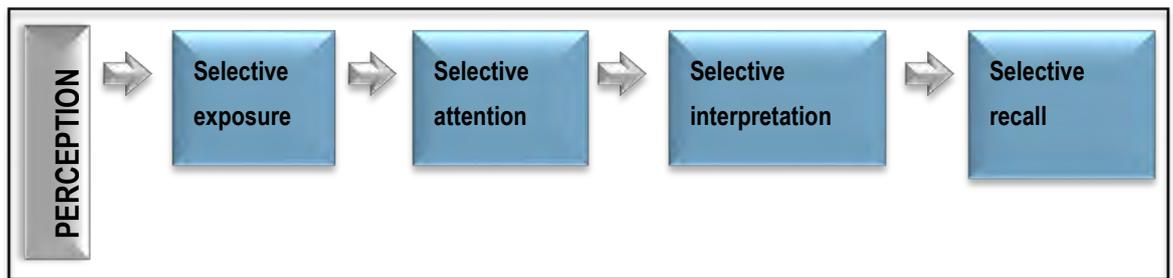
Yoon and Uysal (2005:47) simplify this by stating that satisfaction has undoubtedly been playing an important role in planning marketable tourism products and services. A successful service encounter often requires that each customer's point unfolds in a manner that matches an individual customer's unique expectations (Martin *et al.*, 2015:1819). Tourist satisfaction is important to successful destination marketing, because it influences the choice of the destination, the consumption of products and service, the decision to return and consumer loyalty (Romão, 2013:355). Chen and Chen (2010:30) state that satisfaction refers to the perceived discrepancy between prior expectations and perceived performance after consumption. Within a tourism context, satisfaction is primarily referred to as a function of pre-travel expectations and post-travel experiences (Chen & Chen, 2010:30).

### **3.4.2 TOURIST PERCEPTION**

Customer perception forms one of the most important individual factors that influence buying behaviour (Schiffman & Kanuk, 2007:160). The way in which a consumer perceives a product is reality to that specific individual, despite what the truth or generally accepted view may be (Mostert & Du Plessis, 2007:94). Marketers must therefore understand consumers' perceptions and adapt their marketing communication to address as well as rectify incorrect perceptions towards their product. As seen in Figure 3.5, customer perceptions have an effect on other links, including the total perceived value experienced and loyalty towards the product/service.

Perception can be defined as a process through which an individual receives, organises and interprets information inputs to create a meaningful and coherent picture of the world (Schiffman & Kanuk, 2007:160). Information inputs are sensations received through hearing, sight, smell, touch and taste. The way in which consumers interpret information from the environment is therefore influenced by what is called selective perception. This

process comprises four perceptual processes, namely selective exposure, selective attention, selective interpretation and selective recall (Figure 3.6).



**Figure 3.6:** The process of perception

**Source:** Mostert and Du Plessis (2007:95)

Each of these processes is briefly discussed below:

- **Phase one: Selective exposure:** Consumers specifically expose themselves to stimuli (and more specifically marketing messages) that they find pleasant or agree with. Consumers' selective exposure is particularly important from a marketing point of view, since consumers will only be reached via the marketing media they are exposed to (Schiffman & Kanuk, 2007:160). Therefore, a tourist who would like to book a cruise holiday on board the MSC Opera will specifically look at the MSC website and advertisements focusing on that specific cruise holiday.
- **Phase two: Selective attention:** Despite selectively exposing themselves to stimuli from the environment, consumers are still bombarded by advertisements and brand communications (Mostert & Du Plessis, 2007:94). Therefore, consumers filter messages received through advertisements by paying only selective attention to them. Consequently, a tourist looking to purchase a specific holiday will look at a specific destination and only pay attention to applicable advertisements.
- **Phase three: Selective interpretation:** Selective interpretation occurs when the consumer is exposed to a message but does not interpret it in the manner in which it was intended (Mostert & Du Plessis, 2007:94). This is where tourists start to form certain perceptions of what their cruise experience will be like.
- **Phase four: Selective recall:** Selective recall occurs when consumers remember certain select memories from their experience (Mostert & Du Plessis,

2007:94). In tourism, selective recall will occur when a tourist wants to purchase a certain type of holiday and remembers the perceived value they received from a past experience (Martin *et al.*, 2015:1819).

Perceptions play an important role in the forming of perceived value, and marketers need to understand these perceptions so that they can enhance the correct perceived values through their marketing initiatives of a specific experience.

### 3.4.3 TOURIST EXPECTATIONS

Tourist satisfaction is determined when the expectations of the tourists are met (Pizam, Neuman & Reichel, 1978:315), whereas previous experience will determine expectations towards the product/experience (Du Plessis *et al.*, 2007:169). Adding to this, Kurtz and Clow (1992:2) state that tourist expectations can be defined as pre-trial beliefs a tourist has about the performance of a tourism experience. People usually see what they expect to see, and what they expect to see is usually based on familiarity, previous experience or a preconditioned set of expectations (Shiffman & Kanuk, 2009:160). Within a marketing context, people tend to perceive products and product attributes according to their expectations (Shiffman & Kanuk, 2009:160).

At the centre of the concept of satisfaction stands the expectation that is a result of promises made by the tourism destination, tour operators or cruise company and the assessment of the degree to which that promise was kept (Ring & Dolnicar, 2014:37). Taylor (1980:56) conceptualises the tourism product as a satisfying experience and further specifies that trips may be differentiated by the experience sought (product) and the discrete services necessary for this attainment. Taylor (1980:56) emphasises the importance of identifying and understanding differences in experience sought among different segments of tourists, in order to determine which goods and services need to be provided to satisfy needs. Visitor expectations are determined by the performance of the services of products delivered at the destinations and whether the needs and acquired values of the visitors are met, as well as whether the visitor is aware of the destination and has done research before visiting (Hsu, Cai & Li, 2009:284, 291; Yoon & Uysal, 2005:55).

#### 3.4.4 TOURIST LOYALTY

Satisfaction, which leads to consumer loyalty, is essential to any tourism-based sector (Sánchez *et al.*, 2006:404). Loyal tourists – those who plan to repeat the visit or recommend the destination to friends and family – are important, as they do not demand publicity campaigns, tend to be more sensitive to the values of the place and are more interested in its characteristics (Romão, 2014:196). Weaver and Lawton (2011:335) state that visitor loyalty is necessary to generate a virtuous cycle of people-park symbiosis.

Chen and Hu (2010:405) state that customer loyalty is a crucial component for survival, with loyal customer sustaining business operations. Customer loyalty, a key variable, is concerned with the likelihood of a customer returning, making business referrals and providing strong word-of-mouth (W-O-M), as well as providing references and publicity (Bowen & Shoemaker, 1998, Tam, 2004, Chen & Hu, 2010:407). W-O-M is defined as informal, person-to-person communication between a non-commercial communicator and a receiver regarding a brand, a product, an organisation, or a service (Harrison Walker, 2001:63), often a result of post-purchase behaviour.

In summary, tourists' positive experiences of services, 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 or relatives (Yoon & Uysal, 2005:46). If the experience exceeded cruise tourists' expectations, it will determine whether they will remain loyal to the service or product consumed and it will therefore influence their perceived value towards the experience.

#### 3.4.5 ELEMENTS WHICH MEASURE SATISFACTION AND LOYALTY WITHIN A PERCEIVED VALUE CONTEXT

Authors who have conducted studies to measure satisfaction and loyalty through the use of valuable measuring items, include the work of Yoon and Uysal (2005); Gallarza and Saura (2006); Yuan and Wu (2008); and Chen and Hu (2010). These studies which have been conducted in tourism, hospitality, marketing and retail fields are recorded in Table 3.16 and discussed below.

**Table 3.16:** Studies that have tested customer satisfaction and loyalty

Date	Author	Title	Academic field	Satisfaction/loyalty	Items used
2005	Yoon & Uysal	An examination of the effects of motivation and satisfaction on destination loyalty: a structural model	Tourism & hospitality	Tourist satisfaction	<ul style="list-style-type: none"> <li>• Expectation – satisfaction</li> <li>• Worth visiting</li> <li>• Comparison with other places</li> </ul>
				Destination loyalty	<ul style="list-style-type: none"> <li>• Recommendations to friends/relatives</li> <li>• Overall feeling to revisit</li> </ul>
2006	Gallarza & Saura	Value dimensions, perceived value, satisfaction and loyalty: an investigation of university student's travel behaviour	Tourism	Satisfaction	<ul style="list-style-type: none"> <li>• My choice to purchase this trip was a wise one (Gallarza &amp; Saura, 2006:445)</li> <li>• I did the right thing when I purchased this trip (Gallarza &amp; Saura, 2006:445)</li> <li>• This experience is exactly what I needed (Gallarza &amp; Saura, 2006:445)</li> </ul>
				Loyalty	<ul style="list-style-type: none"> <li>• Likelihood to return to the same destination in the next five years (Gallarza &amp; Saura, 2006:445)</li> <li>• Likelihood to return to the same area in the next five years (Gallarza &amp; Saura, 2006:445)</li> <li>• Likelihood to recommend the destination to friends and relatives (Gallarza &amp; Saura, 2006:445)</li> </ul>

					<ul style="list-style-type: none"> <li>• Likelihood to recommend the agency to friends and relatives (Gallarza &amp; Saura, 2006:445)</li> </ul>
2008	Yaun & Wu	Relationships among experimental marketing, experiential value and customer satisfaction	Retail and service	Satisfaction	<ul style="list-style-type: none"> <li>• Good choice (Yuan &amp; Wu, 2008:399)</li> <li>• Satisfactory product (Yuan &amp; Wu, 2008:399)</li> <li>• Satisfactory service (Yuan &amp; Wu, 2008:399)</li> </ul>
2010	Chen & Hu	The effect of relational benefits on Perceived Value in relation to customer loyalty: An empirical study in the Australian coffee outlet industry	Retail and service	Customer loyalty (word-of-mouth)	<ul style="list-style-type: none"> <li>• Word-of-mouth</li> <li>• Say something positive</li> <li>• Recommend someone</li> </ul>
				Customer loyalty (preference)	<ul style="list-style-type: none"> <li>• Be my first choice</li> <li>• Care about the success</li> <li>• Being a loyal customer</li> </ul>

**Source:** Author's own compilation

In summary, it can be deduced that the post-perceived value experienced during a tourism experience such as cruising will have an effect on customer satisfaction and loyalty. This will determine whether the cruise passenger will purchase another cruise experience, say positive things about the cruise company and make recommendations to friends and family. Essentially, it will also determine the way they evaluate the post-perceived value of the cruise experience.

Ritchie and Crouch (2003:2) state that what makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations. Travel destinations can be considered as products, and tourists may revisit or recommend travel destinations to other potential tourists such as friends or relatives (Yoon & Uysal, 2005:48).

### 3.5 CONCLUSION

This chapter aimed to achieve objective two as stated in Chapter One. The second objective was to analyse relationship marketing, perceived value and the behavioural intentions of tourists.

It can be deduced from this literature review that although studies have been conducted that measure the importance of perceived value, no model yet exists to measure the perceived value experienced by tourists in a highly competitive setting such as the cruise industry (Table 3.3). This chapter also found that perceived value has posed various challenges for academics during past investigations, including conceptual obstacles, methodological problems and measurement shortcomings. This chapter provides an in-depth discussion on each of these areas.

Key contributing perceived value studies and important predictors for measuring perceived value were identified which lead to further investigation in Chapter 4 and were included in the development of the questionnaire. This chapter found that elements such as loyalty, satisfactions, expectations and perceptions all form part of perceived value and cannot be singled out during investigation. This literature review aimed to lay the foundation on which to build a perceived value model for the cruise experience.

# Chapter



## Methodology of research

**'If everybody is thinking alike, then somebody isn't thinking'**

**- Unknown**

### 4.1 INTRODUCTION

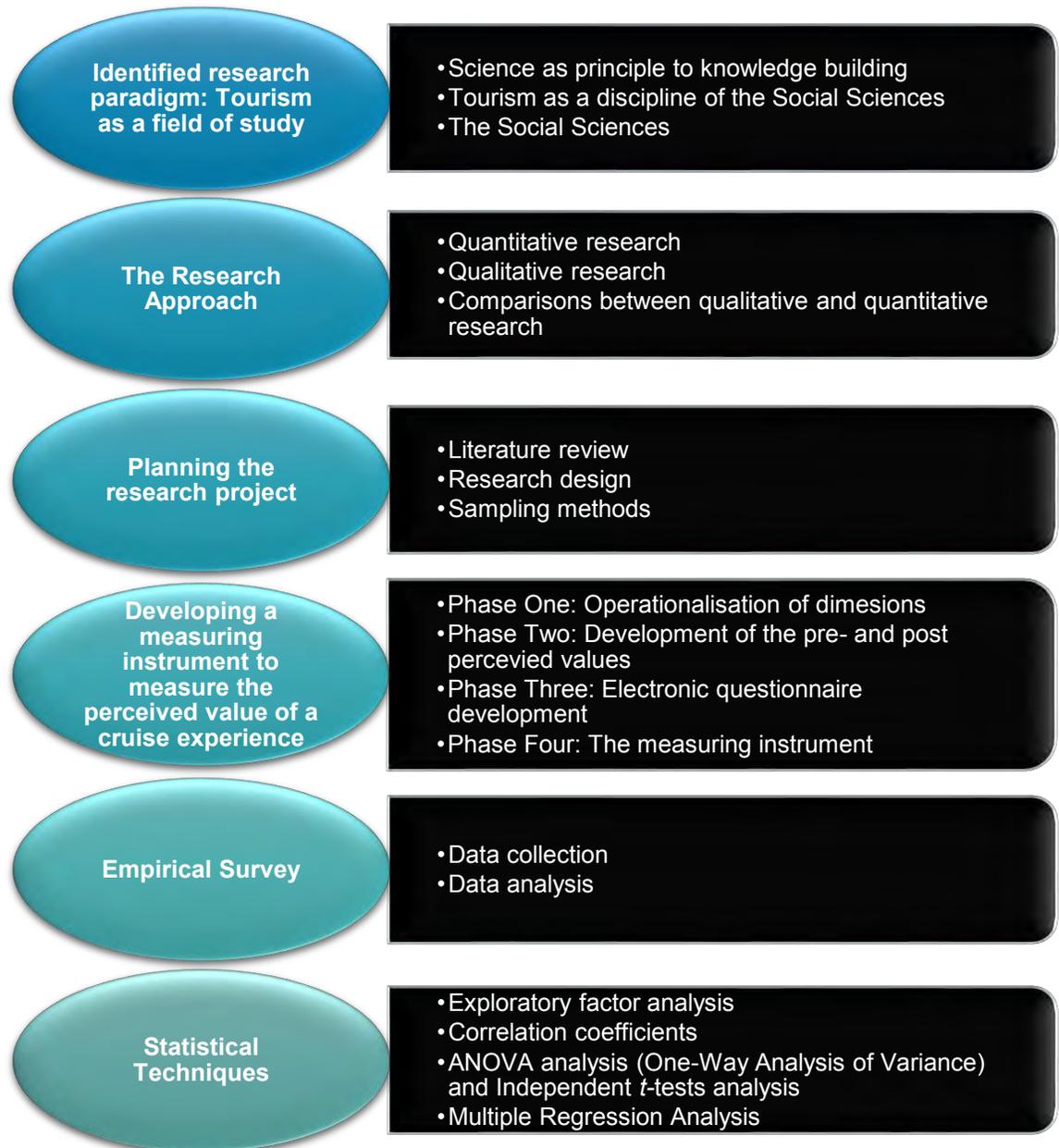
Research is about answering unanswered questions (Babbie & Moutan, 2001:72) and its core purpose is to advance knowledge, to make new discoveries and to acquire facts. Similarly put, research can be seen as a process that expands the boundaries of ignorance.

The tourism experience is a widely researched topic within the social sciences as well as marketing and management literature (Ferdinand & Williams, 2010:202), and has been gaining more appreciation in recent years (Huang & Hsu, 2010:80). Holden (2006:12) states that instead of thinking about tourism as something that exists externally to the individual, an alternative way to think about it is how the individual constructs and gives meaning to it. Such an experiential definition of tourism is given by Franklin (2003:33), who defines tourism as:

*“an attitude to the world or a way of seeing the world,  
not necessarily what we find only at the end of a long  
and arduous journey”.*

In this definition, emphasis is subsequently placed upon individuals constructing their own meaning and perceptions of tourism instead of it existing as a defined or real entity.

The aim of this chapter is to provide insight into the research methodology used for the empirical study, which will ultimately lead to the development of a perceived value model for a cruise experience. This has been achieved through a six-phase process, recommended by Fouché and Delport (2009:79) and adapted by the author to suit the specific needs of this study. The research process and methodological logic of this chapter are portrayed in Figure 4.1.



**Figure 4.1:** Social research framework

**Source:** Adapted Fouché and Delport (2009:79)

This methodological chapter is formulated and based on the research process as illustrated in Figure 4.1.

Firstly, the research paradigm of this study is specified and the social sciences as an approach to tourism studies are investigated. Secondly, this chapter identifies the research approach by analysing quantitative, qualitative research and comparisons between the two. Thirdly, this chapter reveals the planning of the research project by conferring the literature review, research design and sampling methods. Fourthly, the development of the measuring instrument and online questionnaire will be revealed and the empirical survey process followed will be discussed. The statistical analysis is conveyed through the various analytical procedures followed to formulate a perceived value model for a cruise experience (e.g. questionnaire validity and reliability, exploratory factor analysis, correlations, independent *t*-tests, one-way analysis of variance (ANOVA) and multiple regression analysis. Lastly, conclusions from the above phases are drawn and the way forward is revealed.

Since it is important to understand where social research originates from and why it is the preferred research area for this study, the following section provides an analysis of tourism as a field of study, through identifying its paradigm.

## 4.2 IDENTIFIED RESEARCH PARADIGM: TOURISM AS A FIELD OF STUDY

Since science is undeniably the source, origin and foundation of all research, it is important to firstly delineate and comprehend it before investigating the elements that constitute tourism as a field of study in social sciences. Therefore, this section will define science and investigate the social sciences and its relation to tourism. It should be kept in mind that this chapter was formulised as a basis and framework on which this study was built and therefore its main aim is to achieve this objective and not to explore each aspect in detail, only those that have reference to this study.

#### 4.2.1 SCIENCE AS PRINCIPLE TO KNOWLEDGE BUILDING

Science was referenced from the Webster's Comprehensive Dictionary (1998:1127) in De Vos, Strydom, Fouché and Delport (2009:3) as:

- Knowledge as of facts, phenomena, laws, and proximate causes, gained and verified by exact observation, organized experiment, and correct thinking; also, the sum of universal-knowledge.
- An exact and systematic statement or classification of knowledge concerning some subject or group of subjects.

Neuman and Wiegand (2000:6-7) adds to the above definition by stating that science refers both to a system for producing knowledge and to the knowledge produced by that system. Wahyuni (2012:69) states that the science of a research philosophy is a belief about the way that the data of a particular phenomenon under analysis should be collated, analysed and used.

The primary, broad classification of the sciences consists of divisions of the sciences into the natural sciences (physics, chemistry, biology and astronomy), formal sciences (mathematics and logic), social sciences (sociology, psychology, anthropology and political studies) and humanities (history, philosophy and linguistics) (De Vos *et al.*, 2009:4). Tourism as a study field in social sciences (Ferdinand & Williams, 2010:202) is discussed in the following section.

#### 4.2.2 TOURISM AS A DISCIPLINE OF THE SOCIAL SCIENCES

Since tourism is intangible, it is difficult to limit and contain as an area of study to one specific science. No single discipline alone can accommodate, treat or understand tourism; it can be studied only if the disciplinary boundaries are crossed and if it's multidisciplinary perspectives are sought and formed (Graburn & Jafari, 1991:7).

However, when defining the study of tourism as a study of *people* away from their usual habitat of the establishments, which respond to the requirements of travellers, and of the impacts that they have on the economic, physical and *social well-being of their hosts*

(Jafari, 1977:8, Mathieson & Wall, 1982:1), it becomes clear that it is in fact a field of study which falls within the social science (Ferdinand & Williams, 2010:202).

Tribe (2004:46) suggests that tourism utilises a number of theories such as motivation, perceptions, economic multipliers and development theories and these are ultimately the property of social science disciplines and areas of study. Holden (2006:12) agrees with this statement and adds that the social sciences as a discipline can lay claim to being the correct investigative approach to understanding tourism. While this thesis reflects tourism as a study of social sciences, it should not be viewed as rigid or impermeable because of its imperceptibility and close relation to other disciplines.

Having underlined social sciences as an approach to enhance the understanding of tourism, it is also necessary to discuss the meaning and scope of the social sciences. This is done in the following section.

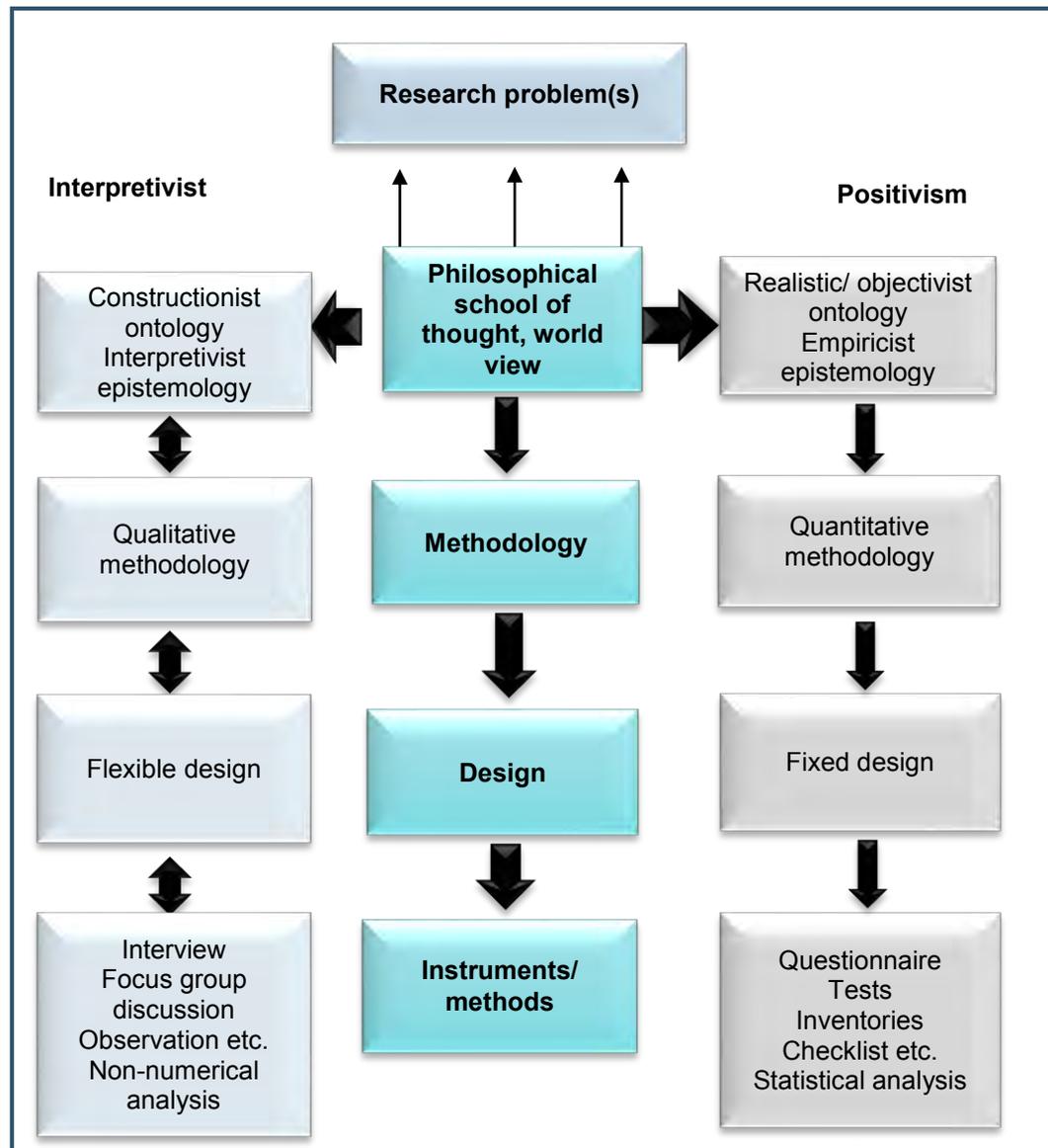
#### **4.2.3 THE SOCIAL SCIENCES**

The social sciences involve the study of people, their beliefs, behaviour, interaction and institutions (Neuman, 2006:6); it deals with a particular phase or aspect of human society (Holden, 2009:12). The social sciences are also sometimes called soft sciences, because, like tourism, it is intangible or otherwise put, its subject matter, human social life, is fluid, formidable to observe and hard to measure precisely with laboratory instruments. This philosophy is based upon an empirical and positivist approach of establishing hypotheses and measuring social characteristics (Neuman, 2006:6).

Researchers generally employ different methodologies to describe, investigate and understand various social phenomena within a social sciences framework (Figure 4.2), which can usually be divided into quantitative and qualitative research approaches (Tuli, 2010:98; Jennings, 2001:20). Jennings (2001:20) states that these methodologies are directed by specific paradigms.

Wahyuni (2012:69) adds to this by stating that research paradigms therefore address the philosophical dimensions of the social sciences. Jennings (2001:34) summarises this by stating the following: “a paradigm is the overlying view of the way the world works”. The intangible nature of the social sciences, according to De Vos *et al.* (2009:5),

motivated social scientists to look to different avenues of approaching human phenomena as scientific subject matter. Gradually, a few approaches emerged, of which interpretivist and positivism are known best. These two paradigm approaches are portrayed in Figure 4.2.



**Figure 4.2:** Foundations of research

**Source:** Tuli (2010:104)

Positivism (as seen in Figure 4.2) can be described as the following (De Vos *et al.*, 2009:5-7):

- The belief that the methods and procedure of the natural sciences are appropriate to the social sciences.

- The belief that only those phenomena that are observable, in the sense of being amenable to the senses, can validly be warranted as knowledge.
- Many accounts of positivism suggest that scientific knowledge is arrived at through the accumulation of verified facts.
- Scientific theories are seen by positivists as providing a kind of backcloth to empirical research in the sense that hypotheses derived from them are then submitted to empirical test.
- Positivism is also often taken to entail a particular stance in relation to values.

Tuli (2010:98) adds to the above by stating that positivism has been the dominant paradigm of the social sciences in the past and scientific explanation is therefore the purpose of a positivistic research paradigm. As a result, positivism is mainly grounded in quantitative methods (as seen in Figure 4.2), which are objective in nature (Jennings, 2001:38). Tuli (2010:100) deduces that research conducted from this perspective explains how variables interact, shape events and cause certain outcomes in quantitative terms.

In contrast to positivism is interpretivism, which is also referred to as the anti-positivist' paradigm (Cohen & Crabtree, 2006:1). Interpretivism (as seen in Figure 4.2) can be described as the following (De Vos *et al.*, 2009:5-7):

- A researcher conducts a reading to discover meaning embedded within text.
- Each reader brings his subjective experience to a text.
- When studying the text, the researcher/reader attempts to absorb or get inside the viewpoint it presents as a whole, and then develop a deep understanding of how its parts relate to the whole. A researcher conducts a reading to discover meaning embedded within text.
- Each reader brings his subjective experience to a text.
- When studying the text, the researcher/reader tries to absorb or get inside the viewpoint it presents as a whole, and then develop a deep understanding of how its parts relate to the whole.

As seen above, interpretivism displays characteristics of a qualitative nature and is therefore considered better suited to increase the understanding of why things are the way they are in the social world and why people act the way they do (Tuli, 2010:98). Based on the characteristics displayed in Figure 4.2, the research paradigm followed in

this study reflects characteristics of positivism. The following section will explore quantitative and qualitative research approaches in more detail.

## 4.3 THE RESEARCH APPROACH

A number of authors, including Wiid and Diggines (2009:107); Tustin *et al.* (2005:89); Fouché and Delport (2009:73); Oliver (2012:220) and Neuman (2000:121-155) have indicated that two approaches can be followed when planning a research design, namely quantitative and qualitative research.

### 4.3.1 QUANTITATIVE RESEARCH

Characteristics that are prominent in quantitative research have been identified as the following (Moutan & Marias, 1990:155-156; Fortune & Reid, 1999:93):

- Quantitative research is highly formalised and more explicitly controlled than the qualitative approach.
- Its range is more exactly defined than the qualitative approach.
- It is relatively close to the physical science.
- The researcher's role is that of an objective observer whose involvement with the phenomena being studied is limited to what is required to obtain necessary data.
- Studies are focused on relatively specific questions or hypotheses that remain constant throughout the investigation.
- Plans about research procedures – design, data collection methods, types of measurement and so on – are developed before the study begins.
- Data collection procedures are applied in a standardised manner; for example, all participants may answer the same questionnaire.
- Data collectors, such as interviewers or observers are expected to obtain only the data called for and to avoid adding their own impressions or interpretations.
- Measurement is normally focused on specific variables that are, if possible, quantified through rating scales, frequency counts and other means.

- Analysis proceeds by obtaining statistical breakdowns of the distribution of variables and by using statistical methods to determine associations (or differences) between variables.

According to Creswell (1994:1-2), the quantitative approach takes scientific explanation to be homothetic. Its main aims are to objectively measure the social world, to test hypotheses and to predict and control human behaviour.

#### 4.3.2 QUALITATIVE RESEARCH

Qualitative research, on the other hand, is the complete opposite of quantitative research and takes on the following characteristics (Moutan & Marias, 1990:155-156, Fortune & Reid, 1999:94):

- The procedures are not as strict as in quantitative research.
- The scope is more likely to be undefined.
- A more philosophical model of operation is adopted.
- The researcher attempts to gain a first-hand, holistic understanding of phenomena of interest by means of a flexible strategy of problem formulation and data collection, shaped as the investigation proceeds.
- Methods such as participant observation and unstructured interviewing are used to acquire an in-depth knowledge of how the persons involved construct their social world (the insider role).
- As more knowledge is gained, the research question may shift and the data collection methods may be adjusted accordingly. To do this, the investigator is constantly analysing data using formal logical procedures, although final analysis is ordinarily completed after the early, immersion phase of the study.
- Qualitative methodology rests on the assumption that valid understanding can be gained through accumulated knowledge acquired first hand by a single researcher.

### 4.3.3 COMPARISONS BETWEEN QUALITATIVE AND QUANTITATIVE RESEARCH

Table 4.1 was developed in order to summarise the above characteristics, providing a comparison of the quantitative and qualitative approaches in social research (Fouché & Delport, 2009:75):

**Table 4.1:** A comparison of the quantitative and qualitative approaches in social research

Category	Quantitative approach	Qualitative approach
Epistemological roots	Epistemological roots in positivism.	Epistemological roots in phenomenology.
Purpose	Purpose is testing predictive and cause-effect hypotheses about social reality.	Purpose is constructing detailed descriptions of social reality.
Methods utilised	Methods utilise deductive logic.	Methods utilise inductive logic.
Suitability	Suitable for a study of phenomena that are conceptually and theoretically well developed; seeks to control phenomena.	Suitable for a study of a relatively unknown terrain; seeks to understand phenomena.
Presentation of the results	Concepts are converted into operational definitions; results appear in numeric form and are eventually reported in statistical language.	Participants' natural language is used in order to come to a genuine understanding of their world.
Research design	The research design is standardised according to a fixed procedure and can be replicated.	The research design is flexible and unique and evolves throughout the research process. There is no fixed step that should be followed and design cannot be exactly replicated.
Data collection	Data are obtained systematically and in a standardised manner.	Data sources are determined by information richness of settings; types of observation are modified to enrich understanding.

Unit of analysis	The unit of analysis is variables that are atomistic (elements that form part of the whole).	The unit of analysis is holistic, concentrating on the relationships between elements, contexts, etc. The whole is always more than the sum
------------------	--	---

**Source:** Fouché and Delport (2009:75)

As stated in Table 4.1, quantitative research is useful since it can obtain data in a systematically and standardised manner. Since quantitative data is numerical, it can be analysed by using statistical programs. It is also suitable for collecting a large quantity of information and is fairly inexpensive to conduct (Hair, Wolfigbarger, Ortinau & Bush, 2010:78). In addition to these benefits, Matveev (2002:62) and Slabbert (2004:63) add the following advantages of using quantitative data collection:

- Very specific research problem and set terms.
- It is relatively easy to tabulate and analyse the data using statistical programs.
- It clearly and precisely specifies both the independent and the dependent variables under investigation.
- It arrives at conclusions that are more objective by firmly following the original set of research goals.
- It achieves high levels of reliability of gathered data because of controlled observations.
- It minimises or even eliminates subjectivity of judgment.
- It is suitable for the collection of demographic variables including age, gender, home language and income.

The above-mentioned advantages led to the decision to use *quantitative research* for the purpose of this study. It was also considered the most suitable method, since a larger sample of respondents (n = 497) was involved. Hair *et al.* (2010:78) state that quantitative research also has the benefit of asking every respondent the same question in the exact same manner.

Overall, the researcher believes that the positivism paradigm (as seen in section 4.2) embedded in a quantitative methodology was the best approach to address the problem

under investigation, as well as the objective of this study, which is to develop a perceived value model for a cruise experience.

## 4.4 PLANNING THE RESEARCH PROJECT

The following section constitutes the planning of the research project and aspects such as the literature review, the research design, the methods of data collection and the sampling plan.

### 4.4.1 LITERATURE REVIEW

The literature review encapsulates much more than just reviewing the literature (Moutan, 2001:87). According to Fouché and Delport (2009:123), a review of literature is aimed at contributing a clearer understanding of the nature and meaning of the problem that has been identified. Marshall and Rossman (1995:43) state that a thoughtful discussion of related literature builds a logical framework for the researcher and sets it within a tradition of inquiry and a context of related studies.

Therefore, the researcher developed a theoretical framework of perceived value and aspects relating to a cruise experience that were investigated by means of a literature review.

The literature review serves a number of different functions, some of which are listed below:

- An early review of the literature is a prime source for selecting a topic to begin with, as it provides substantially better insight into the dimensions and complexity of the problem (Rubin & Babbie, 2013:120). According to Fouché and Delport (2009:124), research is a source for building a knowledge base, learning about the previous thinking on the topic is an essential step, and it may clarify what the researcher was grappling with while selecting the problem. A thorough literature search lays the foundation for good research.

- At the same time, the researcher ensures that nobody else has already performed what is essentially the same research (Fouché & Delport, 2009:124). Moutan (2001:87) states that it saves time and avoids duplication and unnecessary repetition.
- In the process of discovering that someone else has already done essentially the same research on the same topic, Marshall and Rossman (1995:43) point out that the researcher may identify some deficiencies in previous research and therefore argue that the proposed study will fill a proven need.
- The literature review further demonstrates the underlying assumption of the general research questions. If possible, it should display the research paradigm that undergirds the study and describe the assumptions and values that the researcher brings to the research enterprise (Marshall & Rossman, 1995:43).
- A thorough scrutiny of literature will stimulate the identification of 'evergreen' and 'thought leaders' in the field of study, which will enable a researcher to demonstrate knowledge on the most recent and authoritative theories, accepted definitions and key concepts in this field of study. Marshall and Rossman (1995:43) state that it demonstrates that the researcher is knowledgeable about related research and the intellectual traditions that surround and support this study. Neuman (2000:446) states that this also serves to establish credibility.
- The literature review also refines and redefines the research questions and related tentative hypotheses by embedding those questions in larger empirical traditions (Marshall & Rossman, 1995:43).
- Neuman (2000:446) states that a good literature review places a research project within context – it shows the path of prior research and how the current project is linked to the former.

A literature review is an important step to better understand a research topic and to support the conceptualisation and development of a perceived value model (Hair *et al.*, 2010:50). It also assists the researcher in drawing comparisons with his/her results of the practical work done in the field of research.

A literature review was of particular importance to the current study because of the following reasons:

- Very little academic attention has been given to the topic linking perceived value and cruise tourism (De La Vina & Ford, 2001:6).

- Limited knowledge exists about the perceived value experienced by South African consumers (Ali, 2007:1; Sánchez *et al.*, 2006:394).
- The study of perceived value in tourism is relatively recent and compared to other evaluations (service quality or satisfaction) is still not very widespread (Seymour, 2013:13).

A number of other gaps in the literature were identified during the review and investigation of perceived value (including Dodds *et al.*, 1991:307; Holbrook, 1994:22; Lai, 1995:381; Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7; Peck *et al.*, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Feng & Morrison, 2007:589; Brennan & Henneberg, 2008:563; Sparks *et al.*, 2008:98; Gallarza *et al.*, 2011:179; Seymour, 2013:13 as seen in Chapter 3).

These authors agree that very little attention has been given to understanding, contextualising and specifying the exact definition or meaning of perceived value in the literature (Dodds *et al.*, 1991:307; Holbrook, 1994:22; Peck *et al.*, 1999:421; Holbrook, 1999:xiii; Day & Crask, 2000:42; Sweeney & Soutar, 2001:204; Al Sabbahy *et al.*, 2004:226; Wang *et al.*, 2004:327; Brennan & Henneberg, 2008:563; Sparks *et al.*, 2008:98; Gallarza *et al.*, 2011:179; Seymour, 2013:13). The characteristics, underlying elements and nature of perceived value are also obscured and need further investigation (Anderson & Littrell, 1995:360; Gabbott & Hogg, 1998:7). Elements that add to the development or cause of perceived value are also relatively unidentified (Lai, 1995:381; Feng & Morrison, 2007:589).

While the literature aimed to add a theoretical contribution to the body of knowledge with regard to perceived value and cruise tourism, it did not provide answers to the specific research question. Although it has contributed greatly to the identification of perceived value aspects that have previously been tested in a retail or product marketing setting, it has not yet been tested in a tourism experience setting.

The following section will explore the sources that were consulted in compiling the literature review and the logical flow and structure of the literature review will be proposed.

---

#### 4.4.1.1 SOURCES OF LITERATURE

A literature review is the part of a thesis that critically investigates previous research done on the same topic as that being undertaken by the author of the thesis (Ridley, 2012:3). A source should provide information about the research problem and the research question (Yegidis & Weinbach, 1996:57). According to various authors (Neuman, 2000:445-454, Fouché & Delport, 2009:127; Yegidis & Wienbach, 1996:58-64), the most relevant sources can be reduced to the following:

- **Scientific books:** Fouché and Delport (2009:127) indicate that scientific books are usually subjected to peer evaluation and are included in the catalogues of academic libraries or in scientific databases.
- **Articles in professional journals:** Professional journals are viewed as one of the most important sources of information for researchers, as they provide the most recent research and developments in a specific discipline (Fouché & Delport, 2009:127).
- **Standard reference materials:** According to Yedigis and Wienbach (1996:58), the contents of standardised reference materials consist of pure facts only. Sources can include calendars, encyclopaedias, statistical abstracts, directories and yearbooks.
- **Research reports, dissertations and theses:** This category of sources contains descriptions of methods and findings of original research (Fouché & Delport, 2009:128). Yegidis and Weinbach (1996:60) indicate that such information is made available for public scrutiny and therefore for criticism and republication, contributing to the particular credibility of such support.
- **Specialised index publications:** According to Garbers (1996:319), specialised index publications are advantageous, since a clearly defined area is covered in greater detail, containing all possible sources on that particular subject.
- **Presentations at conferences, symposia and workshops:** According to Fouché and Delport (2009:128), a large amount of information and knowledge is generated and made available during conferences, symposia and workshops.
- **Internet:** It has been noted that the internet not only saves time, but it also serves as an information service that is available day and night, with an unlimited number of books and sources that can be researched over an unlimited period of time (Garbers, 1996:320). However, Moutan (2001:35) stresses that to some extent it may be more difficult to search for information and retrieve all the sources on a

particular topic because information on the internet is much less structured and codified than a traditional library. Therefore, this study made use of both traditional and internet-based searchers for information.

- **Newspapers, magazines and periodicals:** Newspapers, magazines and periodicals are possibly the most controversial sources of information as far as credibility is concerned, as circulation figures are often more important to editorial staff than scientific accuracy (Fouché & Delpont, 2009:128).

As seen above, a literature review refers to a scrutiny of all relevant sources of information. The following table reveals the sources consulted that contributed to the successful development of the literature review in this thesis (Chapters 2, 3 & 4).

**Table 4.2:** Resources of the literature review

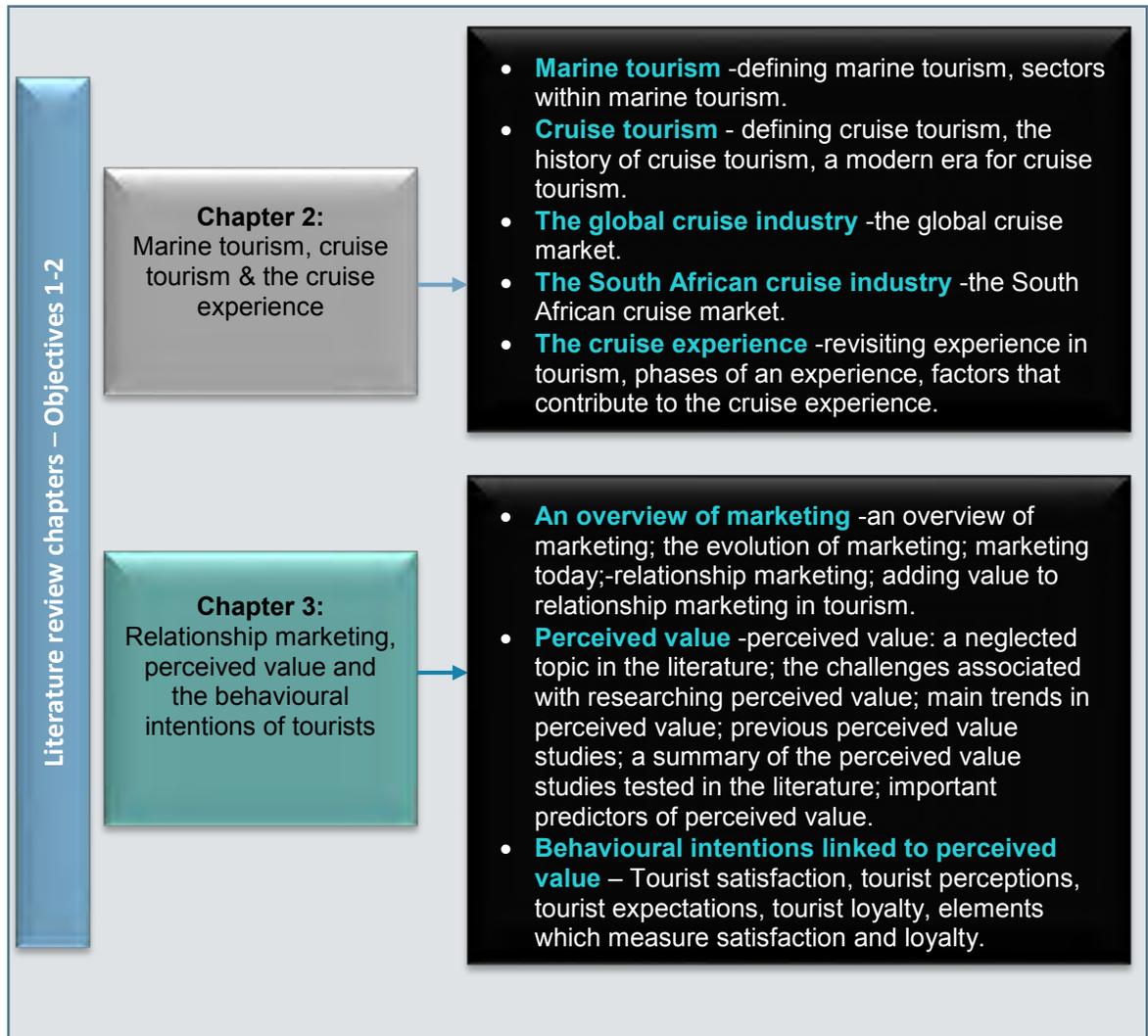
Type of resource	Resource name	
Scientific database	<ul style="list-style-type: none"> <li>• Science Direct</li> <li>• EBSCOHost</li> <li>• Metacrawler</li> <li>• Sage Journals</li> <li>• A to Z</li> </ul>	<ul style="list-style-type: none"> <li>• Emerald</li> <li>• ProQuest</li> <li>• Jstor</li> <li>• Scopus</li> <li>• SAE Publications</li> </ul>
Books	<ul style="list-style-type: none"> <li>• Tourism-focused books</li> <li>• Relationship marketing-focused books</li> <li>• Cruise industry and cruise tourism-focused books</li> </ul>	<ul style="list-style-type: none"> <li>• Research focused books</li> <li>• Consumer behaviour-focused books</li> <li>• Value-focused books</li> </ul>
Internet sources	<ul style="list-style-type: none"> <li>• Google</li> <li>• TourismUpdate</li> </ul>	<ul style="list-style-type: none"> <li>• Google Scholar</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Services of the Ferdinand Postma Library, North-West University, Potchefstroom Campus, Potchefstroom, South Africa.</li> <li>• Services of the UNISA Library, Mackleneuk Campus, Pretoria, South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports released by MSC cruises.</li> <li>• Newspapers</li> <li>• Cruise magazines</li> <li>• Tourism KwaZulu-Natal's Resource Centre</li> </ul>

**Source:** Author's own compilation

Section 4.4.1.2 explores the logical flow of the literature review.

#### 4.4.1.2 LOGICAL FLOW OF THE LITERATURE REVIEW

Once the sources of the literature review (Table 4.2) had been exhausted and all relevant references gathered, the researcher organised the information into the following sections/chapters (as seen in Figure 4.3).



**Figure 4.3:** Organisation of the literature

**Source:** Author's own compilation

As seen in Figure 4.3, the literature for this study was divided into two sections (chapters). A comprehensive literature review in Chapters 2 and 3 ultimately assisted in

gaining insights to develop a perceived value model that could be tested empirically. Specific keywords that were used included the following: *consumer value; consumer behaviour; cruise ship; cruise tourism; intangibility; marketing; perceived value; perceptions; relationship marketing; service; tourism value and value*. All the resources mentioned in Table 4.2 were researched and added great value to the literature review. More specific resources that were used include the following: journal articles, books, theses, dissertations, publications, as well as peer-reviewed literature related to relationship marketing, perceived value, marine tourism and cruises.

It is also important to note that Chapter 4 contains literature for the relevant statistics used for this study and was obtained from books based on marketing research, other peer-reviewed literature on statistical analyses, multimedia presentations on statistical techniques, as well as the internet. Both primary and secondary sources were incorporated into this study, which, among others, refer to the empirical survey and the intensive literature review.

#### 4.4.2 RESEARCH DESIGN

This section explores the definition of a research design, it analyses the three basic types of designs (descriptive, exploratory and causal) and it specifies the research design (also referred to as a framework) used to conduct this study.

A research design has been defined as:

- A blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings (Burns & Grove, 2010:195);
- A plan that describes how, when and where data are to be collected and analysed (Parahoo, 2014:142);
- The researcher's overall assessment for answering the research question or testing the research hypothesis (Parahoo, 2014:142).

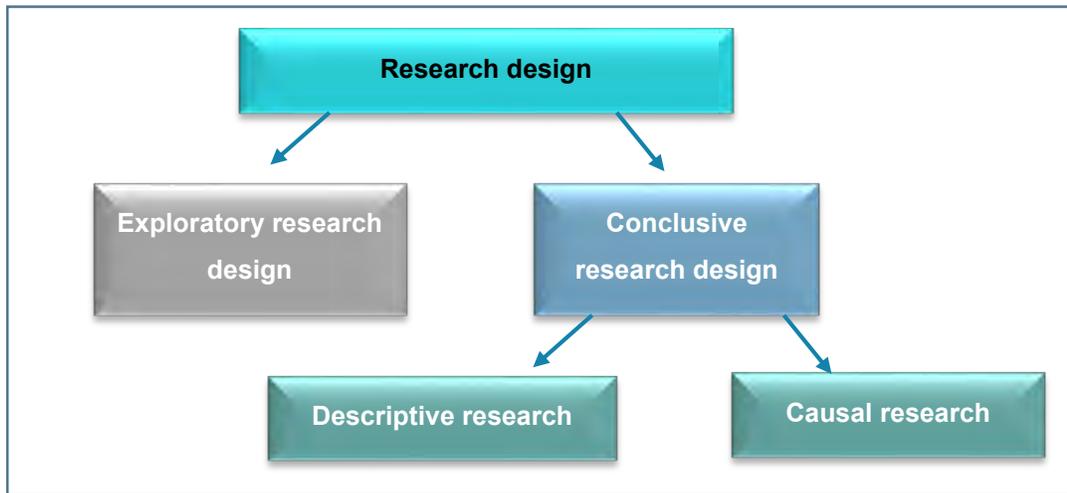
As seen above, a research design is defined in various ways and numerous other authors also have their own definitions of a research design (Emory & Cooper, 1991:32; Churchill & Lowe, 1999:36; Zikmund & Babin, 2007:65; McDaniel & Gates, 2001:30). A suitable adaptation for the purpose of this study from the latter sources is provided below:

*A research design is a framework or blueprint with provisions of processes for collating and investigating the relevant data, from several sources, necessary to help identify or react to a research problem or opportunity, so that the difference between the cost of acquiring various levels of accuracy and the expected value of the information associated with each level of accuracy is maximised.*

A successful research design, as recommended by various experts (Kotler, 2000:106; McDaniel & Gates, 2001:25; Cravens & Piercy, 2000:149) should consist of the following:

- Define the research problem;
- Determine the problem-solving information that is needed and when it is needed;
- Design the exploratory, descriptive or causal phases of the research;
- Specify the measurement and scaling procedures;
- Construct and pre-test a questionnaire or an appropriate form for data collection;
- Specify the sampling procedure and sample size;
- Develop a plan of data analysis and tabulation;
- Evaluate the ethics of the research;
- Specify the time and financial constraints; and
- Follow up on the completed research study.

While the above functions of a research design are important, the core purpose of a research design is to assist researchers in obtaining the relevant answers to the research study question with the best possible methods. This can be achieved through three types of research, namely descriptive, exploratory and causal (Kirshenblatt-Gimblett, 2006:1-9, Tustin *et al.*, 2005:84-86, Zikmund, 2003:56-58; McDaniel & Gates, 2001:62). Figure 4.4 graphically displays these three types of designs.



**Figure 4.4:** Research designs

**Source:** Malhotra (2010:103)

Table 4.3 provides a brief summary of comparisons and classifications between each of the above-mentioned designs.

**Table 4.3:** Classification of the research designs

	Exploratory research design	Conclusive research design	
		Descriptive research	Causal research
<b>Objective</b>	Discovery of ideas and insights.	Describe market characteristics or functions.	Determine cause and effect relationships.
<b>Characteristics</b>	Flexible, versatile, often the front end of total research design.	Marked by the prior formulation of specific hypotheses.	Manipulation of one or more independent variables.
		Pre-planned and structured design.	Control of other mediating variables.
<b>Methods</b>	Expert surveys, Pilot study, Case studies, Secondary data (qualitative), and qualitative research	Secondary data (quantitative), Surveys, and Panels. Observational and other data.	Experiments.

**Source:** Malhotra (2010:104)

Objectives, characteristics and methods of exploratory methods are shown in Table 4.3. Since a quantitative approach was used to establish the research problem, the research design states the details to implementing that approach and therefore acts as a guide during the procedure of collecting and analysing data (Iacobucci & Churchill, 2010:58; Malhotra, 2010:102).

To reach the objective of this study, which is to develop a perceived value model for a cruise experience, a combination of exploratory, descriptive and casual research designs was used. The following section takes a closer look at the three categories.

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#### 4.4.2.1 EXPLORATORY RESEARCH

Bless and Higson-Smith (1995:42) state that the purpose of exploratory studies is to gain insight into a situation, phenomenon, community or person. This purpose, according to Rubin and Babbie (2013:123), is typical when:

- A researcher is examining a new interest.
- The subject of study is relatively new and understudied.
- A researcher seeks to test the feasibility of undertaking a more careful study.
- A researcher wants to develop the methods to be used in a more careful study.

According to Babbie (2008:98), exploratory studies are valuable in social scientific research, they are essential whenever a researcher is breaking new ground, and they almost always yield new insights into a topic for research.

This research design is used when researchers have limited experience and knowledge about the research problem (Tustin *et al.*, 2005:84-86, Zikmund & Babin, 2007:137). Methods of exploratory research include literature reviews, focus groups, panels and observations. Exploratory studies are most typically done for the following reasons (Churchill & Peter, 1998:122, Babbie, 2008:98; Zikmund & Babin, 2007:137):

- To satisfy the researcher's curiosity and desire for better understanding;
- To test the feasibility of undertaking a more extensive study;
- To develop the methods to be employed in any subsequent study;
- To develop hypotheses;
- When limited or no knowledge about the research issue is known;

- To obtain new philosophies;
- To describe procedures;
- To formulate a problem or define a problem more specifically;
- To isolate key variables and relationships for supplementary examination;
- To position studies; and
- To gain insights to develop an approach to the problem.

Babbie (2008:98) states that the main shortcoming of exploratory research is that it seldom provides satisfactory answers to research questions, although it can hint at the answers and can suggest which research methods could provide definitive answers.

This study taps into an exploratory research design because of the extensive review of marketing and marine tourism literature done (Chapters 2 and 3), which was conducted to uncover insights into the nature of perceived-value especially in an experimental environment such as cruise tourism. A theoretical framework will be developed in Chapter 6 from the literature review to uncover the interrelatedness between perceived value and the cruise experience. Although this framework is embedded in theory, it still needs to be tested statistically.

The questionnaire for the pilot survey was developed based on the findings of the literature review and the theoretical framework (Chapter 6). Once the pilot survey had been concluded, the findings were adapted and the research questionnaire for the survey was formulated.

This is also the first study of its kind to be conducted and the literature contributes significantly to the body of research knowledge. Because limited knowledge exists about the perceived value experienced by South African consumers (Ali, 2007:1; Sánchez *et al.*, 2006:394), especially within a cruise tourism context, this also adds to the exploratory value of this study.

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#### 4.4.2.2 CAUSAL RESEARCH

This research design, as indicated by various authors (Zikmund & Babin, 2007:44, McDaniel & Gates 2013:67; Aaker *et al.*, 2011:74), explains how one effect brings about

another effect. Zikmund (2003:51) states that the cause-and-effect relationship between variables is determined by casual research. For example, how positive perceived values can result in positive word-of-mouth references by the cruise passengers, and return visitation within the next five years. Consequently, causal research provides the opportunity to assess and explain the connection/relationship between variables.

Causal research is generally used for the following reasons (Malhotra, 1996:97):

- To realise which variables are the cause (independent variables) and which variables are the effect (dependent variables) of a phenomenon, and
- To verify the nature of the relationship between the causal variables and the effect to be predicated.

Zikmund and Babin (2013:52) state that causal research is confirmatory in its approach in that it allows researchers to make causal insinuations. Causal insinuations are inferences drawn when one thing happens in conclusion or effect to another thing that already took place.

Causal research was employed in this study to empirically measure the relationship between the pre-perceived values and the post-perceived values of a cruise experience. Specific statistical analyses done to indicate these relationships included a correlation matrix, *t*-tests, ANOVAs, Tukey's multiple comparisons and a multiple regression analysis. This also achieves the fourth objective set out in this study (Chapter 5), which aimed to present the empirical results of the study. Knowledge about what cruise passengers value and which experiences add more value than others can assist cruise companies in their marketing decisions and assist them to segment their markets more successfully, ensuring a more tailor-made cruise product and an enhanced understanding of the passengers who cruise on their ships.

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#### **4.4.2.3 DESCRIPTIVE RESEARCH**

Descriptive research is necessary when the researcher has limited knowledge about the problem (Wiid & Diggines, 2009:54; Cooper, 2010:81). This type of research assists the researcher to describe consumer perceptions, situations, attitudes, characteristics and situations (Shao, 2002:43).

Descriptive studies answer questions of what, where, when and how? (Babbie, 2008:99; Tustin *et al.*, 2005:86; McDaniel & Gates, 2013:66; Malhotra, 2010:106; Zikmund & Babin, 2007:49). Zikmund and Babin (2007:49) refine this statement by implying that descriptive research paints a picture of a given situation.

Descriptive research is used for the following reasons (Zikmund & Babin, 2007:137; Malhotra, 1996:90):

- To determine the perceptions of product characteristics;
- To determine the extent of differences in needs, opinions and attitudes among subgroups;
- To interpret the decision-making process and influences;
- To estimate the percentage of units in a specific population exhibiting a certain behaviour; and
- To describe the characteristics of relevant groups such as consumers and organisations.

In conjunction with exploratory and causal research, this study also employed descriptive research by defining perceived value in an experiential setting such as cruise tourism. It also attempted to answer the question as to which perceived values are deemed important to a cruise tourist and how these perceived values interrelate with one another. The profile and cruise travel behaviour of the respondents were also revealed. This was achieved by employing frequencies and descriptive analyses during the statistical procedure. This method specifically addresses objective four of this study (see Chapter 1)

In conclusion, it is important to note that although exploratory, causal and descriptive research may be classified into different groups of research, they are all interrelated (Iacobucci & Churchill, 2010:58; Malhotra, 2010:114). Therefore, as stated by Malhotra (2010:114), more than one type of research can be included in a given research situation and the amalgamation in which these designs are employed will depend on the nature of the problem. Therefore, this study found it important to make use of all three designs in order to achieve the objectives of this study set out in section 1.4.2.

### 4.4.3. SAMPLING METHODS

Maree and Pieterse (2008:172) state that there are two main classes to which sampling methods belong, namely probability methods and non-probability methods (See Table 4.4). Trochim (2006:22) states that the differences between non-probability and probability sampling is that non-probability sampling does not involve random selection and probability sampling does. In other words, probability sampling relies on principles of randomness and probability theory, which satisfies the requirement for the use of probability theory to accurately generalise a population. Probability sampling allows for anyone in a given area to be included in the survey (Tustin *et al.*, 2005:344). With non-probability sampling methods, it is important to draw conclusions with caution since the sample is not selected at random.

Each of the sampling methods used for the pilot study and the survey are analysed separately in the following section.

#### 4.4.3.1 PILOT STUDY SAMPLING PROCEDURE

Non-probability sampling was employed to conduct the pilot study, since it was decided that judgement sampling (which is a technique of non-probability sampling) was best suited for the purpose of the pilot study. Application of judgement sampling was done by targeting candidates who obtained knowledge in tourism and more specifically cruise tourism, in practical and academic settings. Jennings (2001:139) defines judgement sampling as the process where the sampling units are not chosen in a random manner, but on the basis of some of their characteristics. This kind of sampling is used, for instance, on very small samples in order to avoid chance fluctuations that might excessively distance the sample from the characteristics of the populations. This was achieved by conducting two separate pre-tests / pilot studies for the pre-perception value questionnaire developed and the post-perception value questionnaire (see Table 4.4).

**Table 4.4:** Sampling techniques used for the pilot study

		Sampling method	Sampling technique
Pilot study	Pre-perceived value	Non-probability sampling	Judgement sampling
	Post perceived value	Non-probability sampling	Judgement sampling

**Source:** Author's own compilation

During the pilot study conducted for the pre-perception value questionnaire, five academics, five experts in the cruise industry (including directors, marketing and research managers of the cruise company used) and ten academics in the tourism industry who have never been on a cruise before were asked to complete the pilot questionnaire and get sufficient and critical feedback.

During the same timeframe, a second pilot study was conducted for the post-perception value questionnaire, which was done with a group of five cruise industry experts (including directors, marketing and research managers of the cruise company used), five tourism academic experts and ten cruise passengers who had been on a cruise during the previous cruise season (2014/ 2015). On completion, personal interviews were held with each respondent to receive their inputs and feedback. The amount of time it took to complete the questionnaires, readability of the questions and user-friendliness of the questionnaire were included in the interview questions.

Table 4.5 indicates the number and type of respondents who participated in the pre- and post-perception value pilot study.

**Table 4.5:** Pre- and post-pilot group participants and sizes

	Pre-pilot group	Post-pilot group
Cruise industry experts	5	5
Tourism academic experts	5	5
Future cruise tourists	10	-
Past cruise tourists	-	10
<b>Total</b>	<b>20</b>	<b>20</b>

**Source:** Author's own compilation

The above totals were considered a suitable and sufficient number (Field, 2009:15) to proceed with this section given the knowledge and insights of these respondents regarding the topic. Recommendations made and inputs given by cruise experts and academics who participated in the pilot study were discussed under section 4.5.1. All respondents' details and statements in section one further remained anonymous for confidentiality purposes.

The following section explores the survey sampling procedure.

#### 4.4.3.2 SURVEY SAMPLING PROCEDURE

Probability sampling, simple random sampling, was selected to conduct the survey since it allows for the generalisation of the results, namely the perceived value of a cruise experience (see Table 4.6)

**Table 4.6:** Sampling techniques used for the survey

		Sampling method	Sampling technique
Actual study	Pre-perception value questionnaire	Probability sampling	Simple random sampling
	Post-perception value questionnaire	Probability sampling	Simple random sampling

**Source:** Author's own compilation

The cruise company used to conduct this survey agreed to allow the researcher access to a database of all the cruise passengers who were going on a cruise during the 2014/15 cruise season. Therefore, this study employed probability sampling as every member of the defined target population had an equal opportunity of being included in a sample to participate in this research (McDaniel & Gates, 2013:69; Hair *et al.*, 2006a:330; Zikmund & Babin, 2013:322). Forty-eight cruises were conducted on the MSC Opera from November 2014 to March 2015 (MSC, 2015:1-4). The following calculation was done to determine the sample size:

$$\begin{aligned}
 &48 \text{ cruises during the 2014/2015 cruise season} \\
 &48 \text{ cruises} \times 1\,500 \text{ passengers} = 72\,000 \text{ (N) passengers during the total cruise season} \\
 &= 384 \text{ (n)}
 \end{aligned}$$

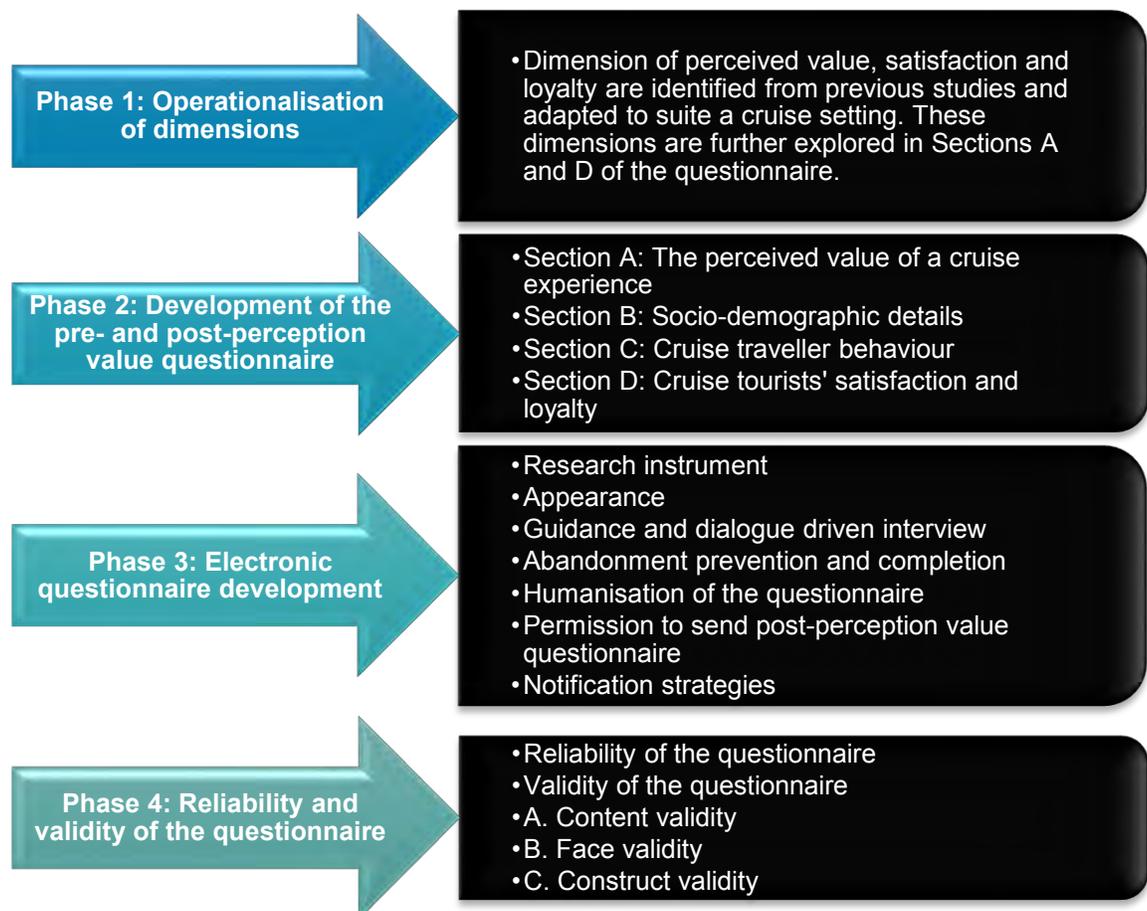
**Figure 4.5:** Sample size

**Source:** Author's own calculation based on information provided by the cruise company and the recommended sample size by Krejcie and Morgan (1970:607)

The sampling study was based on guidelines by Krejcie and Morgan (1970:607) who recommend that where a population (N) of 72 000 is concerned, a sample size of 384 is considered acceptable. The following section provides an in-depth discussion on the empirical analysis of this study.

## 4.5 DEVELOPING A MEASURING INSTRUMENT TO MEASURE THE PERCEIVED VALUE OF A CRUISE EXPERIENCE

As indicated in the previous sections of this thesis, the development of a perceived value model for a tourism experience such as cruising is essential for the cruise industry in South Africa as knowledge of this stature will provide a number of benefits, such as assisting cruise companies in the development of cruise market growth, by investigating the preferences of niche segment markets and exceeding the expectations of cruise tourists by ensuring loyalty and cruise passenger satisfaction, which lead to a number of other benefits, such as good word-of-mouth recommendations and return visitation. Figure 4.6 has been developed to provide an overview of the content of this section. Each section is briefly discussed under the figure and then explored in more detail in their designated sections.



**Figure 4.6:** The development of the measuring instrument

**Source:** Author's own compilation

As seen in Figure 4.6, this section has been divided into four phases. Phase one explores the operationalisation of the dimensions used to measure perceived value, satisfaction and loyalty. Each of these items were retrieved from retail and marketing studies explored in the literature review and adapted by the author, then again during the pilot phase of this study to suit the cruise environment, which is indefinitely different from retail and marketing settings. Inputs given by experts and academics are analysed in this section and questions that are novel to this study are discussed.

Phase two constitutes the questionnaire development. The initial questionnaire that was used for the pre- and post-survey constituted of three sections. Section A evaluated the perceived value of a cruise experience and constituted of the dimensions identified in phase one. Section B explored the socio-demographic details of the cruise tourists, and Section C, cruise traveller behaviour, a novel addition to this study. Section D was later amended as Section B for the post-perception survey when Sections B and C were eliminated, since the researcher already had access to these details.

Phase three of the measuring instrument development aimed to develop an online questionnaire by using the program Adobe Form Central® (2014). The following elements were analysed in this section: the research instrument, appearance, guidance and dialogue-driven interview situation, abandonment prevention and completion rate, humanisation of the questionnaire, permission to send a post-perception value questionnaire, notification strategies, time response, principles of research ethics and data analysis.

Phase four tested the reliability and validity of the measuring instrument. Measuring the validity of the questionnaire was achieved under the following three headings: Content validity, face validity and construct validity. Items were tested with both pilot groups for face validity purposes (refer to section 4.5.1.2 B). By focusing on construct validity (section 4.5.1.2 D), the questionnaire items were scrutinised based on whether they would relate with each other as projected by theory (literature review) with measures of different, but related constructs. This applied to Phases one, two and four, since both theory and data are evaluated when construct validity is examined.

#### 4.5.1 PHASE ONE: OPERATIONALISATION OF DIMENSIONS

Ten different types of perceived value categories, identified in Table 4.7, were operationalised to assess the perceived value of a cruise experience. This was accomplished by considering how the multitude of items identified in the literature relate to each other. Various studies that have tested these perceived values in marketing or retail studies were analysed in Chapter 3 and include the work of the following authors: Gallarza and Saura (2006:445); Sönmez and Graefe (1998:171); Seddighi, Nuttall and Theocharous (2001:181); Seth *et al.* (1991:165); Hall and Weiler (1992:3), Jang and Feng (2007:585); William and Soutar (2000:1451); Seymour (2013:108); Yuan and Wu (2008:399); Cronin *et al.* (2000:98); Teye and Leclerc (2002:236); Sweeney and Soutar (2001:212) and Petrick (2002:128).

These items have been recorded in their various perceived value categories, as labelled by the above-mentioned authors. Each item was then adapted (as seen in Table 4.7) for the cruise setting. This resulted in an initial set of 87 items, grouped into 10 value categories or themes. Aaker *et al.* (2011:265) state that as a general guideline to developing a multiple-item scale of measurement, it is commonly accepted that the larger the number of initial items that are generated, the better the final scale will be. The perceived value, satisfaction and loyalty items were previously tested in other studies by authors who conducted these studies and the adapted items used for the purpose of a cruise experience are recorded in Table 4.7.

**Table 4.7:** Items identified to measure perceived value, satisfaction and loyalty for a cruise experience

Perceived Value Attributes				
No.	Group label	Attributes measured	Author	Adapted version for cruise tourism
1	Perceived epistemic value	I'd like to cruise at least once	Hung & Petrick (2011:389)	I want to go on a cruise to cruise at least once
		Something new	Jang & Feng (2007:585); Hung & Petrick (2011:389)	I want to go on a cruise to discover something new
		Visiting a place I can talk about when I get home	Jang & Feng (2007:585)	I want to go on a cruise to visit places I can talk about when I get home
		I cruise to enjoy nature	Hung & Petrick (2011:389)	I want to go on a cruise to enjoy the nature and the scenery
		To enjoy the natural beauty	Teye & Leclerc (2002:236)	I want to go on a cruise to enjoy the beauty of the coastal landscapes
		More knowledgeable	Jang & Feng (2007:585); Hung & Petrick (2011:389)	I want to go on a cruise to increase my knowledge about people, places and things
		Novel to this study		I want to go on a cruise to enjoy the marine wildlife from the cruise liner
		Do and see a variety of things	Jang & Feng (2007:585)	I want to go on a cruise to see and do a variety of things
		Interesting experience	Jang & Feng (2007:585); Hung & Petrick (2011:389)	I want to go on a cruise to have an interesting experience
		I cruise to satisfy my curiosity	Hung & Petrick (2011:389)	I want to go on a cruise to satisfy my curiosity
		I cruise to gain knowledge	Hung & Petrick (2011:389)	

		Increase my knowledge about people, places and things	Jang & Feng (2007:585)	I want to go on a cruise to experience something which will make me more knowledgeable
2	Perceived escape value	To switch off from the demands of work and relax	Teye & Leclerc (2002:236)	I want to go on a cruise to experience total relaxation
		To get away from everyday life; have a change of scenery	Teye & Leclerc (2002:236)	I want to go on a cruise to relax and get away
		To improve one's mental state of mind	Teye & Leclerc (2002:236)	I want to go on a cruise to have a worry-free vacation
		To experience fresh, clean air, water and the environment	Teye & Leclerc (2002:236)	I want to go on a cruise to experience fresh, clean air and the environment
		To have fun	Hung & Petrick (2011:389)	I want to go on a cruise to enjoy the leisure facilities and to have fun
		I cruise to give my mind a rest	Hung & Petrick (2011:389)	I want to go on a cruise to be rejuvenated
3	Perceived emotional value	To increase my feelings of self-worth	Hung & Petrick (2011:389)	I want to go on a cruise to self-reflect and think about my personal values
		Increase my feelings of self-worth	Hung & Petrick (2011:389)	I want to go on a cruise to increase my feelings of self-worth
		I cruise to help me feel like a better person	Hung & Petrick (2011:389)	I want to go on a cruise to learn more about myself
		To derive a feeling of accomplishment	Hung & Petrick (2011:389)	I want to go on a cruise to derive a feeling of accomplishment
4	Perceived novelty value	Felt excited	Petrick (2002:128); Sweeney & Soutar (2001:212); Hung & Petrick (2011:398)	I want to go on a cruise to feel excited
		Sense-of-adventure	Petrick (2002:128); Sweeney & Soutar (2001:212); Hung & Petrick (2011:398)	I want to go on a cruise to feel a sense of adventure

		Felt good after being physically active	Huang & Hsu (2010:87)	I want to go on a cruise to be physically active
		Great atmosphere	Gallarza & Saura (2006:445); Holbrook (1999)	I want to go on a cruise to enjoy the great atmosphere I want to go on a cruise to have a good time during the cruise
5	Perceived social value	To spend time with another (spouse, partner, family)	Teye & Leclerc (2002:236)	I want to go on a cruise to spend time with someone special (spouse, partner, family, friend)
		To enjoy the nightlife	Teye & Leclerc (2002:236)	I want to go on a cruise to experience the nightlife offered on-board the cruise liner
		To meet someone special (potential romance)	Teye & Leclerc (2002:236)	I want to go on a cruise to meet someone special (potential romance)
		To celebrate a special occasion	Teye & Leclerc (2002:236)	I want to go on a cruise to celebrate a special occasion (e.g. anniversary, birthday, reunion, wedding)
		To rekindle, improve or strengthen a relationship	Teye & Leclerc (2002:236)	I want to go on a cruise to rekindle, improve or strengthen a relationship
		Relationship with other tourists outside the group	Gallarza & Saura (2006:445); Sweeney & Soutar (2001:212)	I want to go on a cruise to build relationships with other tourists outside of my usual travel group
		Reinforce my feeling of belonging to the group	Gallarza & Saura (2006:445)	I want to go on a cruise to reinforce my feelings of belonging to a group
		Being socially accepted into the group	Gallarza & Saura (2006:445)	I want to go on a cruise to be socially accepted by a group

		Opportunity to meet new people	Hung & Petrick (2011:389)	I want to go on a cruise to meet new people
		Would improve the way I am perceived	Sweeney & Soutar (2001:212)	I want to go on a cruise to improve the way I am perceived by others
6	Perceived recreational value	Novel to this study		The poolside beverage service and bar facilities offered will add value to my cruise experience
		Novel to this study		The bar and lounge service will add value to my cruise experience
		Novel to this study		The dining room food presentation will add value to my cruise experience
		There is good food	Hung & Petrick (2011:389)	The dining room menu selection will add value to my cruise experience
		Novel to this study		The atmosphere in the dining room will add value to my cruise experience
		Shopping facilities at the destination	Gallarza & Saura (2006:445); Holbrook (1999)	The on-board shopping facilities will add value to my cruise experience
		Infrastructure at the destination	Gallarza & Saura (2006:445); Holbrook (1999)	The spa facilities and treatments offered will add value to my cruise experience
		The lodging facilities at the destination	Gallarza & Saura (2006:445); Holbrook (1999)	The cabin size will add value to my cruise experience
		Casino	Novel to this study	The casino will add value to my cruise experience
		The entertainment is good	Hung & Petrick (2011:389)	The show-time entertainment will add value to my cruise experience
		Laundry	Gallarza & Saura, (2006:445)	The laundry valet service will add value to my cruise experience

		Cleanliness of lobby areas	Oh (1999:75)	The cleanliness of the ship will add value to my cruise experience
		Employee friendliness	Oh (1999:75)	The helpfulness and friendliness of staff (on and off board) will add value to my cruise experience
			Novel to this study	The shore excursions will add value to my cruise experience
7	Perceived functional (service/quality) value	Courteous, polite and respectful employees	Gallarza & Saura (2006:445)	This cruise company will have helpful, professional, courteous, polite, respectful employees
		Will provide quality	Ashton, Scott, Solnet & Breakey (2010:217).	This cruise company will deliver a quality experience
			Novel to this study	This cruise company will provide equipment which is reliable and safe
		Will offer a good service	Ashton, Scott, Solnet & Breakey, (2010:217). Gallarza & Saura, (2006:445); Sweeney & Soutar, (2001:212)	This cruise company will offer a good overall service
		Provide service reliability, consistently and dependently	Gallarza & Saura, (2006:445);	This cruise company will provide reliability, consistency and dependability
		I've heard good comments about it from others	Ashton <i>et al.</i> (2010:217). Hung & Petrick (2011:389)	This cruise company is spoken of positively
		Provide service in a timely manner	Gallarza & Saura, (2006:445)	This cruise company will provide services in a timely manner
		Security and safety	Oh (1999:75)	This cruise company will provide good security and safety on the ship

		Offers value for money	Petrack (2002:128)	This cruise company will provide value for money
		Will meet all my specific needs	Ashton <i>et al.</i> (2010:217)	This cruise company will meet all my specific needs
		Check-in speed	Oh (1999:75)	This cruise company will provide a quick and efficient check-in process
8	Perceived sacrifice value	Fear of any kind of accident	Gallarza & Saura (2006:445)	I would fear the risk of the ship sinking during the cruise
		Fear of suffering a natural disaster	Gallarza & Saura, (2006:445)	I would fear the risk of experiencing a storm during the cruise
		Fear of suffering any disease or infection	Gallarza & Saura, (2006:445)	I would fear the risk of suffering an illness or sea sickness during the cruise
		Fear of a terrorist attack during my trip	Gallarza & Saura, (2006:445)	I would fear the risk of a terrorist/ pirate attack during the cruise
		Risk of being tricked as a tourist	Gallarza & Saura (2006:445); Sönmez & Graefe (1998:171); Seddighi <i>et al.</i> (2001:181)	I would fear the risk of being conned as a tourist during the cruise
		Novel to this study		I would fear the risk of gaining weight during the cruise
9	Perceived functional (monetary) value	Is appealing	Chen & Hu (2010:409)	The cruise packages offered are appealing
		Exciting	Petrack (2002:128); Sweeney & Soutar (2001:212); Hung & Petrick (2011:389)	The cruise packages offered are exciting
		Is fairly priced	Petrack (2002:128)	The cruise packages offered are fairly priced
		Is worth the money	Petrack (2002:128)	The cruise packages offered are value for money

10	Perceived risk value	Marketing and promotions	Hall <i>et al.</i> (2001:352); Seymour (2013:105)	Marketing and promotions by the cruise company influenced my decision to go on a cruise
		Always wanted to do	Seth <i>et al.</i> (1991:165); Hall & Weiler (1992:3), Jang & Feng (2007:585); William & Soutar (2000:1451); Seymour (2013:108)	Going on a cruise is something that I have always wanted to do
		Recommendations of friends	Hall <i>et al.</i> (2001:352); Seymour (2013:105)	Recommendations of friends influenced my decision to go on a cruise
		Recommendations of experts (e.g. travel agents)	Hall <i>et al.</i> (2001:352); Seymour (2013:105)	Recommendations of experts (e.g. travel agents) influenced my decision to go on a cruise
		Novel to this study		I enjoy being at the sea/ on the water
<b>Total number of items used in this study</b>				<b>87</b>
<b>Traveller behaviour attributes</b>				
1	Loyalty	Novel to this study		Overall, the value I experienced was good
		Likelihood to return to the same destination in the next 5 years	Gallarza & Saura (2006:445)	The likelihood that I will return for another cruise on this mainliner in the next five years is good
		Say positive things	Chen & Hu (2010:409)	I will say positive things about my trip
		Being my first choice	Chen & Hu (2010:409)	In future, this cruise company will be my first choice
		Care about the success	Chen & Hu (2010:409)	I care about the success of this cruise company
2	Satisfaction	Satisfactory service	Yuan & Wu (2008:399)	The experience satisfied my needs and wants

	Recommend to someone	Chen & Hu (2010:409)	I'll recommend this cruise company to friends and relatives
	Likelihood to recommend the agency to friends and relatives	Gallarza & Saura (2006:445)	I'll recommend the agency to friends and relatives
	My choice to purchase this trip was a wise one	Gallarza & Saura (2006:445)	My choice to purchase this trip was a wise one
	This experience is exactly what I needed	Gallarza & Saura (2006:445); Cronin <i>et al.</i> (2000:95)	This experience is exactly what thought it would be
			<b>10</b>

**Source:** Authors own compilation

Items which were added to the measurement scale (as indicated in Table 4.7) and that are novel to the cruise experience and this study include the following:

- Perceived epistemic value:
  - I want to go on a cruise to enjoy the marine wildlife from the cruise liner.
- Perceived recreational value:
  - The poolside beverage service and bar facilities offered will add value to my cruise experience
  - The bar and lounge service will add value to my cruise experience
  - The dining room food presentation will add value to my cruise experience
  - The atmosphere in the dining room will add value to my cruise experience
- Perceived functional (service/quality) value:
  - This cruise company will provide equipment which is reliable and safe
- Perceived sacrifice value:
  - I would fear the risk of gaining weight during the cruise
- Perceived risk value:
  - I enjoy being at the sea/ on the water

- Loyalty:
  - Overall, the value I experienced was good

The items selected to test perceived value, satisfaction and loyalty, which are recorded in Table 4.7, were initially tested by the pilot study candidates. Experts and academics who participated in the pilot study recommended the following changes:

- Phrasing changes into layman's terms such as:
  - Risk of suffering any delinquency act (Gallarza and Saura, 2006:445); suffering any disease or infection (Gallarza and Saura, 2006:445) to suffering an illness or sea sickness during the cruise.
  - Opportunity to meet new people (Hung & Petrick, 2011:389) to I want to go on a cruise to meet new people.
  
- The use of a four-point Likert scale
  - It was suggested that the items (as recorded in Table 4.7) be measured along a four-point Likert scale (1 = not important, 2 = fairly important, 3 = slightly important, 4 = very important). Nunnally & Bernstein (1994:427) states that the number of steps on rating scales tend to place limits on the sizes of correlations between scales and (the restriction) tend to become less and less as the number of scale steps is increased. Cohen (1988:52) demonstrated a significant reduction in the correlation coefficient when a continuous scale of measurement was dichotomised. In a study conducted by Chang (1994:213) measuring the reliability and validity of four- and six-point Likert scales, it was discovered that when respondents are erogenous with respect to the experience they use as references, increasing the number of response alternatives may add error by allowing the respondents to draw more freely on their divergent frames of reference (Chang, 1994:213). Therefore, by limiting the scale options, respondents had to make a decision on their stance about the item being measured; this is particularly important when measuring expectations and perceptions (Chang, 1994:213).
  
- The layout and logical flow of the questionnaire:
  - Experts recommended placing the perceived value items first so that cruise passengers would be attentive while rating these items. The socio-

demographic profile and cruise travel behaviour aspects were placed after the perceived value items as these are quick to answer.

- Shortening the post-perception questionnaire:
  - It was recommended that only the perceived value items be asked (in past tense) and the satisfaction and loyalty items in the post-perception questionnaire that was sent to cruise travellers once they returned from their cruise, as the researcher already had access to respondents' socio-demographic and cruise travel behaviour portfolios.

Once the items listed in Table 4.7 were finalised, the measuring instrument (questionnaire) was then developed to operationalise the dimensions. The following section explores this topic in more detail.

#### 4.5.2 PHASE TWO: DEVELOPMENT OF THE PRE- AND POST-PERCEIVED VALUE QUESTIONNAIRE

Maree and Pietersen (2008:158) state that developing a questionnaire is one of the most important parts of the research process. Aspects that should be taken into consideration when developing a questionnaire include the following: the questionnaire should ask the right questions in an appropriate manner; the questionnaire needs to be appealing; questions need to be asked in the correct sequence; and lastly, appropriate wording needs to be used (Maree & Pieterse, 2008:159).

The questionnaire consisted of four sections, namely:

- **Section A:** The perceived value of a cruise experience
- **Section B:** Socio-demographic details
- **Section C:** Cruise traveller profile
- **Section D:** Cruise passengers' satisfaction and loyalty

The different sections of the questionnaire are scrutinised in the following section.

## SECTION A: THE PERCEIVED VALUE OF A CRUISE EXPERIENCE

The objective of this section was twofold. Firstly, it identified how cruise passengers perceive the value of a cruise experience before they embark on a cruise (pre-perception value) and secondly this section was used to identify how cruise passengers perceive the value of their cruise experience once they returned home (post-perception value). Since this was the crux of the study, this question was placed at the very beginning of the questionnaire. The perceived value items identified and approved during the pilot study were placed along a four-point Likert scale, as recommended by experts, which ranged from 1 to 4, where 1 = not important and 4 = very important. Various authors (Bradley, 2007:209; Churchill & Brown, 2007:283; Zikmund & Babin, 2007:214; Tustin *et al.*, 2005:408) explain that Likert-type scales are implemented when respondents are asked to indicate their degree of agreement or disagreement with each constructed statement in question.

Since Table 4.7 already identified the perceived values measured from previous studies conducted, Table 4.8 was developed to provide an overview of these perceived value groups, by allocating the number of items and the type of measurement used.

**Table 4.8:** Section a – pre- and post-perceived value questions

Perceived value category	Number of items	Type	Answer	Coding used for statistical analysis
Perceived epistemic value	11	4 point Likert-scale	Very important Slightly important Fairly unimportant Not important	4 3 2 1
Perceived escape value	6	4 point Likert-scale	Very important Slightly important Fairly unimportant Not important	4 3 2 1
Perceived emotional value	4	4 point Likert-scale	Very important Slightly important Fairly unimportant Not important	4 3 2 1

Perceived novelty value	5	4 point Likert-scale	Very important Slightly important Fairly unimportant Not important	4 3 2 1
Perceived social value	10	4 point Likert-scale	Very important Slightly important Fairly unimportant Not important	4 3 2 1
Perceived recreational value	14	4 point Likert-scale	Very important Slightly important Fairly unimportant Not important	4 3 2 1
Perceived functional (service/ quality) value	11	4 point Likert-scale	Strongly agree Agree Disagree Strongly disagree	4 3 2 1
Perceived sacrifice value	6	4 point Likert-scale	Strongly agree Agree Disagree Strongly disagree	4 3 2 1
Perceived functional (monetary) value	4	4 point Likert-scale	Strongly agree Agree Disagree Strongly disagree	4 3 2 1
Perceived risk value	5	4 point Likert-scale	Strongly agree Agree Disagree Strongly disagree	4 3 2 1

**Source:** Author's own compilation

Items that were tested as displayed above in the pre-perception questionnaire were tested in the post-perception questionnaire in the exact same order. The following diagramme is an extract of Section A from the post-perception online questionnaire.

3.1 With the knowledge gained from your previous cruise experience, evaluated to which extent you agree/ disagree with the following statement:

During the cruise:\*

	Strongly Disagree	Disagree	Agree	Strongly Agree
I had an interesting experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I experienced something which made me more knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I discovered something new	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I enjoyed nature and the scenery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I enjoyed the marine wildlife from the cruise liner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Figure 4.7:** Online-questionnaire- Section A

**Source:** Adobe Form Central® (2014)

## SECTION B: SOCIO-DEMOGRAPHIC DETAILS

The aim of this question was to reveal demographic details about the cruise passengers so that a cruise passenger profile could be drawn up. This section of the questionnaire contained demographic questions aimed at the following information about the respondents: gender, age, home language, marital status, province/ country of residence, level of education and annual household income. Table 4.9 provides a summary of the questions asked, the answer options given, the coding used for statistical analysis, the type of question asked and a list of authors who previously tested these questions in previous studies conducted.

**Table 4.9:** Section b- Socio-demographic details

Question asked	Answer	Coding used for statistical analysis	Type	Author / retrieved and adapted from
2.1 In which year were you born?	19__		Open question (Limited to insert two digits – eliminated errors)	Saayman & Seymour (2012:5)
2.2 Home language?	English Afrikaans Other (Specify)	1 2 3	List question  Open-ended	Saayman & Seymour (2012:5)

2.3 Marital status?	Married Not married Divorced Widow/er Living together	1 2 3 4 5	List question	Saayman & Seymour (2012:5)
2.4 In which province do you live?	Gauteng KwaZulu-Natal Eastern Cape Western Cape Northern Cape Limpopo Mpumalanga Free State North West Province Outside SA	1 2 3 4 5 6 7 8 9 10	List question	Saayman & Seymour (2012:5)
2.4.1 Country of residence (if outside RSA)?	-	-	Open-ended	Saayman & Seymour (2012:5)
2.5 Highest level of education?	No school Matric / Grade 12 Diploma/ Degree Post-graduate Degree Professional Other (please specify)	1 2 3 4 5 6	List question     Open-ended	Saayman & Seymour (2012:5)
2.6 Which category best describes your annual household gross income group?	R 50 000 or less R50 001- R100 000 R100 001- R200 000 R200 001- R300 000 R300 001- R400 000 R400 001- R500 000	1 2 3 4 5 6 7	List question	Saayman & Seymour (2012:5)

	More than R500 000			
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**Source:** Adapted from a questionnaire developed by Saayman and Seymour (2012:5)

The items listed above were only asked in the pre-perception value questionnaire as these items will remain unchanged during the time span of the survey. However, each respondent was given a tracking number linked to their e-mail address and this information was merged with the results given in the post-perception value questionnaire completed by them. Figure 4.8 provides an extract of Section B of the online questionnaire as seen and used by respondents during the pre-perceived questionnaire.

4.1 Please indicate your gender?\*

Male  
 Female

4.2 In which year were you born?\*

4.3 Home language?\*

English  
Afrikaans  
Zulu  
Other (please specify)

4.4 Marital status?\*

Married  
Not married  
Divorced  
Widower  
Living together  
Other (please specify)

4.5 In which province do you live?\*

Gauteng  
KwaZulu-Natal  
Eastern Cape  
Western Cape  
Northern Cape

4.5.1 Country of residence (if outside RSA)

**Figure 4.8:** Online-questionnaire- section b

**Source:** Adobe Form Central® (2014)

## SECTION C: CRUISE TRAVELLER BEHAVIOUR

Since there are certain characteristics that are unique to cruise tourists (CLIA, 2008:50), this section aimed to uncover behavioural aspects of the cruise tourists. Table 4.10 reveals questions that were asked, along with the answer options given, coding used for statistical analysis, the type of question used and contributing authors who tested these questions in previous studies done.

**Table 4.10:** Section c – cruise traveller behaviour

Question	Answer	Coding used for statistical analysis	Type	Source adapted from
3.1 Indicate your travel budget for the duration of the cruise	>R5 000 p/a	1	List question	CLIA, (2008:50)
	R6 000-R10 000 p/a	2		
	R10 000-R20 000 p/a	3		
	R20 000-R30 000 p/a	4		
	R30 000-R40 000 p/a	5		
	R40 000-R50 000 p/a	6		
	>R50 000 p/a	7		
3.2 Who will be your travel companion during the cruise?	Spouse	1	List question	Saayman and Seymour (2012:5)
	Family Member	2		
	Lover/ Girlfriend/	3		
	Boyfriend	4		
	Colleague	5		
3.3 Which method of purchase did you use to book your cruise?	Internet Booking	1	List question	MSC (2015:2)
	Travel Agency	2		
	Telephone	3		
3.4 Indicate where you have heard about this cruise company before? (Select 3 options)	Facebook	1	List question	Saayman and Seymour (2012:5)
	Television broadcast	2		
	Internet	3		
	Travel agency	4		
	Told by friends	5		
	Travel books	6		
	Newspapers &	7		
	Magazines	8		
	Leaflets	9		
3.5 Indicate the option that best describes your travel habits. I planned my	>1 month	1	List question	CLIA, (2008:50)
	2-3months	2		
	4-5 months	3		
	6-7 months	4		
	8-9 months	5		
	10-11 months	6		

cruise...prior to departure.	<1 year	7		
3.6 Who organised your other travel arrangements (excluding the cruise?)	The cruise company	1	List question	CLIA, (2008:50)
	Travel agency	2		
	Family member	3		
	Arranged it by myself	4		

**Source:** Adapted information retrieved from: Saayman and Seymour (2012:5), Cruise Line International Association (CLIA, 2008:50) MSC (2015:2)

The items listed above were only asked in the pre-perception value questionnaire as these items will remain unchanged during the time span of the survey. Figure 4.9 is an extract of Section C from the online questionnaires.

The screenshot shows two adjacent questionnaire items. Item 5.1, 'Indicate your travel budget for the duration of the cruise?', features a dropdown menu with the following options: 'R5 000 or less', 'R6 000 - R10 000', 'R11 000- R20 000', 'R21 000 - R30 000', 'R31 000 - R40 000', 'R41 000 - R50 000', and 'More than R50 000'. Item 5.2, 'Who will be your travel companion during the cruise?', features a dropdown menu with the following options: 'Spouse', 'Family member', 'Lover/ girlfriend/ boyfriend', 'Colleague', 'Friend', 'Travelling on my own', and 'Other (please specify)'. Below the dropdown for item 5.2 is a small text input field.

**Figure 4.9:** Online questionnaire: section c

**Source:** Adobe Form Central® (2014)

#### SECTION D: CRUISE TOURIST SATISFACTION AND LOYALTY

Section d of the questionnaire aimed to measure cruise passengers' loyalty and satisfaction towards the cruise company; the items measured, which were adapted from previous studies, including the works of Yoon and Uysal (2005:55); Gallarza and Saura (2006:451); Yuan and Wu (2008); and Chen and Hu (2010:34), are identified in Table 4.7.

Therefore, Table 4.11 only provides a summary of the category satisfaction and loyalty, the number of items measured, the types of answers, the choice of answers and the coding that was used during statistical analysis.

**Table 4.11:** Section d: cruise tourist satisfaction and loyalty

Category	Number of items measured	Type	Answer	Coding used for statistical analysis
Loyalty	5	4 point Likert-scale	Strongly agree Agree Disagree Strongly disagree	1 2 3 4
Satisfaction	5	4 point Likert-scale	Strongly agree Agree Disagree Strongly disagree	1 2 3 4

**Source:** Author's own compilation

The above section was only included in the post-perception value questionnaire that was answered by respondents on return from their cruise vacation. Figure 4.10 is an extract of Section D from the online questionnaires.

6.1 Evaluate to which extent you agree or disagree with the following statements:\*

	Strongly Disagree	Disagree	Agree	Strongly Agree
Overall, the value I experienced was good	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The experience satisfied my needs and wants	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

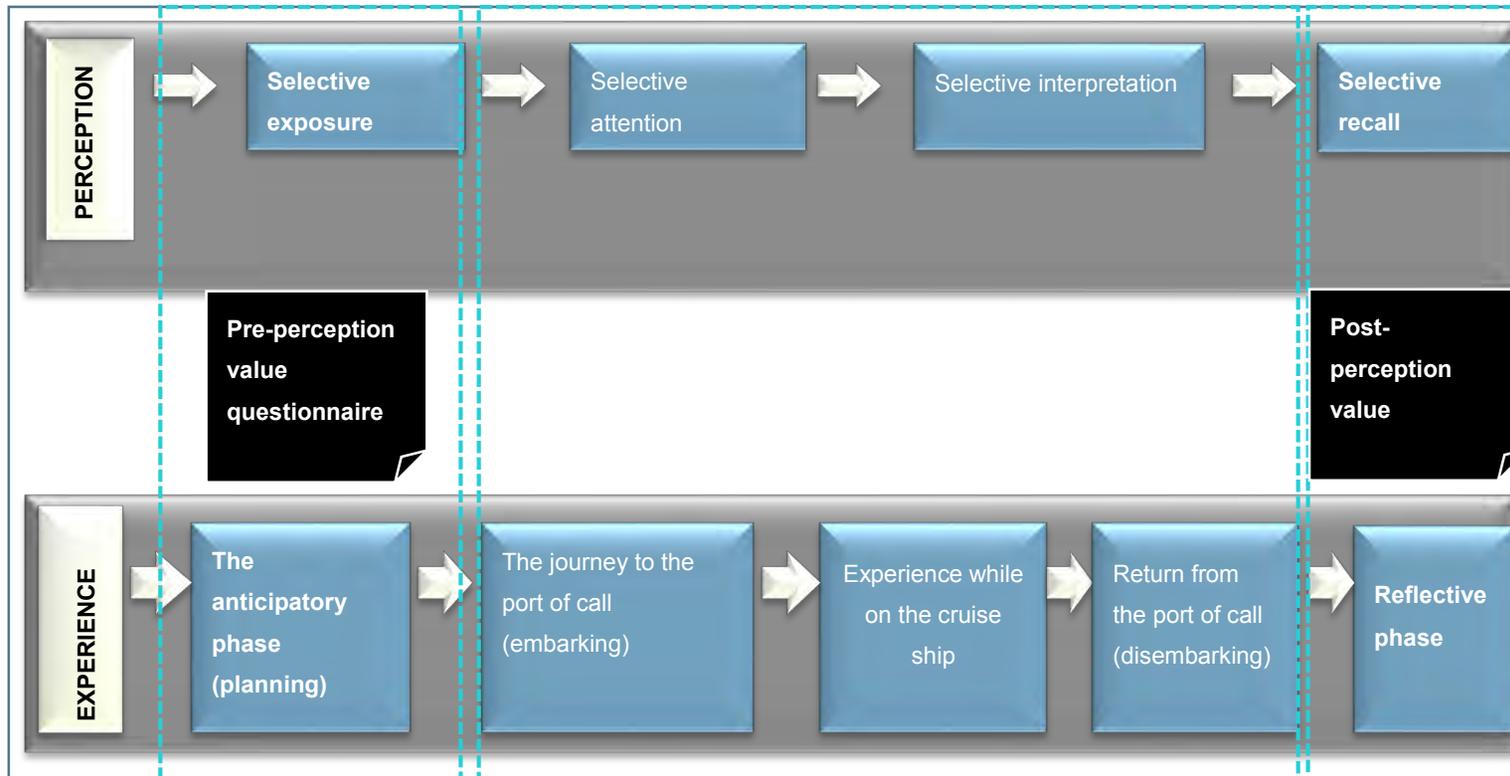
**Figure 4.10:** Online questionnaire: section d

**Source:** Adobe Form Central® (2014)

Since data was collated by means of a self-administered, online questionnaire, the following section will take an in-depth look at the aspects considered during online development.

### 4.5.3 PHASE THREE: ELECTRONIC QUESTIONNAIRE DEVELOPMENT

Ample planning, thought and finances go into organising a cruise holiday, a process that can take up to a year. When considering the phases of an experience (as seen in Chapter 2) and the phases that a consumer, or cruise tourist transcends through during perception, these phases can be placed in conjunction with one another. Figure 4.11 displays the process that cruise tourists go through from the planning and selective exposure phase to when they return home and reflect on their experience.



**Figure 4.11:** Phases of a cruise experience and perception

**Source:** Adapted from Mostert & Du Plessis (2007:95); Clawson & Ketch (1966:25); Killion (1992:3); Smith & French (1994:23); Saayman (2007:7); Tussyadiah & Fesenmaier (2009:25)

During the selective exposure phase (perception), cruise tourists are exposed to selective stimuli, which are created through marketing initiatives conducted by the cruise company (Mostert & Du Plessis, 2007:95). Similarly, when a cruise tourist decides to go on a holiday he/she transcends into the anticipatory phase (experience).

During this phase, the tourist seeks and finds the destination that he/she would like to visit by retrieving information related to the place of choice. The tourist also starts formulating a picture of the perceived value that he/she can expect to receive during the cruise experience (Tussyadiah & Fesenmaier, 2009:27). Since it is essential for this study to capture the perceived value experienced before the actual cruise and while the cruise tourist was still in the perception phase (selective exposure and the experiential phase, anticipatory and planning phase), an online questionnaire was deemed the best possible approach. Cruise tourists who had booked a cruise for the 2014/15 cruise season were contacted via the cruise company's database and despite their geographical location everyone who was contacted had a fair chance to fill in a questionnaire at their leisure and in the comfort of their homes.

As a cruise tourist transcends through the other phases, they enter the reflective phase (experience) and the selective recall phase (perception), during which memories are made and the tourist evaluates the satisfaction gained and the post-perceived value of the cruise experience (Tussyadiah & Fesenmaier, 2009:27). Consent by those tourists who were willing to participate in the post-perception value questionnaire was given during the pre-perception value survey, and therefore these cruise tourists could once again be contacted and a post-perception questionnaire was sent to them via an e-mail link. Ensuring that the same cruise respondents participated in the pre- and post-perception value surveys was an essential element to the surveying process as correlations needed to be drawn between the pre- and post-perceived value of the cruise tourists who partook in this study. A tracking number was allocated to their e-mail address, which was asked for and confirmed in both questionnaires.

A number of advantages and disadvantages of an online questionnaire, as seen in Table 4.12, were evaluated before confirming the decision to take this approach.

**Table 4.12:** Summary of advantages and disadvantages of online-questionnaires

Advantages	Disadvantages
Short response time	Low questionnaire response rate
Low variable costs	High fixed costs at the beginning
Convenience for respondents and researchers	
No media gap to overcome	
Willingness to answer open-ended questions extensively	
High items response rate	

**Source:** Grant, Teller & Teller (2005:663)

The disadvantages indicated in Table 4.12, were managed by the researcher in the following ways:

- The possibility of a low questionnaire response rates was discussed with the cruise company used and an agreement was made that the cruise company would continually send out notifications to their database until the researcher had received a sufficient amount of questionnaires. Fortunately MSC have a very loyal and dedicated customer base and only two notifications were sent out until sufficient questionnaires were collated. A total number of 978 pre-perceived questionnaires were collated for analysis. However, the researcher found it challenging and time consuming to collect sufficient questionnaires during the post-perceived survey. This was due to the timeframe during which the cruise passengers went on a cruise as they could only be contacted once they returned from their cruise vacation. Therefore a time extension was needed and this survey ran until the end of April 2015. Fortunately sufficient questionnaires (497) were collated for analysis of the post-perceptions.
- High fixed costs associated with the development of an online questionnaire: fortunately the institution through which the researcher did her studies invested in the programme Adobe Form Central® (2014), thereby eliminating the high cost associated with purchasing programmes such as this.

As seen in Table 4.13, the advantages outweigh the disadvantages thus contributing significantly towards the decision to use this approach for data collation. Since perceived value is highly personal (Rekeach, 1973:5), it was also important that the respondents felt comfortable to answer the questions as honestly and openly as possible. Fortunately,

the internet acts as a safeguard, thereby providing this advantage that could otherwise not be achieved.

The following section will take an in-depth look at the following: the research instrument, appearance, guidance and dialogue-driven interview situation, abandonment prevention and completion rate, humanisation of the questionnaire, permission to send a post-perception value questionnaire, notification strategies, time response, principles of research ethics and data analysis.

---

#### **A. RESEARCH INSTRUMENT**

The online questionnaire consisted of four technical components (Grant *et al.*, 2005:649). One component is the front end, or client interface, where the visual part of an HTML program contains numerous JavaScript orograms that control the questionnaire (e.g. the flow of stimuli). At the back end, or server interface, there is a mySQL-database where the results are edited for the researcher in real time. A third component at the server represents CGI scripts required to control programs in order to generate HTML sites and replenish the database with data from respondents. Lastly, the tool contains a control panel capable of controlling answers given by respondents and editing the results in a real-time setting on the website (Grant *et al.*, 2005:649). The programme, Adobe Form Central® (2014), was used to develop the online-questionnaire for this study.

---

#### **B. APPEARANCE**

The survey was designed according to corporate guidelines (colour, logo, fonts) recommended by the cruise company. Iacobucci and Churchill (2010:42) state that this provides an independent, non-commercial and respectable appearance. The user-friendliness and convenience supplied by using an online questionnaire are one of the advantages that cannot be as easily achieved by using a hard copy. The appearance and colours used are also relatively cheap compared to the printing costs of hard copied questionnaires. The appearance of the online questionnaire was deemed an important part of the development of the questionnaire as it would enhance response rates and it was an eco-friendly approach to collect data.

---

### C. GUIDANCE AND DIALOGUE DRIVEN INTERVIEW SITUATION

Respondents were guided through the survey by using 'submit buttons' (displayed as next). If he/she forgot to answer one or more questions, an alternative window would appear and the missing answer was highlighted by a red coloured frame. This guaranteed a high item response rate and a differentiated missing value analysis. Figure 4.12 is an extract from the online questionnaires.



**Figure 4.12:** Guidance and dialogue driven interview situation

**Source:** Adobe Form Central® (2014)

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### D. ABANDONMENT PREVENTION AND COMPLETION RATE

Each site contained buttons with which the respondent could choose to abandon the survey. Each website page or window in the survey contained a status bar giving information on what percentage of question had already been answered (Figure 4.12).

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### E. HUMANISATION OF THE QUESTIONNAIRE

Anonymity is one of the major characteristics driving the development of the internet. In order to differentiate this survey from other online questionnaires and to emphasise the scientific and official character of this study, welcoming and thank you letters were included in each survey (pre and post-perceived value) as well as the contact details of the author. The intention of these added components was so that the respondent could identify a human being behind the programme. A feedback section was also added as an open question at the end of the survey.

---

### F. PERMISSION TO SEND A POST PERCEPTION VALUE QUESTIONNAIRE AND OTHER ETHICAL MATTERS

Since it was essential to track the questionnaires so that the pre- and post-data could be aligned for comparisons during statistical analysis, the following had to take place during the survey. An opening letter explaining the importance and purpose of the questionnaire was sent out with the online questionnaires, which included important contact information



#### 4.5.4 PHASE FOUR: THE MEASURING INSTRUMENT

According to Monette, Sullivan and De Jong (2013:103-104), measurement refers to the process of describing abstract concepts in terms of specific indicators, by the assignment of numbers or other symbols to these indicators in accordance with specific rules.

Measurement consists of rules for assigning numbers to objects so as to represent quantities or attributes numerically (Nunnally & Bernstein, 1994:3). This section was developed to give an overview of the techniques used to test the reliability and validity of the questionnaire. This was deemed essential since one of the studies major contributions (see Chapter 6) is the development of a measuring instrument, which can be adapted and used by future researchers.

---

##### 4.5.4.1 RELIABILITY OF THE QUESTIONNAIRE

According to De Vos *et al.* (2009:162), the reliability of measurement procedure is the stability or consistency of the measurement. This means that if the same variable is measured under the same conditions, a reliable measurement procedure will produce almost identical measurements. Although it is rare to have perfect reliability, Neuman (2000:179-180) suggest the following procedures to increase the reliability of measures:

- Clearly conceptualise all constructs.
- Increase the level of the measurement.
- Use multiple indicators of a variable.
- Use pre-tests pilot studies and replications.

Bostwick and Kyte (1981:120-121) state that high reliability does not guarantee valuable results, but there can be no valid results without reliability. Assessing the reliability of a questionnaire can be done through various methods. However, in this study, reliability measures for each perceived value item were tested for internal consistency by relying on Cronbach alpha coefficients ( $\alpha$ ). Various authors (Zikmund & Babin, 2013:33; McDaniel & Gates, 2013:25) deem Cronbach alpha coefficients as acceptable and suitable as a measure of reliability in the marketing research literature, and therefore added value to the reason for it been the selected method for this study. Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of

a test or scale (Cronbach, 1951:297). Malhotra (2010:319) states that Cronbach alpha values vary from 0 to 1, where a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability. Table 4.13 was developed by Farrell to indicate the internal consistency of Cronbach alpha ratings.

**Table 4.13:** Internal consistency of cronbach's alpha coefficients

Cronbach's alpha (a)	Internal consistency
$\geq .9$	Excellent
$.9 > a \geq .8$	Good
$.8 > a \geq .7$	Acceptable
$.7 > a \geq .6$	Questionable
$.6 > a \geq .5$	Poor
$< .5$	Unacceptable

**Source:** Field (2009:20)

An exploratory factor analysis (EFA) was used in this study and indicated the Cronbach's alpha coefficients to be acceptable (above 0.7) for all dimensions of perceived value. Reliability was therefore supported.

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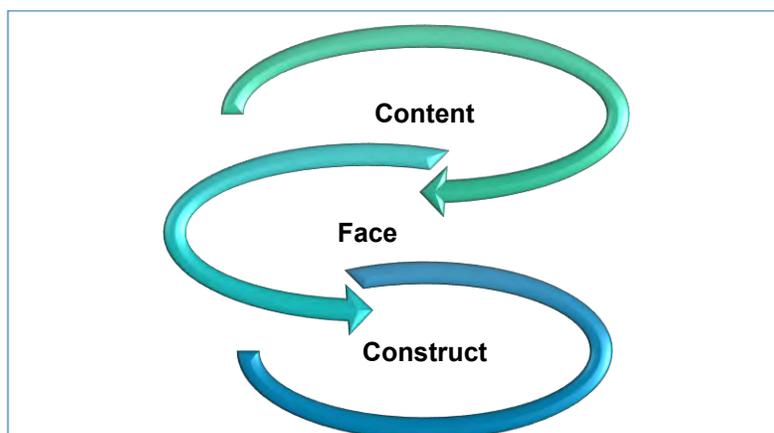
#### 4.5.4.2 VALIDITY OF THE QUESTIONNAIRE

Both reliability and validity are important measurements in the statistical process. Various authors (Babbie, 2008:143; Zikmund & Babin, 2007:258; Iacobucci & Churchill, 2010:257; Gravetter & Forzano, 2003:87) refer to validity as the extent to which an empirical measure accurately reflects the concept it is intended to measure.

Therefore, two aspects in validity are prominent (De Vos *et al.*, 2009:160; Babbie, 2004:143; Zikmund & Babin, 2013:258; Iacobucci & Churchill, 2010:257 and Gravetter & Forzano, 2003:87)

- That the instrument actually truthfully measures the concept in question
- That the concept is measured accurately.

These two aspects will be analysed through the following criteria or sub-headings: content, face, and construct.



**Figure 4.14:** Validity of a questionnaire

**Source:** Field (2009:2)

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#### A. CONTENT VALIDITY

De Vos *et al.* (2009:160) and Maree and Pietersen (2008:217) state that this is concerned with the representativeness or sampling adequacy of the content/items of an instrument. Content validity has to do with whether a measuring device covers the full range of meanings or forms that would be included in a variable being measured (Monette *et al.*, 2013:25; Aaker *et al.*, 2011:269; McDaniel & Gates, 2013:290).

Content validity is established on the basis of judgements of either experts or researchers on the basis that the measure covers the universe of facets that make up the concept (Rubin & Babbie, 2013:194).

Since Maree and Pietersen (2008:217) recommend that in order to ensure the content validity of an instrument, the researcher should present a provisional version to experts in the field for their comments before finalising the instruments. The researcher used the online questionnaire for evaluation during phase 1.

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#### B. FACE VALIDITY

It has been noted that this is the simplest and least scientific definition of validity (Gravetter & Forzano, 2003:87). According to De Vos *et al.* (2009:161), face validity concerns the superficial appearance or face value of a measurement procedure. It is important to structure an instrument so that it not only accurately measures the attributes under consideration, but also appears to be a relevant measure of those attributes. This

type of validity cannot be quantified or tested, but any instrument should be scrutinised by experts to ensure a high degree of face validity (Maree & Pietersen, 2008:217). Experts who formed part of the two pilot study groups (pre and post) were asked to apply face validity to the questionnaire and the amendments were made from the feedback received.

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### **C. CONSTRUCT VALIDITY**

Construct validity is concerned with the meaning of the instrument, e.g. what it is measuring and how and why it operates the way it does (De Vos *et al.*, 2009:162). This type of validity is needed for standardisation and has to do with how well the constructs covered by the instrument are measured by different groups of related items (Maree & Pietersen, 2008:217, Zikmund & Babin, 2013:258; De Vos *et al.*, 2009:161). Statistical techniques used here are construct validity and item validity. Construct validity was employed through various techniques (including correlations, t-tests, ANOVAs and regression analysis) to test whether this instrument measured what it was supposed to measure (refer to Chapter 6).

## **4.6 EMPIRICAL SURVEY**

The following section analyses the development of the measuring instrument and online questionnaire and the empirical survey process followed.

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### **4.6.1 DATA COLLECTION**

As mentioned in section two, data was collected by means of a self-administered, web-based questionnaire by using the program Adobe Form Central® (2014). This form of data collection was considered the best approach since respondents are scattered across the country and the same candidate would be used for the pre- and post-survey.

An initial meeting was scheduled with the cruise company used for the purpose of this study at the beginning of 2013. During the meeting, agreements were reached and the author was given permission to use their clientele as respondents for this study. Because

they were restricted to client contact confidentiality, the author was unable to access a list of passengers who would be going a cruise during the 2014/2015 cruise season. However, the cruise company assisted the author by notifying future cruise passengers of the purpose of the study and a hyperlink that gave them access to the pre-perception value questionnaire. The cruise company has a very loyal client base and the response rate was good. Two hundred and ten (210) pre-perception questionnaires were completed by respondents during December 2014. In January 2015, the cruise company sent out another notification and 768 questionnaires were collated. Therefore, the pre-perception value survey took place from December 2014 to January 2015 and a total of 978 questionnaires were collated.

Those respondents who were willing to partake in the post-perception value survey gave the researcher permission to send them a hyperlink that connected them to the post-perception value survey on return from their cruise. This was facilitated through the answers given to the very first question in the pre-perception value survey, where respondents had to say when their cruise would be. These respondents provided their e-mail addresses to the researcher on condition that it would only be used to send them a post-perception survey and that this information would be destroyed once the study was complete. The post-perception survey took place from February 2015 to April 2015. If the researcher received no feedback or response from the cruise passenger within an allocated timeframe, another e-mail was sent out. During February 2015, only 280 post-perception questionnaires had been received, but fortunately this number picked up since the bulk of the cruise passengers only went on a cruise during February, March and April 2015. Completed questionnaires amounted to 497. Table 4.14 provides a summary of the questionnaires received:

**Table 4.14:** Number of questionnaires completed

Questionnaire	Timeframe	Number of questionnaires received
Pre-perception value questionnaire	December 2014 - January 2015	978 (n)
Post-perception value questionnaire	December 2014-April 2015	497 (n)

**Source:** Authors own compilation

Only those respondents who successfully participated in both the pre- and post-perception value questionnaires could be used for final analysis, the remaining questionnaires were discarded. Therefore, the number of pre- and post-perception value questionnaires used for statistical analysis was N=497. The number exceeded the required number of questionnaires and the sample size was therefore deemed representative and acceptable.

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#### 4.6.2 DATA ANALYSIS

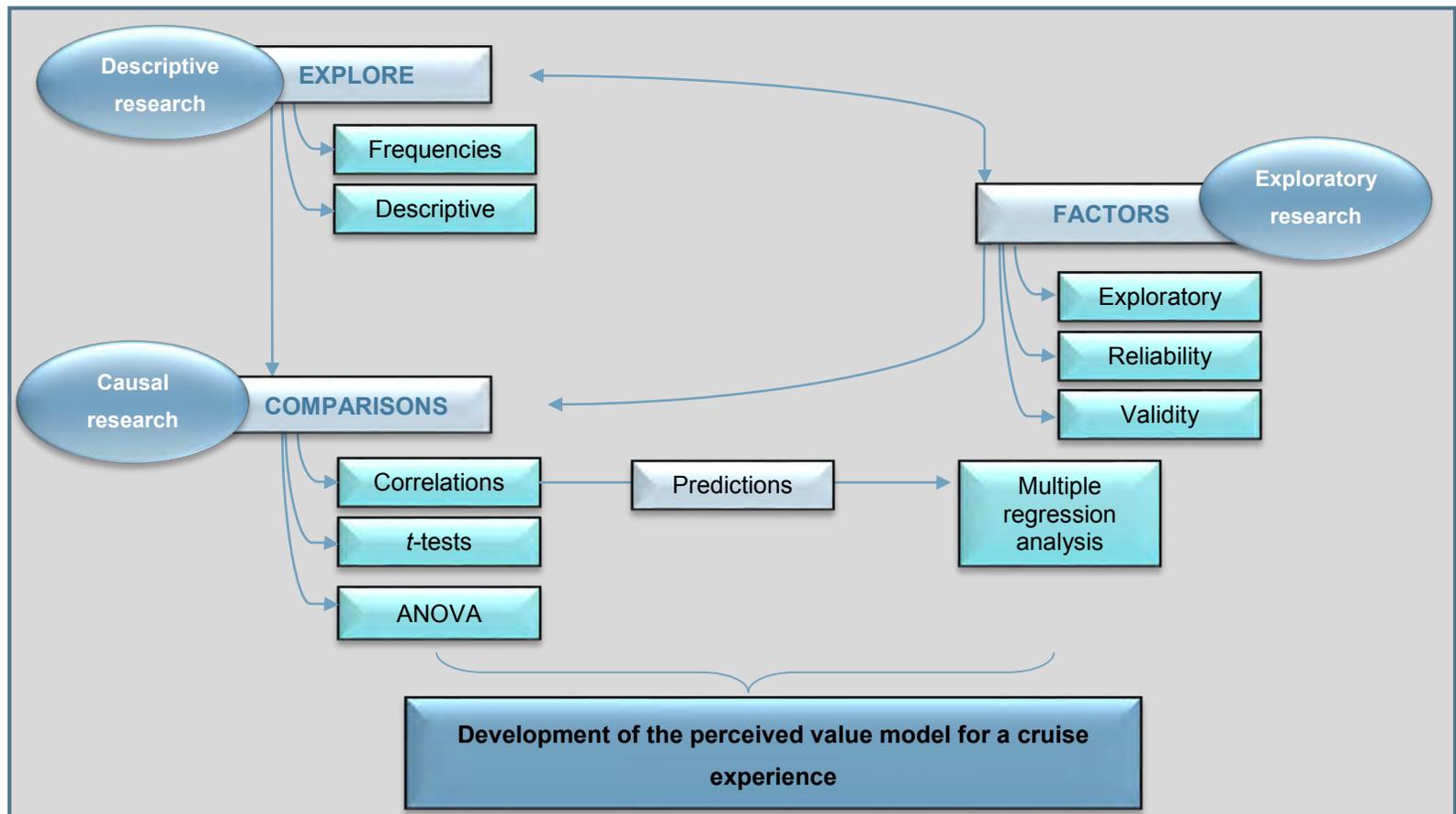
This step aimed to report, interpret and draw conclusions about the perceived value of a cruise experience. Adobe Forms Central® (2014) and Microsoft® Excel® were used to capture the data and for basic data analysis. The Statistical Package for the Social Sciences (SPSS™ version 21, 2007) was used to process the information and the assistance of the Statistical Services of the North-West University, Potchefstroom Campus was rendered. A number of different analyses were conducted for the purpose of this study including the following:

- The validity and reliability of the questionnaire was tested.
- An initial analysis (descriptive statistics) to convey the socio-demographic and cruise traveller profile of the respondents by means of frequency tables.
- Statistical analyses, including: an exploratory factor analysis (EFA); correlations; analysis of variance (ANOVAs) and independent t-test analysis.
- Lastly, a multiple regression analysis was conducted to see whether a relationship exists between the satisfaction and post-perceived value experience during a cruise experience as well as the loyalty and post-perceived value experience during the cruise experience.

Each of the above-mentioned statistical techniques is discussed below and described according to importance to this study.

## 4.7 STATISTICAL TECHNIQUES

Figure 4.15 provides an overview of the statistical analyses employed to develop a perceived value model for a cruise experience.



**Figure 4.15:** Various statistical analyses used in this study

**Source:** Adapted from Field (2009:45)

The techniques displayed in the above diagram were used to analyse the data prior to the multiple regression analysis conducted and are discussed in more detail below.

#### 4.7.1 EXPLORATORY FACTOR ANALYSIS

Factor analysis is considered the method of choice for interpreting self-reporting questionnaires (Byrant, Yarnold & Michelson, 1999:55). Factor analysis is a multivariate statistical procedure that has, among others, the following core uses (Gorsuch, 1983:23; Malhotra, 2010:630; Hair, Anderson, Tatham & Black, 1995:15; Thompson, 2004:12; McDaniel & Gates, 2013:560):

1. Factor analysis reduces a large number of variables into a smaller set of variables (also referred to as factors).
2. It establishes underlying dimensions between measured variables and latent constructs, thereby allowing the formation and refinement of theory.
3. It provides construct validity evidence of self-reporting scales.

Table 4.15 provides a summary of the objectives of an exploratory factor analysis.

**Table 4.15:** A summary of exploratory analysis

- Examine the structure or relationship between variables
- Detection and assessment of unidimensionality of theoretical construct
- Evaluates the construct validity of a scale, test or instrument
- Development of parsimonious (simple) analysis and interpretation
- Addresses multi-collinearity (two or more variables that are correlated)
- Use to develop theoretical constructs
- Used to prove/ disprove proposed theories

**Source:** Williams, Brown & Onsman (2010:799)

From the above, it can be deduced that the main aim of a factor analysis is to simplify data. All variables under investigation are analysed together to identify the underlying factors (Hair *et al.*, 2010:590) and therefore this technique does not distinguish between dependent and independent variables.

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#### 4.7.1.1 TYPES OF FACTOR ANALYSIS

There are two major classes of factor analysis:

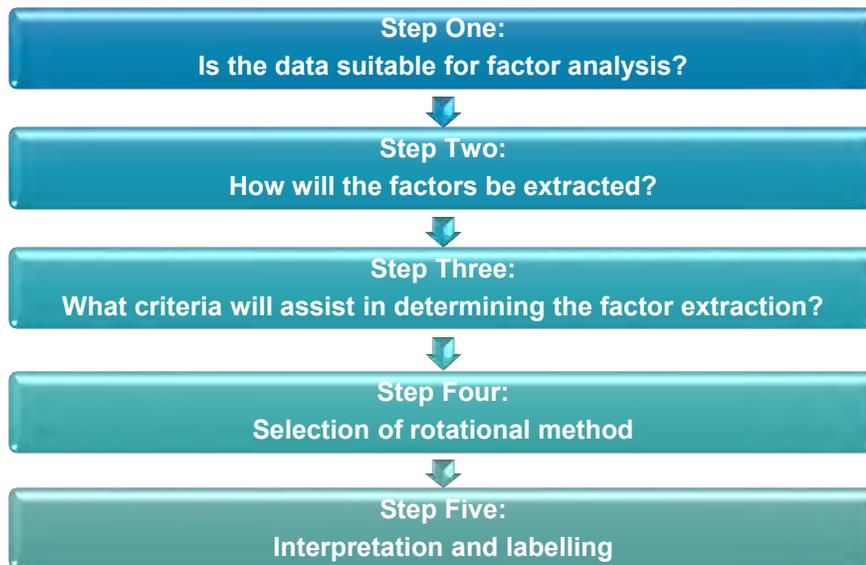
- Confirmatory factor analysis (CFA): Researchers use this approach to test a proposed theory, or model and in contrast to EFA, has assumptions and expectations based on priori theory regarding the number of factors, and which factor theory or model fits best (Williams *et al.*, 2010:794).
- Exploratory factor analysis (EFA): In the EFA, the investigator has no expectations of the number or nature of the variables and as the title suggests, it is exploratory in nature. It allows the researcher to explore the main dimension to generate a theory, or model from a relatively large set of latent constructs often represented by a set of items (Pett, Lockey & Sullivan, 2003:8; Henson & Roberts, 2006:55; Swisher, Beckstead & Bebeau, 2004:785).

After considering the two classes of factor analysis above the researcher decided to employ an exploratory factor analysis (EFA) for the purpose of this study which is exploratory in nature.

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#### 4.7.1.2 THE FIVE-STEP EXPLORATORY FACTOR ANALYSIS PROTOCOL

According to Williams *et al.* (2010:795), despite an EFA being a seemingly complex statistical approach, the approach taken in the analysis is in fact sequential and linear, involving many options. Therefore, a decision pathway is crucial prior to the development of an EFA. Williams *et al.* (2010:795) developed the following five-step exploratory factor analysis protocol (or decision pathway) to provide novice researchers with a starting reference point in developing clear decision pathways (Figure 4.16).



**Figure 4.16:** The five-step exploratory factor analysis protocol

**Source:** Williams *et al.* (2010:795)

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#### STEP ONE: APPROPRIATENESS OF DATA FOR ANALYSIS

To determine whether the data is suitable for analysis, the following aspects need to be analysed: the sample size, the sample variable ratio, the factorability of the correlation matrix and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy/ Bartlett's test of sphericity. Each of these aspects is briefly discussed below.

##### **A. Sample size**

Hogarty, Hines, Kromrey, Ferron and Mumford (2005:203) stated that there are conflicting opinions about the size of the sample and that the disparate recommendations have not served researchers well. For the sake of this study, it was decided to follow Tabachnick and Fidell (2007:15) rule of thumb, which suggests that at least 300 cases are needed for a factor analysis.

##### **B. Sample to variable ratio ( $N:p$ ratio)**

The sample to variable ratio is often denoted as the  $N:p$  ratio, where  $N$  refers to the number of participants and  $p$  refers to the number of variables. Hogarty *et al.* (2005:222) undertook a study to test existing theories around the  $N:p$  ratio and they concluded that their results show that there was not a minimum level of  $N$  or  $N:p$  ratio to achieve good

recovery across conditions examined. Various rules of thumb range from 3:1, 6:1, 10:1, 15:1 or 20:1 (Pett *et al.*, 2003:20; Gorsuch, 1983:15; Hair *et al.*, 1995; Everitt, 1975:237).

### **C. Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity**

Several tests were conducted prior to the extraction of the factors, including the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. According to Williams *et al.* (2010:5), the KMO index is recommended when the cases to variable ratio are less than 1:5. The KMO index ranges from 0 to 1, with 0.50 considered suitable for factor analysis (Hair *et al.*, 1995:18; Tabachnick & Fidell, 2007). The Bartlett's test of sphericity should be significant ( $p < .05$ ) for factor analysis to be suitable (Hair *et al.*, 1995:18; Tabachnick & Fidell, 2007).

---

## **STEP TWO: EXTRACTION OF FACTORS**

The aim of rotation is to simplify the factor structure of a group of items, or in other words, high item loadings on one factor and smaller item loadings on the remaining factor solutions (Castello & Osborne, 2005:8). Some of the ways in which these factors can be extracted are through the principal component analysis (PCA), principle axis factoring (PAF), image factoring, maximum likelihood, alpha factoring, and canonical (Thompson, 2004:23).

This study made use of principle axis factoring since it is also the most commonly used in published literature (Henson & Roberts, 2006:66; Thompson, 2004:23).

---

## **STEP THREE: CRITERIA USED TO ASSIST IN DETERMINING FACTOR EXTRACTION**

The aim of the data extraction is to reduce a large number of items into factors. In order to produce scale unidimensionality, and simplify the factor solutions, several criteria are available to researchers (Williams *et al.*, 2010:794). However, it should be noted that the simultaneous use of multiple decision rules is appropriate and often desirable (Thompson, 2004:200) and that no single criterion should be assumed to determine factor extraction (Castello & Osborne, 2005:8). Some of the approaches that exist include Kaiser's criteria (eigenvalue > 1 rule, the scree test) and the cumulative percent of variance extracted (Williams *et al.*, 2010:794).

Each of these is briefly discussed in the following section:

**A. Cumulative percentage of variance and eigenvalue > 1 rule**

No fixed threshold exists, although certain percentages have been suggested. According to Hair *et al.* (1995:20), in the natural sciences, factors should be stopped when at least 95% of the variance is explained; however, in the humanities, variance is commonly as low as 50-60% (Pett *et al.*, 2003:102; Hair *et al.*, 1995:32).

**B. Scree test**

According to Williams *et al.* (2010:795), inspecting and interpreting a scree plot involves the following two steps:

- Step 1: Draw a straight line through the smaller eigenvalues where a departure from this line occurs. This point highlights where the debris or break occurs.
- Step 2: The point above this debris or break (not including the break itself) indicates the number of factors to be retained.

Following these analyses, a final number of factors or best-fit solutions will be presented. At this point, the researcher will require careful and thoughtful judgement on which solution is the best fit and which of the factors extracted make the most conceptual sense (Williams *et al.*, 2010:9).

---

**STEP FOUR: SELECTION OF ROTATIONAL METHOD**

Rotation maximises high item loadings and minimises low item loadings; thereby, producing a more interpretable and simplified solution. This also assists the author in this study to decide how many factors were needed to analyse the data and whether a variable might relate to more than one factor. Two common rotation techniques used included: orthogonal rotation and oblique rotation. This study made use of oblique rotation, which produces factors that are correlated and are often seen as producing more accurate results for research involving human behaviours (Castello & Osbourne, 2005:23).

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**STEP FIVE: INTERPRETATION**

According to Williams *et al.* (2010:10), this involves the researcher examining which variables are attributable to a factor and giving that factor a name or theme. Henson and

Roberts (2006:66) state that the meaningfulness of latent factors is ultimately dependent on the researcher's definition (Henson & Roberts, 2006:67). The labelling of factors is a subjective, theoretical and inductive process (Pett *et al.*, 2003:45).

The EFA for the present study performed a principle component analysis on 75 perceived value items, using an Oblimin rotation with Kaiser Normalisation to explain the correlations/ variance-covariance structure among a set of variables. The Kaiser-Meyer-Olkin measure of sampling adequacy was also used to determine the appropriateness of the factor analysis. In this analysis, only factors with eigenvalues larger than one were retained, since a significant amount of variation in the data could be explained this way (Field, 2009:647). The Kaiser's criteria were therefore used to enable this extraction. Items with factor loadings of between -1 and 1 were deemed acceptable to be included in a factor (Field, 2009:647). The items with a factor loading above 0.3 were viewed as correlating with a factor, whereas all items with factor loadings of lower than 0.3 were eliminated, due to their insignificant correlations with other factors. Cross-loadings of a few items on more than one factor were resolved by categorising the items according to where it could best be interpreted. The internal consistency of each factor was calculated by Cronbach's alpha reliability coefficient. All factors exceeded the recommended 'cut off' point (0.6) for reliability coefficients (Malhotra, 2010:319). In addition to this, inter-item correlations were calculated as alternative measure of reliability. According to Clark and Watson (1995:309), all inter-item correlations between 0.15 and 0.55 are considered acceptable and correlations higher than 0.5 are more than satisfactory.

#### **4.7.2 CORRELATION COEFFICIENTS**

Correlation coefficients measure the strength of the linear relationship between two quantitative variables (Maree and Pietersen, 2008:234; Iacobucci & Churchill, 2010:451; McDaniel & Gates, 2013:527). A correlation exists when one variable increases and another variable either increases or decreases in a somewhat predictable fashion (Leedy & Ordman, 2010:183). In order to measure whether a relationship exists or not, three steps need to be followed:

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### STEP ONE: THE LINE/SLOP FIT

The best way to see the relationship between two variables is by means of a scatter plot of the variables (Maree and Pietersen, 2008:235). The direction of the relationship between two variables will indicate a positive, negative or no relationship. The following formula is used to determine this:

Correlation coefficient (Field, 2009:12):

$$r = \text{corr}(x, y) = \frac{\text{cov}(x, y)}{s_x s_y}$$

---

### STEP TWO: POSITIVE/NEGATIVE RELATIONSHIP

The degree of the relationship between the variables is indicated by correlations ranging from -1 to +1, with 0 representing no association; anything beyond this range indicates a fault in the data. Correlation coefficients, which are denoted by  $r$  are the indicators that calculate the relationships between variables. The following provides an interpretation of the correlation coefficients:

- $r$  always between -1 and +1
- $r > 0$ : positive linear relationship
- $r < 0$ : negative linear relationship
- $r = 0$ : no linear relationship

Therefore, the closer  $r$  is to +1, the stronger the positive correlation and the closer  $r$  is to -1, a negative correlation may exist.

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### STEP THREE: QUALITY OF THE FIT

During this step, the quality of the fit needs to be predicted. This can be done by determining the scatter from the y axis and the scatter around the line. However, it is generally accepted that the larger the correlation coefficient, the stronger the association between two variables will be (Hair *et al.*, 2010:308).

For the statistical test ( $p$ -value) to be valid, it has to be assumed that the distribution of the variable in the population is normal (Maree & Pietersen, 2008:242). If the  $p$ -value is lower than .05, then the test is significant, indicating a significant relationship between the pre- and post-perceived value groupings, for example. However, if the  $p$ -value is

higher than .05, then the test is not statistically significant. This indicates, for example, that no significant relationship exists between the pre- and post-perceived value groupings.

Spearman rank-order correlation coefficient or Spearman rho (Hatcher, 2003:323) was employed in this study. Maree and Pietersen (2008:237) states that this correlation coefficient can be seen as the non-parametric alternative to the Pearson correlation coefficient. Spearman correlation coefficients use ranks (or in the case of this study a 4-point Likert scale) instead of actual values and make no assumptions about the distribution of the two variables (Maree & Pietersen, 2008:237). Therefore, it has been recommended that when two or more variables have been measured by ordinal (rank-order) scales, that researchers make use of Spearman rank order correlation coefficient statistics, which is a more conservative measure to indicate the size and significance level of each latent variables (factor) (Hair *et al.*, 2010:311). Spearman correlation coefficient is calculated from the sample and denoted by  $r_s$  and the corresponding population parameter by  $p_s$ . The null hypothesis tested when analysing the relationship between two variables using this non-parametric method is (Maree & Pietersen, 2008:237):

$$H_o: p_s = 0$$

Spearman rank-order correlation coefficient was conducted on two separate occasions for the purpose of the study. Firstly, the researcher wanted to test whether a relationship exists between the pre- and post-perception value groupings and secondly whether the perceived value groupings were affected by the socio-demographic and travel behaviour items. By employing Spearman rank-order correlations between socio-demographic elements the researcher can see whether these elements had an influence of the cruise passengers' perceived value of the cruise. For example, when looking at the socio-demographic element age, the researcher can determine whether younger people perceived social external value higher than older cruise passengers. Spearman rank-order correlations between pre and post perceived values will indicate which perceived values were experienced higher before and during the cruise trip. This will assist cruise marketers to market their products differently and managers to focus on elements which enhance the perceived value of a cruise experience.

### 4.7.3 ANOVA ANALYSIS (ONE-WAY ANALYSIS OF VARIANCE) AND INDEPENDENT T-TEST ANALYSIS

#### A. ANOVA analysis (one-way analysis of variance)

To determine whether of the socio-demographic characteristics of cruise travellers (i.e. age and level of education) and cruise travel behaviour (i.e. travel companion and travel habits) had an influence on the way in which the respondents perceived the pre-perception values before and the post-perception values after their cruise trip, ANOVAs needed to be conducted. Maree and Pietersen (2008:229) state that ANOVAs are used when there are more than two independent groups that need to be compared on a single quantitative measure or score.

ANOVA is appropriate if (Maree & Pietersen, 2008:229):

- The quantitative variable is normally distributed in each population;
- The spread (variance) of the variable is the same in all populations.

The null hypothesis in this case is that all population means are the same. Suppose there are four groups to be compared, the null hypothesis is:

$$H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4$$

There is only one alternative to this null hypotheses and that is:

H1: not all population means are equal.

ANOVA makes use of an *F*-test to detect significant differences. Two important values produced by an ANOVA are the test statistic (*F*-value) and the *p*-value (Maree & Pietersen, 2008:230).

An ANOVA with Tukey's honestly significant differences (HSD) post-hoc test was conducted on the study data and thereafter the effect sizes were determined in order to prove the differences and similarities between communities.

## **B. Independent *t*-test analysis**

In contrast to an ANOVA, an independent *t*-test is used to assess the statistical difference between the mean scores of only two different groups on some continuous variable (Aaker *et al.*, 2011:279; Zikmund & Babin, 2007:390; Pallant, 2007:103). The present study conducted an independent *t*-test to determine the differences between English-speaking cruise tourists, non-English-speaking cruise tourists and the pre- and post-perceived values.

Maree and Pietersen (2008:225) state that *t*-tests are conducted for the following reasons:

- When two independent groups need to be compared based on their average score on a quantitative variable.
- When the average scores on two quantitative variables need to be compared in a single sample.
- When the average of a quantitative variable needs to be compared with a specified construct value in a single sample.

Three values are calculated and displayed with every *t*-test (Maree & Pietersen, 2008:225-226):

1. The tests statistic (*t*-test)
2. The degrees of freedom (n-1 in one sample cases and n-2 in two sample cases)
3. The *p*-value

See section 5.6.1.1 for the results of the *t*-test conducted for this study.

### **4.7.4 MULTIPLE REGRESSION ANALYSIS**

A multiple regression analysis is essentially a group of variables and the degree to which that group of variables predicts a dependent variable. For example, in this study, multiple regression analysis was employed to determine whether the post-perception values (group of variables) have an effect on the satisfaction (dependant variable) of the cruise tourists. This method was also employed to determine whether the post-perception values had an effect on the loyalty of the cruise tourists.

This section explores multiple regression in more detail by defining it, giving an example of a multiple regression analysis and defining the terms associated with it, describing the three different types of multiple regression that exist and drawing on the assumptions with which it is associated.

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#### 4.7.4.1 DEFINING MULTIPLE REGRESSION AND RELATED TERMS

Malhotra (2007:903) define multiple regression analysis as a statistical technique that simultaneously develops a mathematical relationship between two or more independent variables and an interval-scale dependent variable. This type of analysis is used in situations where more than one independent variable (denoted by  $X_1, X_2, X_3 \dots$ ) is used to predict a single dependent variable (denoted by  $Y$ ) (Maree and Pietersen, 2008:14; Malhotra, 2010:566; Field, 2009:16). In the case of this study, the independent variable, which was the post-perception values, was used to predict a single dependent variable, namely satisfaction.

The mathematical equation that represents the relationship between  $k$  independent variables and the dependent variable is given by:

$$Y = a + b_1X_1 + b_2X_2 + \dots + b_kX_k$$

The data for a multiple regression analysis consists of  $k + 1$  measurements for each post-perception value, namely a value for  $Y$  and a value for  $X_1, X_2, X_3 \dots X_k$ . This data is then used as an input to a statistical software package and the results that are produced include an  $r$ -squared value (coefficient of determination), estimated values for  $a$  and  $b_1, b_2, b_3$  and a  $p$ -value for each of the estimated parameters (Maree & Pietersen, 2008:243). Each of these elements is discussed in more detail in the following section.

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#### 4.7.4.2 AN EXAMPLE OF A MULTIPLE REGRESSION ANALYSIS

Figure 4.17 provides an example of a regression model analysis.

### MODEL SUMMARY

Model	R	R Square
1	.616	.379

### ANOVA

Model	Sum of Squares ( $R^2$ )	df	Mean Squares	F	Sig.
1 Regression	48.570	1	48.570	302.120	.000 <sup>b</sup>
Residual	79.417	494	.161		
Total	127.987	494			

### COEFFICIENTS

Model		Unstandardised coefficients		Standardised coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.239	.136		9.125	.000
	Service	.664	.038	.616	17.382	.000

**Figure 4.17:** An example of a multiple regression analysis

**Source:** Keith (2015:15)

The following provides an explanation of Figure 4.17:

- The **R** is used to designate the multiple correlation coefficient, but which, with one predictor, is the same as the simple Pearson correlation (.616).
- The  $R^2$  provides information about the regression as a whole. It denotes the variance explained in the outcome variable by the predictor variables. Therefore, the predictor explains, accounts for, or predicts .379 (proportion) or 37.9% of the variance in the dependent variable (see Figure 4.17). The following provides a guideline to interpret  $R^2$  (Keith, 2015:15):
  - $R^2 = 0.01$  → Small effect → No practical significant association
  - $R^2 = 0.1$  → Medium effect → Practical visible association
  - $R^2 = 0.25$  → Large effect → Practically significant association
- The **B** – the multiple regression also produces information about each independent variable on its own. The non-standardised regression coefficients are in the original metric of the variables used, and the *B* can provide an estimate of the likely change in the dependent variable for each one unit in the independent variable. The *B* is equal to the slope of the regression line. The *B*s may also be tested for statistical significance using a simple *t* test ( $t = \frac{b}{SE_b}$ ), with the *df* equal to the *df* residual for the overall *F*-test (Keith, 2015:198).

- This  $t$  simply tests whether the regression coefficient is statistically significantly different from zero.
- The  $\beta$  (**Beta**) symbolises standardised regression coefficients associated with each independent variable.  $\beta$ s are in standard deviation units, allowing the comparison of coefficients that have different scales. The standardised and non-standardised regression coefficients serve different purposes and have different advantages. The non-standardised coefficients are useful when the scales of the independent and dependent variables are meaningful, when comparing results across samples and studies. Standardised coefficients are useful when the scales of the variables used in the regression are not meaningful.
- The **intercept or constant**: The regression analysis also produces an intercept or constant. The intercept represents the predicted score on the dependent variable when all the independent variables have a value of zero. The regression coefficients and the intercept can be combined into a regression equation (e.g.  $Y_{predicted} = \text{intercept} + b_1x_1 + b_2x_2 + b_3x_3$ ), which can be used to predict satisfaction on the outcome from the independent variables (post-perceived values).
- The regression equation creates an optimally weighted composite of the independent variables to predict the outcome variable. This composite is weighted to maximise the prediction and minimise the errors of predictions. This prediction can be graphed by plotting the outcome ( $Y - axis$ ) against the predicted outcome ( $X - axis$ ). The spread of the data points around the regression line illustrates the accuracy of prediction and the errors of prediction. Errors of prediction are also known as residuals and may be calculated as outcome scores minus predicted outcome scores. The residual may also be considered as the outcome variable with the effects of the independent variables statistically removed.
- An **F test**, as used in the ANOVA, to test the statistical significance of the regression equation is calculated with the following formula:

$$F = \frac{ss_{regression} / df_{regression}}{ss_{residual} / df_{residual}}$$

- The term  $ss_{regression}$  stands for sums of squared regression and is a measure of the variation in the dependent variable that is explained by the

independent variable(s); the  $ss_{residual}$  is the variance unexplained by the regression.

- In regression, the degrees of freedom (**df**) for the regression are equal to the number of independent variables ( $k$ ), and the df for the residual, or error, are equal to the sample size minus the number of independent variables in the equation minus 1 ( $N - k - 1$ ); the df is also shown in the ANOVA table. The following calculation is done to check these numbers:

$$\begin{aligned} F &= \frac{1291.231/1}{11318.959/98} \\ &= \frac{1291.231}{115.500} \\ &= 11.179 \end{aligned}$$

- Another formula that can be used to calculate  $F$  is:

$$F = \frac{R^2/k}{(1 - R^2)/(N - k - 1)}$$

This formula compares the proportion of variance explained by the regression ( $R^2$ ) with the proportion of variance left unexplained by the regression ( $1 - R^2$ ).

The general formula for a regression equation is  $= a + bX + e$ , which says, for example, that a respondent's loyalty toward the cruise company (dependant variable) is a result of a constant ( $a$ ), plus a coefficient ( $b$ ) times their perceived values on the independent variables (perceived value groupings), plus error.

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#### 4.7.4.3 TYPES OF MULTIPLE REGRESSIONS

There are three types of multiple regressions, namely simultaneous regression, sequential regression and stepwise regression. The following section explores each type in more detail.

- **Simultaneous regression:** In simultaneous regression, all independent variables are entered into the regression equation at the same time. It has been noted by Keith (2015:188) that simultaneous regression is useful for explanation

or prediction, since the regression coefficients and their statistical significance are used to make interpretations about the importance and relative importance of each variable. One of this method's major advantages is that when it is used within an explanatory context, the regression coefficients from simultaneous regression provide estimates of the direct effects of each independent variable on the outcome.

- **Sequential regression:** During sequential regression, each variable (or group of variables) is entered into the regression equation separately as determined by the researcher. In order to determine the statistical significance of each independent variable,  $\Delta R_2$  is focused on during this analysis. Although Keith (2015:188) states that  $\Delta R_2$  is a stingy and misleading estimate of the importance of variables, it provides a better estimate of the importance of each variable (given the order of the entry). Sequential regression can also be used for explanation or prediction as it can provide estimates of the total effects of one variable on another (determined by the order of entry). However, one of the major disadvantages associated with sequential regression is that the apparent importance of variables changes depending on the order in which they are entered in the equation.
- **Stepwise regression:** The third type of regression analysis that exists is stepwise regression and here the computer program, rather than the researcher, chooses the order of entry of the variables. This is achieved based on which variable will lead to the greatest single increment in  $\Delta R_2$  at each step. It is strongly advised that this type of analyses only be used for prediction and not explanation, as the use of  $\Delta R_2$  to determine the order of entry requires circular reasoning (Keith, 2015:188; Field, 2009:116).

This study made use of sequential regression as each post-perception value group of variables (PSQV = perceived service & quality value; PPMV = perceived package & money value, PEsV = perceived escape value; PRV = perceived rejuvenation value; PEV = perceived epistemic value) was entered into the regression equation separately as determined by the researcher.

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#### 4.7.4.5 ASSUMPTIONS OF MULTIPLE REGRESSION

The following can be assumed from single and multiple regression:

- The dependent variable is a linear function of the independent variables.
- Each post-perception value should be drawn independently from the population. Recall one general form of the regression equation:  $Y = a + bX_1 + bX_2 + e$ . This assumption means that the errors ( $e_s$ ) for each post-perception value are independent from those of others.
- The variance of the errors is not a function of any of the independent variables. The dispersion of values around the regression line should remain fairly constant for all values of  $X$ . This assumption is referred to as homoscedasticity.
- The errors are normally distributed.
- The dependent variable does not influence any of the independent variables.
- The independent variables are measured without error, with perfect reliability and validity.
- The regression must include all common causes of the presumed cause and the presumed effect.
- No multicollinearity can exist between predictors. Multicollinearity has been defined as a state of very high intercorrelations among independent variables (Malhotra, 2007:903).

In conclusion, there is a number of advantages to conducting a multiple regression. It can use both categorical and continuous independent variables, it can also easily be incorporated in multiple independent variables and it is appropriate for the analysis of experimental or non-experimental research. The multiple regression analysis conducted for the purpose of this study can be found under section 5.7.

## 4.8 CONCLUSION

This chapter aimed to achieve the third objective of this study (see Chapter 1) which was to lay the foundation on which to build a perceived value model for the cruise experience. This was done by focusing on the methods of research used throughout the different phases of the empirical investigation.

Firstly, the research paradigm of this study was specified and social sciences as an approach to tourism studies was investigated. Secondly, this chapter identified the research approach. Then it revealed the methodological planning of this thesis by conferring the literature review, research design and sampling methods.

Thirdly, the development of the measuring instrument and online questionnaire was revealed and the empirical survey process followed was discussed. Then, the statistical analysis was conveyed through the various analytical procedures followed to formulate a perceived value model for a cruise experience (e.g. questionnaire validity and reliability, exploratory factor analysis, correlations, independent *t*-tests, one way analysis of variance (ANOVA) and multiple regression analysis).

Lastly, the methodology of this chapter was adapted to add to the development of a perceived value model. The next chapter will look at the empirical analysis.

# Chapter



## Empirical results

**'I will recommend this cruise company to anyone'**

**- Cruise passenger and study respondent**

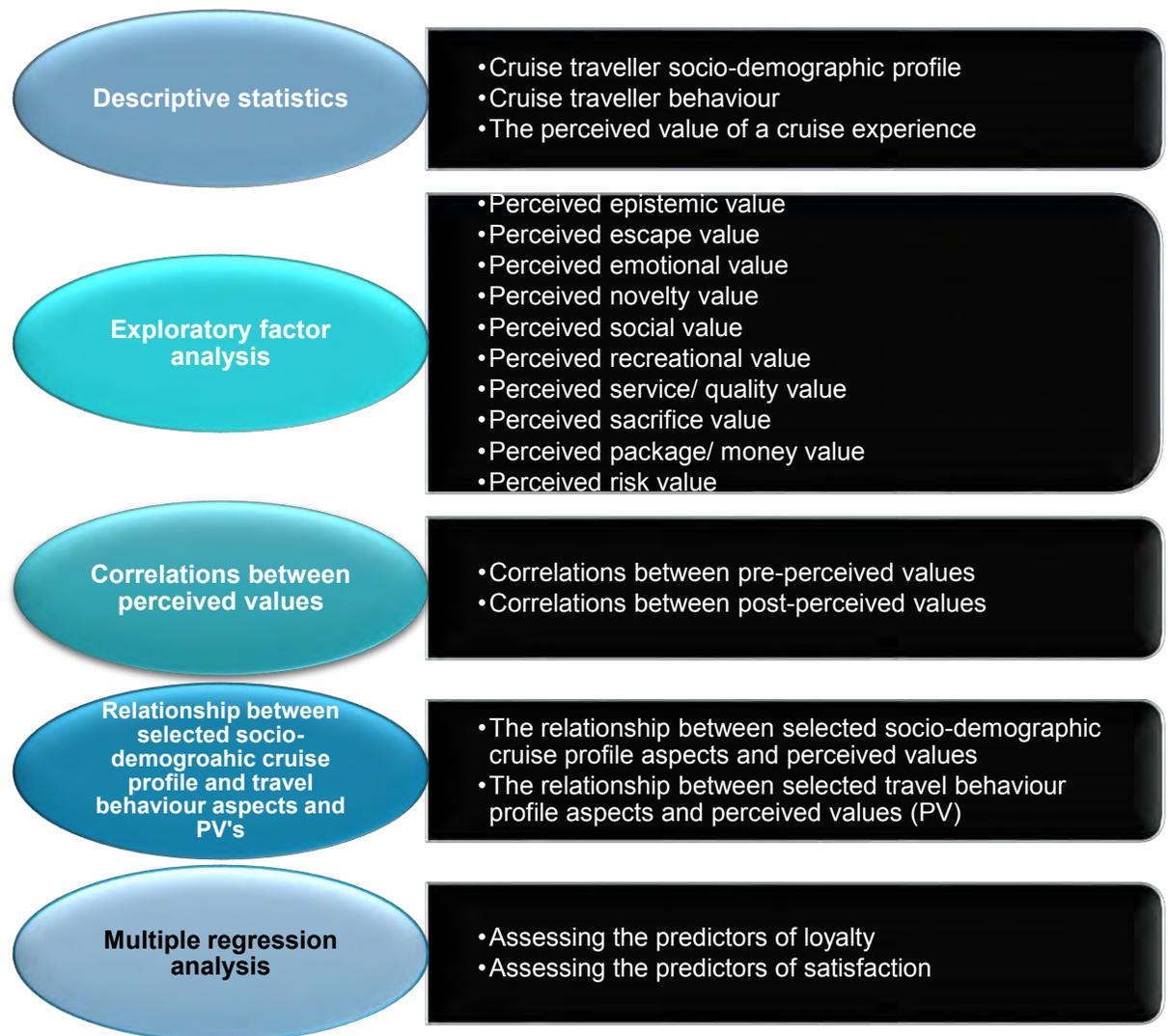
### 5.1 INTRODUCTION

In Chapter 4 insight was given into the research methodology used to develop this empirical chapter. The research methodology was relayed by using a six-step phase (see Figure 4.1), developed by Fouché and Delpont (2009:79) and then adapted by the author to suite the specific needs of this study. Topics that were investigated in the previous chapter included the research paradigm, research approach, the literature review, research design, sampling methods, the development of the measuring instrument and the e-questionnaire, the empirical survey and an in-depth discussion of the statistical analyses used in this study. The aim of this chapter is to discuss the results according to the methodology specified in Chapter 4.

This chapter will thus focus on the results obtained from the statistical analyses and techniques used to analyse the data will also be discussed. The empirical survey required cruise passengers to rate the perceived value in terms of their expectations of a cruise experience along a four-point Likert scale (Section A of the questionnaire); in Section B of the questionnaire respondents were asked to reveal demographic details about themselves; and in Section C, respondents were asked to reveal details about their cruise traveller behaviour.

Once cruise travellers had returned from their cruise holiday they were asked to complete another questionnaire which measured the post-perceived values. Section A of the questionnaire evaluated the post-perceived value that they gained from their cruise

experience. Section D was used to test their level of satisfaction and loyalty so that future behaviour could be predicted. The results of this chapter are therefore presented in five sections: descriptive statistics; exploratory factor analysis; correlations between perceived values; relationships between selected socio-demographic cruise profile and travel behaviour aspects; and perceived value and the multiple regression analysis (Figure 5.1).



**Figure 5.1:** Layout of chapter 5

The first section presents the descriptive statistics obtained from the data, which focuses on the cruise travellers' socio-demographic profile, cruise traveller behaviour and their general perceptions of the pre-perceived value and post-perceived value of a cruise experience. The second section focuses on the results of the exploratory factor analyses

(EFAs) for the pre-perceived and post-perceived value of a cruise experience. Correlations between the perceived values will be analysed.

The results of the Spearman rank order correlations, analysis of variance (ANOVA) and independent *t*-tests are discussed in the fourth section to indicate the relationship and differences between the pre- and post-perceived value of a cruise experience, selected cruise profile and cruise travel behaviour aspects. Lastly, the results of the multiple regression analysis (causal research) will be analysed to determine which independent variables contribute significantly to explaining the variability in the dependent variables loyalty and satisfaction.

## 5.2 DESCRIPTIVE RESULTS

The aim of this section is to reveal the socio-demographic details of the cruise passengers, cruise traveller behaviour and the perceived value experienced before and after a cruise experience. This will be relayed in three sub-sections. Firstly, socio-demographic details that contribute to the cruise profile of respondents such as gender, age, home language, marital status, province/country of residence, level of education and annual household income will be revealed.

Secondly, aspects that make cruise travel behaviour unique from any other types of travel (CLIA, 2008:50) will be revealed; this includes details such as travel budget for one year, travel companion, method of purchase, travel planning habits, marketing exposure, organisation of other activities while cruising, and motives to go on a cruise. Thirdly, frequency tables of the pre- and post-perceived value of a cruise experience will be provided (Section A of the questionnaire), as well as satisfaction experienced and loyalty towards the cruise company (Section D of the questionnaire). This section relays the information collated in Sections A, B, C and D of the questionnaire (see Annexures A & B).

### 5.2.1 CRUISE TRAVELLERS' SOCIO-DEMOGRAPHIC PROFILE

This study is the first study to develop a profile of the South African cruise market; therefore, this section provides socio-demographic details of the cruise travellers, such as home language, age, province of residence, level of education, marital status and household income. Table 5.1 provides an overview of the profile.

**Table 5.1:** Cruise travellers' socio-demographic profile

Profile category	Profile item	Rating
Home language	English	<b>58%</b>
	Afrikaans	36%
	Other (Setswana, isiXhosa, Sesotho, isiZulu, Sepedi)	6%
Age	18-25 years	12%
	26-30 years	19%
	31-40 years	18%
	41-50 years	<b>22%</b>
	51-60 years	21%
	60+ year	8%
	<b>Average age</b>	<b>40 YEARS</b>
Province of residence	Gauteng	<b>30%</b>
	KwaZulu-Natal	24%
	Western Cape	23%
	Eastern Cape	7%
	Free State	4%
	North West	4%
	Mpumalanga	3%
	Limpopo	2%
	Northern Cape	1%
	Outside RSA	2%
Level of education	Grade 12/matric	36%
	Certificate	2%
	Diploma/degree	<b>43%</b>
	Postgraduate	19%
Marital status	Married	<b>55%</b>
	Not married	27%

	Living together	9%
	Divorced	6%
	Widow/er	3%
Household gross income per annum	R50 000 or less	17%
	R50 001-R100 000	14%
	R100 001-R200 000	22%
	R200 001-R350 000	18%
	R350 001-R500 000	13%
	More than R500 001	16%

The following section provides a discussion of each of the demographic results of cruise tourists recorded in Table 5.1.

- Language:** Fifty-eight percent (58%) of the respondents were English speaking, followed by thirty-six percent (36%) who speak Afrikaans. Other languages spoken as a home language include African languages such as Setswana, isiXhosa, Sesotho, isiZulu and Sepedi. Foreign tourists who partook in this survey were German and Spanish speaking (6%). Therefore, it can be deduced that the largest percentage of the South African cruise market is English speaking. This question was the first of its type to be tested in a cruise tourism environment.
- Age:** As seen in Table 5.1, most respondents were between the ages of 41 and 50 years (22%), followed by those who were aged between 51 and 60 (21%) and 26 and 30 (19%). The average age of the respondents is 40 years of age. Similar results were recorded in a study conducted by Xie, Kerstetter and Mattila (2012:155), where the majority of the cruise tourists who partook in their study in the United States of America were aged between 40 and 49 (36.7%). Therefore, it can be deduced that the largest market segment (43%) tourists who cruise are aged between 41 and 60 years, indicating that the cruise tourism product in SA is attractive to an older market. This creates various marketing opportunities to develop a cruise product that is attractive to niche markets, attracting younger segments.
- Province of residence:** When asked in which province the respondents reside, thirty percent (30%) of the respondents stated Gauteng, followed by those who live in KwaZulu-Natal (24%) and the Western Cape (23%). This could be attributed to the easy access to the shipping ports in Durban and Cape Town and exposure to cruising in their immediate environment. In addition to this, Gauteng residents are clearly attracted to cruising as a holiday activity, and do not mind travelling long

distances or the added travel costs to access the cruise ships. According to South African Tourism (2014:21), Gauteng was the top sourced market for domestic travel in 2014. This indicates that people who reside in Gauteng, which is also South Africa's economic hub, are prone to travelling.

- **Level of education:** More than sixty-four percent (64%) of the respondents have furthered their education after matric. This figure includes those who have a certificate (2%), diploma/degree (43%) or a post-graduate qualification (19%). Thirty-six percent (36%) of the respondents obtained a matric/grade 12 certificate and have no further qualifications. Demographic results of cruise tourists recorded in Teye and Paris's (2010:9) study also state that respondents furthered their education after school (76%). This figure includes those respondents who went to Polytechnic (40%) and university (36%) after school. Xie *et al.* (2012:155) study also recorded a high level of after-school education (80%) among the cruise tourists who partook in their study. Therefore, it can be deduced that most cruise tourists are well educated.
- **Marital status:** Fifty-five percent (55%) of the respondents are married, twenty-six percent (26%) are not married, nine percent are living together, six percent are divorced, three percent are widowed and one percent (1%) are engaged. Results of Teye and Paris's (2010:9) and Xie *et al.* (2012:155) research revealed that most cruise tourists were also married (58% and 70%, respectively). Therefore, it can be deduced that the cruise experience is preferred by married people; as people prefer travelling with someone they know.
- **Household gross income:** When asked what the respondents' total household gross income per annum is, twenty-two percent (22%) indicated R100 001 to R200 000 per annum and eighteen percent (18%) indicated between R201 000 and R350 000. In Teye and Paris's (2010:9) study, results revealed that the majority of cruise tourists earned less than \$60 000 (R887 800.00<sup>1</sup>) per annum (48%). In Xie *et al.* (2012:155) study, the highest income group recorded (35.3%) earned an income of \$100 000 to \$199 999 (R1 463 000 to R2 925 985.37) per annum. When compared to this study, it can be seen that much higher income groups are attracted to the overseas market, while it can be deduced that the South African cruise market is attractive to a much wider income-salary segment, catering not only for the more

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<sup>1</sup> As at 8/12/2015 = R14.63 - \$1

affluent, but also for all possible segments. This could be due to the simplicity of the cruise ships currently operating in South Africa when compared to some of the world's largest cruises, such as the Crystal Cruises, which has a great deal more to offer to its passengers. However, it is much more expensive to go on one of these cruises and therefore attractive and affordable to a higher income group. Therefore, the South African cruise market price and price structure are good.

It can be deduced that the typical profile of a South African cruise traveller is English speaking, 40 years of age, resides in Gauteng, holds a diploma/degree, is married and earns a combined annual household gross income of R100 001 to R350 000.

This question confirms problem statement one (see Section 1.3.1), which states that: '*the cruise industry has shifted from being a niche type of tourism to catering for a mass market*'. This is evident when looking at the results obtained for age. It is therefore recommended that cruise companies focus their resources on developing niche tourism experiences to attract and sustain different cruise markets; this can be achieved by offering themed cruises such as a 60s cruises, or singles cruises. Cruise markets need to focus their attention on emerging markets (as seen from languages spoken) to accommodate and attract these markets and assist in retaining tourists in South Africa.

The following section explores the cruise travel behaviour of the respondents who participated in this study.

### **5.2.2 CRUISE TRAVEL BEHAVIOUR**

This section provides details of the cruise travel behaviour that are novel to this study, as it has never been assessed in the South African cruise industry before. Aspects such as travel budget for one year, travel companion, method of purchase, travel habits, land and journey arrangements, marketing exposure and past influences that prevented decisions to go on a cruise were tested. The results are revealed in Table 5.2.

**Table 5.2:** Cruise travel behaviour

Profile category	Profile item	Rating
Travel budget for one year	>R5 000 p/a	35%
	R5 001-R10 000 p/a	<b>36%</b>
	R10 001-R20 000 p/a	18%
	R20 001-R30 000 p/a	6%
	R30 001-R40 000 p/a	3%
	R40 001-R50 000 p/a	1%
	>R50 001 p/a	1%
Travel companion	Spouse	<b>50%</b>
	Family member	17%
	Lover/girlfriend/boyfriend	16%
	Friend	14%
	Travelling alone	2%
	Colleague	1%
Method of purchase	Internet booking	<b>58%</b>
	Travel agency	36%
	Cruise company	4%
	Booking through travel group	2%
Cruise holiday planned...in advance (travel habits)	>1 month	7%
	2-3months	<b>18%</b>
	4-5 months	17%
	6-7 months	<b>18%</b>
	8-9 months	11%
	10-11 months	14%
	<1 year	15%
Land and journey arrangements	Organised by the respondent	<b>83%</b>
	Cruise company	10%
	Family member	5%
	Travel agent	2%

Where have you heard about the cruise company before (marketing)	Twitter	1%
	Leaflets	5%
	Newspapers and magazines	12%
	Travel books	5%
	Word-of-mouth preferences	22%
	Travel agency	8%
	Internet	<b>45%</b>
Past influences for not going on a cruise	Television broadcast	2%
	Financial limitations	<b>61%</b>
	Lack of opportunity	18%
	Vacation leave	5%
	Sea sickness	4%
	Health risks	1%
	Other	11%

The following section provides a discussion of each of the results recorded in Table 5.2.

- **Travel budget for one year:** Table 5.2 indicates that seventy-one percent (71%) of the cruise tourists spend less than R10 000 on their travel expenses annually (Table 5.2). The cruise product is attractive to these passengers as the total cost of accommodation, entertainment, activities, food and beverage is included in the cost of the ticket. The average cost of a cruise on board MSC during the 2013/14 season was R13 365 per person (Forster *et al.*, 2014:65).
- **Travel companion:** When asked who their travel companion was during the duration of the cruise, fifty percent (50%) of the respondents indicated their spouse and seventeen percent (17%) said that they were travelling with family members (Table 5.2). In a study done by Teye and Paris (2010:9), most respondents indicated that they travelled with family (57%). Cruising is therefore considered a family experience.
- **Method of purchase:** When asked how the respondents booked their cruise, fifty-eight percent (58%) indicated that it was done over the internet, while thirty-six percent (36%) made use of a travel agency (Table 5.2). Technology is playing an increasingly important role in travelling and travel bookings, and creates new opportunities for marketers.
- **Travel habits:** When asked how far in advance respondents made their booking to go on a cruise holiday, eighteen percent (18%) answered between two to three months and six to seven months respectively and seventeen percent (17%) indicated

that they made their booking four to five months prior to departure (Table 5.2). Pre-planning for these types of holidays is clear and this should be considered in the marketing thereof.

- **Land and journey arrangements:** When asked who organised the respondent's land and journey arrangements, eighty-three percent (83%) indicated that they did it themselves (Table 5.2). Therefore, cruise tourists are highly able and confident when it comes to booking this type of holiday. People are becoming more and more travel wise and are able to make their own travel arrangements.
- **Marketing exposure:** Respondents were asked to indicate the marketing medium that had the greatest influence on their decision to travel with MSC. The medium that was the most influential is the internet (45%), which includes aspects such as the cruise companies' websites and Facebook. The medium that has the second highest influence was word-of-mouth messages (22%), which include recommendations made by friends and family. Therefore, the internet is playing an ever increasingly important role.
- **Past influences for not going on a cruise:** When asked which aspects had an influence on the cruise tourists' decision not to go on a cruise in the past, sixty-one percent (61%) indicated that financial limitations influenced their decision. Since cruising is an attractive family vacation, one needs to consider that if the average cost per cruise per person during the 2013/2014 cruise season was R13 365 per person (Forster *et al.*, 2014:65), then the cost for a family of four would amount to R53 460.00, which usually the breadwinner would be expected to pay. Therefore, financial constraints are understandable. Secondly, the cruising in South Africa is seasonal (September to May) and cruise ships can only be accessed from Durban or Cape Town (MSC). These are factors that need to be considered when going on a cruise and can therefore limit growth.

From the above, it can be deduced that aspects typical of cruise travel behaviour among the respondents who participated in this study are that they spend between R6 000 and R10 000 on travel annually, they enjoy travelling with their spouse (50%), bookings and payments are made through the use of the internet (58%), their cruise is planned either two to three months (18%) or six to seven months (18%) ahead of the departure date, land and journey arrangements are organised by the respondents themselves (83%), the internet is

the most influential marketing medium (45%), and financial limitations (61%) prevented them from cruising in the past.

It is important to note the continued influence that the internet is playing in tourism activities these days (i.e. Ho, Lin & Chen, 2012). This study justifies this statement as cruise tourists are becoming more skilled and confident in making their own travel arrangements and bookings on the internet. The most effective type of marketing also takes place on the internet. Cruise travel behaviour results also indicate that cruise tourists are money conscious as they like to make their travel arrangements well in advance, they do not spend excessive amounts on travel expenses and financial limitations have prevented their decision to cruise in the past. Therefore, value for money plays a role in their holiday-type travel choice.

### **5.2.3 THE PERCEIVED VALUE OF A CRUISE EXPERIENCE**

The objective of this section was twofold. Firstly, it identified how cruise passengers perceive the value of a cruise experience before they embark on a cruise (pre-perceived value); and secondly, this section was used to identify how cruise passengers perceive the value of their cruise experience once they returned home (post-perceived value). This approach is novel to this type of tourism. The perceived value items were placed along a four-point Likert scale, ranging from 1 to 4, where 1 = not important and 4 = very important.

Table 5.3 provides insight into the degree to which respondents agreed or disagreed with the perceived value statements.

**Table 5.3:** The perceived value of a cruise experience

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
I want to go on a cruise to cruise at least once	12%	5%	3%	2%	43%	45%	42%	48%	3.15 (±0.95)	3.35 (±0.75)
I want to go on a cruise to discover something new	9%	3%	1%	3%	44%	42%	46%	52%	3.26 (±0.87)	3.43 (±0.70)
I want to go on a cruise to visit places I can talk about when I get home	12%	4%	1%	4%	33%	35%	54%	57%	3.30 (±0.96)	3.46 (±0.73)
I want to go on a cruise to enjoy the nature and the scenery	8%	3%	1%	2%	39%	34%	52%	61%	3.35 (±0.85)	3.52 (±0.69)
I want to go on a cruise to enjoy the beauty of the coastal landscapes	7%	3%	1%	2%	42%	40%	50%	55%	3.35 (±0.81)	3.48 (±0.67)
I want to go on a cruise to increase my knowledge about people, places and things	16%	5%	2%	6%	42%	44%	40%	45%	3.07 (±1.02)	3.31 (±0.77)
I want to go on a cruise to enjoy the marine wildlife from the cruise liner	15%	7%	2%	15%	44%	38%	39%	40%	3.07 (±1.00)	3.13 (±0.89)
I want to go on a cruise to see and do a variety of things	5%	1%	1%	3%	40%	41%	54%	55%	3.45 (±0.72)	3.50 (±0.59)
I want to go on a cruise to discover something new	9%	3%	1%	3%	44%	42%	46%	52%	3.26 (±0.87)	3.43 (±0.70)
I want to go on a cruise to have an interesting experience	6%	3%	2%	1%	45%	37%	47%	59%	3.31(±0.80)	<b>3.62</b> <b>(±0.57)</b>
I want to go on a cruise to satisfy my curiosity	12%	5%	5%	3%	31%	33%	52%	59%	2.88 (±0.91)	3.46 (±0.78)
I want to go on a cruise to experience total relaxation	2%	2%	0%	10%	18%	31%	80%	57%	<b>3.76</b> <b>(±0.55)</b>	3.45 (±0.73)

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
I want to go on a cruise to relax and get away	2%	2%	0%	18%	21%	38%	77%	42%	<b>3.25</b> (±1.01)	3.20 (±0.80)
I want to go on a cruise to have a worry-free vacation	2%	2%	1%	1%	19%	29%	78%	68%	<b>3.73</b> (±0.59)	<b>3.62</b> (±0.61)
I want to go on a cruise to experience fresh, clean air and the environment	4%	3%	15%	10%	38%	46%	43%	41%	3.19 (±0.84)	3.23 (±0.80)
I want to go on a cruise to enjoy the leisure facilities and to have fun	1%	1%	8%	5%	41%	42%	50%	52%	3.39 (±0.69)	3.45 (±0.62)
I want to go on a cruise to be rejuvenated	18%	7%	32%	13%	34%	34%	<b>16%</b>	<b>46%</b>	2.49 (±0.96)	3.20 (±0.82)
I want to go on a cruise to self-reflect and think about my personal values	33%	11%	10%	10%	33%	44%	24%	35%	2.49 (±1.18)	3.04 (±0.93)
I want to go on a cruise to increase my feelings of self-worth	31%	10%	11%	5%	34%	39%	24%	46%	2.50 (±1.16)	3.22 (±0.93)
I want to go on a cruise to learn more about myself	33%	13%	10%	20%	31%	42%	26%	25%	2.50 (±1.19)	2.80 (±0.96)
I want to go on a cruise to derive a feeling of accomplishment	24%	9%	8%	7%	39%	38%	29%	46%	2.75 (±1.12)	3.20 (±0.91)
I want to go on a cruise to feel excited	33%	11%	10%	10%	32%	44%	25%	35%	2.45 (±0.00)	3.04 (±1.18)
I want to go on a cruise to feel a sense of adventure	21%	8%	43%	21%	26%	35%	10%	36%	<b>2.32</b> (±0.00)	3.02 (±0.89)
I want to go on a cruise to be physically active	33%	9%	9%	4%	36%	40%	22%	47%	2.49 (±0.74)	3.24 (±1.16)

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
I want to go on a cruise to spend time with someone special (spouse, partner, family, friend)	25%	13%	49%	32%	18%	29%	8%	26%	<b>2.11</b> <b>(±0.59)</b>	2.70 (±0.87)
I want to go on a cruise to experience the nightlife offered on board the cruise liner	21%	8%	44%	21%	25%	35%	10%	36%	<b>2.25</b> <b>(±0.77)</b>	3.02 (±0.89)
I want to go on a cruise to meet someone special (potential romance)	19%	6%	46%	20%	27%	38%	8%	36%	<b>2.25</b> <b>(±0.77)</b>	3.02 (±0.85)
I want to go on a cruise to celebrate a special occasion (e.g. anniversary, birthday, reunion, wedding)	9%	3%	21%	7%	43%	41%	27%	49%	2.88 (±0.49)	3.37 (±0.91)
I want to go on a cruise to rekindle, improve or strengthen a relationship	12%	9%	30%	24%	41%	35%	17%	32%	2.64 (±0.29)	2.92 (±0.91)
I want to go on a cruise to build relationships with other tourists outside of my usual travel group	1%	15%	3%	34%	29%	24%	<b>67%</b>	<b>27%</b>	3.64 (±1.00)	<b>2.64</b> <b>(±0.56)</b>
I want to go on a cruise to reinforce my feelings of belonging to a group	1%	12%	2%	33%	33%	29%	<b>64%</b>	<b>26%</b>	3.61 (±0.92)	2.69 (±0.56)
I want to go on a cruise to be socially accepted by a group	0%	11%	0%	28%	21%	28%	<b>79%</b>	<b>33%</b>	<b>3.78</b> <b>(±0.96)</b>	<b>2.82</b> <b>(±0.44)</b>
I want to go on a cruise to meet new people	3%	15%	17%	31%	50%	35%	30%	19%	3.07 (±0.51)	<b>2.56</b> <b>(±0.76)</b>
I want to go on a cruise to improve the way I am perceived by others	1%	5%	4%	13%	36%	42%	59%	40%	3.53 (±0.36)	3.17 (±0.64)

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
The poolside beverage service and bar facilities offered will add value to my cruise experience	1%	3%	5%	9%	40%	44%	54%	44%	3.47 (±0.65)	3.29 (±0.75)
The bar and lounge service will add value to my cruise experience	1%	2%	6%	6%	37%	42%	56%	50%	3.47 (±0.67)	3.41 (±0.68)
The dining room food presentation will add value to my cruise experience	0%	24%	3%	31%	29%	36%	<b>68%</b>	<b>9%</b>	3.64 (±0.55)	3.52 (±0.59)
The dining room menu selection will add value to my cruise experience	1%	1%	1%	2%	28%	37%	70%	60%	3.68 (±0.52)	3.55 (±0.60)
The atmosphere in the dining room will add value to my cruise experience	1%	2%	3%	2%	32%	37%	64%	59%	3.59 (±0.60)	3.52 (±0.65)
The on-board shopping facilities will add value to my cruise experience	7%	6%	21%	19%	38%	42%	34%	33%	3.00 (±0.90)	3.02 (±0.87)
The spa facilities and treatments offered will add value to my cruise experience	9%	24%	21%	25%	40%	30%	30%	21%	2.93 (±0.92)	<b>2.48</b> <b>(±1.08)</b>
The cabin size will add value to my cruise experience	2%	7%	12%	15%	41%	44%	46%	34%	3.31 (±0.73)	3.07 (±0.86)
The casino will add value to my cruise experience	24%	15%	34%	24%	27%	31%	15%	30%	<b>2.34</b> <b>(±1.00)</b>	2.77 (±1.04)
The show-time entertainment will add value to my cruise experience	0%	1%	3%	5%	30%	33%	67%	61%	3.63 (±0.55)	3.53 (±0.65)
The laundry valet service will add value to my cruise experience	12%	15%	35%	39%	35%	29%	18%	17%	2.58 (±0.91)	<b>2.47</b> <b>(±0.94)</b>
The cleanliness of the ship will add value to my cruise experience	0%	1%	0%	6%	13%	32%	87%	61%	<b>3.85</b> <b>(±0.38)</b>	3.51 (±0.68)

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
The helpfulness and friendliness of staff (on- and off board) will add value to my cruise experience	0%	6%	0%	9%	12%	26%	<b>88%</b>	<b>59%</b>	<b>3.85</b> <b>(±0.39)</b>	3.38 (±0.87)
The shore excursions will add value to my cruise experience	2%	9%	5%	14%	32%	30%	61%	47%	3.52 (±0.67)	3.13 (±0.97)
There seems to be a great atmosphere on board cruises	0%	14%	0%	35%	30%	24%	<b>70%</b>	<b>27%</b>	<b>3.69</b> <b>(±0.48)</b>	2.64 (±1.02)
Everyone seems to have a good time during cruises	0%	9%	3%	17%	37%	26%	58%	48%	3.55 (±0.58)	3.12 (±0.99)
The cruise company will have helpful, professional, courteous, polite, respectful employees	0%	1%	0%	0%	28%	31%	72%	68%	<b>3.71</b> <b>(±0.47)</b>	3.65 (±0.55)
The cruise company will deliver a quality experience	0%	1%	2%	3%	28%	37%	70%	59%	3.48 (±0.55)	3.54 (±0.61)
The cruise company will provide equipment that is reliable and safe	0%	1%	0%	2%	28%	34%	72%	63%	<b>3.72</b> <b>(±0.46)</b>	3.59 (±0.58)
The cruise company will offer a good overall service	0%	0%	1%	1%	35%	36%	64%	63%	3.63 (±0.50)	3.61 (±0.53)
The cruise company will provide reliability, consistency and dependability	0%	2%	0%	1%	36%	40%	64%	57%	3.63 (±0.49)	3.52 (±0.61)
The cruise company is spoken of positively	0%	0%	1%	2%	30%	36%	69%	62%	<b>3.69</b> <b>(±0.49)</b>	3.60 (±0.53)
The cruise company will provide services in a timely manner	0%	3%	1%	5%	37%	39%	62%	53%	3.60 (±0.52)	3.42 (±0.72)

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
The cruise company will provide good security and safety on the ship	0%	0%	0%	1%	28%	39%	72%	60%	3.71 (±0.47)	3.59 (±0.51)
The cruise company will provide value for money	0%	1%	1%	2%	29%	35%	70%	62%	3.48 (±0.55)	3.57 (±0.59)
The cruise company will meet all my specific needs	0%	1%	2%	3%	41%	44%	57%	52%	3.56 (±0.54)	3.47 (±0.61)
The cruise company will provide a quick and efficient check-in process	1%	2%	1%	7%	38%	39%	60%	52%	3.56 (±0.58)	3.40 (±0.71)
I fear the risk of the ship sinking during the cruise	23%	36%	37%	39%	22%	17%	18%	8%	<b>2.35</b> <b>(±1.02)</b>	<b>1.97</b> <b>(±0.92)</b>
I fear the risk of experiencing a storm during the cruise	13%	29%	33%	34%	38%	30%	16%	7%	2.57 (±0.90)	<b>2.18</b> <b>(±0.93)</b>
I fear the risk of suffering an illness or sea sickness during the cruise	16%	24%	31%	30%	41%	36%	12%	10%	<b>2.49</b> <b>(±0.89)</b>	2.33 (±0.94)
I fear the risk of a terrorist/pirate attack during the cruise	32%	39%	42%	31%	18%	20%	8%	10%	<b>2.02</b> <b>(±0.90)</b>	<b>1.98</b> <b>(±0.97)</b>
I fear the risk of being conned as a tourist during the cruise	24%	33%	44%	40%	23%	20%	9%	7%	<b>2.17</b> <b>(±0.89)</b>	<b>2.02</b> <b>(±0.91)</b>
The cruise packages offered are appealing	0%	0%	3%	2%	49%	44%	48%	53%	3.44 (±0.55)	3.49 (±0.56)
The cruise packages offered are exciting	1%	1%	4%	2%	41%	37%	55%	60%	3.5 (±0.)	3.56 (±0.57)
The cruise packages offered are fairly priced	1%	1%	9%	8%	55%	48%	36%	43%	3.25 (±0.63)	3.32 (±0.67)
The cruise packages offered are value for money	0%	0%	1%	3%	29%	40%	70%	56%	3.69 (±0.48)	3.40 (±0.71)

	Not Important		Less Important		Important		Very important		Mean Value ( $\bar{x}$ ) Standard Deviation	
	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value	Pre value	Post value
Marketing and promotions by the cruise company influenced my decision to go on a cruise	2%	4%	10%	14%	49%	49%	39%	34%	3.24 (±0.72)	3.12 (±0.77)
Going on a cruise is something which I've always wanted to do	0%	0%	1%	2%	22%	27%	76%	71%	3.73 (±0.49)	3.68 (±0.51)
Recommendations of friends influenced my decision to go on a cruise	0%	2%	1%	2%	28%	34%	70%	61%	3.48 (±0.55)	3.57 (±0.59)
Recommendations of experts (e.g. travel agents) influenced my decision to go on a cruise	1%	3%	1%	6%	37%	39%	61%	52%	3.56 (±0.58)	3.40 (±0.71)
I enjoy being at the sea/ on the water	0%	2%	7%	9%	38%	41%	54%	48%	3.46 (±0.64)	3.35 (±0.73)

Based on the mean values provided in Table 5.3, the respondents rated the following **pre-perceived value items** as important to very important:

- The helpfulness and friendliness of the staff (on-and off-board)  $\tilde{x}=3.85$  (SD±.39)
- The cleanliness of the ship will add value to my cruise experience  $\tilde{x}=3.85$  (SD±.38)
- To be socially accepted by a group  $\tilde{x}=3.78$  (SD±.44)
- To experience total relaxation  $\tilde{x}=3.76$  (SD±.55)
- To have a worry-free vacation  $\tilde{x}=3.73$  (SD±.59)
- Going on a cruise is something which I've always wanted to do  $\tilde{x}=3.73$  (SD±.49)
- The cruise company will provide equipment that is reliable and safe  $\tilde{x}=3.72$  (SD±.46)
- The cruise company will have helpful, professional, courteous, polite and respectful employees  $\tilde{x}=3.71$  (SD±.46)
- There seems to be a great atmosphere on board cruises  $\tilde{x}=3.69$  (SD±.48)
- The cruise company is spoken of positively  $\tilde{x}=3.69$  (SD±.49)

The mean values recorded in Table 5.3 indicate that cruise tourists perceived the following items as less important **before going on a cruise**:

- I fear the risk of a terrorist/pirate attack during the cruise  $\tilde{x}=2.02$  (SD±.90)
- To spend time with someone special (spouse, partner, family, friend)  $\tilde{x}=2.11$  (SD±.87)
- I fear the risk of being conned as a tourist during the cruise  $\tilde{x}=2.17$  (SD±.89)
- To meet someone special (potential romance)  $\tilde{x}=2.25$  (SD±.85)
- To experience the nightlife offered on board the cruise liner  $\tilde{x}=2.25$  (SD±.89)
- To feel a sense of adventure  $\tilde{x}=2.32$  (SD±.89)
- The casino will add value to my cruise experience  $\tilde{x}=2.34$  (SD±.1.0)
- I fear the risk of the ship sinking during the cruise  $\tilde{x}=2.35$  (SD±1.02)
- I fear the risk of suffering any illness or sea sickness during the cruise  $\tilde{x}=2.49$  (SD±.89)

Based on the mean values provided in Table 5.3, the respondents noted the following **post-perceived values** as important to very important:

- Going on a cruise is something which I've always wanted to do  $\tilde{x}=3.68$  (SD±.51)
- I went on a cruise to have an interesting experience  $\tilde{x}=3.62$  (SD±.80)
- I went on a cruise to have a worry-free vacation  $\tilde{x}=3.62$  (SD±.59)

The mean values recorded in Table 5.3 indicate that cruise tourists perceived the following items as less important when returning from their cruise experience:

- During the cruise I feared the risk of the ship sinking  $\tilde{x}=1.97$  (SD±.92)
- During the cruise I feared the risk of a terrorist attack  $\tilde{x}=1.98$  (SD±.90)
- During the cruise I feared the risk of been conned as a tourist  $\tilde{x}=2.02$  (SD±.89)
- During the cruise I feared the risk of a storm  $\tilde{x}=2.18$  (SD±.90)
- During the cruise the laundry service added value to my cruise experience  $\tilde{x}=2.47$  (SD±.91)
- During the cruise the spa facilities and treatments offered added value to my experience  $\tilde{x}=2.48$  (SD±.92)
- I went on a cruise to meet new people  $\tilde{x}=2.56$  (SD±.76)
- I went on a cruise to build relationships with other tourists outside of my usual travel group  $\tilde{x}=2.64$  (SD±.56)
- I went on a cruise to be socially accepted by a group  $\tilde{x}=2.82$  (SD±.44)

When comparing the average percentage scores for the **pre- and post-perceived value** ratings, it is evident that cruise tourists perceived the following higher before than after the cruise:

- I want to go on a cruise to build relationships with other tourists outside of my usual travel group Pre (67%) Post (27%)
- I want to go on a cruise to reinforce my feelings of belonging to a group Pre (64%) Post (26%)
- I want to go on a cruise to be socially accepted by a group Pre (79%) Post (33%)

- The dining room food presentation will add value to my cruise experience Pre (68%) Post (9%)
- The helpfulness and friendliness of staff (on and off-board) will add value to my cruise experience Pre (88%) Post (59%)
- There seems to be a great atmosphere on-board cruises Pre (70%) Post (27%)

These items are socially related and could have acted as motives to go on a cruise, therefore when cruise tourists returned home these items were deemed less important. The only item where the before (pre: 16%) rating was lower than the after rating (post: 46%) '*very important ratings*' was that cruise tourists go on a cruise to be rejuvenated indicating that they perceived the cruise to be a rejuvenating experience.

When comparing the average percentage scores for the ***pre- and post-perceived value*** ratings, the following ratings remained fairly unchanged before and after the cruise:

- I want to go on a cruise to visit places I can talk about when I get home (*very important*) Pre (54%) Post (57%)
- I want to go on a cruise to enjoy the beauty of the coastal landscapes (*very important*) Pre (50%) Post (55%)
- I want to go on a cruise to see and do a variety of things (*very important*) Pre (54%) Post (55%)
- I want to go on a cruise to see and do a variety of things (*very important*) Pre (68%) Post (9%)
- I want to go on a cruise to enjoy the leisure facilities and to have fun (*very important*) Pre (50%) Post (52%)
- The bar and lounge service will add value to my cruise experience (*very important*) Pre (56%) Post (50%)
- The atmosphere in the dining room will add value to my cruise experience (*very important*) Pre (64%) Post (59%)
- The show-time entertainment will add value to my cruise experience (*very important*) Pre (64%) Post (63%)
- The laundry valet service will add value to my cruise experience (*less important*) Pre (35%) Post (39%)

• The cruise company will meet all my specific needs ( <i>very important</i> )	Pre (57%)	Post (52%)
• I fear the risk of the ship sinking during the cruise ( <i>very important</i> )	Pre (37%)	Post (39%)
• I fear the risk of being conned as a tourist during the cruise ( <i>less important</i> )	Pre (44%)	Post (40%)
• The cruise packages offered are exciting ( <i>very important</i> )	Pre (55%)	Post (60%)
• Marketing and promotions by the cruise company influenced my decision to go on a cruise ( <i>important</i> )	Pre (49%)	Post (49%)
• Going on a cruise is something which I've always wanted to do ( <i>very important</i> )	Pre (76%)	Post (71%)
• Recommendations of experts (e.g. travel agents) influenced my decision to go on a cruise ( <i>important</i> )	Pre (37%)	Post (39%)
• I enjoy being at the sea/ on the water ( <i>very important</i> )	Pre (54%)	Post (48%)

As seen from the above there are a number of perceived values where the cruise passengers expectations were met by their experience, whether it was negative (unimportant / less important) or positive (important/ very important).

The following section explores the results of the exploratory factor analysis conducted for this study.

### 5.3 RESULTS OF THE EXPLORATORY FACTOR ANALYSIS (EFAs)

Ten separate exploratory factor analyses (hereafter referred to as EFAs) were performed on the 87 pre-perceived and post-perceived values, to determine whether more compact underlying factors may be present in the data before implementing the causal research and developing a perceived value cruise experience model. Measuring the pre- and post-perceived value of a cruise experience is not only unique and novel to this study, but it also has a number of benefits for marketers and product owners alike as they will understand the complete experience from the moment of purchase until the moment when the cruise

tourist evaluates his/her experience. This puts them in a competitive position as they will have more control over the way they market their product, manage the cruise experience while it happens as well as ensure return visitation by guaranteeing experiences that are highly satisfactory.

The pattern matrix of the first principle axis factor analysis identified 13 perceived values, which were labelled according to characteristics that collectively represent each value: *perceived epistemic value*; *perceived escape value*; *perceived rejuvenate value*; *perceived emotional value*; *perceived novelty value*; *perceived internal social value*; *perceived external social value*, *perceived social image value*, *perceived recreational value*, *perceived service & quality value*, *perceived sacrifice value*, *perceived package/money value* and *perceived risk value*. The factor analysis therefore added three factor groupings to the initially identified 10 groupings. The 87 identified items were split into smaller groupings, which make it unique to a cruise tourism experience, since most of these factors have only been tested in a retail and marketing setting. These newly identified factors are novel to this study and type of tourism experience measured, all of which were statistically reliable and valid (see Table 5.14 below).

### 5.3.1 PERCEIVED EPISTEMIC VALUE

All 11 items identified in literature and used to measure ***perceived epistemic value*** were retained within Factor 1 with the pre-perceived values analysed as well as the post-perceived values. These items were identified from previous studies done on perceived epistemic value in marketing and retail studies, including Seth *et al.* (1991:165), Hall and Weiler (1992:3), Jang and Feng (2007:585) and William and Soutar (2000:1451). A study done by Seymour (2013:108) within a South African tourism context (scuba diving) also measured these items.

For the model investigating the validity of the scales measuring the factors (independent variables), there was theoretical justification to believe that the factors would be correlated, and consequently an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643). Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Pallant, 2007:197; Field, 2009:660). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of 0.871 for the

pre-perceived values and 0.904 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The 11 items accounted for 63% of the total variance explained among the pre-perceived values tested and 58% for the post-perceived values. The eigenvalues for the pre-perceived values was 1.04 and 1.06 for the post-perceived value items.

Since **perceived epistemic value** is created when a product arouses curiosity, provides novelty and/or a desire for knowledge (Seth *et al.*, 1991:160). It was decided to keep the label *perceived epistemic value*. The following table yields results from the exploratory factors analysis conducted on both the pre- and post-perceived values tested.

**Table 5.4:** EFA: Perceived epistemic value

	Perceived epistemic value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.871	.904
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	63%	58%
Eigenvalue	1.04	1.06
I want to go on a cruise to:		
cruise at least once	.737	.754
discover something new	.729	.726
visit places I can talk about when I get home	.675	.707
enjoy the nature and the scenery	.673	.741
enjoy the beauty of the coastal landscapes	.658	.681
increase my knowledge about people, places and things	.653	.704
enjoy the marine wildlife from the cruise liner	.641	.579
see and do a variety of things	.637	.709
experience something that will make me more knowledgeable	.609	.713
have an interesting experience	.557	.720
satisfy my curiosity	.521	.604
Cronbach's reliability coefficient	.856	.888
Mean value	3.20	3.39
Standard deviation	.597	.514
Inter-item correlations	.358	.431

**Perceived epistemic value** (Table 5.4) revealed the following in the pre- and post-perceived value EFA: A mean value of 3.20 (pre) and 3.39 (post), a reliability coefficient of 0.85 (pre) and 0.88 (post) and an inter-item correlation of .358 (pre) and .431 (post) (see Table 5.4). Eleven items loaded onto this factor within the pre- and post-perceived values

tested, namely: *'I want to go on a cruise to: cruise at least once; discover something new; visit places I can talk about when I get home; enjoy the nature and the scenery; enjoy the beauty of the coastal landscapes, increase my knowledge about people, places and things, enjoy the marine wildlife from the cruise liner, see and do a variety of things, experience something that will make me more knowledgeable, have an interesting experience and satisfy my curiosity'*.

The results clearly indicate that cruise passengers seek to have an enjoyable, novel and exciting experience, with the expectation of having an enhanced epistemic cruise experience (Pre  $\bar{x}$  = 3.203). This aspect is rated highly satisfactorily on return from their experience, where the mean value of 3.39 is slightly higher than what they expected to receive before going on a cruise.

Research by Seymour (2013:108) found that *perceived epistemic value* added great value to a scuba diving experience, and when measured against other perceived values it was found to be the most important value. *Perceived epistemic value* was also found to be of significant importance in studies done by Seth *et al.* (1991:165), Hall and Weiler (1992:3) and Jang and Feng (2007:585).

### 5.3.2 PERCEIVED ESCAPE VALUE

Items that were theoretically identified to test *perceived escape value* were previously identified by various authors in their studies, including Seth *et al.* (1991:165), Hall and Weiler (1992:3) and Jang and Feng (2007:585). Since this served as theoretical justification for believing that the factors would be correlated, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643). The six items used to measure perceived escape value grouped into two distinct factors (namely: Factor 1: Perceived escape value & Factor 2: Perceived rejuvenate value) with the pre-perceived values analysed as well as the post-perceived values.

For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of 0.647 for the pre-



on a cruise holiday ( $\bar{x} = 3.73$ ), but when they returned they rated the perceived escape value that they experienced slightly lower than what they expected to receive ( $\bar{x} = 3.42$ ).

**Factor 2: Perceived rejuvenate value** (Table 5.5) revealed the following in the pre- and post-analysis: A mean value of 3.02 (pre) and 3.30 (post), a reliability coefficient of 0.80 (pre) and 0.67 (post) and an inter-item correlation of .312 (pre) and .416 (post). The three items that loaded into this factor were: *Perceived rejuvenated value - I want to go on a cruise to: enjoy clean air and the environment, enjoy the leisure facilities and to have fun and be rejuvenated.* Therefore, it can be deduced that cruise tourists expected the cruise journey to provide a rejuvenating experience before the cruise ( $\bar{x} = 3.02$ ), and these expectations were fulfilled by the cruise company as their post-perceived rejuvenating value was rated higher ( $\bar{x} = 3.30$ ) than before they went on the cruise. Since these items are concerned with well-being and rejuvenation, it was decided to name this factor *perceived rejuvenate value*.

### 5.3.3 PERCEIVED EMOTIONAL VALUE

Items that were theoretically identified to test *perceived emotional value* were previously identified by various authors in their studies, including Petrick (2002:135), Sweeney and Soutar (2001:212), Jamal *et al.* (2011:12) and Seymour (2013:107). These studies served as theoretical justification and it is therefore believed that the factors will correlate. As a result, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643). All four items used to measure perceived epistemic value were retained within this factor with the pre-perceived values analysed as well as the post-perceived values.

For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of 0.811 for the pre-perceived values and 0.760 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The four items accounted for 77% of the total variance explained among the pre-perceived values tested and 72.6% for the post-perceived values. The eigenvalue for

the pre-perceived items was 3.08 and 2.90 for the post-perceived value items. Table 5.6 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.6:** EFA: Perceived emotional value

	Perceived Emotional Value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.811	.760
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	77%	72.6%
Eigenvalue	3.08	2.90
I want to go on a cruise to:		
self-reflect and think about my personal values	.911	.876
increase my feelings of self-worth	.901	.887
learn more about myself	.887	.865
derive a feeling of accomplishment	.811	.775
Cronbach's reliability coefficient	.901	.874
Mean value	2.56	3.06
Standard deviation	1.02	.797
Inter-item correlations	.694	.633

**Perceived emotional value:** As can be deduced from Table 5.6, perceived emotional value revealed the following in the pre- and post-analysis: A mean value of 2.56 (pre) and 3.06 (post), a reliability coefficient of 0.90 (pre) and 0.87 (post) and an inter-item correlation of .694 (pre) and .633 (post). Therefore, cruise passengers seek to have enjoyable experiences, with the expectation of enhancing their social experience (Pre  $\bar{x}$  = 2.56); and once the cruise passengers returned from their cruise experience, they valued perceived emotional value higher than before they went on the cruise (post  $\bar{x}$  = 3.06), indicating that the social elements associated with a cruise experience were highly satisfactory. There were four items that loaded onto this factor, for example '*I want to go on a cruise to: self-reflect and think about my personal values, increase my feelings of self-worth...*' see Table 5.6.

Perceived emotional value has been defined as a social-psychological dimension that is dependent on a product's ability to arouse feelings or effective states (Seth *et al.*, 1991:161). Seymour (2013:107) who also measured perceived emotional value found it to be of significant importance during a scuba diving experience.

Hall *et al.* (2001:352) state that perceived social values and perceived emotional values are more closely entwined with a non-durable/intangible product than a tangible/durable one, such as a cruise experience for example. As emotions alter the way that visitors perceive the environment and motivate certain behaviour, tourism product experiences (such as cruising) are influenced by emotion (Morrison & Crane, 2007:412). Those emotions are strongly influenced by personal experiences (Seymour, 2013:107) and should be used to the cruise company's advantage when marketing their product offering, by triggering memories that are of sentiment and importance to the cruise market.

#### 5.3.4 PERCEIVED NOVELTY VALUE

Items that were theoretically identified to measure **perceived novelty value** (PNV) were identified from studies conducted by Seth *et al.* (1991:165), Jang and Feng (2007:585) and Seymour (2013:108). The five items used to test perceived novelty value yielded one factor in the EFA conducted on the pre-perceived value items. However, when an EFA was conducted on the post-perceived items, two items (namely: *I want to go on a cruise to feel a sense of adventure* and *to be physically active*) did not load with the other three and were thus not included in the factor. This will have to be reviewed in a follow-up study.

For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .811 for the pre-perceived values and 0.565 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The low KMO can be attributed to the fact that two items did not load in the post-perceived value grouping, namely: *I want to go on a cruise to feel a sense of adventure* and *I want to go on a cruise to be physically active*. Perceived novelty value is highly personal, which makes it challenging to measure (Seymour, 2013:107). The five items accounted for 75% of the total variance explained among the pre-perceived values tested and 58% for the three items that loaded in the post-perceived values. The eigenvalues for the pre-perceived items were 1.29 and 1.74 for the post-perceived value items. Table 5.7 reveals the results

from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.7:** EFA: Perceived novelty value

	Perceived novelty value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.811	.565
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	75.00%	58.00%
Eigenvalue	1.29	1.74
I want to go on a cruise to feel excited	.880	.537
I want to go on a cruise to feel a sense of adventure	.880	
I want to go on a cruise to be physically active	.443	
There seems to be a great atmosphere on board cruises	.577	.852
Everyone seems to have a good time during cruises	.597	.855
Cronbach's reliability coefficient	.664	.629
Mean value	3.56	3.05
Standard deviation	.446	.693
Inter-item correlations	.337	.344

**Perceived novelty value** revealed the following in the pre- and post-analysis: A mean value of 3.56 (pre) and 3.05 (post), a reliability coefficient of 0.66 (pre) and 0.63 (post) and an inter-item correlation of .337 (pre) and .344 (post). The final factor contained three perceived novelty value items and included the following: *'I want to go on a cruise to feel excited, there seems to be a great atmosphere on-board cruises...see Table 5.7.*

Therefore, cruise passengers seek to have an enjoyable experiences, with the expectation of enhancing their novelty experiences (Pre  $\bar{x} = 3.56$ ), although once the cruise passengers returned from their cruise experience they value *perceived novelty value* lower than before they went on the cruise (post  $\bar{x} = 3.05$ ). This could be due to heightened expectations of PNV created through marketing efforts by the cruise company, which are hard to control in reality due to the personal nature of perceived novelty value. Novelty also tends to wear off once the cruise passenger has had and enjoyed the experience and this might have influenced the assessment of value.

### 5.3.5 PERCEIVED SOCIAL VALUE

Items that were theoretically identified to test *perceived social value* were previously identified by various authors in their studies, including Seth *et al.* (1991:160), Gallarza and Saura (2006:445), Sweeney and Soutar (2001:212), Hung and Petrick (2011:389); Teye and Leclerc (2002:236) and Seymour (2013:108). Because there was theoretical justification for believing that the factors would be correlated, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643).

The 10 items used to measure *perceived social value* loaded were retained in the exploratory factor analysis conducted, but in both the pre- and post-perceived values these items loaded into three separate factors. These factors were labelled according to the characteristics of the items and are: *perceived external social value*, *perceived internal social value* and *perceived social image value*.

Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .821 for the pre-perceived values and .821 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The 10 items accounted for 70% of the total variance explained among the pre-perceived values tested and 70% for the post-perceived values. The eigenvalue for the pre-perceived items was 1.08 and 1.43 for the post-perceived value items.

Table 5.8 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.8:** EFA: Perceived social value

	Perceived Social Value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.821	.821
Bartlett's test of Sphericity	0.00	0.00

Total variance explained	70%	70%				
Eigenvalue	1.08	1.43				
I want to go on a cruise to:	Factor 1: Perceived external social value		Factor 2: Perceived internal social value		Factor 3: Perceived social image value	
	Pre	Post	Pre	Post	Pre	Post
spend time with someone special (spouse, partner, family, friend)	.890	.813				
experience the nightlife offered on board the cruise liner	.860	.851				
meet someone special (potential romance)	.840	.650				
celebrate a special occasion (e.g. anniversary, birthday, reunion, wedding)	.726	.729				
rekindle, improve or strengthen a relationship	.645	.588				
build relationships with other tourists outside of my usual travel group			.863	.930		
reinforce my feelings of belonging to a group			.813	.866		
be socially accepted by a group			.795	.941		
meet new people					.887	.792
improve the way I am perceived by others					.741	.571
<b>Cronbach's reliability coefficient</b>	<b>.851</b>	<b>.855</b>	<b>.766</b>	<b>.918</b>	<b>.641</b>	<b>.649</b>
<b>Mean value</b>	<b>3.67</b>	<b>2.70</b>	<b>2.39</b>	<b>3.01</b>	<b>3.52</b>	<b>2.65</b>
<b>Standard deviation</b>	<b>.436</b>	<b>.946</b>	<b>.718</b>	<b>.671</b>	<b>.608</b>	<b>.794</b>
<b>Inter-item correlations</b>	<b>.536</b>	<b>.534</b>	<b>.530</b>	<b>.789</b>	<b>.472</b>	<b>.482</b>

**Factor 1: Perceived external social value** revealed the following in the pre- and post-perceived value analysis: A mean value of 3.67 (pre) and 2.70 (post), a reliability coefficient of 0.85 (pre & post) and an inter-item correlation of .536 (pre) and .534 (post). There are five *perceived external social value* items, namely: 'I want to go on a cruise to: spend time with someone special (spouse, partner, family, friend), experience the nightlife offered on-board the cruise liner...see Table 5.8). It can be deduced from the above factor loadings that respondents expected a higher perceived external social value ( $\bar{x}$ =3.67) pre-cruise than they received for the post-cruise ( $\bar{x}$ =2.70). Seth *et al.* (1991:160), Gallarza and Saura (2006:445), Sweeney and Soutar (2001:212), and Seymour (2013:108), who also tested the items measured in *perceived social value*, found it to be of significant importance in their studies.

**Factor 2: Perceived internal social value** revealed the following in the pre- and post-perceived value analysis: A mean value of 2.39 (pre) and 3.01 (post), a reliability coefficient of 0.76 (pre) and 0.92 (post) and an inter-item correlation of .530 (pre) and .789 (post). There were three items that loaded on *perceived internal social value*, namely: '*I want to go on a cruise to: build relationships with other tourists outside of my usual travel group, reinforce my feelings of belonging to a group...*' see Table 5.8. It can be deduced from the above that respondents expected to experience a lower *perceived internal social value* experience ( $\bar{x} = 2.39$ ) than what they received post ( $\bar{x} = 3.01$ ).

**Factor 3: Perceived social image value** revealed the following in the pre- and post-value analysis: A mean value of 3.52 (pre) and 2.65 (post), a reliability coefficient of 0.64 (pre & post) and an inter-item correlation of .472 (pre) and .482 (post). There were two items that loaded on *perceived social image value* including the following statements: '*I want to go on a cruise to: meet new people and improve the way I am perceived by others*' (Table 5.8). As can be seen from the pre- and post-perceived value loadings, respondents expected a higher perceived social image value ( $\bar{x}=3.52$ ) than what they received ( $\bar{x}=2.65$ ). Chen and Hu (2010:409) also tested items in these factors that they found to be of significant importance in their study.

All three perceived social value groupings (perceived external social value, perceived internal social value and perceived social image value) were rated higher before the cruise than afterwards, indicating that cruise tourists expected to spend more time engaging in social activities such as meeting other cruise tourists and doing more group activities (see Table 5.8) than the actual cruise provided.

### 5.3.6 PERCEIVED RECREATIONAL VALUE

Items that were theoretically identified to test *perceived recreational value* were previously identified by Gallarza and Saura (2006:445), although the author found it theoretically necessary to add items to this factor that were unique to a cruise experience. Since there was theoretical justification for believing that the factors would be correlated, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643).

The 14 items used to measure *perceived recreational value* were retained in the exploratory factor analysis conducted and were recorded as one factor. For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .859 for the pre-perceived values and .872 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The 14 items accounted for 53.7% of the total variance explained among the pre-perceived values tested and 60.9% for the post-perceived values. The eigenvalue for the pre-perceived items was 1.27 and 1.47 for the post-perceived value items.

Table 5.9 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.9:** EFA: Perceived recreational value

	Perceived recreational value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.859	.872
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	53.7%	60.9%
Eigenvalue	1.27	1.47
.....will add value to my cruise experience		
The poolside beverage service and bar facilities offered	.735	.758
The bar and lounge service	.734	.681
The dining room food presentation	.706	.704
The dining room menu selection	.688	.605
The atmosphere in the dining room	.677	.640
The on-board shopping facilities	.647	.674
The spa facilities and treatments offered	.612	.611
The cabin size	.575	.716
The casino	.521	.716
The show-time entertainment	.515	.478
The laundry valet service	.498	.595
The cleanliness of the ship	.492	.702

The helpfulness and friendliness of staff (on- and off board)	.460	.704
The shore excursions	.433	.688
<b>Cronbach's reliability coefficient</b>	<b>.849</b>	<b>.887</b>
<b>Mean value</b>	<b>3.42</b>	<b>3.22</b>
<b>Standard deviation</b>	<b>.398</b>	<b>.522</b>
<b>Inter-item correlations</b>	<b>.285</b>	<b>.387</b>

**Perceived recreational value** revealed the following in the pre- and post-analysis: A mean of 3.42 (pre) and 3.22 (post), a reliability coefficient of 0.85 (pre) and 0.89 (post) and an inter-item correlation of .285 (pre) and .387 (post). *Perceived recreational value* included the following statements: ‘*The poolside beverage service and bar facilities offered will add value to my cruise experience, the bar and lounge service will add value to my cruise experience... see Table 5.9.*’

It can be concluded that the cruise passengers perceived a higher *perceived recreational value* experience ( $\bar{x}$ =3.42) than they received during the cruise ( $\bar{x}$ =3.22). Since these are tangible elements that are facility related, cruise managers can improve on these perceptions by ensuring that the facilities are well maintained and provide an enjoyable, satisfactory experience. By introducing new or upgraded facilities, the cruise tourists experience will exceed expectations. *Perceived recreational value* was also tested by Gallarza and Saura (2006:445) and they found it to be of significant value in their study.

### 5.3.7 PERCEIVED FUNCTIONAL (SERVICE/QUALITY) VALUE

**Perceived functional (service/quality) value** was previously tested by Petrick (2002:135), Sweeney and Soutar (2001:212), Yuan and Wu (2008:399), Gallarza and Saura (2006:445), Oh (1999:75) and Seymour (2013:108). Since there was theoretical justification for believing that the factors would be correlated, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643).

The 11 items used to measure *perceived functional (service/ quality) value* were retained in the exploratory factor analysis conducted and were recorded as one factor. For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett’s test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the

factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .711 for the pre-perceived values and .972 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The 11 items accounted for 74.3% of the total variance explained among the pre-perceived values tested and 61% for the post-perceived values. The eigenvalue for the pre-perceived items was 1.02 and 6.71 for the post-perceived value items.

Table 5.10 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.10:** EFA: Perceived functional (service/quality) value

	Perceived service/quality value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.711	.927
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	74.3%	61%
Eigenvalue	1.02	6.71
<b>The cruise company:</b>		
will have helpful, professional, courteous, polite, respectful employees	.910	.838
will deliver a quality experience	.885	.534
will provide equipment that is reliable and safe	.885	.792
will offer a good overall service	.867	.856
will provide reliability, consistency and dependability	.861	.867
is spoken of positively	.853	.869
will provide services in a timely manner	.850	.698
will provide good security and safety on the ship	.850	.780
will provide value for money	.806	.812
will meet all my specific needs	.782	.835
will provide a quick and efficient check-in process	.763	.638
Cronbach's reliability coefficient	.959	.927
Mean value	3.65	3.52
Standard deviation	.422	.472
Inter-item correlations	.688	.561

**Perceived functional (service/ quality) value** revealed the following in the pre- and post-perceived value analysis: A mean value of 3.65 (pre) and 3.52 (post), a reliability coefficient

of 0.96 (pre) and 0.93 (post) and an inter-item correlation of .688 (pre) and .561 (post). *Perceived service & quality value* included the following statements: ‘*The cruise company will have helpful, professional, courteous, polite, respectful employees, the cruise company will deliver a quality experience, the cruise company will provide equipment which is reliable and safe, the cruise company will offer a good overall service, the cruise company will provide reliability, consistency and dependability, the cruise company is spoken of positively, the cruise company will provide services in a timely manner, the cruise company will provide good security and safety on the ship, the cruise company will provide value for money, the cruise company will meet all my specific needs and the cruise company will provide a quick and efficient check-in process*’. The author decided to reduce the length of the label *perceived functional (service/ quality) value* by renaming this perceived value grouping to ***perceived service/quality value***.

Although *perceived service/quality value* received a high rating in the pre- and post-perceived value ratings, there was a slight decline compared to what the respondents expected ( $\bar{x}$ =3.65) and what they received ( $\bar{x}$ =3.52). Although this is not a cause for concern, cruise managers should keep on improving the service they deliver to their passengers and ensure a highly-personal satisfactory experience by employing well-trained and passionate staff members who will put the passengers’ needs first. *Perceived service/quality value* was also measured by Petrick (2002:134), Sweeney and Soutar (2001:212), Yuan and Wu (2008:399), Gallarza and Saura (2006:445), Oh (1999:75) and Seymour (2013:108). All these studies found *perceived service/ quality value* to be of significance in their findings.

### 5.3.8 PERCEIVED SACRIFICE VALUE

Items which were theoretically identified to test ***perceived sacrifice value*** were previously identified by various authors in their studies, including Gallarza and Saura (2006:445), Sönmez and Graefe (1998:175); Seddighi *et al.* (2001:183) and Seymour (2013:108). This served as theoretical justification for believing that the factors would be correlated, and therefore an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643).

The six items used to measure *perceived sacrifice value* were retained in the exploratory factor analysis conducted and only one item (namely: I fear the risk of gaining weight) did not fit and had to be removed. The other five items were recorded as one factor. For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .846 for the pre-perceived values and .796 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The five items accounted for 59.8% of the total variance explained among the pre-perceived values tested and 53% for the post-perceived values. The eigenvalue for the pre-perceived items was 2.99 and 2.66 for the post-perceived value items.

Table 5.11 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.11:** EFA: Perceived sacrifice value

	Perceived sacrifice value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.804	.771
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	59.8%	53%
Eigenvalue	2.99	2.66
I fear the risk of:		
the ship sinking during the cruise	.846	.796
experiencing a storm during the cruise	.839	.818
suffering an illness or sea sickness during the cruise	.771	.748
a terrorist/ pirate attack during the cruise	.752	.686
being conned as a tourist during the cruise	.642	.578
gaining weight during the cruise		
Cronbach's reliability coefficient	.830	.777
Mean value	2.31	2.09
Standard deviation	.715	.680
Inter-item correlations	.492	.410

**Perceived sacrifice value** revealed the following in the pre- and post-perceived value analysis: A mean value of 2.31 (pre) and 2.09 (post), a reliability coefficient of 0.83 (pre) and 0.78 (post) and an inter-item correlation of .492 (pre) and .410 (post). *Perceived*

*sacrifice value* included the following statements: 'I fear the risk of the ship sinking during the cruise, I fear the risk of experiencing a storm during the cruise.....see Table 5.11'

As seen above, although respondents rated *perceived sacrifice value* low in both the pre- and post-perceived value factor loadings, the sacrifice experience was lower (post cruise) ( $\bar{x}$ =2.09) than what was expected ( $\bar{x}$ =2.31). Therefore, the perceived sacrifice associated with a cruise experience was reduced by the actual experience, indicating that cruise tourists felt safe and assured during their cruise. Other studies that measured *perceived sacrifice value* include those studies done by Gallarza and Saura (2006:445), Sönmez and Graefe (1998:176); Seddighi *et al.* (2001:192) and Seymour (2013:108).

### 5.3.9 PERCEIVED FUNCTIONAL (MONEY) VALUE

***Perceived functional (money) value*** was previously identified by various authors in their studies, including Petrick (2002:134), Sweeney and Soutar (2001:212) and Seymour (2013:108). Since there was theoretical justification for believing that the factors would be correlated, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643).

The four items used to measure *perceived functional (money) value* were retained in the exploratory factor analysis conducted and recorded as one factor. For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .709 for the pre-perceived values and .755 for the post- values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The four items accounted for 67.6% of the total variance explained among the pre-perceived values tested and 73.5% for the post-perceived values. The eigenvalue for the pre-perceived items was 2.71 and 2.94 for the post-perceived value items.

Table 5.12 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.12:** EFA: Perceived package/money value

	Perceived package/ money value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.709	.755
Bartlett's test of Sphericity	0.000	0.000
Total variance explained	67.6%	73.5%
Eigenvalue	2.71	2.94
<b>The cruise packages offered are:</b>		
Appealing	.863	.884
Exciting	.832	.861
fairly priced	.822	.853
value for money	.769	.832
Cronbach's reliability coefficient	.837	.877
Mean value	3.42	3.23
Standard deviation	.484	.515
Inter-item correlations	.567	.648

**Perceived functional (money) value** revealed the following in the pre- and post-perceived value analysis: A mean value of 3.42 (pre) and 3.23 (post), a reliability coefficient of 0.84 (pre) and 0.88 (post) and an inter-item correlation of .567 (pre) and .648 (post). *Perceived package/money value* included the following statements: the cruise packages are: 'appealing, exciting, fairly priced and value for money'. Since the items measured are unique to the cruise experience and were developed with specific reference to the packages offered by cruise companies, the author decided to rename this grouping to **perceived package/money value**.

The mean values recorded for the pre-perceived values ( $\bar{x}$ =3.42) and the post-perceived values ( $\bar{x}$ =3.23) differ slightly, indicating that respondents expected to receive more *perceived package/money value* than they did. Small print and hidden costs need to be clearly stated to ensure that the cruise tourist does not experience a sense of deception during the cruise; transparency and knowledge of what to expect will heighten the pre- and post-perceived package/money value experienced. *Perceived package/money value* was also measured by Petrick (2002:134), Sweeney and Soutar (2001:212) and Seymour (2013:108) and was found to be of importance in their studies.

### 5.3.10 PERCEIVED RISK VALUE

Items that were theoretically identified to test *perceived risk value* were previously identified by various authors in their studies, including Hall *et al.* (2001:530) and Seymour (2013:108). Hall *et al.* (2001:350) defined perceived risk value as the utility derived from factor reducing risk that are highly sought after, such as cruising.

Since there was theoretical justification for believing that the factors would be correlated, an Oblimin oblique rotation was performed on the principle components of the EFA (Field, 2009:643). The five items used to measure *perceived risk value* loaded were retained in the exploratory factor analysis conducted and recorded as one factor. For the model investigating the validity of the scales measuring the factors (independent variables), Bartlett's test of Sphericity yielded a p-value smaller than 0.001, thereby supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy of .638 for the pre-perceived values and .660 for the post-perceived values also show compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The five items accounted for 59.9% of the total variance explained among the pre-perceived values tested and 63.4% for the post-perceived values. The eigenvalue for the pre-perceived items was 1.13 and 1.1 for the post-perceived value items.

Table 5.13 reveals the results from the exploratory factor analysis conducted on both the pre- and post-perceived value items.

**Table 5.13:** EFA: Perceived risk value

	Perceived risk value	
	Pre	Post
Kaiser-Meyer-Olkin measure	.638	.660
Bartlett's test of Sphericity	0.00	0.00
Total variance explained	59.9%	63.4%
Eigenvalue	1.13	1.10
The following aspects influenced my decision to go on a cruise:		
Marketing and promotions by the cruise company	.692	.700
Going on a cruise is something that I have always wanted to do	.607	.667
Recommendations by friends	.607	.555

Recommendations by experts (e.g. travel agents)	.599	.605
I enjoy being at the sea/on the water	.539	.680
<b>Cronbach's reliability coefficient</b>	<b>.567</b>	<b>.630</b>
<b>Mean value</b>	<b>3.22</b>	<b>3.14</b>
<b>Standard deviation</b>	<b>.437</b>	<b>.487</b>
<b>Inter-item correlations</b>	<b>.215</b>	<b>.266</b>

**Perceived risk value** revealed the following in the pre- and post-perceived value analysis: A mean value of 3.22 (pre) and 3.14 (post) and an inter-item correlation of .215 (pre) and .266 (post). The reliability coefficients are fairly low 0.57 (pre) and 0.63 (post), as a value of 0.7 to 0.8 is an acceptable value for Cronbach's alpha (CA) and substantially lower CAs indicate an unreliable scale (Field, 2009:669). However, Cortina (1993:98), as in Field (2009:323), remarks that such general guidelines need to be treated with caution because the value of alpha depends on the number of items on the scale.

Cortina (1993:98) also reports data from two scales, both which have an alpha of 0.8. The first scale only has three items, and the average correlation between the items was a respectable 0.57. However, the second scale had ten items with an average correlation between these items of a less respectable 0.28. Clearly, the internal consistency differs, but both are equally reliable. Kline (1999:22) states that when dealing with certain constructs, values even below 0.7 can be seen as realistic. Field (2009:203) indicates that a sufficient loading depends on the number of constructs or aspects within the factor. A factor with two to five aspects or constructs can therefore have a lower Cronbach alpha value and still be deemed as reliable.

*Perceived risk value* included the following statements: '*The following aspects influenced my decision to go on a cruise: marketing and promotions by the cruise company, going on a cruise is something which I've always wanted to do, recommendations of friends, recommendations of experts (e.g. travel agents) and I enjoy being at the sea/on the water.*' As can be expected, the *pre-perceived risk value* was rated higher ( $\bar{x}$ =3.22) than what was experienced ( $\bar{x}$ =3.14) in the *post-perceived values*. Before purchasing a cruise these tourists sought advice and reassurance from experts and friends etc. (see Table 5.13), reducing the risk associated with purchasing and going on a cruise; this explains the difference in the mean values before and after the cruise. Hall *et al.* (2001:530) and Seymour (2013:108) found *perceived risk value* to be of significant importance in their studies. Hall *et al.* (2001:352) tested the PERVAL model (see Chapter 3) on a non-durable

product, namely wine and it was found that for intangible products, factors reducing risk are highly sought.

#### **5.3.11 SUMMARY OF EXPLORATORY FACTOR ANALYSIS**

Table 5.14 provides a summary of all 10 factor analyses conducted, labelling the 13 new perceived value factors and their abbreviations.

**Table 5.14:** Summary of exploratory factor analysis

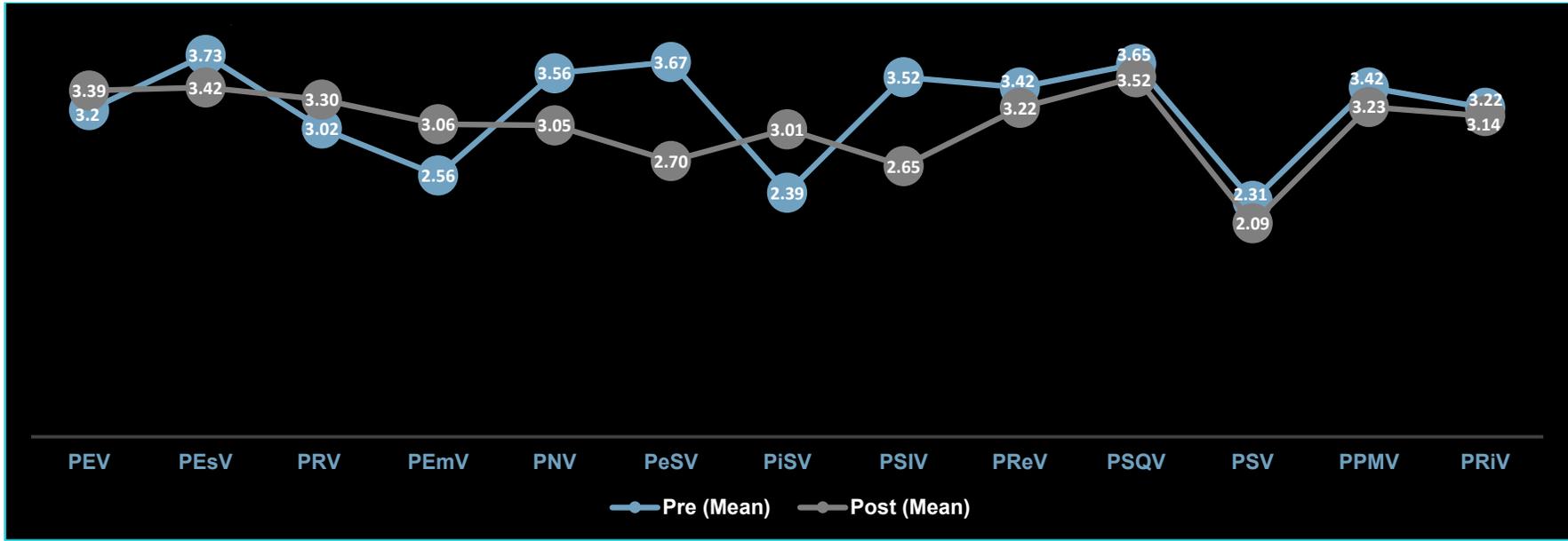
Perceived value	No. factor	Factor label	Abr.	No. of items		Cronbach alpha		Mean value ( $\bar{x}$ )		Inter-item correlation	
				Pre	Post	Pre	Post	Pre	Post	Pre	Post
Perceived epistemic value	1	Perceived epistemic value	PEV	11	11	.856	.888	3.20 ( $\pm 0.59$ )	3.39 ( $\pm 0.51$ )	.358	.431
Perceived escape value	1	Perceived escape value	PEsV	3	3	.563	.787	3.73 ( $\pm 0.47$ )	3.42 ( $\pm 0.60$ )	.607	.556
	2	Perceived rejuvenate value	PRV	3	3	.820	.668	3.02 ( $\pm 0.81$ )	3.30 ( $\pm 0.59$ )	.312	.416
Perceived emotional value	1	Perceived emotional value	PEmV	4	4	.901	.874	2.56 ( $\pm 1.02$ )	3.06 ( $\pm 0.79$ )	.694	.633
Perceived novelty value	1	Perceived novelty value	PNV	5	3	.664	.629	3.56 ( $\pm 0.44$ )	3.05 ( $\pm 0.69$ )	.337	.344
Perceived social value	1	Perceived external social value	PeSV	5	5	.851	.855	3.67 ( $\pm 0.43$ )	2.70 ( $\pm 0.94$ )	.536	.534
	2	Perceived internal social value	PiSV	3	3	.766	.918	2.39 ( $\pm 0.72$ )	3.01 ( $\pm 0.67$ )	.530	.789
	3	Perceived social image value	PSIV	2	2	.641	.649	3.52 ( $\pm 0.60$ )	2.65 ( $\pm 0.79$ )	.472	.482
Perceived recreational value	1	Perceived recreational value	PReV	14	14	.849	.887	3.42 ( $\pm 0.39$ )	3.22 ( $\pm 0.52$ )	.285	.387
Perceived functional (service/quality) value	1	Perceived service & quality value	PSQV	11	11	.959	.927	3.65 ( $\pm 0.42$ )	3.52 ( $\pm 0.47$ )	.688	.561
Perceived sacrifice value	1	Perceived sacrifice value	PSV	5	5	.830	.777	2.31 ( $\pm 0.71$ )	2.09 ( $\pm 0.68$ )	.492	.410
Perceived functional (package/money) value	1	Perceived package/money value	PPMV	4	4	.837	.877	3.42 ( $\pm 0.48$ )	3.23 ( $\pm 0.51$ )	.567	.648
Perceived risk value	1	Perceived risk value	PRIV	5	5	.567	.630	3.22 ( $\pm 0.43$ )	3.14 ( $\pm 0.48$ )	.215	.266

Note: Abr. = Abbreviation

As can be seen in Table 5.14, two perceived value groupings split during the exploratory factor analysis conducted on the pre- and post-perceived value items, namely perceived escape value, which split in two; the new factor groupings were labelled perceived escape value and perceived rejuvenate value, and perceived social value, which split into three separate groupings and were labelled perceived external social value, perceived internal social value and perceived social image value. Perceived recreational value has the highest number of items (14), which were all retained in one factor. Perceived epistemic and perceived package/money value had the second highest number of items loaded in each factor (11); the items were all retained in their designated factors. New labels were given to Perceived functional (service/quality) value (namely: perceived service/quality value) and perceived functional (package/ money) value (namely: perceived package/money value).

Items that did not load during the EFAs included: *I want to go on a cruise to feel a sense of adventure* and *I want to go on a cruise to be physically active*, which formed part of perceived novelty value (see Table 5.7). Although these items loaded in the pre-perceived values, they did not load in the post-perceived values. However, this is the first study of its kind to measure these perceived values within a post-perceived value context. This indicates that these two items are not considered by respondents as important predictors of the perceived novelty value of a cruise experience. Another item that did not load is *I fear the risk of gaining weight during the cruise*, which formed part of perceived sacrifice value (see Table 5.11). This item was novel to this study and has never before been tested. Theoretically, the author believed that it would load with the other perceived sacrifice value items; however, it did not load on either. This indicates that it is not an important predictor of the perceived sacrifice value of a cruise experience. One might consider changing the wording or it is just not considered as important to respondents.

As can be seen in Table 5.14, the Cronbach alphas are high supporting internal reliability (Cronbach, 1951:297). Figure 5.2 provides an overview of the mean values recorded for the pre- and post-perceived factors in all 13 exploratory factor analyses recorded in Table 5.14, so that comparisons can be drawn between the pre-and post-perceived factors mean values.



**Figure 5.2:** Mean values of perceived value groupings

Note: PEV = Perceived epistemic value; PEsV = Perceived escape value; PRV = Perceived rejuvenation value; PEmV = Perceived emotional value; PNV = Perceived novelty value; PeSV = Perceived external social value; PiSV = Perceived internal social value; PSIV = Perceived social image value; PReV = Perceived recreational value; PSQV= Perceived service & quality value; PSV = Perceived sacrifice value; PPMV = Perceived package/money value; PRiV = Perceived risk value

As observed in Figure 5.2 **perceived escape value** (PEsV) revealed the highest mean value of 3.73 among the pre-perceived value groupings. *Perceived escape value* was also rated the second highest in the post-perceived value groupings, revealing a mean value of 3.42. This indicates that cruise travellers perceive a cruise experience as an *opportunity to experience total relaxation, to getaway and to have a worry-free vacation*, while it also indicates that these aspects were highly satisfactory on evaluating the post-perceived value of their experience.

**Perceived service & quality value (PSQV)** revealed the highest mean value among the post-perceived value groupings of 3.52. PSQV was also the second highest mean value revealed among the pre-perceived value groupings with a mean value of 3.65. This indicates that cruise travellers positively perceived the value they would receive from the cruise company before their cruise (including the following items: *helpfulness, professionalism, courteousness, politeness and respectfulness of the cruise company employees, a quality experience provided by the cruise company, equipment which is reliable and safe, good overall service, reliable, consistent and dependable equipment provided by the cruise company, positive reputation reflected of the cruise company, services provided in a timely manner, good security and safety on the ship, value for money, respondents needs will be met and the cruise company will provide a quick and efficient check-in process*), while it also indicates that these aspects were highly satisfactory to evaluate the post-perceived value of their experience. It is clear from these results that service and quality are perceived as highly important and cruise tourists clearly evaluate their experience with these items in mind. Therefore, management needs to ensure that they keep a vigilant eye on the service they provide to deliver a quality experience to cruise tourists. Lee, Bendle, Yoon and Kim (2012:84), Seymour (2013:108) and Sweeney and Soutar (2001:212) also found *perceived service and quality value* to be of significant importance in their studies.

Figure 5.2 also indicates that the largest differences between the pre- and post-ratings is that of *perceived external social value (PeSV)*, where cruise tourists rate it much higher before ( $\bar{x}=3.67$ ) than after ( $\bar{x}=2.70$ ) their cruise experience. There are five *perceived external social value* items included in this value grouping, namely: *'I want to go on a cruise to: spend time with someone special (spouse, partner, family, friend), experience the nightlife offered on board the cruise liner...see Table 5.8)*. Other significant differences between the pre- and post-perceived values were mean value ratings in *perceived internal social value* where the pre-perceived mean value was rated 3.01 and post-perceived mean value 2.39. There were three items that loaded on *perceived internal social value*, namely: *I want to go on a cruise to build relationships with other tourists outside of my usual travel group, reinforce my feelings of belonging to a group...see Table 5.8*. *Perceived social image value* has a pre-perceived mean value of 3.52 and post-perceived mean value of 2.65. There were two items that loaded on *perceived social image value*, including the following

statements: *'I want to go on a cruise to: meet new people and improve the way I am perceived by others* (Table 5.8).

All three perceived social value groupings (perceived external social value, perceived internal social value and perceived social image value) were perceived higher before than after the cruise experience. This indicates that cruise tourists expected to spend more time engaging in social activities such as meeting other cruise tourists and doing more group activities, etc. (see Table 5.8) than the actual cruise provided. This is a clear indication that since the cruise experience does not fulfil these expectations that cruise managers need to focus on improving elements that add to group involvement and introduce more activities that entice group participation.

The following section explores differences between the pre- and post-perceived values.

#### 5.4 DIFFERENCES BETWEEN PRE-PERCEIVED AND POST-PERCEIVED VALUES

Table 5.15 provides a summary of the perceived value groupings. Each grouping's pre- and post-perceived value factors' Cronbach alphas, loading ranges and inter-item correlations have been included as well as the difference between the two groupings stating the mean, standard deviation, *t*-value and *p*-value. The purpose of this section is to identify comparisons between the pre-perceived and post-perceived value of a cruise. This will assist marketers and cruise managers to ensure that where certain elements are perceived highly before a cruise they are also experience highly during the cruise.

Cohen's *d*-values were calculated as a measure of the effect size, which indicates the extent to which the pre- and post-perceived value groupings differ from each other. Ellis and Steyn (2003:2) provide the following guidelines for interpretation of the effect size:

- **Small effect:** *d* = below 0.4
- **Medium effect:** *d* = between 0.4 and 0.7
- **Large effect:** *d* = above 0.8

It is clear from Table 5.15 that significant differences are evident between the pre- and post-perceived values.

**Table 5.15:** Correlations between perceived values

Difference between value groupings											
		Cronbach alpha	Loading range	Inter-item correlations	Mean ( $\bar{x}$ )	SD ( $\pm$ )	Mean ( $\bar{x}$ ) (SD) ( $\pm$ )	t-value	p-value	Cohen D	Effect size interpretation
Factor 1: Perceived epistemic value	Pre	0.86	.521-.737	.358	3.20	0.60	-.189 (0.76)	-5.56	.000	0.32	Small
	Post	0.89	.579-.720	.431	3.39	0.51					
Factor 2: Perceived escape value	Pre	0.56	.763-.902	.607	3.74	0.49	.317 (0.79)	8.88	.000	0.65	Medium
	Post	0.79	.752-.889	.556	3.42	0.61					
Factor 3: Perceived rejuvenation value	Pre	0.82	.642-.782	.312	3.02	0.61	-0.277 (0.81)	-7.52	.000	0.45	Medium
	Post	0.67	.743-.852	.416	3.30	0.60					
Factor 4: Perceived emotional value	Pre	0.90	.811-.911	.694	2.56	1.02	-.504 (1.29)	-8.62	.000	0.49	Medium
	Post	0.87	.755-.887	.633	3.07	0.80					
Factor 5: Perceived novelty value	Pre	0.66	.597-.880	.337	<b>3.56</b>	0.45	0.50 (0.81)	13.69	.000	1.12	Large
	Post	0.63	.537-.855	.344	<b>3.05</b>	0.69					
Factor 6: Perceived external social value	Pre	0.86	.645-.890	.536	<b>3.67</b>	0.44	0.96 (1.05)	20.4	.000	2.21	Large
	Post	0.80	.588-.851	.534	<b>2.70</b>	0.95					
Factor 7: Perceived internal social value	Pre	0.77	.795-.863	.530	<b>2.39</b>	0.72	-.586 (0.86)	-14.97	.000	0.83	Large
	Post	0.92	.866-.941	.789	<b>3.01</b>	0.67					
Factor 8: Perceived social image value	Pre	0.83	.741-.887	.472	3.52	0.61	.427 (1.05)	9.03	.000	0.66	Medium
	Post	0.65	.571-.792	.482	2.65	0.79					
Factor 9: Perceived recreational value	Pre	0.85	.433-.735	.285	3.42	0.40	.205 (0.65)	7.02	.000	0.52	Medium
	Post	0.89	.478-.758	.387	3.22	0.52					
Factor 10: Perceived service & quality value	Pre	0.96	.763-.910	.688	3.65	0.42	.135 (0.62)	4.82	.000	0.32	Small
	Post	0.93	.534-.869	.561	3.52	0.47					
Factor 11: Perceived sacrifice value	Pre	0.83	.642-.846	.492	2.31	0.72	.224 (0.99)	4.99	.000	0.31	Small
	Post	0.78	.578-.818	.410	2.09	0.68					
Factor 12: Perceived package/money value	Pre	0.84	.769-.863	.567	3.42	0.48	-.053 (0.71)	-1.67	.095	0.11	Small
	Post	0.88	.832-.884	.648	3.23	0.52					
Factor 13: Perceived risk value	Pre	0.57	.539-.692	.215	3.22	0.44	.081 (0.67)	2.70	.007	0.19	Small
	Post	0.63	.555-.700	.266	3.14	0.49					

Note: \*small  $r_s = .10-.29$ , \*\*medium  $r_s = .30-.49$ , \*\*\*large  $r_s = .50-1.0$ . Constructs: 1. PEV = Perceived epistemic value; 2. PEsv = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmv = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived

recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

As can be seen in Table 5.15, all factors (except for Factor 12: Perceived package/ money value and Factor 13: Perceived risk value) received a p-value of .000, indicating that they are statistically significantly different from one another. Cohen's *d*-values that were calculated show large effect sizes for Factor 5: Perceived novelty value, Factor 6: Perceived external social value and Factor 7: Perceived internal social value. Each of these factors need to be practically implemented by cruise managers and marketers and are discussed in more detail below.

Cruise passengers' perceived novelty value (PNV) as higher before their cruise experience ( $\bar{x}$ =3.56, SD= $\pm$ .45) than when they returned ( $\bar{x}$ =3.05, SD= $\pm$ .69), thereby indicating that their expectations exceeded the actual experience. This can be attributed to the novelty of the perceived cruise vacation which wears off during the cruise experience. This is however an important aspect to consider when focusing on attracting potential cruise tourists. Perceived external social value also received a higher rating before the cruise experience ( $\bar{x}$ =3.67, SD= $\pm$ .44) than afterwards ( $\bar{x}$ =2.70, SD= $\pm$ .95). Therefore, managers need to provide aspects high in perceived novelty value (e.g. ensure a great atmosphere on board the cruise and that everyone has a great time) and perceived external social value (introduce more nightlife experiences) to ensure that the actual experience exceeds the cruise passengers' experience.

Perceived internal social value received a lower rating before the cruise ( $\bar{x}$ =2.39, SD= $\pm$ .72) than it did when cruise passengers returned home ( $\bar{x}$ =3.01, SD= $\pm$ .67). This indicates that cruise passengers had the opportunity to build relationships outside of their usual travel group etc. (see Table 5.8); this could be attributed to the activities offered on the cruise, which encourage cruise passengers to interact and get to know one another better.

The following section explores correlations between the perceived values.

## 5.5 CORRELATIONS BETWEEN PERCEIVED VALUES

Once the appropriateness of the data had been determined, it was possible to create a correlation matrix by calculating the correlations between each identified factor (see Table 5.16). Spearman rank correlations were calculated between the values to describe the strength and direction of the linear relationship between the pre- and post-perceived value groupings. A correlation of 0 indicates no relationship at all, a correlation of 1.0 indicates a perfect positive correlation and a value of -1.0 indicates a perfect negative correlation.

The correlations were interpreted according to the guidelines of Cohen (1988:79) that suggest that:

- **small rho**= 0.10 to 0.29
- **medium rho**= 0.30 to 0.49, and
- **large rho**= 0.50 to 1.0

### 5.5.1 CORRELATIONS BETWEEN PRE-PERCEIVED FACTORS

Table 5.16 presents the correlation matrix used for the pre-perceived value groupings.

**Table 5.16: Correlation matrix: pre-perceived values**

Construct		Correlation matrix												
		PEV	PEsV	PRV	PEm V	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
1. PEV	Correlation coefficient	1.000	.306**	.000	<b>.557**</b>	<b>.557**</b>	.283**	.060	.437**	<b>.493**</b>	.304**	.091*	.352**	.334**
	Sig. (2-tailed)		.000	.991	.000	.000	.000	.189	.000	.000	.000	.042	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
2. PEsV	Correlation coefficient	.306**	1.000	.041	.297**	.414**	.446**	.028	.207**	.336**	.412**	-.016	.271**	.233**
	Sig. (2-tailed)	.000		.362	.000	.000	.000	.530	.000	.000	.000	.718	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
3. PRV	Correlation coefficient	.000	.041	1.000	-.031	.024	.056	.149**	.005	-.001	.018	-.020	.107*	.049
	Sig. (2-tailed)	.991	.362		.500	.595	.213	.001	.916	.987	.692	.652	.018	.277
	N	488	488	488	488	488	488	488	488	488	488	488	488	488
4. PEmV	Correlation coefficient	<b>.557**</b>	.297**	-.031	1.000	.362**	.196**	-.058	.445**	.446**	.298**	.102*	.206**	.290**
	Sig. (2-tailed)	.000	.000	.500		.000	.000	.203	.000	.000	.000	.023	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
5. PNV	Correlation coefficient	<b>.557**</b>	.414**	.024	.362**	1.000	.414**	.058	.378**	.482**	<b>.520**</b>	.023	<b>.500**</b>	.416**
	Sig. (2-tailed)	.000	.000	.595	.000		.000	.198	.000	.000	.000	.608	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
6. PeSV	Correlation coefficient	.283**	.446**	.056	.196**	.414**	1.000	.030	.287**	.308**	.398**	-.062	.271**	.294**
	Sig. (2-tailed)	.000	.000	.213	.000	.000		.503	.000	.000	.000	.166	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
7. PiSV	Correlation coefficient	.060	.028	.149**	-.058	.058	.030	1.000	.039	.111*	.044	-.003	.089	.045
	Sig. (2-tailed)	.189	.530	.001	.203	.198	.503		.387	.014	.334	.946	.050	.326
	N	488	488	488	488	488	488	488	488	488	488	488	488	488
8. PSIV	Correlation coefficient	.437**	.207**	.005	<b>.445**</b>	.378**	.287**	.039	1.000	.454**	.298**	.009	.246**	.327**
	Sig. (2-tailed)	.000	.000	.916	.000	.000	.000	.387		.000	.000	.836	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
9. PReV	Correlation coefficient	<b>.493**</b>	.336**	-.001	.446**	.482**	.308**	.111*	.454**	1.000	.416**	.186**	.321**	.450**
	Sig. (2-tailed)	.000	.000	.987	.000	.000	.000	.014	.000		.000	.000	.000	.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
10. PSQV	Correlation coefficient	.304**	.412**	.018	.298**	<b>.520**</b>	.398**	.044	.298**	.416**	1.000	.015	.451**	.340**
	Sig. (2-tailed)	.000	.000	.692	.000	.000	.000	.334	.000	.000		.732	.000	.000

Construct		Correlation matrix												
		PEV	PEsV	PRV	PEm V	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
11.PSV	Correlation coefficient	.091*	-.016	-.020	.102*	.023	-.062	-.003	.009	.186**	.015	1.000	-.065	.059
	Sig. (2-tailed)	.042	.718	.652	.023	.608	.166	.946	.836	.000	.732		.151	.190
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
12.PPMV	Correlation coefficient	.352**	.271**	.107*	.206**	.500**	.271**	.089	.246**	.321**	.451**	-.065	1.000	.448**
	Sig. (2-tailed)	.000	.000	.018	.000	.000	.000	.050	.000	.000	.000	.151		.000
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
13.PRiV	Correlation coefficient	.334**	.233**	.049	.290**	.416**	.294**	.045	.327**	.450**	.340**	.059	.448**	1.000
	Sig. (2-tailed)	.000	.000	.277	.000	.000	.000	.326	.000	.000	.000	.190	.000	
	N	494	494	488	494	494	494	488	494	494	494	494	494	494

Note: \*small  $r_s = .10-.29$ , \*\*medium  $r_s = .30-.49$ , \*\*\*large  $r_s = .50-1.0$ . Constructs: 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

As seen in Table 5.16, a number of large positive correlations was revealed between the pre-perceived value groupings. Each of which is discussed in more detail below.

There is a large positive correlation between perceived epistemic value (PEV) and the following:

- Perceived emotional value (PEmV) ( $r_s = 0.557$ ),
- Perceived novelty value (PNV) ( $r_s = 0.557$ ), and
- Perceived recreational value (PReV) ( $r_s = 0.493$ ).

This implies that the more cruise passengers expect to experience from perceived epistemic value, the more they will expect to gain from perceived emotional value, perceived novelty value and perceived recreational value when going on a cruise. A more practical application of this would be that if a cruise passenger wants to go on a cruise at least once in their life (PEV; see Table 5.4), they will gain more from elements such as self-reflection (PEmV, see Table 5.6), feeling excited (PNV, see Table 5.7) and enjoy the facilities such as the spa, shopping, casino etc. (PReV, see Table 5.9). By marketing elements of perceived emotional value (PEmV), perceived novelty value (PNV) and perceived recreational value (PReV) together, marketers will enhance perceived epistemic value (PEV).

A large positive correlation is also evident between perceived novelty value (PNV) and the following:

- Perceived service and quality value (PSQV) ( $r_s = 0.520$ )
- Perceived package/money value (PPMV) ( $r_s = 0.500$ )
- Perceived epistemic value (PEV) ( $r_s = 0.557$ )

Therefore, cruise passengers expect that everyone will have a good time on board the cruise liner (PNV, see Table 5.7) by gaining from a quality experience delivered by the cruise company (PSQV, see Table 5.10), packages that are appealing, exciting, fairly priced and value for money (PPMV, see Table 5.12) and everyone has a good time on-board the cruise liner (PEV, see Table 5.4). This also indicates that value for money is attached to the expectation of a novel experience.

It is also evident that various smaller correlations exist between the pre-perceived value groupings, indicating that these pre-perceived value groupings are related to one another.

Therefore, all these pre-perceived values are important in providing a complete, valued cruise experience. The following section will explore the correlations conducted for the post-perceived value groupings.

### 5.5.2 CORRELATIONS BETWEEN POST-PERCEIVED FACTORS

Table 5.17 presents the correlation matrix used for the post-perceived value groupings.

**Table 5.17:** Correlation matrix: post-perceived values

Construct		Correlation matrix												
		P_PE V	P_PE sV	P_P RV	P_PE mV	P_P NV	P_PeS V	P_PiS V	P_PSI V	P_PRe V	P_PS QV	P_PS V	P_PP MV	P_P RiV
1. P_PEV	Correlation coefficient	1.000	.460**	.451**	<b>.679**</b>	.255**	.076	.335**	.137**	<b>.544**</b>	-.085	<b>.495**</b>	.374**	.424**
	Sig. (2-tailed)		.000	.000	.000	.000	.090	.000	.002	.000	.060	.000	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
2. P_PEsV	Correlation coefficient	.460**	1.000	.093*	.406**	<b>.664**</b>	<b>.542**</b>	.048	.215**	.462**	.002	.374**	.420**	<b>.574**</b>
	Sig. (2-tailed)	.000		.038	.000	.000	.000	.284	.000	.000	.967	.000	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
3. P_PRV	Correlation coefficient	.451**	.093*	1.000	.446**	-.024	-.147**	<b>.572**</b>	-.047	.296**	-.066	.362**	.247**	.165**
	Sig. (2-tailed)	.000	.038		.000	.601	.001	.000	.297	.000	.143	.000	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
4. P_PEmV	Correlation coefficient	<b>.679**</b>	.406**	.446**	1.000	.164**	.027	.393**	.131**	.446**	-.103*	.427**	.340**	.351**
	Sig. (2-tailed)	.000	.000	.000		.000	.550	.000	.004	.000	.022	.000	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
5. P_PNV	Correlation coefficient	.255**	.664**	-.024	.164**	1.000	<b>.786**</b>	-.081	.290**	.371**	.109*	.270**	.480**	<b>.666**</b>
	Sig. (2-tailed)	.000	.000	.601	.000		.000	.072	.000	.000	.015	.000	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
6. P_PeSV	Correlation coefficient	.076	<b>.542**</b>	.147**	.027	<b>.786**</b>	1.000	-.156**	<b>.505**</b>	.190**	.160**	.129**	.416**	<b>.535**</b>
	Sig. (2-tailed)	.090	.000	.001	.550	.000		.001	.000	.000	.000	.004	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
7. P_PiSV	Correlation coefficient	.335**	.048	<b>.572**</b>	.393**	-.081	-.156**	1.000	-.034	.216**	-.022	.268**	.149**	.177**
	Sig. (2-tailed)													
	N	494	494	494	494	494	494	494	494	494	494	494	494	494

Construct		Correlation matrix												
		P_PE V	P_PE sV	P_P RV	P_PE mV	P_P NV	P_PeS V	P_PiS V	P_PSI V	P_PRe V	P_PS QV	P_PS V	P_PP MV	P_P RiV
	Sig. (2-tailed)	.000	.284	.000	.000	.072	.001		.448	.000	.618	.000	.001	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
8. P_PSIV	Correlation coefficient	.137**	.215**	-.047	.131**	.290**	.505**	-.034	1.000	.156**	.177**	.078	.269**	.199**
	Sig. (2-tailed)	.002	.000	.297	.004	.000	.000	.448		.000	.000	.085	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
9. P_PReV	Correlation coefficient	<b>.544**</b>	.462**	.296**	.446**	.371**	.190**	.216**	.156**	1.000	-.076	<b>.636**</b>	.484**	<b>.572**</b>
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000		.090	.000	.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
10.P_PSQV	Correlation coefficient	-.085	.002	-.066	-.103*	.109*	.160**	-.022	.177**	-.076	1.000	.122**	.027	.061
	Sig. (2-tailed)	.060	.967	.143	.022	.015	.000	.618	.000	.090		.006	.544	.176
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
11.P_PSV	Correlation coefficient	<b>.495**</b>	.374**	.362**	.427**	.270**	.129**	.268**	.078	<b>.636**</b>	-.122**	1.000	.445**	.389**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.004	.000	.085	.000	.006		.000	.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
12.P_PPMV	Correlation coefficient	.374**	.420**	.247**	.340**	.480**	.416**	.149**	.269**	.484**	.027	.445**	1.000	<b>.531**</b>
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.001	.000	.000	.544	.000		.000
	N	494	494	494	494	494	494	494	494	494	494	494	494	494
13.P_PriV	Correlation coefficient	.424**	<b>.574**</b>	.165**	.351**	<b>.666**</b>	<b>.535**</b>	.177**	.199**	<b>.572**</b>	.061	.389**	<b>.531**</b>	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.176	.000	.000	
	N	494	494	494	494	494	494	494	494	494	494	494	494	494

Note: \*small  $r_s = .10-.29$ , \*\*medium  $r_s = .30-.49$ , \*\*\*large  $r_s = .50-1.0$ . Constructs: 1. P\_PEV = Post-perceived epistemic value; 2. P\_PeSV = Post-perceived escape value; 3. P\_PRV = Post-perceived rejuvenation value; 4. P\_PEmV = Post-perceived emotional value; 5. P\_PNV = Post-perceived novelty value; 6. P\_PeSV = Post-perceived external social value; 7. P\_PiSV = Post-perceived internal social value; 8. P\_PSIV = Post-perceived social image value; 9. P\_PReV = Post-perceived recreational value; 10. P\_PSQV= Post-perceived service & quality value; 11. P\_PSV = Post-perceived sacrifice value; 12. P\_PPMV = post-perceived package/money value; 13. P\_PriV = Post-perceived risk value

This correlation matrix (Table 5.17) provides details about the strength of the relationships between the identified factors (constructs). Based on the above, it is evident that all constructs are significantly correlated and show strong to very strong relationships with each other, with correlation coefficients well above 0.49.

According to Table 5.17, there is a large positive correlation between post-perceived epistemic value (P\_PEV) and the following:

- Post-perceived emotional value (P\_PEmV) ( $r_s = 0.679$ ),
- Post-perceived recreational value (P\_PReV) ( $r_s = 0.544$ ), and
- Post-perceived sacrifice value (P\_PSV) ( $r_s = 0.495$ ).

Thus, cruise passengers who experienced perceived epistemic value highly also experienced attributes of post-perceived emotional value, post-perceived recreational value and post-perceived sacrifice value highly. Implying that elements such as a derived sense of accomplishment (P\_PEmV, see Table 5.6), recreational facilities such as the poolside beverage service and bar facilities offered (P\_PReV, see Table 5.9), and a reduced risk of suffering an illness or sea sickness during the cruise (P\_PSV, see Table 5.11) added to passengers wanting to experience something new by going on a cruise (P\_PEV, see Table 5.4). Post-perceived emotional value and perceived recreational value were highly rated before and after the cruise, indicating that the cruise travellers' experience was met by their expectations.

A large positive correlation was found between post-perceived escape value (P\_PEsV) and the following:

- Post-perceived novelty value (P\_PNV) =  $r_s = 0.664$
- Post-perceived external social value (P\_PeSV) =  $r_s = 0.542$
- Post-perceived risk value (P\_PriV) =  $r_s = 0.574$

Therefore, the more cruise passengers experience from post-perceived escape value (P\_PEsV) the more they will experience from post-perceived novelty value (P\_PNV), post-perceived external social Value (P\_PeSV) and post-perceived risk value (P\_PriV). Applying this practically, for example, would mean that if cruise passengers felt that elements such as a great atmosphere on board the cruise liner (P\_PNV, see Table 5.7), an enjoyable nightlife (P\_PeSV,

Table 5.10), and cruising being something that they have always wanted to do (P\_PRiV, see Table 5.13) would add to a worry-free vacation (P\_PeSV, see Table 5.5). If managers on board the cruise liner and staff ensure that there are sufficient activities, a great atmosphere and a stress-free environment, they will be enhancing these perceived values.

There is a large positive correlation between post-perceived rejuvenation value (P\_PRV) and post-perceived internal social value (P\_PiSV) ( $r_s = 0.572$ ). This implies that the more cruise passengers experience from P\_PRV ( $\bar{x} 3.30$ ,  $SD = \pm .596$ ), the more they will experience from P\_PiSV ( $\bar{x} 3.01$ ,  $SD = \pm .671$ ). By enjoying the leisure facilities on board the cruise liner and having fun (P\_PRV, see Table 5.6), the more opportunities there will be for passengers to build relationships with other tourists outside of their usual travel group (P\_PiSV, Table 5.8).

A large positive correlation exists between post-perceived novelty value (P\_PNV), post-perceived external social value (P\_PeSV) ( $r_s = 0.786$ ) and post-perceived risk value (P\_PRiV) ( $r_s = 0.666$ ). Therefore, this implies that a great atmosphere on board the cruise liner (P\_PNV, Table 5.7) added to reinforced feelings of belonging to a group (P\_PeSV, Table 5.8) and wanting to go on a cruise (P\_PRiV, see Table 5.13).

A large positive correlation between post-perceived external social value (P\_PeSV) and the following:

- Post-perceived social image value (P\_PSIV) =  $r_s = 0.505$
- Post-perceived risk value (P\_PRiV) =  $r_s = 0.535$

Hence, elements such as meeting new people (P\_PSIV, see Table 5.8) and enjoying being at the sea/on the water (P\_PRiV, see Table 5.13) all add to building relationships with other tourists outside of the cruise passengers' usual travel group while on board the cruise (P\_PeSV, see Table 5.8).

A large positive correlation between post-perceived recreational value (P\_PReV) and the following:

- Post-perceived sacrifice value (P\_PSV) =  $r_s = 0.636$
- Post-perceived risk value (P\_PRiV) =  $r_s = 0.572$

Therefore, elements such as marketing and promotion by the cruise company (P\_PriV, see Table 5.13) and being conned as a tourist during the cruise (P\_PSV, see Table 5.11) added to the shore excursions (P\_PReV, see Table 5.9) during the cruise experience.

There is a large positive correlation between post-perceived functional (package/money) (P\_PPMV) and post-perceived risk value (P\_PriV) =  $r_s = 0.531$ . Therefore, the cruise passengers perceived the cruise as fairly priced and value for money (P\_PriV), and this added to the packages being perceived as exciting and appealing (P\_PPMV, see Table 5.12).

Post-perceived risk value (P\_PriV) and post-perceived sacrifice value (P\_PSV) =  $r_s = 0.535$  also revealed a large positive correlation. This indicates, for example, that cruise passengers perceived a reduced risk of being conned as a tourist while on the cruise (P\_PSV, see Table 5.11) because of recommendations made by friends or experts (P\_PriV, see Table 5.13).

It is also evident that various smaller correlations exist between the post-perceived value groupings. This is a clear indication of the integrated offering that cruising provides as most of the post-perceived values are dependent on one another. Therefore, all these post-perceived values are important in providing a complete, valued cruise.

## 5.6 THE RELATIONSHIP BETWEEN SELECTED SOCIO-DEMOGRAPHIC CRUISE PROFILE AND TRAVEL BEHAVIOUR ASPECTS AND PVS

In this section, separate *t*-tests, correlations, ANOVAs and Tukey's *post hoc* multiple comparisons were employed to investigate any significant differences between selected socio-demographic cruise profile, cruise travel behaviour aspects and perceived value dimensions. This was applied to both the pre- and post-perceived value dimensions. Firstly, this section will explore the relationships between selected socio-demographic cruise profile aspects and perceived values; and secondly, cruise travel behaviour aspects and perceived values will be scrutinised.

### 5.6.1 THE RELATIONSHIP BETWEEN SELECTED SOCIO-DEMOGRAPHIC CRUISE PROFILE ASPECTS AND PERCEIVED VALUES

**Socio-demographic cruise profile aspects:** *t*-tests, correlations and ANOVAs were conducted to reveal significant differences between socio-demographic cruise profile aspects and perceived value dimensions. These were applied to both the pre- and post-perceived value dimensions.

- **Language:** *t*-tests were conducted to test for significant differences between English-speaking cruise passengers and non-English-speaking passengers and pre- and post-perceived values.
- **Income:** A correlation matrix was conducted on income and the pre- and post-value dimensions to test for significant differences. Although there were differences found between income and pre-perceived value dimensions, none were evident between income and the post-perceived value dimensions.
- **Province of residence:** The first ANOVA was used to examine the differences between cruise travellers' province of residence and the pre- and post-perceived value dimensions. Tukey's *post hoc* multiple comparison was further used to explore differences between the different provinces of residence with regard to each dimension (pre-and post).
- **Level of education:** A second ANOVA was performed to determine whether significant differences between respondents' level of education and each pre- and post-perceived value dimensions could be revealed. Once again, Tukey's *post hoc* multiple comparison was conducted to investigate the differences between each level of education and the pre-and post-perceived value dimensions.

In addition to the above, Cohen's *d*-values were calculated as a measure of the effect size, which indicates the practical significance of the findings. . The correlation items were interpreted according to guidelines of Cohen (1988:79) that suggest that:

- **Small rho:** *d* = below 0.10 - 0.29
- **Medium rho:** *d* = between 0.30 - 0.49
- **Large rho:** *d* = between 0.50 - 1

Both analyses are discussed in the following section.

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#### 5.6.1.1 T-TEST RESULTS FOR COMPARING PERCEIVED VALUE FACTORS BY LANGUAGE SPOKEN

Hair *et al.* (2006b:388) state that a *t*-test assesses the statistical significance of the difference between two dependent sample means for a single dependent variable. This study employed an independent *t*-test to compare the identified pre- and post-perceived value dimensions for language spoken. In order to do this, results from cruise passengers who speak English were grouped together (n=288), and those who are non-English speaking (n=180) (namely: Afrikaans, Setswana, isiXhosa, Sesotho, isiZulu, Sepedi, German and Spanish, see Table 5.1) were also grouped together. Any significant differences were also tested for.

Table 5.18 presents the results of this analysis and is divided into the pre- and post-perceived value differences.

**Table 5.18:** *t*-test results to compare pre- and post-perceived value factors by language spoken

	Pre-perceived Value					Post-perceived value			
	Mean ( $\bar{x}$ ) & St. deviation ( $\pm$ )		f-value	p-value		Mean ( $\bar{x}$ ) & St. deviation ( $\pm$ )		f-value	p-value
	Eng	Non-Eng				Eng	Non-Eng		
	(n=288)	(n=180)				(n=288)	(n=180)		
1. PEV	3.16 ( $\pm$ 0.59)	3.20 ( $\pm$ 0.60)	.002	0.48	3.39 ( $\pm$ 0.51)	3.39 ( $\pm$ 0.52)	.061	0.96	
2. PEsV	3.74 ( $\pm$ 0.50)	3.73 ( $\pm$ 0.48)	.109	0.87	3.42 ( $\pm$ 0.60)	3.43 ( $\pm$ 0.63)	.078	0.82	
3. PRV	3.08 ( $\pm$ 0.57)	2.94 ( $\pm$ 0.67)	3.22	<b>0.01*</b>	3.31 ( $\pm$ 0.59)	3.29 ( $\pm$ 0.62)	.308	0.73	
4. PEmV	2.53 ( $\pm$ 1.03)	2.53 ( $\pm$ 1.01)	.075	0.94	3.01 ( $\pm$ 0.85)	3.14 ( $\pm$ 0.72)	5.73	<b>0.09*</b>	
5. PNV	3.55 ( $\pm$ 0.46)	3.57 ( $\pm$ 0.44)	.048	0.78	3.07 ( $\pm$ 0.70)	3.05 ( $\pm$ 0.70)	.290	0.79	
6. PeSV	3.69 ( $\pm$ 0.44)	3.67 ( $\pm$ 0.42)	.008	0.78	2.72 ( $\pm$ 0.97)	2.72 ( $\pm$ 0.93)	.297	0.95	
7. PiSV	2.38 ( $\pm$ 0.72)	2.48 ( $\pm$ 0.69)	.182	0.11	3.02 ( $\pm$ 0.69)	3.02 ( $\pm$ 0.64)	1.55	0.91	
8. PSIV	3.10 ( $\pm$ 0.63)	3.03 ( $\pm$ 0.68)	.007	0.22	2.66 ( $\pm$ 0.79)	2.64 ( $\pm$ 0.82)	.271	0.75	
9. PReV	3.43 ( $\pm$ 0.41)	3.40 ( $\pm$ 0.39)	.000	0.32	3.52 ( $\pm$ 0.47)	3.52 ( $\pm$ 0.47)	.002	0.96	
10. PSQV	3.66 ( $\pm$ 0.44)	3.65 ( $\pm$ 0.40)	1.30	0.86	2.14 ( $\pm$ 0.68)	2.05 ( $\pm$ 0.69)	.034	0.13	
11. PSV	2.30 ( $\pm$ 0.75)	2.29 ( $\pm$ 0.65)	3.48	0.82	3.46 ( $\pm$ 0.52)	3.49 ( $\pm$ 0.51)	.229	0.52	
12. PPMV	3.39 ( $\pm$ 0.51)	3.49 ( $\pm$ 0.43)	7.43	<b>0.03*</b>	3.13 ( $\pm$ 0.50)	3.17 ( $\pm$ 0.46)	2.12	0.30	
13. PRiV	3.22 ( $\pm$ 0.44)	3.25 ( $\pm$ 0.43)	.020	0.41	3.23 ( $\pm$ 0.51)	3.22 ( $\pm$ 0.54)	1.70	0.72	

Note: St. deviation = Standard deviation; \* $p < 0.05$  significance level. Eng = English speaking; Non Eng = Non-English speaking;  $p < 0.05$  significance level. Constructs: 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Post-perceived social & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/ money value; 13. PRiV = Perceived risk value

Table 5.18 reveals two significant differences among the pre-perceived values and language spoken and only one significant difference between the post-perceived values and language spoken. Maree and Pietersen (2008:242) states that if the  $p$ -value is smaller than .05, then the test is significant, indicating a significant relationship between the pre- or post-perceived value groupings and language spoken. However, if the  $p$ -value is higher than .05, then the test is not statistically significant (Maree & Pietersen, 2008:242). Therefore, the following can be deduced from Table 5.18: there are significant differences ( $p < 0.05$ ) between language spoken and pre-perceived rejuvenation value and pre-perceived package/money value.

English-speaking cruise tourists ( $\bar{x}=3.08$ ;  $SD=\pm .57$ ) rated perceived rejuvenation value (PRV) more important than non-English-speaking cruise tourists ( $\bar{x}=2.94$ ;  $SD=\pm .67$ ). This indicates that English-speaking cruise tourists regarded going on a cruise to experience *clean air and the environment, or to enjoy the leisure facilities and to have fun and be rejuvenated* (see Table 5.5) more important than non-English-speaking cruise tourists did. Since English-speaking cruise tourists expected the cruise journey to provide a rejuvenating experience, this should be enhanced in marketing initiatives focused on this market segment. This can be done by advertising the spa facilities provided on board the cruise.

Non-English-speaking cruise tourists ( $\bar{x}=3.49$ ;  $SD=\pm .43$ ) rated perceived package/money value (PPMV) more importantly than English-speaking cruise tourists did ( $\bar{x}=3.39$ ;  $SD=\pm .51$ ). This indicates that non-English-speaking cruise tourists have a higher regard for the packages that are offered by the cruise company and perceive them as *'appealing, exciting, fairly priced and value for money'*. Marketing initiatives should therefore focus on emphasising these elements when advertising their cruise packages in other languages with a special focus on emerging markets such as Afrikaans-, Setswana-, isiXhosa-, Sesotho-, isiZulu-, Sepedi-, German- and Spanish-speaking cruise tourists (see Table 5.1).

Table 5.18 shows significant differences ( $p < 0.05$ ) between language spoken and post-perceived emotional value. Non-English-speaking cruise tourists ( $\bar{x}=3.14$ ;  $SD=\pm .72$ ) rated post-perceived emotional value (PEmV) more important than English-speaking cruise tourists did ( $\bar{x}=3.14$ ;  $SD=\pm .72$ ). This indicates that this segment regard going on a cruise to *self-reflect and think about personal values, increase feelings of self-worth* etc. (see Table 5.6) more importantly than English-speaking cruise tourists do. Since perceived emotional

value has been defined as a social-psychological dimension that is dependent on a product's ability to arouse feelings or effective states (Seth *et al.*, 1991:161), cruise managers need to focus on providing activities that enhance these feelings. A cruise for isiXhosa-speaking women with guest speakers who focus on arousing feelings of self-worth and focus on personal values can be provided.

Since the comparison between language and perceived value within a cruise tourism context has never been tested before, no other comparisons could be drawn. However, according to the findings in this study it can be deduced that language should be considered in the creation of value.

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#### **5.6.1.2 CORRELATION MATRIX TO COMPARE PERCEIVED VALUE FACTORS BY AGE AND INCOME**

Various authors have stated that correlations are generally described as the linear relationship between two variables (McDaniel & Gates, 2013:527; Iacobucci & Churchill, 2010:451). Therefore, a correlation matrix seemed the most appropriate approach to test the relationship between two identified demographic profiling aspects (namely age and income; see Table 5.19) and the pre- and post-perceived values. In addition to the correlation coefficient, Spearman's rank correlations were also calculated between the values to describe the strength and direction of the linear relationship between the pre- and post-perceived value groupings (see Table 5.19). A correlation of 0 indicates no relationship at all, a correlation of 1.0 indicates a perfect positive correlation and a value of -1.0 indicates a perfect negative correlation (refer to Section 5.6.1).

Table 5.19 indicates correlations between age, income and the pre-perceived values. As can be seen from the p-values, factors are statistically significant.

**Table 5.19:** Spearman correlations between age, income and perceived values

Construct		Spearman rho correlation matrix												
		PEV	PEsV	PRV	PEm V	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
1. Age	Correlation coefficient	-.025	-.016	<b>-.163**</b>	.012	.062	-.056	.085	.039	.041	-.001	-.003	-.043	-.037
	Sig. (2-tailed)	.585	.715	.000	.796	.167	.215	.059	.382	.363	.982	.946	.344	.418
	N	494	494	488	494	494	494	488	494	494	494	494	494	494
2. Income	Correlation coefficient	<b>-.253**</b>	.000	.058	<b>-.270**</b>	<b>-.174**</b>	.002	.094*	-.046	<b>-.230**</b>	<b>-.162**</b>	-.063	<b>-.131**</b>	-.094*
	Sig. (2-tailed)	.000	.993	.199	.000	.000	.958	.038	.311	.000	.000	.161	.003	.036
	N	494	494	488	494	494	494	488	494	494	494	494	494	494

Note: \*small  $r_s = .10-.29$ , \*\*medium  $r_s = .30-.49$ , \*\*\*large  $r_s = .50-1.0$ . Constructs: 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived social & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

Table 5.19 shows a small negative correlation ( $r_s = -0.163$ ) between perceived rejuvenate value (PRV) and the age of the cruise respondents. Therefore, the older the cruise passengers are, the less they value perceived rejuvenate value (PRV). Travelling to experience fresh, clean air and the environment, enjoying the leisure facilities, having fun and being rejuvenated (see Table 5.5) are elements that are deemed less important the older the cruise tourists get.

Small negative correlations are also evident between income and perceived epistemic value (PEV) ( $r_s = -0.253$ ), perceived emotional value (PEmV) ( $r_s = -0.270$ ), perceived novelty value (PNV) ( $r_s = -0.174$ ), perceived recreational value (PReV) ( $r_s = -0.230$ ), perceived service and quality value (PSQV) ( $r_s = -0.162$ ) and perceived package/money value (PPMV) ( $r_s = -0.131$ ). This indicates that expectations are reduced with more experience acquired from travelling; high earning income segments might be more accustomed to travelling due to their financial means and therefore also more experienced. Therefore, it can be said that cruise passengers who earn a higher income value the cruise experience as a holistic whole and not according to specific criteria; they also have more faith that the more they pay for a cruise the more these expectations will be met. Since earning a higher income also brings about elements of security, it can be deduced that this segment will not suffer buyer's remorse as much as lower earning income groups who had to build up their savings to go on a cruise vacation.

Mostert and Du Plessis (2007:122) state that consumers usually buy products according to their level of income. In their study, Kattiyapornpong and Miller (2008:358) found that destination choice, usage of accommodation and transportation relate to differences in economic status and in the amount of discretionary income available for travelling. Another study conducted by Zimmer, Brayley and Searly (1995:8) found that income influenced travellers' decision to travel.

No significant differences were found between age, income and the post-perceived value groupings.

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#### **5.6.1.3 ANOVA TO COMPARE PERCEIVED VALUE FACTORS BY CRUISE TRAVELLERS' PROVINCE OF RESIDENCE**

Table 5.20 presents the difference between cruise travellers' province of residence and the pre-perceived value dimensions. Statistical differences were identified by a p-value smaller than the <0.05 significance level. The means for each province of residence and pre-perceived/post-perceived value dimensions were further calculated to explain the identified differences.

**Table 5.20:** Results of ANOVA and tukey's multiple comparisons of the cruise travellers' province of residence and pre-perceived value dimensions

Province of residence	PEV	PEsV	PRV	PEmV	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
	Mean ( $\bar{x}$ )												
	(SD $\pm$ .)												
Gauteng (n=150)	3.23 ( $\pm 0.54$ )	<b>3.72</b> ( $\pm 0.47$ )	3.03 ( $\pm 0.61$ )	2.53 ( $\pm 1.01$ )	3.53 ( $\pm 0.48$ )	3.67 ( $\pm 0.42$ )	2.41 ( $\pm 0.65$ )	3.08 ( $\pm 0.64$ )	3.43 ( $\pm 0.42$ )	3.60 ( $\pm 0.47$ )	2.29 ( $\pm 0.69$ )	3.39 ( $\pm 0.46$ )	3.17 ( $\pm 0.43$ )
KwaZulu-Natal (n=120)	3.23 ( $\pm 0.63$ )	<b>3.72</b> ( $\pm 0.57$ )	3.08 ( $\pm 0.57$ )	2.73 ( $\pm 1.00$ )	3.59 ( $\pm 0.47$ )	3.65 ( $\pm 0.51$ )	2.38 ( $\pm 0.75$ )	3.16 ( $\pm 0.63$ )	3.47 ( $\pm 0.40$ )	3.68 ( $\pm 0.40$ )	2.36 ( $\pm 0.77$ )	3.33 ( $\pm 0.56$ )	3.24 ( $\pm 0.49$ )
Eastern Cape (n=34)	3.35 ( $\pm 0.45$ )	3.71 ( $\pm 0.50$ )	3.00 ( $\pm 0.62$ )	2.54 ( $\pm 1.17$ )	3.62 ( $\pm 0.36$ )	3.74 ( $\pm 0.37$ )	2.57 ( $\pm 0.66$ )	2.99 ( $\pm 0.52$ )	3.40 ( $\pm 0.36$ )	<b>3.79</b> ( $\pm 0.34$ )	2.44 ( $\pm 0.65$ )	3.56 ( $\pm 0.41$ )	3.31 ( $\pm 0.35$ )
Western Cape (n=115)	3.05 ( $\pm 0.62$ )	<b>3.79</b> ( $\pm 0.44$ )	2.98 ( $\pm 0.63$ )	2.44 ( $\pm 0.96$ )	3.56 ( $\pm 0.40$ )	3.68 ( $\pm 0.40$ )	2.43 ( $\pm 0.71$ )	3.11 ( $\pm 0.64$ )	3.39 ( $\pm 0.37$ )	3.70 ( $\pm 0.38$ )	2.32 ( $\pm 0.75$ )	3.47 ( $\pm 0.46$ )	3.24 ( $\pm 0.40$ )
Northern Cape (n=6)	2.82 ( $\pm 0.67$ )	3.61 ( $\pm 0.53$ )	3.17 ( $\pm 0.45$ )	1.25 ( $\pm 0.41$ )	3.44 ( $\pm 0.58$ )	<b>3.67</b> ( $\pm 0.42$ )	2.93 ( $\pm 1.00$ )	2.50 ( $\pm 0.54$ )	3.35 ( $\pm 0.22$ )	3.47 ( $\pm 0.45$ )	1.87 ( $\pm 0.76$ )	<b>3.67</b> ( $\pm 0.49$ )	3.30 ( $\pm 0.21$ )
Limpopo (n=11)	3.21 ( $\pm 0.65$ )	<b>3.85</b> ( $\pm 0.34$ )	3.09 ( $\pm 0.56$ )	2.61 ( $\pm 0.98$ )	3.64 ( $\pm 0.37$ )	3.64 ( $\pm 0.38$ )	2.24 ( $\pm 1.06$ )	2.59 ( $\pm 0.94$ )	3.20 ( $\pm 0.49$ )	3.64 ( $\pm 0.41$ )	2.16 ( $\pm 0.83$ )	3.34 ( $\pm 0.34$ )	3.27 ( $\pm 0.45$ )
Mpumalanga (n=15)	3.11 ( $\pm 0.54$ )	3.69 ( $\pm 0.46$ )	2.78 ( $\pm 0.74$ )	2.33 ( $\pm 0.98$ )	3.51 ( $\pm 0.55$ )	3.71 ( $\pm 0.42$ )	2.47 ( $\pm 0.60$ )	2.80 ( $\pm 0.84$ )	3.21 ( $\pm 0.36$ )	<b>3.72</b> ( $\pm 0.29$ )	2.20 ( $\pm 0.48$ )	3.37 ( $\pm 0.39$ )	3.11 ( $\pm 0.47$ )
Free State (n=18)	3.30 ( $\pm 0.71$ )	<b>3.76</b> ( $\pm 0.39$ )	3.11 ( $\pm 0.77$ )	2.75 ( $\pm 1.16$ )	3.65 ( $\pm 0.42$ )	3.72 ( $\pm 0.40$ )	2.46 ( $\pm 0.71$ )	3.06 ( $\pm 0.64$ )	3.51 ( $\pm 0.37$ )	3.61 ( $\pm 0.47$ )	2.27 ( $\pm 0.54$ )	3.64 ( $\pm 0.42$ )	3.37 ( $\pm 0.44$ )
North West (n=18)	3.54 ( $\pm 0.52$ )	<b>3.81</b> ( $\pm 0.43$ )	3.04 ( $\pm 0.55$ )	3.07 ( $\pm 1.02$ )	3.61 ( $\pm 0.37$ )	3.74 ( $\pm 0.37$ )	2.38 ( $\pm 0.51$ )	3.42 ( $\pm 0.46$ )	3.59 ( $\pm 0.29$ )	3.67 ( $\pm 0.42$ )	2.46 ( $\pm 0.65$ )	3.46 ( $\pm 0.41$ )	3.39 ( $\pm 0.33$ )
Outside SA	3.36	<b>3.57</b>	2.67	2.25	3.48	3.52	2.63	3.00	3.56	3.32	2.40	3.46	3.11

(n=7)	(±0.37)	(±0.53)	(±0.51)	(±1.04)	(±0.50)	(±0.60)	(±0.74)	(±0.65)	(±0.25)	(±0.47)	(±0.67)	(±0.47)	(±0.62)
	3.20	<b>3.74</b>	3.02	2.56	3.56	3.67	2.43	3.08	3.43	3.66	2.32	3.42	3.23
	.597	.487	.614	1.024	.447	.437	.704	.650	.399	.422	.715	.484	.437
f-value	2.207	.456	.773	2.408	.428	.287	.737	2.469	1.689	1.482	.644	1.672	1.080
p-value	.021	.904	.641	.011	.920	.978	.675	.009	.089	.151	.760	.093	.376

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

The results of the above ANOVA (see Table 5.20) revealed significant differences between perceived epistemic value (PEV), perceived emotional value (PEmV), perceived social image value (PSIV) and province of residence. In all three cases, respondents who reside in the Northern Cape rated these perceived values lower than those respondents who live in other provinces. However one needs to keep in mind that only eight respondents who reside in the Northern Cape partook in this survey.

Respondents who reside in the North West Province ( $n=18$ ,  $\bar{x}=3.54$ ,  $SD=\pm.57$ ) rated perceived epistemic value (PEV) higher than those who live in the Northern Cape ( $\bar{x}=2.81$ ,  $SD= \pm.67$ ). Therefore, respondents who reside in the North West Province consider a cruise experience highly in perceived epistemic elements such as discovering something new, visiting places they can speak about when they get home, enjoying the nature and scenery etc. (see Table 5.4) more than did those who reside in the Northern Cape.

When comparing the ratings given for perceived emotional value (PEmV), the Northern Cape ( $\bar{x}=1.25$ ,  $SD=.42$ ) rated perceived emotional value (PEmV) lowest compared to the other places of residence such as outside of South Africa ( $\bar{x}=2.25$ ,  $SD=1.04$ ); Mpumalanga ( $\bar{x}=2.33$ ,  $SD=\pm.98$ ); the Western Cape ( $\bar{x}2.44$ ,  $SD= \pm.96$ ); Gauteng ( $\bar{x}2.53$ ,  $SD=\pm1.01$ ); Eastern Cape ( $\bar{x}=2.54$ ,  $SD=\pm1.17$ ); Limpopo ( $\bar{x}=2.61$ ,  $SD= \pm.938$ ); KwaZulu-Natal ( $\bar{x}=2.76$ ,  $SD=.999$ ); Free State ( $\bar{x}=2.75$ ,  $SD=\pm1.163$ ) and North West Province ( $\bar{x}=3.69$ ,  $SD=\pm1.02$ ). Indicating that perceived emotional attributes such as self-reflection and to think about my personal values, increase my feelings of self-worth and to learn more about myself (see Table 5.6) were rated less important to those cruise passengers who reside in the Northern Cape. It can be deduced that cruise passengers residing in the Northern Cape seek interaction and social environments when booking a cruise, and not elements that are high in perceived emotional value. This could be attributed to the fact that they have enough time to reflect on these values while at home, since most people residing in the Northern Cape live in rural areas due to the size and structure of the province, which lacks the hustle and bustle of exciting places and large numbers of people such as Upington or Kimberley.

Cruise passengers who reside in the North West Province ( $\bar{x}=3.42$ ,  $SD=\pm.46$ ) rated perceived social image value (PSIV) higher than those who reside in the Northern Cape ( $\bar{x}=2.50$ ,  $SD=\pm.55$ ) and Limpopo ( $\bar{x}=2.59$ ,  $SD=\pm.943$ ), which means that elements contributing to perceived social image value (PSIV) such as: *meeting new people and improving the way I am perceived by others* (see Table 5.8) are highly sought by cruise passengers who reside in the North West Province when purchasing a cruise experience.

When analysing the overall mean value ratings for the perceived value groupings and province of residence, it is clear that perceived escape value (PEsV) had the biggest effect on all the recorded groupings. Cruise marketers should therefore focus on elements that heighten perceived escape value in all their marketing initiatives across the country, including the following: experience total relaxation, relax and get away, and have a worry-free vacation. Table 5.21 indicates the results of the ANOVA and Tukey's multiple comparisons for the cruise traveller's province of residence and the post-perceived value dimensions.

**Table 5.21:** Results of ANOVA and tukey's multiple comparisons of the cruise travellers' province of residence and post-perceived value dimensions

Province of residence	P_PE V	P_PE SV	P_PR V	P_PE mV	P_PN V	P_Pe SV	P_PiS V	P_PSI V	P_PR eV	P_PS QV	P_PS V	P_PP MV	P_PRI V
	Mean ( $\bar{x}$ ) (SD)												
Gauteng (n=150)	3.41 (±0.49)	3.47 (±0.57)	3.36 (±0.57)	3.06 (±0.79)	3.03 (±0.67)	2.72 (±0.93)	3.06 (±0.62)	2.70 (±0.82)	<b>3.57</b> (±0.45)	2.14 (±0.66)	3.15 (±0.48)	3.51 (±0.48)	3.22 (±0.52)
KwaZulu-Natal (n=120)	3.46 (±0.48)	3.50 (±0.54)	3.33 (±0.56)	3.11 (±0.76)	3.13 (±0.69)	2.70 (±1.02)	2.98 (±0.75)	2.70 (±0.83)	<b>3.55</b> (±0.45)	2.07 (±0.64)	3.17 (±0.51)	3.54 (±0.43)	3.29 (±0.51)
Eastern Cape (n=34)	3.39 (±0.55)	3.45 (±0.64)	3.37 (±0.56)	3.06 (±0.90)	3.17 (±0.70)	2.71 (±0.92)	3.01 (±0.77)	2.62 (±0.74)	3.45 (±0.52)	2.18 (±0.68)	<b>3.18</b> (±0.37)	<b>3.49</b> (±0.54)	3.18 (±0.52)
Western Cape (n=115)	3.40 (±0.51)	3.37 (±0.62)	3.29 (±0.59)	3.02 (±0.87)	3.08 (±0.70)	2.78 (±0.91)	2.99 (±0.62)	2.60 (±0.79)	<b>3.50</b> (±0.49)	2.18 (±0.76)	3.13 (±0.52)	3.44 (±0.52)	3.27 (±0.51)
Northern Cape (n=6)	3.24 (±0.81)	3.44 (±0.81)	3.17 (±0.98)	3.04 (±1.21)	3.39 (±0.83)	3.17 (±1.11)	3.27 (±0.92)	2.75 (±0.76)	<b>3.80</b> (±0.22)	2.10 (±0.94)	3.57 (±0.48)	3.71 (±0.46)	3.28 (±0.64)
Limpopo (n=11)	3.05 (±0.60)	2.91 (±0.80)	<b>3.36</b> (±0.40)	3.00 (±0.62)	2.76 (±0.83)	2.39 (±1.11)	3.20 (±0.57)	2.77 (±0.88)	3.30 (±0.60)	2.11 (±0.74)	3.09 (±0.41)	3.18 (±0.88)	2.92 (±0.68)
Mpumalanga (n=15)	3.27 (±0.43)	3.27 (±0.62)	3.07 (±0.65)	3.05 (±0.81)	2.82 (±0.60)	2.49 (±0.81)	2.89 (±0.61)	2.40 (±0.93)	<b>3.30</b> (±0.49)	1.92 (±0.61)	2.96 (±0.43)	3.25 (±0.59)	3.09 (±0.44)
Free State (n=18)	3.31 (±0.50)	3.41 (±0.63)	2.94 (±0.82)	3.24 (±0.58)	2.91 (±0.75)	2.61 (±0.99)	2.87 (±0.81)	2.83 (±0.66)	<b>3.42</b> (±0.44)	1.76 (±0.53)	3.09 (±0.38)	3.33 (±0.54)	3.06 (±0.40)
North West (n=18)	3.41 (±0.53)	3.43 (±0.58)	3.15 (±0.68)	3.06 (±0.62)	2.98 (±0.73)	2.54 (±0.88)	2.92 (±0.57)	2.47 (±0.61)	<b>3.56</b> (±0.49)	1.76 (±0.54)	3.19 (±0.59)	3.47 (±0.56)	3.01 (±0.68)
Outside SA (n=7)	2.94 (±0.96)	3.05 (±1.04)	3.19 (±0.57)	2.93 (±0.92)	3.00 (±0.82)	2.81 (±0.96)	3.17 (±0.51)	2.50 (±0.58)	3.40 (±0.51)	1.91 (±0.67)	<b>3.06</b> (±0.50)	<b>3.36</b> (±0.48)	3.31 (±0.48)
Mean Total	3.39	3.42	3.30	3.07	3.06	2.71	3.01	2.66	<b>3.52</b>	2.09	3.15	3.47	3.22
SD Total	.514	.607	.596	.798	.694	.947	.670	.794	.472	.681	.487	.516	.523
f-Value	1.629	1.716	1.466	.223	.958	.547	.559	.608	1.359	1.511	.885	1.344	1.389
p-value	.104	.083	.158	.991	.457	.840	.831	.790	.204	.141	.538	.211	.190

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. P\_PEV = Post-perceived epistemic value; 2. P\_PEsV = Post-perceived escape value; 3. P\_PRV = Post-perceived rejuvenation value; 4. P\_PEmV = Post-perceived emotional value; 5. P\_PNV = Post-perceived novelty value; 6. P\_PeSV = Post-perceived external social value; 7. P\_PiSV = Post-perceived internal social value; 8. P\_PSIV = Post-perceived social image value; 9. P\_PReV = Post-perceived recreational value; 10. P\_PSQV= Post-perceived service & quality value; 11. P\_PSV = Post-perceived sacrifice value; 12. P\_PPMV = Post-perceived package/money value; 13. P\_PriV = Post-perceived risk value

When analysing the ANOVA in Table 5.21, significant differences are evident for post-perceived sacrifice value (P\_PSV) as cruise passengers who reside in Mpumalanga ( $\bar{x}=2.96$ ,  $SD=\pm .428$ ) rated it less important than those who reside in the Northern Cape ( $\bar{x}=3.57$ ,  $SD=\pm .480$ ).

Therefore, Northern Cape cruise tourists take elements such as the ship sinking, experiencing a storm, suffering an illness, or terrorist attack etc. (see Table 5.11) into consideration when evaluating their cruise experience. The following section explores the ANOVA conducted to compare perceived value factors by the acquired level of cruise passengers' education.

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#### 5.6.1.4 ANOVA TO COMPARE PERCEIVED VALUE FACTORS BY CRUISE TRAVELLERS' LEVEL OF EDUCATION

Table 5.22 presents the difference between cruise travellers' level of education and the pre-perceived value dimensions. Statistical differences were identified by a p-value smaller than  $<0.05$  significance level. The means for each level of education and pre-perceived/post-perceived value dimensions were further calculated to explain the identified differences.

**Table 5.22:** Results of ANOVA and tukey's multiple comparisons of the cruise traveller's level of education and pre-perceived value dimensions

Level of education	PEV	PEsV	PRV	PEmV	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
	Mean ( $\bar{x}$ ) (SD $\pm$ )												
Matric/grade 12 (n=173)	3.24 ( $\pm 0.60$ )	<b>3.78</b> ( $\pm 0.45$ )	3.00 ( $\pm 0.57$ )	2.71 ( $\pm 1.00$ )	3.60 ( $\pm 0.42$ )	3.69 ( $\pm 0.43$ )	2.43 ( $\pm 0.74$ )	3.18 ( $\pm 0.62$ )	3.45 ( $\pm 0.37$ )	3.71 ( $\pm 0.39$ )	2.32 ( $\pm 0.75$ )	3.46 ( $\pm 0.47$ )	3.28 ( $\pm 0.43$ )
Diploma/degree (n=14)	3.56 ( $\pm 0.58$ )	3.64 ( $\pm 0.80$ )	3.07 ( $\pm 0.71$ )	3.11 ( $\pm 1.03$ )	3.67 ( $\pm 0.41$ )	<b>3.71</b> ( $\pm 0.41$ )	2.64 ( $\pm 0.59$ )	3.46 ( $\pm 0.57$ )	3.57 ( $\pm 0.39$ )	3.66 ( $\pm 0.40$ )	2.43 ( $\pm 0.65$ )	3.611 ( $\pm 0.49$ )	3.361 ( $\pm 0.44$ )
Post-graduate (n=218)	3.17 ( $\pm 0.61$ )	<b>3.74</b> ( $\pm 0.49$ )	3.05 ( $\pm 0.66$ )	2.52 ( $\pm 1.02$ )	3.55 ( $\pm 0.46$ )	3.67 ( $\pm 0.45$ )	2.42 ( $\pm 0.67$ )	3.06 ( $\pm 0.68$ )	3.42 ( $\pm 0.43$ )	3.64 ( $\pm 0.45$ )	2.37 ( $\pm 0.69$ )	3.39 ( $\pm 0.49$ )	3.18 ( $\pm 0.44$ )
Professional (n=493)	3.16 ( $\pm 0.55$ )	<b>3.68</b> ( $\pm 0.49$ )	2.99 ( $\pm 0.56$ )	2.27 ( $\pm 1.01$ )	3.50 ( $\pm 0.46$ )	3.65 ( $\pm 0.42$ )	2.42 ( $\pm 0.73$ )	2.90 ( $\pm 0.59$ )	3.38 ( $\pm 0.36$ )	3.59 ( $\pm 0.42$ )	2.18 ( $\pm 0.70$ )	3.37 ( $\pm 0.49$ )	3.23 ( $\pm 0.43$ )
Mean total	3.20	<b>3.74</b>	3.03	2.56	3.56	3.67	2.43	3.08	3.43	3.66	2.32	3.42	3.23
SD total	0.60	0.49	0.61	1.03	0.45	0.44	0.70	0.65	0.40	0.42	0.72	.48	.44
f-value	2.21	0.99	0.32	5.22	1.38	0.19	0.46	5.38	1.20	1.54	1.71	1.64	2.257
p-value	0.09	0.40	0.81	0.00	0.25	0.91	0.71	0.00	0.31	0.20	0.16	.179	.081

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/ money value; 13. PRiV = Perceived risk value

The results of the above ANOVA (Table 5.22) revealed significant differences between perceived emotional value (PEmV, Sig dif: 0.00) and perceived social image value (PSIV Sig dif: 0.00) and level of education. In both cases, respondents who claim to have a professional level of education rated these values lower than those respondents who had other qualifications. This could be attributed to the fact that previous research showed that well educated people travel more and are more travel wise than others (Seymour, 2013:27).

Perceived epistemic value (PEV, Sig dif: .086) was rated highest by those respondents who have obtained a diploma/degree ( $\bar{x}$ =3.55, SD= $\pm$ .582), compared to respondents with a professional qualification ( $\bar{x}$ =3.15, SD= $\pm$ .549) who rated it lowest. This implies, for example, that cruise passengers who have obtained a diploma/degree value going on a cruise to increase their knowledge about people, places and things or to experience something that will make them more knowledgeable (see Table 5.4) higher than those who have obtained a professional qualification. Professionals seek relaxing experiences where no thought-provoking exercises are required of them, whereas diploma/degree graduates seek educational experiences and would like to acquire more knowledge when going on a cruise.

Perceived emotional value (PEmV, Sig.001) was also rated highest by those cruise tourists who obtained a diploma/degree ( $\bar{x}$ 3.11, SD= $\pm$ .103) and lowest by those with a post-graduate ( $\bar{x}$ =2.52, SD= $\pm$ .102) and professional qualification ( $\bar{x}$ =2.26, SD= $\pm$ 1.01), indicating that elements that constitute of perceived emotional value such as self-reflecting and thinking about personal values (see Table 5.6) are valued highly by diploma/degree graduates when considering purchasing a cruise. It can be inferred that while professionally qualified cruise passengers are content with their accomplishments, diploma/degree graduates seek experiences that will make them feel more accomplished.

Perceived social image value (PSIV, sig.001) was positively perceived as a contributor to the cruise experience by those who have obtained a diploma/ degree ( $\bar{x}$ =3.46, SD= $\pm$ .571). Post-graduates ( $\bar{x}$ =3.05, SD= $\pm$ .680) and professionals ( $\bar{x}$ =2.90, SD= $\pm$ .591) indicated that it was of less value to their expected cruise experience. Therefore, meeting new people and improving the way I am perceived by others are important contributing elements in the decision to purchase among diploma/degree graduates.

It can be inferred that diploma/degree graduate cruise passengers have a need to receive the approval of others and want to develop new relationships by meeting new people. As seen in Chapter 2, other cruise passengers are an influence on the cruise experience and therefore are vital role players in this process. As can be seen from the above, those cruise passengers who have obtained a diploma/degree rated perceived epistemic value, perceived emotional value and perceived social image value as significant contributors to their overall expected cruise experience and these perceived values need to be incorporated into marketing material directed at this segment. Table 5.23 indicates the results of the ANOVA and Tukey's multiple comparisons of the cruise travellers' level of education and post-perceived value dimensions.

**Table 5.23:** Results of ANOVA and tukey's multiple comparisons of the cruise travellers' level of education and post-perceived value dimensions

Level of education	P_PEV	P_PEsV	P_PRV	P_PEmV	P_PNV	P_PeSV	P_PiSV	P_PSiV	P_PReV	P_PSQV	P_PSV	P_PPMV	P_PRIV
	Mean ( $\bar{x}$ ) (SD $\pm$ )												
Matric/grade 12 (n=173)	3.37 ( $\pm 0.51$ )	3.40 ( $\pm 0.60$ )	3.29 ( $\pm 0.61$ )	2.99 ( $\pm 0.84$ )	3.05 ( $\pm 0.71$ )	2.71 ( $\pm 0.94$ )	2.96 ( $\pm 0.70$ )	2.63 ( $\pm 0.74$ )	<b>3.47</b> ( $\pm 0.48$ )	2.17 ( $\pm 0.66$ )	3.41 ( $\pm 0.57$ )	3.11 ( $\pm 0.47$ )	3.18 ( $\pm 0.53$ )
Diploma/degree (n=14)	3.56 ( $\pm 0.43$ )	3.43 ( $\pm 0.56$ )	3.31 ( $\pm 0.65$ )	3.34 ( $\pm 0.52$ )	3.05 ( $\pm 0.65$ )	2.60 ( $\pm 0.74$ )	3.06 ( $\pm 0.80$ )	2.71 ( $\pm 0.83$ )	<b>3.64</b> ( $\pm 0.45$ )	1.87 ( $\pm 0.55$ )	3.48 ( $\pm 0.51$ )	3.27 ( $\pm 0.43$ )	3.30 ( $\pm 0.56$ )
Post-graduate (n=218)	3.37 ( $\pm 0.52$ )	3.40 ( $\pm 0.64$ )	3.30 ( $\pm 0.58$ )	3.06 ( $\pm 0.81$ )	3.05 ( $\pm 0.70$ )	2.71 ( $\pm 0.97$ )	3.00 ( $\pm 0.68$ )	2.70 ( $\pm 0.83$ )	<b>3.54</b> ( $\pm 0.47$ )	2.07 ( $\pm 0.71$ )	3.50 ( $\pm 0.49$ )	3.13 ( $\pm 0.51$ )	3.22 ( $\pm 0.52$ )
Professional (n=88)	3.48 ( $\pm 0.49$ )	3.50 ( $\pm 0.57$ )	3.34 ( $\pm 0.61$ )	3.20 ( $\pm 0.72$ )	3.09 ( $\pm 0.66$ )	2.70 ( $\pm 0.94$ )	3.13 ( $\pm 0.55$ )	2.59 ( $\pm 0.82$ )	<b>3.55</b> ( $\pm 0.46$ )	2.05 ( $\pm 0.67$ )	3.53 ( $\pm 0.46$ )	3.23 ( $\pm 0.47$ )	3.26 ( $\pm 0.50$ )
Total	493	493	493	493	493	493	493	493	493	493	493	493	493
Total	3.40	3.42	3.30	3.07	3.06	2.71	3.01	2.66	3.52	2.10	3.47	3.1469	3.2203
Total	0.51	0.61	0.60	0.80	0.69	0.95	0.67	0.80	0.47	0.68	0.52	.48725	.52326
f-Value	1.64	0.57	0.17	1.91	0.10	0.07	1.20	0.60	1.17	1.46	1.37	1.452	.587
p-value	0.18	0.63	0.92	0.13	0.96	0.98	0.31	0.62	0.32	0.23	0.25	.227	.624

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. P\_PEV = Post-perceived epistemic value; 2. P\_PEsV = Post-perceived escape value; 3. P\_PRV = Post-perceived rejuvenation value; 4. P\_PEmV = Post-perceived emotional value; 5. P\_PNV = Post-perceived novelty value; 6. P\_PeSV = Post-perceived external social value; 7. P\_PiSV = Post-perceived internal social value; 8. P\_PSIV = Post-perceived social image value; 9. P\_PReV = Post-perceived recreational value; 10. P\_PSQV= Post-perceived service & quality value; 11. P\_PSV = Post-perceived sacrifice value; 12. P\_PPMV = Post-perceived package/money value; 13. P\_PriV = Post-perceived risk value

There were no significant relationships found between the post-perceived values and level of education. However, all four level of education categories rated post-perceived recreational value (P\_PReV) highly. This indicates that factors that constitute of post-perceived recreational value (P\_PReV), such as the poolside beverage service and bar facilities offered, the dining room atmosphere and presentation, cabin size and casino (see Table 5.9) added great value to the cruise experience. As seen in Chapter 2, facilities and services are key contributors to the total cruise experience. Management must take note thereof and must make sure that facilities are kept in mint condition and that services must always be of the highest standard.

When comparing the expectations of the diploma/degree education level group to their experience, mean values for PEV ( $\bar{x}=3.56$ , sig.43) and PEmV ( $\bar{x}=3.34$ , sig.52) increased and therefore exceeded their expectations. However, they rated perceived image social value (PSIV) much lower once they returned from their cruise ( $\bar{x}=2.71$ , sig.83). It is clear that meeting new people and improving the way they are perceived by others do not play such a vital role after the cruise. This could be attributed to the fact that once the cruise is over, they are removed from the social context of other cruise passengers and return back to their daily routines, and therefore other cruise passengers cannot pose as an influence anymore.

## 5.6.2 THE RELATIONSHIP BETWEEN SELECTED TRAVEL BEHAVIOUR PROFILE ASPECTS AND PERCEIVED VALUES

In addition to the above, a second set of ANOVAs were conducted to reveal significant differences between cruise travel behaviour aspects and perceived value dimensions. These were once again applied to both the pre- and post-perceived value dimensions.

- **Travel budget:** A correlation matrix was conducted on travel budget and the pre- and post-value dimensions to test for significant differences.
- **Travel companion:** The first ANOVA used in this section examined the difference between cruise travellers' travel companions and the pre- and post-perceived value dimensions. Tukey's *post hoc* multiple comparison was further used to explore differences between the different cruise travellers' travel companions with regard to each dimension (pre- and post).
- **Travel habits:** A second ANOVA was performed to determine whether significant differences between cruise travellers' travel habits and each pre- and post-perceived value dimension could be revealed. Once again, Tukey's *post hoc* multiple comparison was conducted to investigate the differences between each group of travel habits and the pre- and post-perceived value dimensions.
- **Method of purchase and journey arrangements:** There were no significant differences revealed for method of purchase and journey arrangements.

The following section scrutinises a correlation matrix conducted to compare perceived value factors by travel budget.

### 5.6.2.1 CORRELATION MATRIX TO COMPARE PERCEIVED VALUE FACTORS BY TRAVEL BUDGET

A correlation matrix was found to be the most appropriate approach to test the relationship between the cruise travel behaviour aspect (travel budget) and the pre- and post-perceived values. A correlation of 0 indicates no relationship at all, a correlation of 1.0 indicates a perfect positive correlation and a value of -1.0 indicates a perfect negative correlation. Cohen's (1988:79) guidelines were once again used to interpret the correlations and suggest that: small rho= 0.10-0.29; medium rho= 0.30-0.49, and large rho= 0.50-1.0.

Table 5.24 indicates correlations between travel budget and the pre-perceived values. As can be seen from of the p-values, factors are statistically significant.

**Table 5.24:** Correlation matrix to compare perceived value factors by travel budget

Construct		Correlation Matrix												
		PEV	PEsV	PRV	PEm V	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
1. Travel Budget	Correlation coefficient	-.010	.012	-.037	-.084	<b>-.132**</b>	.022	.036	.013	-.053	-.060	.010	-.035	-.091*
	Sig. (2-tailed)	.831	.792	.415	.061	.003	.633	.433	.780	.236	.184	.816	.440	.043
	N	494	494	488	494	494	494	488	494	494	494	494	494	494

Note: \*small  $r_s = .10-.29$ , \*\*medium  $r_s = .30-.49$ , \*\*\*large  $r_s = .50-1.0$ . Constructs: PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived External social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

Table 5.24 shows a small negative correlation ( $r_s = -0.132$ ) between perceived novelty value (PNV) and travel budget. Therefore, the higher the travel budget of the cruise passengers is, the less they value perceived novelty value (PNV). Going on a cruise to feel excited, or that everyone seems to have a great time on board cruises (see Table 5.7) are elements that are deemed less important the higher the cruise passengers' travel budget is. It can be assumed that tourists who have a higher travel budget are more experienced travellers and might travel more, therefore are more travel wise.

The following section explores the ANOVA conducted to compare perceived value factors with cruise travellers' travel companion.

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#### **5.6.2.2 ANOVA TO COMPARE PERCEIVED VALUE FACTORS BY CRUISE TRAVELLERS' TRAVEL COMPANION**

Table 5.25 presents an ANOVA and Tukey's multiple comparisons conducted to identify significant differences between the cruise travellers' travel companion and the pre-perceived value dimensions. Statistical differences were identified by a p-value smaller than the <0.05 significance level. The means for each travel companion aspect and pre-perceived/post-perceived value dimensions were further calculated to explain the identified differences.

**Table 5.25:** Results of ANOVA and tukey's multiple comparisons of the cruise travellers' travel companion and pre-perceived value dimensions

Travel companion	PEV	PEsV	PRV	PEmV	PNV	PeSV	PiSV	PSIV	PReV	PSQV	PSV	PPMV	PRiV
	Mean ( $\bar{x}$ ) (SD $\pm$ )												
Spouse (n=248)	3.20 ( $\pm 0.58$ )	<b>3.78</b> ( $\pm 0.40$ )	3.07 ( $\pm 0.57$ )	2.51 ( $\pm 1.02$ )	3.58 ( $\pm 0.42$ )	3.70 ( $\pm 0.40$ )	2.39 ( $\pm 0.70$ )	3.01 ( $\pm 0.65$ )	3.43 ( $\pm 0.36$ )	3.68 ( $\pm 0.39$ )	2.32 ( $\pm 0.67$ )	3.46 ( $\pm 0.48$ )	3.24 ( $\pm 0.41$ )
Family member (n=86)	3.27 ( $\pm 0.51$ )	<b>3.77</b> ( $\pm 0.36$ )	2.99 ( $\pm 0.61$ )	2.69 ( $\pm 1.00$ )	3.56 ( $\pm 0.42$ )	3.66 ( $\pm 0.45$ )	2.38 ( $\pm 0.70$ )	3.22 ( $\pm 0.62$ )	3.44 ( $\pm 0.37$ )	3.68 ( $\pm 0.39$ )	2.42 ( $\pm 0.74$ )	3.39 ( $\pm 0.43$ )	3.26 ( $\pm 0.39$ )
Lover/girlfriend/ boyfriend (n=79)	3.20 ( $\pm 0.66$ )	<b>3.66</b> ( $\pm 0.62$ )	3.01 ( $\pm 0.71$ )	2.50 ( $\pm 1.03$ )	3.54 ( $\pm 0.46$ )	3.63 ( $\pm 0.51$ )	2.52 ( $\pm 0.77$ )	3.01 ( $\pm 0.68$ )	3.44 ( $\pm 0.44$ )	3.63 ( $\pm 0.42$ )	2.30 ( $\pm 0.80$ )	3.34 ( $\pm 0.48$ )	3.21 ( $\pm 0.46$ )
Friend (n=67)	3.19 ( $\pm 0.65$ )	<b>3.69</b> ( $\pm 0.62$ )	2.96 ( $\pm 0.64$ )	2.62 ( $\pm 1.09$ )	3.58 ( $\pm 0.43$ )	3.65 ( $\pm 0.43$ )	2.54 ( $\pm 0.59$ )	3.25 ( $\pm 0.56$ )	3.45 ( $\pm 0.40$ )	3.63 ( $\pm 0.44$ )	2.28 ( $\pm 0.68$ )	3.49 ( $\pm 0.48$ )	3.25 ( $\pm 0.48$ )
Group (n=11)	3.19 ( $\pm 0.63$ )	<b>3.70</b> ( $\pm 0.46$ )	2.77 ( $\pm 0.47$ )	2.93 ( $\pm 0.86$ )	3.55 ( $\pm 0.52$ )	<b>3.76</b> ( $\pm 0.40$ )	2.22 ( $\pm 0.67$ )	3.36 ( $\pm 0.60$ )	3.31 ( $\pm 0.44$ )	3.60 ( $\pm 0.50$ )	1.76 ( $\pm 0.79$ )	3.27 ( $\pm 0.49$ )	3.11 ( $\pm 0.65$ )
N	491	491	485	491	491	491	485	491	491	491	491	491	491
Mean total	3.21	3.75	3.03	2.56	3.57	3.68	2.43	3.09	3.43	3.66	2.32	3.43	3.23
SD total	0.59	0.47	0.61	1.02	0.43	0.43	0.70	0.64	0.38	0.41	0.71	0.48	0.43
f-Value	0.27	1.25	1.06	0.96	0.16	0.65	1.28	3.66	0.33	0.42	2.16	1.56	0.36
p-value	.896	.288	.376	.430	.960	.630	.278	.006	.858	.795	.072	.185	.836

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

Table 5.25 indicates a significant difference (sig. 0.006) between perceived social image value (PSIV) and the cruise travellers' travel companion. Since the p-value is lower than 0.005 the test is significant, indicating a significant relationship between perceived social image value and cruise travellers travel companion. Which indicates that the cruise travellers' travel companion has an influence on the pre-perceived social image value which they experience and elements such as meeting new people and improving the way I am perceived by others (see Table 5.8) play a role.

Table 5.25 reveals that those cruise passengers who travelled in a group ( $\bar{x}=1.76$ ,  $SD= \pm .789$ ) rated perceived sacrifice value (PSV, sig.072) lower than those who travelled with a lover/girlfriend/boyfriend ( $\bar{x}=2.29$ ,  $SD= \pm .796$ ), spouse ( $\bar{x}=2.32$ ,  $SD= \pm .667$ ) or family member ( $\bar{x}=2.41$ ,  $SD= \pm .704$ ). This could be attributed to the security and familiarity of travelling with people one knows, thereby reducing factors that are perceived as a sacrifice such as the ship sinking during the cruise, experiencing a storm, suffering an illness or being conned or attacked during the cruise (see Table 5.11). When travelling with a family member, friend, lover, boyfriend or girlfriend that person becomes your responsibility and being succumbed to an illness during the cruise could ruin both persons' experience, whereas travel with a group of people alleviates the risk as the group carries on despite one person's misfortune.

As can be seen in Table 5.25, perceived escape value (PEV) was highly rated as an important contributing factor when taking the decision to go on a cruise by all travel companion segments. Elements such as total relaxation, getting away, having a worry-free vacation, experiencing fresh, clean air and the environment, enjoying the leisure facilities and being rejuvenated (see Table 5.5) affect the way these travel segments perceive a cruise experience and should therefore be focused on in advertising and marketing strategies.

Table 5.26 reveals the results of ANOVA results for Tukey's multiple comparisons of the cruise travellers' travel companion and post-perceived value dimensions.

**Table 5.26:** Results of ANOVA and tukey's multiple comparisons of the cruise travellers' travel companion and post-perceived value dimensions

Travel companion	P_PEV	P_PESV	P_PRV	P_PEmV	P_PNV	P_PeSV	P_PiSV	P_PSIV	P_PReV	P_PSQV	P_PSV	P_PPMV	P_PriV
	Mean ( $\bar{x}$ ) (SD $\pm$ )												
Spouse (n=248)	3.37 ( $\pm 0.53$ )	3.35 ( $\pm 0.65$ )	3.30 ( $\pm 0.58$ )	3.04 ( $\pm 0.79$ )	2.99 ( $\pm 0.73$ )	2.66 ( $\pm 0.96$ )	3.01 ( $\pm 0.67$ )	2.72 ( $\pm 0.79$ )	<b>3.48</b> ( $\pm 0.47$ )	2.09 ( $\pm 0.64$ )	3.45 ( $\pm 0.53$ )	3.12 ( $\pm 0.48$ )	3.15 ( $\pm 0.54$ )
Family member (n=86)	3.44 ( $\pm 0.54$ )	3.48 ( $\pm 0.61$ )	3.41 ( $\pm 0.56$ )	3.10 ( $\pm 0.85$ )	3.06 ( $\pm 0.67$ )	2.71 ( $\pm 0.97$ )	3.04 ( $\pm 0.59$ )	2.59 ( $\pm 0.78$ )	<b>3.57</b> ( $\pm 0.48$ )	2.09 ( $\pm 0.63$ )	3.49 ( $\pm 0.51$ )	3.20 ( $\pm 0.52$ )	3.27 ( $\pm 0.48$ )
Lover/ girlfriend/ boyfriend (n=79)	3.48 ( $\pm 0.45$ )	3.51 ( $\pm 0.55$ )	3.29 ( $\pm 0.67$ )	3.13 ( $\pm 0.82$ )	3.22 ( $\pm 0.64$ )	2.86 ( $\pm 0.95$ )	2.97 ( $\pm 0.77$ )	2.66 ( $\pm 0.81$ )	<b>3.56</b> ( $\pm 0.45$ )	2.18 ( $\pm 0.81$ )	3.48 ( $\pm 0.49$ )	3.18 ( $\pm 0.52$ )	3.39 ( $\pm 0.46$ )
Friend (n=67)	3.37 ( $\pm 0.51$ )	3.47 ( $\pm 0.51$ )	3.21 ( $\pm 0.61$ )	3.13 ( $\pm 0.70$ )	3.13 ( $\pm 0.62$ )	2.70 ( $\pm 0.85$ )	3.11 ( $\pm 0.58$ )	2.57 ( $\pm 0.78$ )	<b>3.58</b> ( $\pm 0.50$ )	2.04 ( $\pm 0.71$ )	3.49 ( $\pm 0.53$ )	3.14 ( $\pm 0.44$ )	3.23 ( $\pm 0.54$ )
Group (n=11)	3.20 ( $\pm 0.35$ )	3.42 ( $\pm 0.50$ )	3.00 ( $\pm 0.61$ )	2.55 ( $\pm 0.81$ )	2.94 ( $\pm 0.74$ )	2.79 ( $\pm 0.99$ )	2.58 ( $\pm 0.71$ )	2.36 ( $\pm 0.95$ )	<b>3.50</b> ( $\pm 0.49$ )	2.11 ( $\pm 0.68$ )	3.59 ( $\pm 0.45$ )	3.07 ( $\pm 0.51$ )	3.08 ( $\pm 0.57$ )
Total mean	3.40	3.42	3.30	3.07	3.06	2.71	3.01	2.66	3.52	2.10	3.47	3.15	3.22
Total SD	( $\pm 0.51$ )	( $\pm 0.61$ )	( $\pm 0.60$ )	( $\pm 0.80$ )	( $\pm 0.69$ )	( $\pm 0.94$ )	( $\pm 0.67$ )	( $\pm 0.79$ )	( $\pm 0.47$ )	( $\pm 0.68$ )	( $\pm 0.52$ )	( $\pm 0.49$ )	( $\pm 0.52$ )
f-value	1.25	1.52	1.79	1.50	1.90	0.69	1.66	1.09	1.14	0.47	0.34	0.53	3.73
p-value	.290	.195	.129	.200	.109	.601	.159	.361	.336	.759	.852	.715	.005

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. P\_PEV = Post-perceived epistemic value; 2. P\_PESV = Post-perceived escape value; 3. P\_PRV = Post-perceived rejuvenation value; 4. P\_PEmV = Post-perceived emotional value; 5. P\_PNV = Post-perceived novelty value; 6. P\_PeSV = Post-perceived external social value; 7. P\_PiSV = Post-perceived internal social value; 8. P\_PSIV = Post-perceived social image value; 9. P\_PReV = Post-perceived recreational value; 10. P\_PSQV= Post-perceived service & quality value; 11. P\_PSV = Post-perceived sacrifice value; 12. P\_PPMV = Post-perceived package/money value; 13. P\_PriV = Post-perceived risk value

Table 5.26 indicates a significant difference (Sig dif: 0.005) between post-perceived risk value (P\_PriV) and cruise travellers' travel companion. Since the p-value is 0.005 the test is significant, indicating a significant relationship between post-perceived risk value and cruise travellers travel companion. Which indicates that the cruise travellers' travel companion has an influence on the post-perceived risk value which the cruise passengers experience and elements such as *marketing and promotions by the cruise company, going on a cruise is something which I've always wanted to do, recommendations of friends, recommendations of experts (e.g. travel agents) and I enjoy being at the sea/on the water* (see Table 5.13) play a role.

Post-perceived rejuvenate value (P\_PRV, Sig .376) was rated higher by those cruise passengers who travelled with a family member ( $\bar{x}$ =3.40, SD= $\pm$ .611) than those who travelled in a group ( $\bar{x}$ =3.00, SD= $\pm$ .472), indicating that attributes such as experiencing fresh, clean air and the environment, enjoying the leisure facilities and to have fun and to be rejuvenated (see Table 5.5) added great value to their cruise experience. Therefore, managers need to ensure that family activities are orientated around these attributes to enhance the post-perceived rejuvenate value (P\_PRV) experienced by cruise passengers travelling with family, as being able to relax and have fun with family members is obviously an important element to them.

Post-perceived emotional value (P\_PEmV, Sig.200) was rated lowest by cruise passengers who travelled in a group ( $\bar{x}$ =2.55, SD=  $\pm$ .812), when compared to other travel companion groups (spouse,  $\bar{x}$ =3.04, SD=  $\pm$ .789; family member,  $\bar{x}$ =3.10, SD= $\pm$ .854; friend,  $\bar{x}$ =3.12, SD=  $\pm$ .700; lover/girlfriend/boyfriend,  $\bar{x}$ =3.12, SD=  $\pm$ .821). This indicates that factors such as self-reflecting and thinking about my personal values, increasing my feelings of self-worth, learning more about myself and deriving a feeling of accomplishment (see Table 5.6) are considered as less important to those tourists travelling in a group. This could be attributed to the fact that they were travelling with a group and did not expect to have any time alone as most activities would be orientated around the group. When comparing their expected pre-perceived value ( $\bar{x}$ =2.93, SD=  $\pm$ .86) with their post-perceived emotional value ( $\bar{x}$ =2.55, SD=  $\pm$ .812), it is clear that this was not an important attribute to them as they did not rate it highly before they went on the cruise either.

Post-perceived external social value (P\_PeSV, Sig 0.159) was rated lowest by those cruise passengers who travelled in a group ( $\bar{x}$ =2.58, SD=  $\pm$ .706), when compared to other travel

groups such as travelling with a lover/girlfriend/boyfriend ( $\bar{x}$ =2.96, SD=  $\pm$ .768); or a spouse ( $\bar{x}$  = 3.01, SD=  $\pm$ .670); or family member ( $\bar{x}$ =3.04, SD=  $\pm$ .589) or friend ( $\bar{x}$ =3.11, SD=  $\pm$ .578), indicating that factors such as spending time with someone special (spouse, partner, family or friend), meeting someone special (potential romance), to rekindle, improve or strengthen a relationship (see Table 5.8) were not considered a contributing factor to their cruise experience. This could be due to these cruise passengers going on a cruise as part of a group to spend time with members outside of your direct social circle and focus on dynamics that are group focused.

As seen in Table 5.8 those people travelling in a group rated most of the post-perceived value factors lower than the other cruise traveller travel companion groups. These post-perceived value groups included perceived epistemic value (PEV); perceived rejuvenate value (PRV); perceived emotional value (PEmV); perceived novelty value (PNV); perceived internal social value (PiSV) and perceived social image value (PSIV). However the only item which they deemed more important than the other groups was perceived sacrifice value (PSV) indicating that they, for example, perceived the fear of the ship sinking or experiencing a storm higher than the other groupings (see Table 5.11).

Since families are currently the biggest segment of the South African cruise market (as found in this research) (see Table 5.1), cruise companies should focus their attention on the perceived values that are highly sought (e.g. perceived escape value (PEsV) and perceived sacrifice value (PSV) by this market in an effort to continue attracting this segment. A second ANOVA was developed for cruise traveller travel behaviour aspects and explores the relationship between perceived values and cruise travellers' travel habits; this is explored in the following section.

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#### **5.6.2.3 ANOVA TO COMPARE PERCEIVED VALUE FACTORS BY CRUISE TRAVELLERS' TRAVEL HABITS**

Table 5.27 presents the difference between cruise travellers' travel habits and the pre-perceived value dimensions. Statistical differences were identified by a p-value smaller than the <0.05 significance level. The means for cruise travellers' travel habits and pre-perceived/post-perceived value dimensions were further calculated to explain the identified differences.

**Table 5.27:** Results of ANOVA and tukey's multiple comparisons of the cruise travellers' travel habits and pre-perceived value dimensions

Travel habits	PEV	PEsV	PRV	PEm V	PNV	PeSV	PiSV	PSIV	PReV	PSQ V	PSV	PPM V	PRiV
	Mean ( $\bar{x}$ ) (SD $\pm$ )												
Less than a month (n=36)	3.26 ( $\pm 0.60$ )	3.52 ( $\pm 0.76$ )	2.94 ( $\pm 0.81$ )	2.67 ( $\pm 0.95$ )	3.61 ( $\pm 0.47$ )	3.75 ( $\pm 0.34$ )	2.24 ( $\pm 0.74$ )	3.26 ( $\pm 0.80$ )	3.41 ( $\pm 0.43$ )	<b>3.78</b> ( $\pm 0.34$ )	2.11 ( $\pm 0.78$ )	3.50 ( $\pm 0.55$ )	3.15 ( $\pm 0.54$ )
2-3 months (n=90)	3.19 ( $\pm 0.52$ )	<b>3.78</b> ( $\pm 0.44$ )	2.92 ( $\pm 0.52$ )	2.53 ( $\pm 1.01$ )	3.53 ( $\pm 0.44$ )	3.61 ( $\pm 0.49$ )	2.50 ( $\pm 0.69$ )	3.17 ( $\pm 0.61$ )	3.49 ( $\pm 0.35$ )	3.62 ( $\pm 0.42$ )	2.38 ( $\pm 0.76$ )	3.35 ( $\pm 0.50$ )	3.19 ( $\pm 0.47$ )
4-5 months (n=82)	3.13 ( $\pm 0.60$ )	<b>3.66</b> ( $\pm 0.55$ )	3.11 ( $\pm 0.58$ )	2.45 ( $\pm 1.10$ )	3.49 ( $\pm 0.45$ )	3.61 ( $\pm 0.50$ )	2.38 ( $\pm 0.74$ )	3.04 ( $\pm 0.62$ )	3.35 ( $\pm 0.40$ )	3.53 ( $\pm 0.45$ )	2.27 ( $\pm 0.71$ )	3.35 ( $\pm 0.47$ )	3.22 ( $\pm 0.41$ )
6-7 months (n=86)	3.18 ( $\pm 0.71$ )	<b>3.69</b> ( $\pm 0.56$ )	3.05 ( $\pm 0.64$ )	2.42 ( $\pm 0.99$ )	3.55 ( $\pm 0.54$ )	<b>3.69</b> ( $\pm 0.45$ )	2.53 ( $\pm 0.65$ )	3.11 ( $\pm 0.62$ )	3.39 ( $\pm 0.48$ )	3.66 ( $\pm 0.48$ )	2.41 ( $\pm 0.71$ )	3.40 ( $\pm 0.50$ )	3.20 ( $\pm 0.43$ )
8-9 months (n=53)	3.23 ( $\pm 0.63$ )	<b>3.79</b> ( $\pm 0.37$ )	3.01 ( $\pm 0.62$ )	2.70 ( $\pm 1.10$ )	3.60 ( $\pm 0.42$ )	3.73 ( $\pm 0.40$ )	2.38 ( $\pm 0.61$ )	3.09 ( $\pm 0.56$ )	3.45 ( $\pm 0.32$ )	3.69 ( $\pm 0.38$ )	2.32 ( $\pm 0.63$ )	3.51 ( $\pm 0.45$ )	3.25 ( $\pm 0.42$ )
10-11 months (n=72)	3.18 ( $\pm 0.59$ )	<b>3.77</b> ( $\pm 0.43$ )	3.06 ( $\pm 0.57$ )	2.53 ( $\pm 0.99$ )	3.59 ( $\pm 0.39$ )	3.67 ( $\pm 0.40$ )	2.44 ( $\pm 0.73$ )	2.92 ( $\pm 0.55$ )	3.44 ( $\pm 0.35$ )	3.73 ( $\pm 0.36$ )	2.29 ( $\pm 0.74$ )	3.45 ( $\pm 0.46$ )	3.29 ( $\pm 0.41$ )
More than a year (n=75)	3.30 ( $\pm 0.53$ )	<b>3.88</b> ( $\pm 0.25$ )	3.04 ( $\pm 0.64$ )	2.77 ( $\pm 0.99$ )	3.62 ( $\pm 0.41$ )	3.73 ( $\pm 0.37$ )	2.38 ( $\pm 0.76$ )	3.05 ( $\pm 0.79$ )	3.45 ( $\pm 0.41$ )	3.67 ( $\pm 0.43$ )	2.32 ( $\pm 0.67$ )	3.47 ( $\pm 0.47$ )	3.29 ( $\pm 0.42$ )
Total n	494	494	488	494	494	494	488	494	494	494	494	494	494
Total mean	3.20	3.74	3.02	2.56	3.56	3.67	2.43	3.08	3.43	3.66	2.32	3.42	3.23
Total SD	0.60	0.49	0.61	1.02	0.45	0.44	0.70	0.65	0.40	0.42	0.72	0.48	0.44
f-value	0.64	3.02	0.90	1.20	0.89	1.13	1.10	1.60	1.06	2.32	0.95	1.23	0.93
p-value	.695	.007	.495	.304	.503	.344	.359	.145	.385	.032	.460	.291	.476

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. PEV = Perceived epistemic value; 2. PEsV = Perceived escape value; 3. PRV = Perceived rejuvenation value; 4. PEmV = Perceived emotional value; 5. PNV = Perceived novelty value; 6. PeSV = Perceived external social value; 7. PiSV = Perceived internal social value; 8. PSIV = Perceived social image value; 9. PReV = Perceived recreational value; 10. PSQV= Perceived service & quality value; 11. PSV = Perceived sacrifice value; 12. PPMV = Perceived package/money value; 13. PRiV = Perceived risk value

Table 5.27 indicates a significant difference for perceived escape value (PEmV, Sig dif: 0.007), perceived social / quality value (PSQV, Sig dif: 0.032) and cruise travellers' travel habits. Since the p-value is 0.005 the test is significant, indicating a significant relationship between post-perceived risk value and cruise travellers travel companion. Which indicates that the cruise travellers' travel habits has an influence on the perceived escape value (see Table 5.5) and perceived social / quality value (see Table 5.10) which the cruise passengers experience before a cruise. Perceived escape value (PEsV, Sig .007) is rated slightly more important to those cruise tourists who plan their cruise a year in advance ( $\bar{x}$ =3.87, SD=  $\pm$ .249), when compared to those cruise tourists who plan a cruise a month ( $\bar{x}$ =3.51, SD=  $\pm$ .757) before departure. This could be attributed to the fact that cruise passengers who plan a cruise in advance place more pressure on the expected outcome of the cruise as they have more time to plan and look forward to their cruise vacation.

Other travel habits, i.e. 10 to 11 months ( $\bar{x}$ =3.77, SD=  $\pm$ .429); two to three months ( $\bar{x}$ =3.77, SD=  $\pm$ .438) and eight to nine months in advance ( $\bar{x}$ =3.78, SD=  $\pm$ .370) also indicated that perceived escape value added the most to their decision to cruise. Therefore, marketers need to focus enhancing elements of total relaxation, getting away, having a worry-free vacation, experiencing fresh, clean air and the environment, enjoying leisure facilities, having fun and being rejuvenated into their marketing campaigns a year before the cruise season opens as this has a big influence on cruise passengers' decision to travel.

Perceived social image value (PSIV, Sig. 145) contributed to those cruise passengers who planned their cruise less than a month ( $\bar{x}$ =3.26, SD=  $\pm$ .797) before the cruise, while those who planned their cruise 10 to 11 months ( $\bar{x}$ =2.92, SD=  $\pm$ .554) in advance said that perceived social image value did not have an effect on their decision to travel. Those tourists who took an impulsive decision and decided to cruise less than a month ( $\bar{x}$ =3.78, SD=  $\pm$ .338) before departure, indicated that perceived service & quality value (Sig.032) influenced their decision to travel, as they rated it higher than any other travel habit (e.g. 4-5 months,  $\bar{x}$ =3.52, SD=  $\pm$ .447).

In order to attract cruise passengers who make their travel and journey arrangements a year in advance, cruise marketers should focus their marketing strategies on elements that enhance perceived escape value (PEsV), such as total relaxation, getting away, having a worry-free vacation, experiencing fresh, clean air and the environment etc. (see Table 5.5), as these are highly sought experiences from this cruise market.

When attracting those tourists who book their cruise less than a month before departure, cruise marketers should enhance factors unique to perceived social image value (PSIV), such as meeting new people and improving the way they are perceived (see Table 5.8) and perceived service quality values (PSQV – e.g. the cruise company will deliver helpful, professional, courteous, polite and respectful employees...see Table 5.10), as these are highly sought by this market when making a decision to purchase a cruise. This indicates that cruise passengers who book their cruise less than a month before departure are still concerned with service quality attributes and the way in which they will be perceived, which will add to the quality and value of their total cruise experience.

Table 5.28 indicates the results of the ANOVA results and Turkey’s multiple comparisons of the cruise travellers’ travel habits and post-perceived value dimensions.

**Table 5.28:** Results of ANOVA and tukey’s multiple comparisons of the cruise travellers’ travel habits and post-perceived value dimensions

Travel habits	P_PEV	P_PEsV	P_PRV	P_PEmV	P_PNV	P_PeSv	P_PiSv	P_PSIV	P_PReV	P_PSQV	P_PSV	P_PPMV	P_PRIV
	Mean ( $\bar{x}$ ) (SD $\pm$ )												
Less than a month (n=36)	3.49 ( $\pm 0.43$ )	3.62 ( $\pm 0.37$ )	3.35 ( $\pm 0.50$ )	3.31 ( $\pm 0.64$ )	3.18 ( $\pm 0.67$ )	2.76 ( $\pm 1.00$ )	2.95 ( $\pm 0.67$ )	2.56 ( $\pm 0.94$ )	<b>3.63</b> ( $\pm 0.41$ )	2.06 ( $\pm 0.72$ )	3.58 ( $\pm 0.44$ )	3.18 ( $\pm 0.55$ )	3.38 ( $\pm 0.46$ )
2-3 months (n=90)	3.38 ( $\pm 0.53$ )	3.41 ( $\pm 0.63$ )	3.36 ( $\pm 0.55$ )	2.97 ( $\pm 0.79$ )	3.06 ( $\pm 0.67$ )	2.83 ( $\pm 0.88$ )	3.02 ( $\pm 0.58$ )	2.59 ( $\pm 0.74$ )	<b>3.47</b> ( $\pm 0.46$ )	2.03 ( $\pm 0.64$ )	3.45 ( $\pm 0.50$ )	3.16 ( $\pm 0.46$ )	3.26 ( $\pm 0.47$ )

4-5 months (n=82)	3.42 (±0.50)	3.37 (±0.64)	3.27 (±0.70)	3.25 (±0.66)	3.13 (±0.74)	2.67 (±1.04)	3.03 (±0.79)	2.70 (±0.85)	3.53 (±0.52)	2.14 (±0.69)	<b>3.55</b> (±0.49)	3.21 (±0.47)	3.25 (±0.56)
6-7 months (n=86)	3.39 (±0.45)	3.48 (±0.50)	3.28 (±0.60)	3.00 (±0.85)	3.02 (±0.67)	2.76 (±0.88)	3.00 (±0.66)	2.68 (±0.71)	<b>3.51</b> (±0.45)	2.05 (±0.70)	3.51 (±0.45)	3.13 (±0.43)	3.23 (±0.46)
8-9 months (n=53)	3.32 (±0.53)	3.38 (±0.69)	3.19 (±0.62)	2.99 (±0.83)	3.06 (±0.79)	2.72 (±0.95)	2.91 (±0.74)	2.69 (±0.73)	<b>3.48</b> (±0.51)	2.26 (±0.75)	3.37 (±0.60)	3.09 (±0.51)	3.20 (±0.55)
10-11 months (n=72)	3.36 (±0.63)	3.42 (±0.58)	3.24 (±0.61)	3.00 (±0.88)	3.05 (±0.65)	2.61 (±0.95)	3.09 (±0.63)	2.65 (±0.84)	<b>3.53</b> (±0.47)	2.07 (±0.64)	3.47 (±0.48)	3.14 (±0.50)	3.18 (±0.52)
More than a year (n=75)	3.42 (±0.49)	3.36 (±0.71)	3.41 (±0.53)	3.06 (±0.82)	2.96 (±0.69)	2.61 (±0.98)	3.01 (±0.64)	2.69 (±0.84)	<b>3.54</b> (±0.47)	2.10 (±0.66)	3.42 (±0.61)	3.12 (±0.55)	3.11 (±0.60)
Total N	494	494	494	494	494	494	494	494	494	494	494	494	494
Total Mean	3.39	3.42	3.30	3.07	3.06	2.71	3.01	2.66	3.52	2.09	3.47	3.15	3.22
Total SD	0.51	0.61	0.60	0.80	0.69	0.95	0.67	0.79	0.47	0.68	0.52	0.49	0.52
f-Value	.515	1.015	1.125	1.771	.601	.614	.399	.290	.583	.868	1.171	.463	1.358
p-value	.797	.415	.346	.103	.730	.719	.880	.942	.744	.518	.320	.836	.230

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1= strongly disagree; 2= disagree; 3= agree; 4= strongly agree). Statistical difference:  $p \leq 0.05$ ; Std. dev./SD= standard deviation. Constructs: 1. P\_PEV = Post-perceived epistemic value; 2. P\_PEsV = Post-perceived escape value; 3. P\_PRV = Post-perceived rejuvenation value; 4. P\_PEmV = Post-perceived emotional value; 5. P\_PNV = Post-perceived novelty value; 6. P\_PeSV = Post-perceived external social value; 7. P\_PiSV = Post-perceived internal social value; 8. P\_PSIV = Post-perceived social image value; 9. P\_PReV = Post-perceived recreational value; 10. P\_PSQV= Post-perceived service & quality value; 11. P\_PSV = Post-perceived sacrifice value; 12. P\_PPMV = Post-perceived package/money value; 13. P\_PPRiV = Post-perceived risk value

Table 5.28 indicates no significant differences between cruise travellers' travel habits and post-perceived value dimensions. However, it can be seen that perceived recreational value (P\_PReV) plays a vital role in rating the perceived experience after returning from a cruise experience as all the travel habit segments rated it highly. Therefore, it can be deduced that people go on a cruise ship or a 'floating resort' (Yi *et al.*, 2011:63) to be entertained, in spite of when the purchase of a cruise is made.

## 5.7 MULTIPLE REGRESSION ANALYSIS

In multiple regression, a common goal is to determine which independent variables contribute significantly to explaining the variability in the dependent variable (Malhotra, 2007:903).

### 5.7.1 ASSESSING THE PREDICTORS OF LOYALTY

Firstly, a multiple regression analysis was conducted on loyalty (dependant variable). The 13 perceived value factors were included in the regression analyses; however, due to multicollinearity, seven of the variables were excluded from the regression analyses. Those that were included were labelled accordingly PSQV = perceived service & quality value; PREV = perceived recreational value; PPMV = perceived package & money value, PEsV = perceived escape value; PeSV = perceived external social value; PNV = perceived novelty value.

- **Dependent variable:** Loyalty
- **Independent variables:** Perceived service & quality value; Perceived recreational value; Perceived package and money value; Perceived escape value; Perceived external social value; and Perceived novelty value.

**Table 5.29:** Multiple regression for loyalty model summary

Model	R	R-square	Adjusted R-square	Std. error of the estimate	Change statistics				
					R-square change	F-change	df1	df2	Sig. F-change
PSQV	.616 <sup>a</sup>	.379	.378	.40095	.379	302.120	1	494	.000
PREV	.646 <sup>b</sup>	.417	.415	.38894	.038	31.996	1	493	.000
PPMV	.662 <sup>c</sup>	.438	.434	.38244	.020	17.888	1	492	.000
PEsV	.670 <sup>d</sup>	.449	.445	.37889	.012	10.272	1	491	.001
PeSV	.680 <sup>e</sup>	.462	.456	.37493	.013	11.412	1	490	.001
PNV	.683 <sup>f</sup>	.466	.460	.37377	.004	4.045	1	489	.045

a. Predictors: (constant), PSQV

b. Predictors: (constant), PSQV, PREV

c. Predictors: (constant), PSQV, PREV, PPMV

d. Predictors: (constant), PSQV, PREV, PPMV, PEsV

e. Predictors: (constant), PSQV, PREV, PPMV, PEsV, PeSV

f. Predictors: (constant), PSQV, PREV, PPMV, PEsV, PeSV, PNV

Note: PSQV = Perceived service & quality value; PREV = Perceived recreational value; PPMV = Perceived package & money value, PEsV = Perceived escape value; PeSV = Perceived external social value; PNV = Perceived novelty value

The cumulative  $R^2 \times 100$  for the model indicates the percentage of the variation in the dependent variable that is explained by having the identified independent variables in the model. It is clear from Table 5.29 that when entering perceived service factor elements (Model 1), the overall model explains 37.8% of the data, but when all six value factors (Model 6) are included, the overall model explains 46% of the data. According to Keith (2015:15) a  $R^2$  higher than 0.25 (or 25%) indicates that there is a large effect and therefore 46% of the above model indicates a practically significant association.

**Table 5.30:** Multiple regression for loyalty: model coefficients

Model		Unstandardised coefficients		Standardised coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.239	.136		9.125	.000

	PSQV	.664	.038	.616	17.382	.000
2	(Constant)	1.012	.138		7.355	.000
	PSQV	.517	.045	.480	11.430	.000
	PREV	.231	.041	.237	5.656	.000
3	(Constant)	.856	.140		6.101	.000
	PSQV	.377	.055	.350	6.798	.000
	PREV	.224	.040	.230	5.573	.000
	PPMV	.194	.046	.196	4.229	.000
4	(Constant)	.806	.140		5.762	.000
	PSQV	.348	.056	.323	6.250	.000
	PREV	.165	.044	.170	3.759	.000
	PPMV	.177	.046	.179	3.872	.000
	PEsV	.117	.037	.140	3.205	.001
5	(Constant)	.639	.147		4.347	.000
	PSQV	.351	.055	.326	6.366	.000
	PREV	.151	.044	.155	3.468	.001
	PPMV	.147	.046	.149	3.186	.002
	PEsV	.129	.036	.154	3.547	.000
	PeSV	.088	.026	.116	3.378	.001
6	(Constant)	.653	.147		4.453	.000
	PSQV	.346	.055	.321	6.292	.000
	PREV	.199	.049	.204	4.017	.000
	PPMV	.149	.046	.151	3.247	.001
	PEsV	.163	.040	.195	4.075	.000
	PeSV	.073	.027	.097	2.708	.007
	PNV	-.076	.038	-.103	-2.011	.045

Note: Dependent variable: Loyalty; PSQV = Perceived service & quality value; PREV = Perceived recreational value; PPMV = Perceived package & money value, PEsV = Perceived escape value; PeSV = Perceived external social value; PNV = Perceived novelty value.

In order to determine how well each of the variables contributes to the final equation, it is important to analyse the coefficients in the Model 6 row. All the variables make a statistically significant contribution to loyalty (less than .05). In order of importance they are: Perceived service & quality value (PSQV) (beta = .321), Perceived recreational value (PREV) (beta = .204), Perceived escape value (PEsV) (beta = .195), Perceived package & money value

(PPMV) (beta = .151), Perceived novelty value (PNV) (beta = -.103) and Perceived external social value (PeSV) (beta = 0.97).

### 5.7.2 ASSESSING THE PREDICTORS OF SATISFACTION

Secondly, a multiple regression analysis was conducted on satisfaction (dependent variable). The 13 perceived value factors were included in the regression analyses; however, due to multicollinearity, eight of the variables were excluded from the regression analyses. Those that were included were labelled accordingly: PSQV = perceived service & quality value; PPMV = perceived package & money value; PEsV = perceived escape value; PRV = perceived rejuvenation value; PNV = perceived novelty value.

- **Dependent variable** = Satisfaction
- **Independent variables** = Perceived value factors (perceived service & quality value (PSQV), perceived package & money value (PPMV), perceived escape value (PEsV), perceived rejuvenation value (PRV), & perceived novelty value (PNV)).

**Table 5.31:** Multiple regression for satisfaction: model summary

Model	R	R-square	Adjusted R-square	Std. error of the estimate	Change Statistics				
					R-square change	F-change	df1	df2	Sig. F-change
PSQV	.602 <sup>a</sup>	.362	.361	.43748	.362	280.408	1	494	.000
PPMV	.633 <sup>b</sup>	.400	.398	.42465	.038	31.319	1	493	.000
PEsV	.646 <sup>c</sup>	.417	.414	.41896	.017	14.473	1	492	.000
PRV	.653 <sup>d</sup>	.427	.422	.41588	.010	8.310	1	491	.004
PNV	.658 <sup>e</sup>	.432	.427	.41435	.005	4.628	1	490	.032

- Predictors: (constant), PSQV
- Predictors: (constant), PSQV, PPMV
- Predictors: (constant), PSQV, PPMV, PEsV
- Predictors: (constant), PSQV, PPMV, PEsV, PRV
- Predictors: (constant), PSQV, PPMV, PEsV, PRV, PNV

Note: PSQV = Perceived Service & Quality Value; PPMV = Perceived Package & Money Value, PEsV = Perceived Escape Value; PRV = Perceived Rejuvenation Value; PNV = Perceived Novelty Value.

The cumulative  $R^2 \times 100$  for the model indicates the percentage of the variation in the dependent variable that is explained by having the identified independent variables in the model. It is clear from

Table 5.31 that when entering perceived service factor elements (Model 1), the overall model explains 36% of the data, but when all six value factors (Model 6) are included, the overall model explains 42.7% of the data. Keith (2015:15) states that when the  $R^2$  is higher than 0.25 (or 25%) there is a large effect and therefore 42.7% of the above model indicates a practically significant association.

**Table 5.32:** Multiple regression for satisfaction: model coefficients

Model		Unstandardised coefficients		Standardised coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	1.107	.148		7.471	.000
	PSQV	.698	.042	.602	16.745	.000
2	(Constant)	.867	.150		5.779	.000
	PSQV	.486	.055	.419	8.760	.000
	PPMV	.284	.051	.268	5.596	.000
3	(Constant)	.741	.152		4.887	.000
	PSQV	.409	.058	.353	7.014	.000
	PPMV	.261	.050	.246	5.168	.000
	PEsV	.140	.037	.155	3.804	.000
4	(Constant)	.558	.163		3.416	.001
	PSQV	.399	.058	.344	6.883	.000
	PPMV	.225	.052	.212	4.362	.000
	PEsV	.147	.037	.163	4.015	.000
	PRV	.096	.033	.105	2.883	.004
5	(Constant)	.488	.166		2.942	.003
	PSQV	.382	.058	.329	6.552	.000
	PPMV	.208	.052	.196	4.000	.000
	PEsV	.124	.038	.138	3.291	.001
	PRV	.075	.035	.082	2.153	.032
	PNV	.099	.046	.093	2.151	.032

Note: a. Dependent variable: Satisfaction; Note: PSQV = Perceived service & quality value; PPMV = Perceived package & money value, PEsV = Perceived escape value; PRV = Perceived Rejuvenation value; PNV = Perceived novelty value

In order to determine how well each of the variables contributes to the final equation, it is important to analyse the coefficients in the Model 5 row. All the variables make a statistically significant contribution to satisfaction (less than .05). In order of importance they are: Perceived service & quality value (PSQV) (beta = .329), Perceived package & money value (PPMV) (beta = .196), Perceived escape value (PEsV) (beta = .138), Perceived novelty value (PNV) (beta = .093) and perceived rejuvenate value (PRV) (beta = .082).

Since perceived service and quality value was an important element contributing significantly to both loyalty and satisfaction, managers need to ensure that PSQV is enhanced during the cruise experience. Sánchez *et al.* (2006:398) states that if the experience exceeded their expectations, perceived value will determine whether they will remain loyal to the service or product consumed. The following aspects of perceived service and quality value need to be enhanced during the cruise experience: the cruise company should have helpful, professional, courteous, polite and respectful employees; the cruise company needs to deliver a quality experience; it needs to provide equipment that is reliable and safe; it needs to offer a good overall service; the cruise company needs to provide reliability, consistency and dependability; should be spoken of positively; needs to provide services in a timely manner; needs to provide good security and safety on the ship; needs to provide value for money; needs to meet all the cruise passengers' specific needs and needs to provide a quick and efficient check-in process.

## 5.8. CONCLUSION

The aim of this chapter was to present the empirical results of the study. The results were reported in five sections (refer to Figure 5.1). The first section provided results of the descriptive analysis conducted to reveal the cruise travellers' socio-demographic profile, cruise travel behaviour aspects and the perceived value of a cruise as revealed on a four-point Likert scale.

The second section focused on the results of the exploratory factor analyses (EFAs), which revealed 13 perceived value factors, combining both pre- and post-perceived values. The EFAs conducted were all acceptable for use in subsequent analyses, as indicated by

several measures of reliability and validity. A correlation matrix showed that all factors significantly correlated with each other, thereby indicating that the data was appropriate.

Differences between pre- and post-perceived values were identified and conclusions were drawn. Selected cruise traveller socio-demographic profile aspects and cruise traveller behaviour aspects that influenced the pre- and post-perceived values were revealed in the third section by employing Spearman's rank order correlations, one-way ANOVAs with Tukey's *post hoc* multiple comparisons, and an independent *t*-test. These results provided insights into the relationships and difference in the socio-demographic profile, the cruise traveller behaviour aspects and the pre- and post-perceived value dimensions.

The final section of this chapter took an in-depth look at the results of the multiple regression analysis conducted. It was found that service is an important predictor of loyalty and satisfaction.

The implications of the empirical results will be addressed in Chapter 6. This chapter will also provide recommendations as to how perceived value can be marketed and managed within a cruise tourism context.

# Chapter



## Conclusion and

## Recommendations

**'Cruising is a once in a lifetime experience that should be experienced by everyone - at least once'**

**- Cruise passenger and study respondent**

### 6.1 INTRODUCTION

The aim of this study was to develop a perceived value model for a cruise experience. More specifically, this study aimed to identify the pre- and post-perceived values, determine the relationships between pre- and post-perceived values and their influence on consumer satisfaction and loyalty of a cruise experience. In order to achieve this aim, the following objectives were identified and were achieved in their respective chapters.

- The first objective aimed at contextualising marine tourism, cruise tourism and the cruise experience. This was achieved in Chapter 2 by defining marine tourism, identifying the sectors that form part of marine tourism, defining cruise tourism, developing a timeline of the revolution of cruise tourism, distinguishing the various cruise types that exist, analysing the global and national cruise market and examining the cruise tourism experience and the phases associated with it.
- The second objective was to analyse relationship marketing, perceived value and the behavioural intentions of tourists. This was achieved in Chapter 3 of this study by providing a relevant theoretical definition and background to each of these areas; identifying research gaps in the perceived value literature; scrutinising

challenges associated with researching perceived value; identifying key perceived value models; identifying and describing key determinants used to measure perceived value and identifying the link between perceived value and the behavioural intentions of tourists.

Chapter 6 provides a theoretical framework of the two literature chapters, as seen in Section 6.2.2.1.

- The third objective was achieved in Chapter 4, and aimed to lay the foundation on which to build a perceived value model for the cruise experience. This was achieved by providing information on the process followed and describing the various analytical procedures followed to formulate a perceived value model for a cruise experience (e.g. questionnaire validity and reliability, exploratory factor analysis, correlations, independent *t*-tests, one way analysis of variance (ANOVA) and multiple regressions analyses). Lastly, the methodology of this chapter was adapted to add to the development of a perceived value model.
- The fourth objective was achieved in Chapter 5, and aimed to present the empirical results of the study. This was achieved by identifying the cruise traveller profile and cruise traveller behaviour elements; testing the relationship between the pre- and post-perceived value dimensions; testing the relationship between perceived value and profile aspects or cruise traveller behaviour aspects and determining the influence that post-perceived value exerts on the total satisfaction or loyalty experienced from a cruise.

Findings from this chapter were used to develop a perceived value model for the cruise experience, and is revealed in Section 6.2.4.4 in Chapter 6.

The fifth and final objective is to draw conclusions, complete the critical review and make recommendations pertaining to the literature review, the results of the study as well as to draw comparisons between the literature and empirical findings. The theoretical and empirical model are included in this chapter. Therefore the objective of this chapter is to reveal the main aim of this study which is the development of a perceived value model for a cruise experience. This chapter will therefore provide recommendations as how

perceived value can be utilised in managing and marketing a cruise tourism experience. Lastly, attention will be given to the limitations of this study.

Each of these objectives are more carefully analysed in the concluding sections of this chapter.

## 6.2 CONCLUSIONS

The conclusions which will be discussed relate to the literature review and the empirical survey as reported in Chapter 2, 3, 4 and 5.

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### 6.2.1 CONCLUSIONS WITH REGARD TO THE LITERATURE DISCUSSION ON MARINE TOURISM, CRUISE TOURISM AND THE CRUISE EXPERIENCE AS ANALYSED IN CHAPTER 2 (OBJECTIVE 1)

The following are regarded as the main conclusions with respect to research objective 1 and the sub-objectives associated with it (c.f. 1.4.2):

- *Objective 1.1: Defining marine tourism:* Once the author did a thorough investigation of the various marine tourism definitions which exist, the following was inferred:
  - *Marine tourism involves travel away from the tourist's place of residence, but with the emphasis being on the marine environment, and incorporating oceanic and marine activities (c.f. 2.1).*
  - *Where marine tourists are those individuals with characteristics which are determined more by the nature of the activity in which they are involved than any other influential variable (c.f. 2.1).*

- *Objective 1.2: Identifying the sectors that form part of marine tourism:* A number of different sectors exist within marine tourism. These sectors include maritime event tourism, coastal tourism, island tourism, aquatic tourism and cruise tourism. The author found that a framework providing an overview of these sectors and the activities (i.e. *non-specialist leisure pursuits, water-based (motorised), shore-based and water-based (non-motorised)*) that take place in each does not exist.
- *Objective 1.3: Defining cruise tourism:* For the purpose of this study cruise tourism is defined as :
 

*'Time spent on a waterborne vessel (cruise ship) for leisure purposes, presenting a unique social and service setting in which experience is both created and judged according to the perceived value received before and after the cruise experience'* (c.f. 2.2.1).
- *Objective 1.4: Developing a timeline of the revolution of cruise tourism:* A timeline was developed in Chapter 2 to explain the emergence and evolution of the cruise industry. The author deduced that some of the first ships were built on the Mediterranean and Red Sea, which spurred an interest in maritime discovery. Today, cruise liners are seen as floating hotels or resorts that can accommodate up to 6 000 passengers and offer a wide variety of activities for their passengers (c.f. 2.2.2).
- *Objective 1.5: Distinguishing the various cruise types that exist:* The revolution of travel by water for recreation and luxury purposes started a long time ago, and today cruise ships cater for a mass market. Passengers travel on cruise liners for different reasons and cruise tourists are suited for a wide market range, therefore a number of different cruises have been developed making any corner of the globe accessible by cruise ship (c.f.2.2.2). The various types of cruise lines that were identified and discussed in chapter two include river cruises, sea cruises, expedition cruises, theme cruises, mini-cruises, world cruises and turnaround cruises (c.f. 2.2.3).

- *Objective 1.6: Analysing the global and national cruise market:* Fifty percent of the global cruise market reside in America, while the Caribbean, the Mediterranean and Europe are the most popular cruise destinations, accounting for 80% of cruise passengers. Competition levels between liners are apparent and cruise passengers are becoming more demanding with regard to the type of cruise products that are been offered. However the volume of the cruise ship market is relatively small, because of the high cost of investment involved in breaking into this market. This also means that smaller cruise destinations, such as South Africa, are dependent on larger cruise companies to bring their ships to its shorelines. However, Africa as a whole, has not been perceived as a favourable investment for larger cruise companies because of perceptions of poor infrastructure, safety concerns, limited shore excursions and the large distances from major markets and leading destinations (c.f. 2.3.1).
- Cruise tourism is a fairly new concept in South Africa. While the major cruise lines now travel to the country as a port of call on long trips, the local cruise market in South Africa was jump started when the Mediterranean Shipping Company (referred to as MSC from hereon) began operating cruises out of South Africa in 2007 (c.f. 2.4). MSC only offer cruises in and around South Africa during the summer months (September to May), which inevitably means that the cruise market is seasonal (Foggitt, 2014:2). Since these are also the busiest months for domestic and international travel in South Africa (Statistics South Africa, 2015:3), the cruise market finds itself competing with other tourism and marine tourism offerings that are more price competitive. (c.f. 2.4.1).
- *Objective 1.7: examining the cruise tourism experience and the phases associated with it.* For the purpose of the study the following definition for experience was used:
 

*‘A product or service, that when combined with its surrounding experiences, goes beyond itself to enhance and bring value to a customer’s life. This is the ideal - to deliver such overall value that a product transcends the ordinary to become extraordinary or even priceless.’*

During the literature investigation the author found that there are no set criteria used to measure an experience and that each experience is unique in its specific offering. It has been suggested that tourist experiences must be seen as an organic whole in which peak (art, culture and heritage) and supporting experiences (accommodations, transportations, shopping, entertainment and food establishments) complement one another. This is especially true in the cruise industry where managers and marketers can control the tangible elements (such as accommodation, attractions, transport, food and beverage and entertainment) that contribute towards the total cruise experience. As previously stated, planning an experience such as a cruise vacation, takes a great deal of time and effort. Therefore, the phases of an experience start long before the journey and often last until long after. Tourist expectations and perceptions have an influence on each phase of the cruise tourism experience. The author developed the following phases of a cruise experience from previous sources and studies done in the literature: Phase 1: the anticipatory phase (planning); phase 2: the journey to the port of call (embarking); phase 3: experience while on the cruise ship; phase 4: return from the port of call (disembarking); phase 5: the reflective phase (see Figure 6.2). Each of these phases were considered in the development of the questionnaire and the launch of the pre- and post-perceived value surveys (c.f.2.5.2).

- *Objective 1.8: identifying determinants of the cruise experience:* Two determinants that were used to measure experience in previous studies were identified by the author, namely perceived recreational value and perceived escape value.
- This chapter provided ample information about the marine and cruise industry with specific reference to the South African cruise market and could therefore be used as a foundation from which to build this study.

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## **6.2.2 CONCLUSIONS WITH REGARD TO ANALYSING MARKETING, PERCEIVED VALUE AND BEHAVIOURAL INTENTIONS OF TOURISTS (OBJECTIVE 2)**

The following are regarded as the main conclusions with respect to research objective 2 and the sub-objectives related to (c.f. 1.4.2):

- *Objective 2.1: Providing relevant theoretical definition and background for marketing, perceived value and behavioural intentions of tourists:* To achieve this objective each of these areas were analysed in depth in Chapter 3. The author proposed the following definition for relationship marketing:

*'marketing to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of parties involved are met. This is achieved by mutual exchange and fulfilment of promises'* (c.f. 3.2.2.1).

After analysing previous definitions surrounding perceived value, the author proposed a more comprehensive definition for the purpose of this and future studies:

*'A particular personal point of view, developed through a process of a cruise tourist receiving, organising and interpreting information, from a cruise experience through relationship marketing; measured against a certain set of expectations when intending to purchase a cruise package and the worthiness that can be gained through this process'* (c.f. 3.3.1).

The following definition is provided from the theoretical evaluation done on behavioural intentions of tourists:

*'Behavioural intentions of tourists involve the evaluation done on return from a cruise experience, where the cruise passenger decides whether their trip was satisfactory and whether or not they will remain loyal to the cruise company through positive referrals and return visitation'* (c.f.3.4).

- When examining the historical development of marketing, it has been found that marketing as a concept has developed and changed as consumers and tourists'

needs and wants have evolved over the years. The author inferred that marketing has progressed from the simple distribution and transforming of goods, to focusing on business activities involved in this process, that were noted as the “*analysing, organising, planning, and controlling of the firm’s customer-impinging resources*”; to taking note of the human element involved in successful marketing, otherwise noted as the “*individual and organisational activities aimed at facilitating and expediting exchanges*”, to current- day marketing, which focuses on “*creating value for customers*”, “*offering exchanging products and services of value*” and “*delivering superior value*” (c.f.3.2.1).

- Value is considered to be an important constituent of relationship marketing and the ability of a company to provide superior value to its customers is regarded as one of the most successful strategies. However, consumers these days are more educated about services gained through experience and advertising. As competition increases, delivering better services becomes more important. Therefore it is essential to analyse the way in which clients perceive the value they receive from product offerings and to ensure that they deliver on consumers’ perceived value expectations. Delivery perceived value in tourism was found to be challenging though, since the intangibility associated with services and more specifically tourism make it a challenging sector to market. Services, and more specifically tourism services, can be defined as:

*An activity that has some element of intangibility associated with it, which involves some interaction with customers and does not result in the transfer of ownership. (c.f.3.2.3)*

- *Objective 2.2: Identifying research gaps in the perceived value literature:* Despite the importance of perceived value it has attracted little attention over the years, especially within a service-based context such as tourism or cruise tourism. Researchers regrettably agree that perceived value is a neglected aspect in tourism literature and since limited knowledge exists concerning perceived value in tourism, it becomes a cause for concern considering that the tourism industry, and more specifically the cruise industry, is such a highly competitive area. A number of gaps in the literature were identified during the review and investigation of perceived value. Authors agree that very little attention has been

given to understanding, contextualising and specifying the exact definition or meaning of perceived value in the literature. The characteristics, underlying elements and nature of perceived value are also obscured and need further investigation. Elements that add to the development or cause of perceived value are also unidentified. By developing a perceived value model for the cruise experience these gaps are addressed. A comprehensive and standardised definition of perceived value was provided, characteristics and underlying elements of perceived value were analysed in the literature review, the pilot study, the survey and eventually the statistical analysis as seen in the following sections (c.f.3.3.).

- *Objective 2.3: Scrutinising challenges associated with the researching of perceived value:* A continuous cycle of challenges has been experienced by academics who have opted to measure perceived value. Conceptual obstacles caused by a lack of consistency in value research and ambiguous definitions that are not standardised lead to problems associated with the validity of perceived values measured, which is associated with confusion concerning the best methodological procedures to assess value. There is a lack of consistency in the measurement of perceived value, although this could be attributed to the fact that it is multifaceted and complex, with various meanings, not only among consumers and practitioners, but also among researchers themselves. For example, researchers use different terms of the value construct even though, in principle, they mean the same thing. The various terms that are used include consumer value, consumption value, customer value, perceived value, service value, acquisition and transaction value and value for money. While all these phrases were considered, this study focuses on the concept of perceived value (c.f.3.3.1.).
- Since Seth *et al.* (1991) developed a multidimensional scale to measure perceived value, a number of other studies inspired by this approach have developed their own multidimensional scales. However, despite the vast number of studies conducted to develop multi-dimensional scales measuring perceived value, the literature offers no consensus on the number or nature of the relevant dimensions involved. This study considers fundamental perceived value items for

measurement and inclusion in the measuring instrument by analysing previous studies done (c.f.3.3.1.2).

- An evident gap exists between research on empirical attempts at modelling and measuring value-related experiences as a fundamental immeasurability of values. Numerous authors have sought to address this problem by providing reliable and valid indices of value; however such measures often fail to capture the full multidimensional richness of the value concept. The author deduced though, that viewing all perceived values, the same is too simplistic, as perceived value is highly personal and situation specific. This study addresses this issue through analysing previous studies and considering perceived value items that have contributed to the literature. Initially, the author included a large number of items, which were reduced once they had been tested during the pilot phase, survey and statistical analysis. (c.f.3.3.1). This evidently resulted in the development of a model unique to the cruise industry (see Figure 6.3).
  
- *Objective 2.4: Identifying key perceived value models:* Important key perceived value models have emerged through the past 30 years, and seven of these models that had the greatest impact on the evolution of perceived value as identified in the literature review have been listed below:
  1. Hedonic and utilitarian value, which was developed by Holbrook and Corfman (1985) later evolved into emotional value (c.f. 3.3.2.1).
  2. Acquisition and transaction value by Monroe and Chapman (1987) (c.f. 3.3.2.2).
  3. A means-end model of synthesis of evidence by Zeithaml (1988) (c.f. 3.3.2.3).
  4. Benefits/ costs and perceived value by Zeithaml and Bitner (1996) (c.f.3.3.2.4).
  5. Seth-Newman-Gross Theory which was developed by Seth, Newman and Gross (1991) (c.f. 3.3.2.5).
  6. Interactive realistic preference experience by Holbrook (1994) (c.f. 3.3.4.6).
  7. Petrick's multi-dimensional scale (2002) (c.f. 3.3.4.7).

- *Objective 2.5: Identifying and describing key determinants used to measure perceived value:* Through a thorough investigation of previous studies done focussing on the measurement of perceived value, the author identified the perceived values that are important contributors to the development of a perceived value model of a cruise experience. These values, as seen in Figure 6.2, include the following: perceived epistemic value, perceived emotional value, perceived novelty value, perceived social value, and perceived functional (performance/ quality) value (c.f.3.3.4).
  
- In order to fully conceptualise the uniqueness of each separate perceived value mentioned, the author developed a summary of each:
  - *Perceived epistemic value* is defined as: ‘*the perceived utility through the arousal of curiosity, the provision of novelty and/or the satisfaction of a desire for knowledge*’. The following items were used in previous studies to measure perceived epistemic value: at least once; something new; enjoy nature; to enjoy the natural beauty; more knowledgeable; do and see a variety of things; interesting experience; satisfy my curiosity; gain knowledge and increase my knowledge about people, places and things (c.f.3.3.4.1).
  - *Perceived emotional value* defined as: ‘*a socio-psychological dimension that is dependent on a product’s ability to arouse feelings of affective states*’, was measured through the use of the following items: to increase my feelings of self-worth; to help me feel like a better person; to derive a feeling of accomplishment (c.f.3.3.4.2).
  - *Perceived novelty value* was measured by previous authors through the use of the following items: feel excited; sense of adventure; feel good after being physically active and great atmosphere (c.f.3.4.4.3).
  - *Perceived social value* was defined as: ‘*the perceived utility through the association with positively or negatively stereotyped demographic, socio-economic and cultural-ethnic groups*’. Items used to measure perceived social value in previous studies included: to spend time with another, to enjoy the nightlife; to meet someone special (potential romance); to celebrate a special occasion; to rekindle, improve or strengthen a relationship; relationship with other tourists outside the group; reinforce my feeling of belonging to the group; being socially accepted into the group; opportunity to meet new people; would improve the way I am perceived (c.f. 3.3.4.4).

- *Perceived quality* was defined as: *'the customer's judgement about a product's overall excellence or superiority'*. Items used to measure perceived quality in previous studies included: courteous, polite and respectful employees; will provide quality; will offer a good service; will provide service reliability, consistently and dependently; I have heard good comments about it from others; provide service in a timely manner; security and safety; offers value for money; will meet all my specific needs.
- *Perceived sacrifice value* can be regarded as: *'a consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given'*. The following items were considered important contributors in previous studies conducted: fear of any kind of accident; fear of suffering a natural disaster; fear of suffering any disease or infection and fear of a terrorist attack (c.f. 3.3.4.6).
- *Perceived functional (money) value* defined as: *'value in use in an economic sense, related purely to monetary value, price and cost'*. The following items were deemed important contributors to the development of a perceived value model for a cruise experience: is appealing; exciting; is fairly priced; is worth the money (c.f. 3.3.4.7).
- *Perceived risk value* is defined as: *'the utility derived from factors reducing risk are highly sought'*. Items used to measure perceived risk value include: marketing and promotions; always wanted to do; recommendations of friends; recommendations of experts (e.g. travel agents) (c.f. 3.3.4.8).
- The author adapted the questions asked in previous studies to develop the questionnaire used in this study.
- *Objective 2.6: Identifying the link between perceived value and the behavioural intentions of tourists:* Tourism as an experience is an intangible element and perceived value cannot be singled out as it will have an influence on aspects such as behavioural intentions, which is a result of satisfaction and loyalty. A number of studies analysed in Chapter 2 found satisfaction and loyalty to be of relative importance when measuring perceived value. Very few studies have attempted to measure the pre- and post-perceived value of a consumption experience and no studies could be found that have measured both these concepts in a tourism setting (c.f. 3.4).

Perceptions play an important role in the forming of perceived value, and marketers need to understand these perceptions so that they can enhance the correct perceived values through their marketing initiatives of a specific experience. The phases which were identified by the author during the literature investigation include the following: *phase one: selective exposure; phase two: selective attention; phase three: selective interpretation; phase four: selective recall* (see Figure 6.1) (c.f. 3.4.2).

Tourist satisfaction is determined when the expectations of the tourists are met, whereas previous experience will determine expectations towards the product/experience. Satisfaction, which leads to consumer loyalty, is essential to any tourism-based sector. Determinants used to measure satisfaction and loyalty were identified from previous studies and analysed for use in the questionnaire in Chapter 4 (c.f.3.4.5).

It can be inferred that the post-perceived value experienced during a tourism experience such as cruising will have an effect on customer satisfaction and loyalty. This will determine whether the cruise passenger will purchase another cruise experience, say positive things about the cruise company and make recommendations to friends and family. Essentially, it will also determine the way they evaluate the post-perceived value of the cruise experience (c.f.3.4.5).

This chapter provided a thorough analysis of the perceived value research and elements which are associated with it. This provided ample information to develop a theoretical framework from which the measuring instrument could be developed (see Figure 6.2).

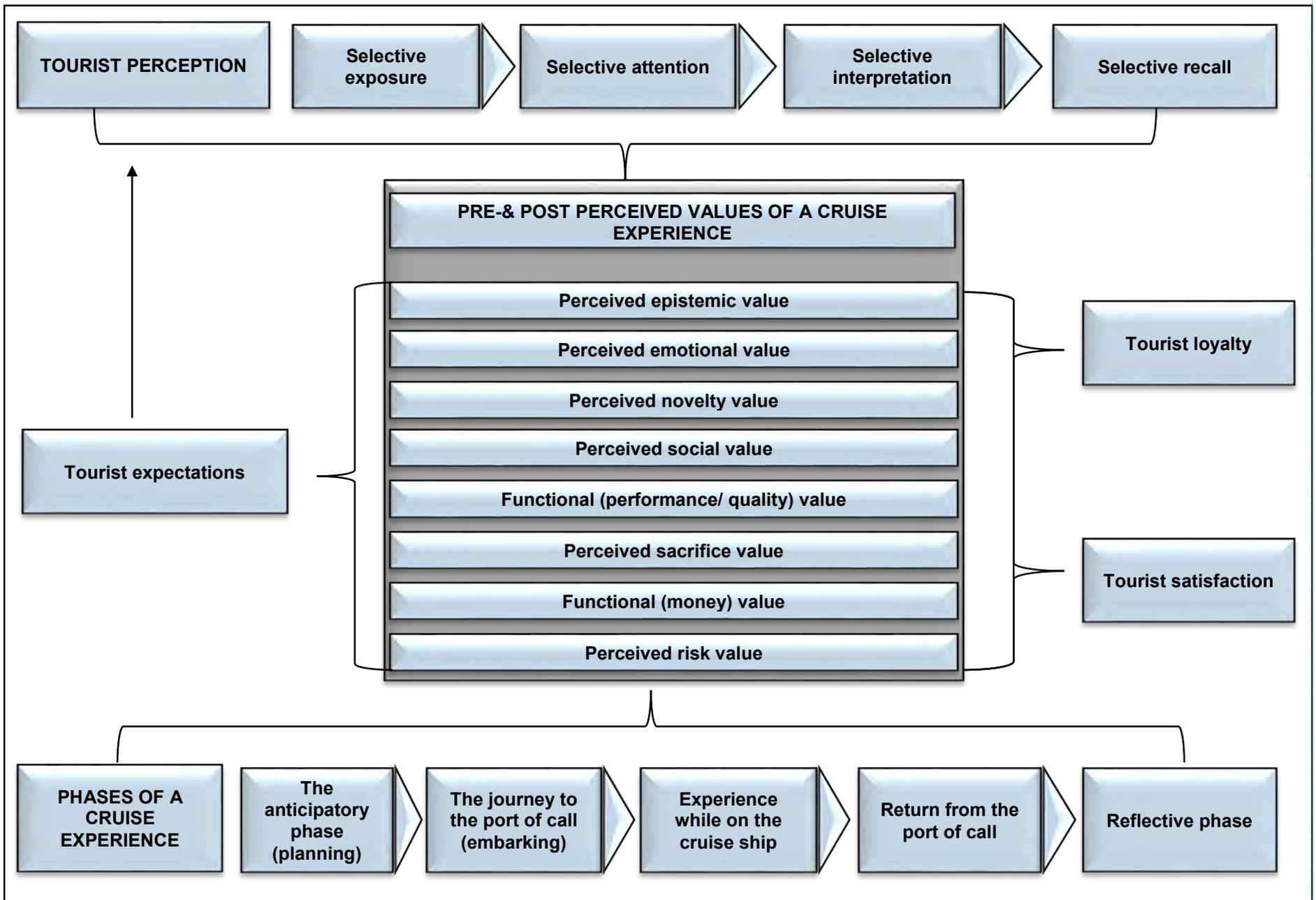
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#### **6.2.2.1 THEORETICAL FRAMEWORK**

Thoughtful discussions of related literature build a logical framework for the researcher and sets it within a tradition of inquiry and a context of related studies (Marshall & Rossman, 1999:43). Therefore, the researcher developed a theoretical framework of perceived value and aspects relating to a cruise experience that were investigated in the two separate literature chapters. The theoretical framework was developed from the literature review to provide a link between perceived value and the cruise experience.

This theoretical framework infers the cruise passenger's transitions through the phases of a cruise experience (namely: phase 1: the anticipatory phase (planning); phase 2: the journey to the port of call (embarking); phase 3: experience while on the cruise ship; phase 4: return from the port of call (disembarking); phase 5: the reflective phase.) It also infers the phases of perception (phase one: selective exposure; phase two: selective attention; phase three: selective interpretation; phase four: selective recall) simultaneously. The expectations which the cruise passenger has of their cruise experience effect these phases, as well as the way in which they perceived certain pre-predicted values (namely: perceived epistemic value, perceived emotional value, perceived novelty value, perceived social value, and functional (performance/ quality) value, perceived sacrifice value, functional (money) value and perceived risk value). These values are extracted from previous studies done as seen in Chapter 3. The author then infers that these perceived values and the cruise experience will influence the cruise passengers loyalty and satisfaction towards the cruise product. Although this framework is embedded in theory, it still needs to be tested statistically.

The questionnaire for the pilot survey was developed based on the findings of the literature review and the theoretical framework (Figure 6.1). Once the pilot survey had been concluded, the findings were adapted and the research questionnaire for the survey was formulated.



**Figure 6.1:** Theoretical framework

**Source:** The author's own compilation

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### 6.2.3 CONCLUSIONS WITH REGARD TO THE IN-DEPTH DISCUSSION OF THE DEVELOPMENT OF THE RESEARCH PROCESS AS ACHIEVED IN CHAPTER 4 (OBJECTIVE 3)

The following conclusions can be drawn in terms of providing an in-depth discussion of the development of the research process:

- *Objective 3.1: Providing background information on the processes followed:* This objective was achieved by providing a discussion regarding the specific phases involved in this novel type of research on perceived value, for a tourism experience such as cruising and was considered essential to providing a clear, unambiguous layout of the empirical implementation of the study. This layout can assist future researchers in terms of applying such phases in various tourism experience based studies for which perceived value needs to be determined.
- *Objective 3.2: To provide background information on the analyses done to achieve the goal of this study:* In-depth discussions regarding specific methodological selections are also beneficial to future researchers in terms of applying the chosen methods of research to the same context by different cruise companies and different countries.
- *Objective 3.3: Development of the measuring instrument.* Since this study was primarily focused on developing a perceived value model for a tourism experience such as cruising, it was deemed essential that the perceived value items to be measured in the questionnaire should be carefully considered and formulated. For this reason previous research from experts on perceived value, such as the work of Gallarza and Saura (2006:445); Sönmez and Graefe (1998); Seddighi *et al.* (2001); Seth *et al.* (1991:165); Hall and Weiler (1992:3), Jang and Feng (2007:585); William and Soutar (2000:1451); Seymour (2013:108); Yuan and Wu (2008:399); Cronin *et al.* (2000); Gallarza and Saura (2006:445); Oh (1999:75); Hung and Petrick (2011:389); Teye and Leclerc (2002:236); Sweeney and Soutar (2001:212) and Petrick (2002:128) as researchers in the field were considered. In Chapter 4 each of the perceived value items used to measure perceived value in the studies mentioned above, were carefully scrutinised and tested during the pilot survey where some of the items were removed (e.g.

perceived cultural value) or adapted (e.g. phrasing changes into layman's terms) (c.f. 4.5). Items which are novel to the study were also added during this process and include the following:

- *Perceived epistemic value*: I want to go on a cruise to enjoy the marine wildlife from the cruise liner.
  - *Perceived recreational value*: The poolside beverage service and bar facilities offered will add value to my cruise experience; the bar and lounge service will add value to my cruise experience; the dining room food presentation will add value to my cruise experience; the atmosphere in the dining room will add value to my cruise experience.
  - *Perceived functional (service/quality) value*: This cruise company will provide equipment which is reliable and safe.
  - *Perceived sacrifice value*: I would fear the risk of gaining weight during the cruise.
  - *Perceived risk value*: I enjoy being at sea/ on the water.
  - *Loyalty*: Overall, the value I experienced was good (c.f. 4.5.1).
- Based on the findings in the literature and the suggestions from the panel of experts as discussed in Chapter 4, items needed to be adapted according to the unique characteristics of a South African cruise experience. This, however, meant that the development of the questionnaire was a time consuming and intensive process. The following changes were recommended: phrasing changes into layman's terms; the use of a four-point Likert scale; the layout and logical flow of the questionnaire and shortening the post-perceived questionnaire (c.f. 4.5).
  - The questionnaire was also tested for reliability and validity during these phases of the methodological process. Reliability of the question was determined through an exploratory factor analysis (EFA) and indicated the Cronbach's alpha coefficients to be acceptable (above 0.7) for all dimensions of perceived value, thus supporting reliability (c.f. 4.5.4). Validity was tested by the experts who formed part of the two pilot study groups (pre and post) who were asked to apply face validity to the questionnaire and the amendments were made from the feedback received. Statistical techniques used here are construct validity and item validity (c.f. 4.5.4.2).

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## 6.2.4 CONCLUSIONS WITH REGARD TO THE EMPIRICAL ASSESSMENT OF THE PERCEIVED VALUE DIMENSIONS OF A CRUISE EXPERIENCE AS ACHIEVED IN CHAPTER 5 (OBJECTIVE 4).

Specific statistical analyses were done to indicate the relations between pre- and post-perceived values experienced before and after the cruise. These analyses' included a correlation matrix, *t*-tests, ANOVAs, Tukey's multiple comparisons and multiple regression analysis. In accordance with the third objective of this study and the results obtained in Chapter 5, the conclusions which can be drawn in terms of the empirical assessment of the perceived value of a cruise experience are discussed in this section.

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### 6.2.4.1 DESCRIPTIVE RESULTS

This section aimed to reveal the socio-demographic details of the cruise passengers, cruise traveller behaviour and the perceived value experienced before and after a cruise experience.

#### A. CRUISE TRAVELLERS' SOCIO-DEMOGRAPHIC PROFILE

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Since this is the first study to conduct a survey for the South African Cruise Industry, a profile of the South African cruise traveller needed to be formulated, providing socio-demographic details such as home language, age, province of residence, level of education, marital status and household income. The results of the survey revealed that a typical profile of a South African cruise traveller is English speaking, 40 years of age, resides in Gauteng, has obtained a diploma/ degree, is married and earns a combined annual household gross income of R100 001 to R350 000 (c.f.5.2.1.).

Similar results were found in a study conducted by Xie *et al.* (2012:155), where the majority of the cruise tourists who partook in their study in the United States of America were aged between 40 and 49 (36.7%), had a high level of after school education (80%), were married (58% and 70% respectively) and earned an income of \$100 000 to \$199 999 (R1 282 000 to R2 563 987.18) per annum. This question confirms problem statement one (see section 1.3.1), which states that: '*the cruise industry has shifted from*

*being a niche type of tourism to catering for a mass market*'. This is evident when looking at the results obtained for age.

## B. CRUISE TRAVEL BEHAVIOUR

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Aspects typical of cruise travel behaviour among the respondents who participated in this study are that they spend between R6 000 and R10 000 on travel annually, they enjoy travelling with their spouse (50%), bookings and payments are made through the use of the internet (58%), their cruise is planned either two to three months (18%) or six to seven months (18%) ahead of the departure date, land and journey arrangements are organised by the respondents themselves (83%), the internet is the most influential marketing medium (45%), and financial limitations (61%) prevented them from cruising in the past. It is important to note the continued influence that the internet is playing in tourism activities these days (c.f.5.2.2).

## C. THE PERCEIVED VALUE OF A CRUISE EXPERIENCE

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Respondents were asked to rate the importance of various items along a 4-point Likert scale (1 = not important to 4 = very important). The helpfulness and friendliness of the staff (on and off-board) and the cleanliness of the ship were rated as the most important pre-perceived values. Fear of a terrorist/ pirate attack during the cruise and spending time with someone special (spouse, partner, family, friend) were rated as the least important pre-perceived values. *'Going on a cruise is something which I've always wanted to do'* and *'I went on a cruise to have an interesting experience'* were rated as the most important post-perceived values, while *'during the cruise I feared the risk of the ship sinking'* and *'during the cruise I feared the risk of a terrorist attack'* were rated as the least important post-perceived values (c.f. 5.2.3.). Since this question has never been tested before no comparisons could be drawn.

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### 6.2.4.2 IDENTIFYING PERCEIVED VALUE DIMENSIONS

Perceived value dimensions were identified with ten separate exploratory factor analyses which were performed in the 87 pre-perceived and post-perceived values. Measuring the

pre- and post-perceived value of a cruise experience is not only unique and novel to this field of study, but it also has a number of benefits for marketers and product owners alike as they will understand the complete experience from the moment of purchase until the moment when the cruise tourist evaluates his/her experience. This puts them in a competitive position as they will have more control over the way they market their product, manage the cruise experience while it happens as well as ensure return visitation by guaranteeing experiences that are highly satisfactory.

The pattern matrix of the principle axis factor analysis identified 13 pre- and 13 post-perceived values, which were labelled according to characteristics that collectively represent each value: *perceived epistemic value (PEV)*; *perceived escape value (PEsV)*; *perceived rejuvenate value (PRV)*; *perceived emotional value (PEmV)*; *perceived novelty value (PNV)*; *perceived internal social value (PiSV)*; *perceived external social value (PeSV)*, *perceived social image value (PSiV)*, *perceived recreational value (PReV)*, *perceived service & quality value (PSQV)*, *perceived sacrifice value (PSV)*, *perceived package/money value (PPMV)* and *perceived risk value (PRiV)*. The factor analysis therefore added three factor groupings to the initially identified 10 groupings. The 87 identified items were split into smaller groupings, which make it unique to a cruise tourism experience, since most of these factors have only been tested in a retail and marketing setting.

All Cronbach Alphas coefficient values of the 13 perceived value dimensions were high, supporting internal reliability and acceptable reliability. Although these factors did not entirely agree with the initial classification of the value dimensions as predicted in the literature review, Chapter 3, they were still deemed appropriate and effective to measure the perceived value of a cruise experience.

All thirteen perceived value factors revealed fairly high mean values, which indicate that the cruise passengers consider all factors as important facets of perceived value to some degree. However, the factors that had the highest mean values (and were therefore considered as the most important factors contributing to a cruise experience by the cruise passengers) were perceived escape value (PEsV) and perceived service and quality value (PSQV):

- *Perceived escape value (PEsV)* revealed the highest mean value of 3.73 among the pre-perceived value groupings. *Perceived escape value* was also rated the

second highest in the post-perceived value groupings, revealing a mean value of 3.42. This indicates that cruise travellers perceive a cruise experience as an *opportunity to experience total relaxation, to getaway and to have a worry-free vacation*, while it also indicates that these aspects were highly satisfactory on evaluating the post-perceived value of their experience (c.f. 5.3).

- *Perceived service and quality value (PSQV)* revealed the highest mean value among the post-perceived value groupings of 3.52. PSQV was also the second highest mean value revealed among the pre-perceived value groupings with a mean value of 3.65. This indicates that cruise travellers positively perceived the value they would receive from the cruise company before their cruise (including the following items: *helpfulness, professionalism, courteousness, politeness and respectfulness of the cruise company employees, a quality experience provided by the cruise company, equipment which is reliable and safe, good overall service, reliable, consistent and dependable equipment provided by the cruise company, positive reputation reflected of the cruise company, services provided in a timely manner, good security and safety on the ship, value for money, respondents needs will be met and the cruise company will provide a quick and efficient check-in process*), while it also indicates that these aspects were highly satisfactory to evaluate the post-perceived value of their experience. It is clear from these results that service and quality are perceived as highly important and cruise tourists clearly evaluate their experience with these items in mind (c.f. 5.3).

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#### 6.2.4.3 DIFFERENTIATION BETWEEN THE PRE-PERCEIVED AND POST-PERCEIVED VALUES

Spearman rank order correlations were used to examine the strength of the relationship between the pre-and post-perceived value dimensions. All factors (except for Factor 12: Perceived package/ money value & Factor 13: Perceived risk value) received a *p*-value of .000, indicating that they are statistically significantly different from one another. Cohen's *d*-values that were calculated show large effect sizes for Factor 5: Perceived novelty value, Factor 6: Perceived external social value and Factor 7: Perceived internal social value. Each of these factors needs to be practically implemented by cruise managers and marketers.

- Cruise passengers' perceived novelty value (PNV) as higher before their cruise experience ( $\bar{x}=3.56$ ,  $SD=\pm.45$ ) than when they returned ( $\bar{x}=3.05$ ,  $SD=\pm.69$ ), thereby indicating that their expectations exceeded the actual experience. This can be attributed to the novelty of the perceived cruise vacation, which wears off during the cruise experience. This is, however, an important aspect to consider when focusing on attracting potential cruise tourists.
- Perceived external social value also received a higher rating before the cruise experience ( $\bar{x}=3.67$ ,  $SD=\pm.44$ ) than afterwards ( $\bar{x}=2.70$ ,  $SD=\pm.95$ ). Therefore, managers need to provide aspects high in perceived external social value (e.g. ensure a great atmosphere on board the cruise and that everyone has a great time) and perceived external social value (introduce more nightlife experiences) to ensure that the actual experience exceeds the cruise passengers' experience.
- Perceived internal social value received a lower rating before the cruise ( $\bar{x}=2.39$ ,  $SD=\pm.72$ ) than it did when cruise passengers returned home ( $\bar{x}=3.01$ ,  $SD=\pm.67$ ). This indicates that cruise passengers had the opportunity to build relationships outside of their usual travel group. This could be attributed to the activities offered on the cruise, which encourage cruise passengers to interact and get to know one another better.

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#### 6.2.4.4 CORRELATIONS BETWEEN PERCEIVED VALUE GROUPINGS

There is a large positive correlation between perceived epistemic value; perceived emotional value; perceived novelty value and perceived recreational value. This implies that the more cruise passengers expect to experience from perceived epistemic value, the more they will expect to gain from perceived emotional value, perceived novelty value and perceived recreational value when going on a cruise. A more practical application of this would be that if a cruise passenger wants to go on a cruise at least once in their life (PEV), they will gain more from elements such as self-reflection (PEmV), feeling excited (PNV) and enjoy the facilities such as the spa, shopping, casino etc. (PReV) (c.f. 5.5.1).

A large positive correlation is also evident between perceived novelty value and perceived service and quality value; perceived package/money value; perceived epistemic value. Therefore, cruise passengers expect that everyone will have a good time on board the cruise liner (PNV, see Table 5.7) by gaining from a quality experience

delivered by the cruise company (PSQV, see Table 5.10), packages that are appealing, exciting, fairly priced and value for money (PPMV, see Table 5.12) and if everyone has a good time on-board the cruise liner (PEV, see Table 5.4). This also indicates that value for money is attached to the expectation of a novel experience (c.f. 5.5.1).

Large positive correlations exist between post-perceived epistemic value and the following: post-perceived emotional value; post-perceived recreational value and post-perceived sacrifice value.

Thus, cruise passengers who experienced perceived epistemic value highly also experienced attributes of post-perceived emotional value, post-perceived recreational value and post-perceived sacrifice value highly. This implies that elements such as a derived sense of accomplishment (P\_PEmV), recreational facilities such as the poolside beverage service and bar facilities offered (P\_PReV), and a reduced risk of suffering an illness or sea sickness during the cruise (P\_PSV) added to passengers wanting to experience something new by going on a cruise (P\_PEV). Post-perceived emotional value and perceived recreational value were highly rated before and after the cruise, indicating that the cruise travellers' experience was met by their expectations (c.f. 5.5.2).

Large positive correlations were found between post-perceived escape value and post-perceived novelty value; post-perceived external social value and post-perceived risk value. Therefore, the more cruise passengers experience from post-perceived escape value (P\_PEsV) the more they will experience from post-perceived novelty value (P\_PNV), post-perceived external social value (P\_PeSV) and post-perceived risk value (P\_PriV). Applying this practically, for example, would mean that if cruise passengers felt that elements such as a great atmosphere on board the cruise liner (P\_PNV), an enjoyable nightlife (P\_PeSV), and cruising being something that they have always wanted to do (P\_PriV) would add to a worry-free vacation (P\_PEsV). If managers on board the cruise liner and staff ensure that there are sufficient activities, a great atmosphere and a stress-free environment, they will be enhancing these perceived values.

There is a large positive correlation between post-perceived rejuvenation value (P\_PRV) and post-perceived internal social value (P\_PiSV). This implies that the more cruise passengers experience from P\_PRV the more they will experience from P\_PiSV. By

enjoying the leisure facilities on board the cruise liner and having fun (P\_PRV), the more opportunities there will be for passengers to build relationships with other tourists outside of their usual travel group (P\_PiSV).

A large positive correlation exists between post-perceived novelty value (P\_PNV), post-perceived external social value (P\_PeSV) and post-perceived risk value (P\_PriV). Therefore, this implies that a great atmosphere on board the cruise liner (P\_PNV) added to reinforced feelings of belonging to a group (P\_PeSV) and wanting to go on a cruise (P\_PriV).

A large positive correlation exists between post-perceived external social value and post-perceived social image value and post-perceived risk value. Hence, elements such as meeting new people (P\_PSiV) and enjoying being at the sea/on the water (P\_PriV) all add to building relationships with other tourists outside of the cruise passengers' usual travel group while on board the cruise (P\_PeSV).

A large positive correlation exists between post-perceived recreational value (P\_PReV), post-perceived sacrifice value (P\_PSV) and post-perceived risk value (P\_PriV). There is a large positive correlation between post-perceived functional (package/money) and post-perceived risk value. Therefore, the cruise passengers perceived the cruise as fairly priced and value for money, and this added to the packages being perceived as exciting and appealing.

Post-perceived risk value and post-perceived sacrifice value also revealed a large positive correlation. This indicates, for example, that cruise passengers perceived a reduced risk of being conned as a tourist while on the cruise (P\_PSV) because of recommendations made by friends or experts (P\_PriV).

### 6.3 A PERCEIVED VALUE MODEL FOR THE CRUISE EXPERIENCE

The primary objective of this study was to develop a model for the cruise experience, which can be used by cruise companies to enhance the cruise experience and to fill the gap in academic research in this regard.

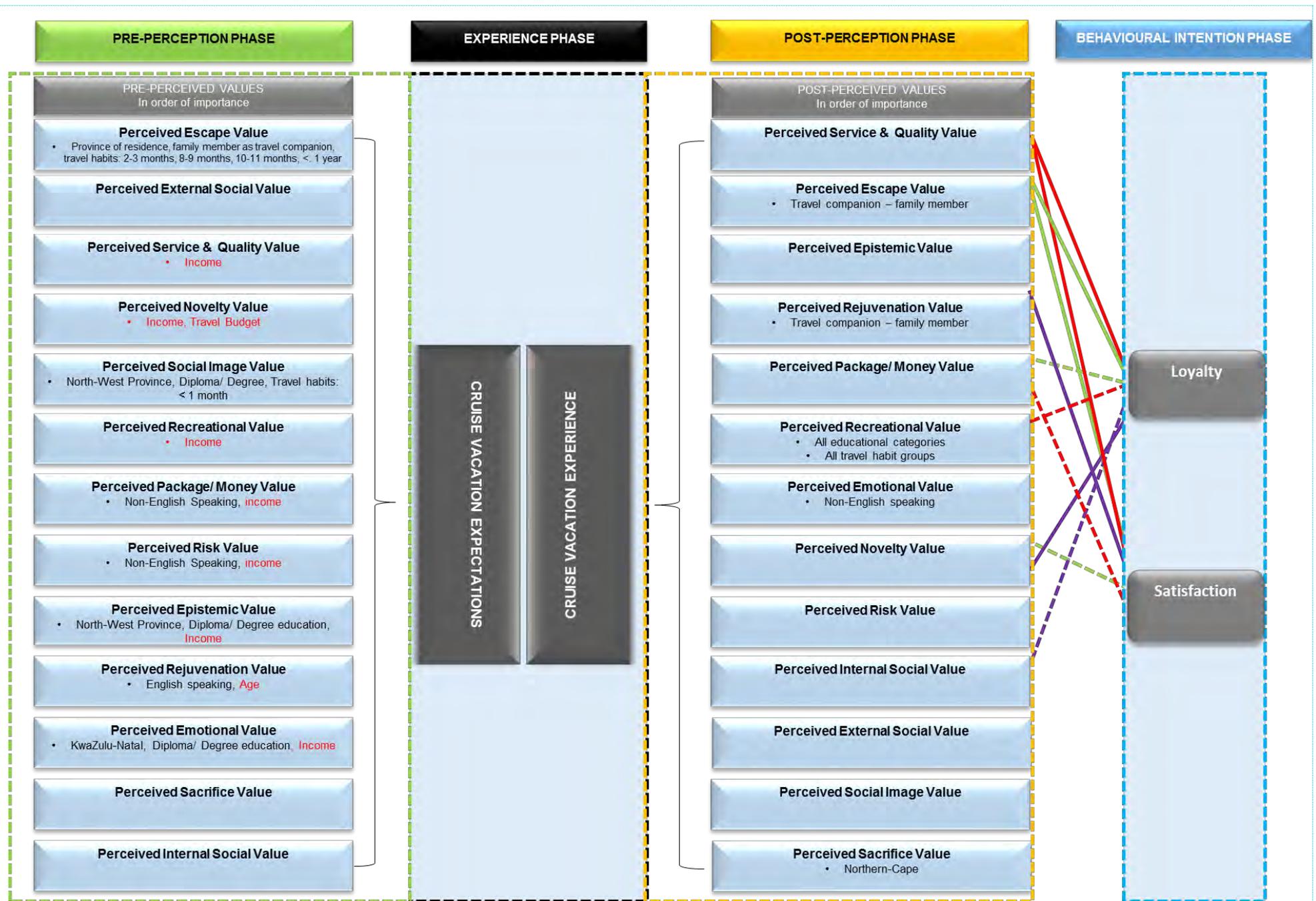
The development of a perceived value model for a tourism experience such as cruising is essential for the cruise industry in South Africa as knowledge of this stature will provide a number of benefits, such as assisting cruise companies in the development of cruise market growth, by investigating the preferences of niche segment markets and exceeding the expectations of cruise tourists by ensuring loyalty and cruise passenger satisfaction. This will lead to a number of other benefits, such as word-of-mouth recommendations and return visitation. Table 6.1 provides an explanation for the symbols used to develop a perceived value model for the cruise experience (see Figure 6.2).

**Table 6.1:** Symbols and explanations of the perceived value model

Symbol/ Colour	Explanation
	Pre- and post-perceived value groupings
	Cruise vacation expectations and experience
	Dependent variable – as predicted in the regression analysis. Loyalty and satisfaction were the dependent variables used.
 - - - - -	The <b>pre-perceived</b> phase
 - - - - -	The experience phase
 - - - - -	The <b>post-perceived</b> phase
 - - - - -	The behavioural intention phase
	<b>Regression analysis</b> – indicates the independent variable which has the largest influence on the independent variable
	<b>Regression analysis</b> – this symbol indicates the independent variable which has the second largest influence on the independent variable
	<b>Regression analysis</b> – this symbol indicates the independent variable which has the third largest influence on the independent variable
	<b>Regression analysis</b> – this symbol indicates the independent variable which has the fourth largest influence on the independent variable

	<b>Regression analysis</b> – this symbol indicates the independent variable which has the fifth largest influence on the independent variable
	<b>Regression analysis</b> – this symbol indicates the independent variable which has the sixth largest influence on the independent variable

Due to its unique nature, perceived value for a cruise experience was originally viewed as consisting of multiple aspects. It was therefore theorised that post-perceived value may influence the satisfaction and loyalty that cruise tourists feel once they have returned from their cruise experience. To prove this theory, a regression analysis was posed as the best route to follow. In order to develop a perceived value model for the cruise experience, the results from the regression analysis and other statistical analysis conducted (i.e. *t*-tests, correlations, ANOVAs and Tukey's *post hoc* multiple comparisons) are relayed in Figure 6.2 and discussed in more detail below.



**Figure 6.2:** The perceived value model for the cruise experience

**Source:** Author's own compilation

The model as portrayed in Figure 6.2 considers that since tourism and the cruise experience take place in a highly intangible setting, there are a number of elements which contribute towards the total experience. Included in this are socio-demographic and travel behaviour elements which have an effect on the pre-perceived and post-perceived of a cruise. Therefore the cruise market cannot be deemed the same and each niche needs to be attracted through different marketing initiatives tailored to their preferences (pre-perceptions) and products need to be developed which feed the expectations of each unique segment. Recommendations for marketing cruises and product development are discussed in Section 6.5 of this chapter.

The model considers the pre-perceptions of a cruise experience, which are influenced by marketing initiatives conducted by the cruise company and experienced before the cruise holiday. These pre-perceived values are ranked according to level of importance as relayed in the empirical findings of this thesis (see Chapter 5, Figure 5.2). The model also considers the post-perceived values which are experienced after the cruise holiday and are also evaluated according to level of importance (see Chapter 5, Figure 5.2).

More importantly this model considers that the cruise experience takes place long before the actual cruise holiday and lasts long afterwards, therefore through theoretical (see Chapter 2 & 3) and empirical findings (see Chapter 5) the model has been divided into four phases, namely: the pre-perceived phase, the experience phase, the post-perceived phase and the behavioural intention phase.

In order to successfully assist cruise marketers and managers in their venture to improve the number of cruise tourists who cruise annually and to provide tailored, satisfactory experiences to their passengers, the perceived value model is discussed from a practical and implementable view by analysing each of the above mentioned phases and their respective perceived values, as relayed below.

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#### **PHASE ONE: PRE-PERCEIVED PHASE**

During the pre-perceived phase cruise passengers make the decision to either purchase a cruise vacation or not. Therefore, this phase is of utmost importance to cruise companies aiming to increase growth numbers and to attract potential cruisers. Marketers need to consider the values as ranked in order of importance when marketing

to the public as these are essential for formulating positive pre-perceptions and heightened expectations in the minds of potential cruise tourists.

Cruise passenger perception forms one of the most important individual factors that influence buying behaviour. The way in which a cruise passenger perceives a product is reality to that specific individual, despite what the truth or accepted view might be. Hence cruise marketers must understand consumers' perceptions and adapt their marketing communication to address as well as rectify incorrect perceptions towards the cruise product.

Difficulties can be overcome in this phase by enhancing perceived values which are rated as important when one decides to take a cruise, thus converting non-cruisers or the so-called '*anti-cruise crowd*' into cruisers which is essential for growing the cruise market. Since cruise companies can only reach cruise tourists through marketing this is particularly important. Therefore a cruise tourist looking to purchase a cruise holiday will look at the MSC website and advertisements focusing on that specific cruise holiday. Consumers these days are bombarded by advertisements and therefore marketers need to entice them by enhancing those perceived values which were rated highly.

As seen from the perceived value model certain perceived values were rated more important than others and had a bigger influence on the cruise tourists' decision to travel. Therefore these perceived values (e.g. perceived escape value, perceived external social value and perceived service quality value) need to be expanded on during marketing initiatives. However, when implementing this model, it is important that marketers see the perceived value groupings as a whole, since strong correlations were found among the perceived values and they are highly dependent on one another. Therefore all the pre-perceived values as identified in this model should be implemented during marketing while enhancing the following:

- Cruise passengers seek to escape everyday life by going on a cruise vacation, as perceived escape value was the highest rated perceived value among the pre-perceived value dimensions (see Figure 6.2). Going on a cruise is escape value in itself and should be used in marketing strategies, by for example indicating the cruise in the middle of nowhere on a map, with a slogan: '*You can be here*'. The results of this study also found that elements of perceived novelty value, perceived external social value and perceived risk value need to be combined

during the cruise for the cruise passenger to experience enhanced elements of perceived escape value. For example a great atmosphere created on-board during the cruise, with an enjoyable and entertaining nightlife and positive word-of-mouth recommendations will add to a worry-free vacation. Perceived escape value was highly rated by all groups of different provinces, and by those cruise tourists who plan their cruise a year in advance. Therefore, marketers need to focus on enhancing elements of: *total relaxation, getting away, having a worry-free vacation, experiencing fresh, clean air and the environment, enjoying leisure facilities, having fun and being rejuvenated* into their marketing campaigns across the country a year before the cruise season opens as this has a big influence on cruise passengers' decision to travel. More implementable marketing recommendations are made in Section 6.5.2 of this Chapter.

- *Perceived external social value* was rated as the second highest determinant of the pre-perceived value groupings and therefore plays a significant role in cruise passengers' decision to go on a cruise. This indicates that cruise passengers expect to experience elements which add to perceived external social value (i.e. *I want to go on a cruise to: spend time with someone special (spouse, partner, family, friend), experience the nightlife offered on-board the cruise liner...see Table 5.8, Chapter 5)* highly during their cruise experience. Cruise marketers can take advantage of this in their marketing strategies by implementing social cruises such as an '*Ultra Fest Cruise*' for young people. More implementable external social value recommendations are made in Section 6.5.2.
- *Perceived service and quality value*: cruise travellers positively perceived the value they will receive from the cruise company before their cruise (including the following items: *helpfulness, professionalism, courteousness, politeness and respectfulness of the cruise company employees, a quality experience provided by the cruise company, equipment which is reliable and safe, good overall service, reliable, consistent and dependable equipment provided by the cruise company, positive reputation reflected of the cruise company, services provided in a timely manner, good security and safety on the ship, value for money, respondents needs will be met and the cruise company will provide a quick and efficient check-in process.*' This was especially applicable to those cruise tourists who took an impulsive decision and decided to cruise less than a month before departure as they considered perceived service and quality value the most important factor when deciding to go on a cruise. Hence perceived service and

quality value need to be particularly enhanced during this period. Perceived quality and service value plays a prominent role throughout all the phases indicated in the model, therefore recommendations which should be implemented by cruise marketers and managers are suggested in Section 6.5.2.

- *Perceived novelty value*: This is an important aspect to consider when focusing on attracting potential cruise tourists as novelty is relayed through word-of-mouth recommendations and photos taken during other cruise tourists' experiences. However since novelty wears off during the cruise experience (Figure 6.2) marketers need to take advantage of its highly favourable influence. This can be done by encouraging past-cruise tourists to post photos of their best experience during their cruise on the cruise company's Facebook page with a small description. Section 6.5.2 suggests more implementable recommendations.

Another significant deduction which can be made from phase 1 (see Figure 6.2) includes the following:

- Although income is an important attribute when deciding to go on a cruise it was considered less important when measured against other influencing factors (e.g. age, education etc.). This indicates that although money does play a role, potential cruise passengers are willing to spend money for elements which they feel will add value to their cruise experience such as service and quality; the novelty of the cruise, recreational value, package/money value, epistemic value and emotional value.

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## PHASE TWO: EXPERIENCE PHASE

This is where the magic happens. Cruise passengers expectations are met with the actual cruise vacation experience and the results will determine satisfied or dissatisfied passengers, affecting post-perceptions and behavioural components such as satisfaction and loyalty which lead to positive word-of-mouth recommendations and repeat visitation.

Since the cruise company has more control over the tangible elements that pose an influence on the experience phase (e.g. cruise personnel, other cruise passengers, accommodation, facilities and entertainment, excursion, physical environment, food and beverages...as seen in Chapter 5) they need to deliver on the promises made through

marketing initiatives to ensure a satisfying experience and to exceed expectations through excellent service delivery. Recommendations for implementation are suggested under Section 6.5.2 of this chapter.

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### PHASE THREE: POST-PERCEIVED PHASE

During the post-perceived phase cruise tourists return from the port of call (disembarking) and they now have a different mind-set towards the product and evaluate it according to certain post-perceived values as seen in Figure 6.2. In other words, pre-perceptions formulated during phase one are measured against the experience and evaluated against a set-criteria or post-perceptions (Figure 6.2).

The post perceptions which were rated most important by cruise tourists on evaluating their cruise experience need to be incorporated into management strategies and product development. This will ensure that expectations are met by the actual experience. Although the post-perceived values which were rated highest are essential for product improvement and development, cruise managers need to keep all the post-perceived values in mind as these dimensions are interrelated and dependent on one another and should therefore be seen as a whole.

Perceived values which had a high impact on the evaluation of cruise tourists cruise experience include the following:

- *Perceived service/ quality value* was rated as the most important post-perceived value. This indicates that cruise managers should keep on improving the service they deliver to their passengers and ensure a highly personal satisfactory experience by employing well-trained and passionate staff members who will put the passengers' needs first. As mentioned before, perceived service/quality value plays an important role throughout the cruise experience and recommendations which need to be implemented into cruise management strategies are included in Section 6.5.2.
- *Perceived escape value*: As can be seen in the perceived value model (Figure 6.2) perceived escape value was rated as the highest perceived value among the pre-perceived value dimensions and the second highest among the post-perceived value dimensions. Therefore it is essential that the actual cruise experience delivers on the promises made through marketing.

- *Perceived epistemic value*: This post-perceived value plays an important role when evaluating a cruise experience (see Figure 6.2). Therefore cruise managers need to consider enhancing elements which add to perceived epistemic value during the cruise experience (e.g. *I went on a cruise to: cruise at least once; discover something new; visit places I can talk about when I get home; enjoy the nature and the scenery; enjoy the beauty of the coastal landscapes, increase my knowledge about people, places and things, enjoy the marine wildlife from the cruise liner, see and do a variety of things, experience something that will make me more knowledgeable, have an interesting experience and satisfy my curiosity*). A more practical application to incorporate perceived epistemic value would be to have a ‘*be a chef/ captain/ crew member for a day*’ adding elements which allow passengers to learn new skills during the cruise.

Other significant deductions which can be made from phase 3 (see Figure 6.2) include the following:

- Non-English-speaking cruise tourists rated perceived emotional value higher than English speaking cruise passengers. Since emotions are strongly influenced by personal experiences, managers need to deliver on a highly satisfactory personal cruise experience to non-English speaking cruise passengers which enhance emotional value. This can be by introducing a cruise for isiXhosa-speaking women, for example, with guest speakers who focus on arousing feelings of self-worth and focus on personal values.
- *Perceived recreational value*: The results showed that the cruise passengers perceived a higher *perceived recreational value* experience than they received during the cruise. Since these are tangible elements that are facility related, cruise managers can improve on these perceptions by ensuring that the facilities are well maintained and provide an enjoyable, satisfactory experience. By introducing new or upgraded facilities, the cruise tourists experience will exceed expectations.
- Those cruise tourists who reside in the Northern Cape considered perceived sacrifice value (*the ship sinking, experiencing a storm, suffering an illness, or terrorist attack*) as an important element when evaluating their cruise experience.
- All four education categories and all the travel habit groups rated post-perceived recreational value highly. This indicates that factors that constitute of post-perceived recreational value, such as *the poolside beverage service and bar*

*facilities offered, the dining room atmosphere and presentation, cabin size and casino* added great value to the cruise experience. As seen in Chapter 2, facilities and services are key contributors to the total cruise experience. Management must take note thereof and must make sure that facilities are kept in mint condition and that services must always be of the highest standard.

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#### PHASE FOUR: BEHAVIOURAL INTENTION PHASE

When the cruise passenger reaches the fifth phase, they recall the experience and relive it in their memories. Therefore this phase will determine whether the passengers feel loyal and satisfied about their cruise experience and they'll weigh their expectations against the experience which they had. This phase is a reflection of the efforts of cruise marketers and managers and once cruise passengers reach this phase their perceptions cannot be influenced anymore. However, a good experience will ensure satisfied cruise passengers who will not only return for another cruise but who will, through positive word-of-mouth recommendations, influence other potential passengers to go on a cruise too.

Perceived service and quality value were the most important elements contributing significantly to both loyalty and satisfaction. Managers need to ensure that perceived service and quality value are enhanced during the cruise experience. Elements which comprise of the perceived service/ quality value should be incorporated into management strategies and the cruise product needs to be adapted to ensure that these elements are perceived and experienced positively. The following aspects of perceived service and quality value need to be enhanced during the cruise experience: *the cruise company should have helpful, professional, courteous, polite and respectful employees, the cruise company needs to deliver a quality experience, it needs to provide equipment that is reliable and safe, it needs to offer a good overall service, the cruise company needs to provide reliability, consistency and dependability, should be spoken of positively, needs to provide services in a timely manner, needs to provide good security and safety on the ship, needs to provide value for money, meet all the cruise passengers' specific needs and provide a quick and efficient check-in process.*

## 6.4 CONTRIBUTIONS OF THIS STUDY

As indicated in Chapter 1 (see section 1.4.2) and based on the objectives set out in this study, the contributions of this study lie in the following:

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### 6.4.1 THEORETICAL CONTRIBUTION

- The following theoretical contributions were made in the first literature chapter (Chapter 2) of this study:
  - This study is the first of its kind, as no other studies have been conducted on the South African cruise industry before.
  - This study contributed to theory by developing a theoretical framework which provides an overview of the sectors which form part of marine tourism and the various activities which take place in each (i.e. *non-specialist leisure pursuits, water-based (motorised), shore-based and water-based (non-motorised)*). Since this is the first framework of its kind, it can be used and built on by future researchers as it provides a comprehensive overview of the marine tourism industry and provides examples specific to South African marine tourism.
  - A timeline was developed which gives perspective on the cruise industries development and history. This can be adapted or added to for future research as the cruise industry changes and develops.
  - A theoretical framework of the phases of a cruise experience were developed and can be utilised in future studies.
  - Factors which influence the cruise experience are graphically relayed in Chapter 2 and analysed, thereby providing a foundation on which to build future studies determining the effects of these factors on the cruise experience.
  
- In the second theoretical chapter (Chapter 3) the author made the following contributions to the literature:
  - This study provides a comprehensive definition of perceived value based in a tourism setting, which can be used by future researchers.

- This study considers all items used to measure perceived value in previous studies and through a process of development (including the pilot study, survey, statistical analysis) these items are reduced and tailored for the cruise industry. Therefore these items can be considered for future studies in similar experiential settings.
- Though limited empirical research on perceived value in the South African tourism industry exists, there seems to be no evidence of published works on perceived value in the South African tourism industry. This study therefore contributes to theory with regard to perceived value and its novel approach to measuring the perceived value of a cruise experience. Therefore, this study provides a platform for future tourism scholars to build on the field of perceived value research.
- The main theoretical contribution made by the author from the two literature chapters (Chapter 2 & 3) was the development of the theoretical perceived value framework (see Section 6.2.2.1), upon which the empirical model was based.

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#### 6.4.2 METHODOLOGICAL CONTRIBUTIONS

The methodological aspects used to develop a perceived value model were not only applied for the first time in this study, but also in a South African context. The following methodological aspects can therefore be seen as a benchmark in South African perceived value research:

- Since this is the first study of its kind, a significant contribution is made by developing a measuring instrument (see Annexure A & B) which measures the pre- and post-perceived value of a cruise experience, the cruise traveller profile, cruise traveller travel behaviour profile and elements which are a result of the perceived value experience (i.e. loyalty and satisfaction). Reliability and validity for the scale were well confirmed. The perceived value dimensions proposed in this study are valid conceptualisations and measures that can more aptly assess perceived value for a cruise experience. This measuring instrument can be adapted and used for future studies conducted in similar settings.
- Another methodological contribution of this study are the various relationships which were tested for the first time making them a novel contribution to the literature. These relationships included the following:

- Relationships were tested and identified between the pre- and post-perceived values.
- Relationships were tested and identified among the socio-demographic aspects and perceived values.
- Relationships were tested and identified between the cruise traveller profile aspects and perceived value.
- Relationships were tested and identified among the post-perceived values and loyalty.
- Relationships were tested and identified among the post-perceived values and satisfaction.

All of the above contribute significantly to the literature and can be used to develop future studies.

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#### 6.4.3 PRACTICAL CONTRIBUTIONS

- Analysing the pre- and post-perceived values for a cruise experience enabled the understanding of both expectations and experiences – this provides a holistic views of value not measured before in this context.
- The major contribution of this study, namely the perceived value model (Section 6.3) developed in this study will increase growth numbers and enhance the cruise experience when incorporated by cruise management and marketers based on the guidelines provided. The cruise experience can directly be improved by taking this information into account.
- Understanding the perceived value of a cruise experience will give cruise companies a competitive edge as they can tailor their offerings to suit the needs of specific niche markets. New approaches suggested in the recommendations of this study will revive and sustain the cruise industry especially in a country such as South Africa where the cruise industry has not yet reached its full potential.

## 6.5 RECOMMENDATIONS

As seen in the perceived value model developed for a cruise experience (Figure 6.2), cruise companies play an important role during two phases (the pre-perceived phase and the cruise experience phase) of the total cruise experience, which essentially flows over to the remaining two phases (the post-perceived phase and the behavioural intention phase). Therefore, in order to guide marketers and managers in the successful implementation of the perceived value model, this section is divided into three sections.

Firstly, recommendations which need to be incorporated by cruise marketers during phase one of the cruise experience are listed, secondly recommendations with regards to product development of the cruise experience which need to be incorporated by cruise managers are given and thirdly recommendations with regard to future research in this field are stipulated.

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### 6.5.1 RECOMMENDATIONS WITH REGARD TO THE MARKETING OF CRUISE TOURISM/ EXPERIENCES

The cruise industry needs to focus its attention away from mass marketing and direct its focus on niche markets. This will improve growth rates and ensure satisfied cruise passengers. The following concepts need to be implemented to attract specific markets:

- Since the South African cruise market is aging (40-65 years), more attention needs to be given to attract younger segments. Themed cruises such as '*Tomorrowland*' which will attract younger segments needs to be launched. This would be especially attractive to younger markets as an alternative to a matric vacation where the cruise is more controlled and launched during off- peak times (i.e. end of October, early November).
- Families are currently the biggest segment of the South African cruise market (as found in this research), so cruise companies should focus their attention on the perceived values that are highly sought by this segment (i.e. perceived escape value and perceived sacrifice value). Families are strongly attracted to cruising because they are value conscious and time-pressed. Cruising should focus on

creating family experiences, such as holiday activities or full children programmes with a variety of activities to keep children busy during the cruise. Respondents who partook in this research suggested that more activities be introduced to the teen club. However, it is also important that family orientated activities are also implemented, such as friendly volleyball pool competitions or family bingo.

- Large groups can be attracted by introducing special group packages (5% for 5 people; 10% for 10 people etc.) during the quieter more off-peak periods of the cruise season (e.g. in January when everyone returns home from their December holiday). This will be especially attractive to large groups of families who would like to share a special occasion while on the cruise liner (e.g. wedding, anniversary, reunion etc.) while it will also be attractive to younger people who aren't earning large salaries but who would like to cruise with friends.
- More previously disadvantaged groups and non-English speaking segments have more disposable income to spend these days and are therefore taking a bigger interest in tourism activities such as cruising. However, these markets need to be sourced and accommodated in their preferred language. This can be achieved by diversifying marketing initiatives into other languages through marketing material, promotions and designing a multilingual website to accommodate a wider spectrum of potential cruise tourists.

Other marketing strategies which should be incorporated by cruise marketers include the following:

- People go on a cruise to escape and since this is the strongest perceived value during the pre-perceived phase this study strongly recommends that cruise marketers take advantage of this in their marketing strategies. Marketing done at exhibitions such as the annual Getaway Show need to be interactive and this can be achieved by being the first tourism company in South Africa to introduce a 4D mobile theatre. A theatre such as this can accommodate 15 people at a time, who 'board a cruise line', inclusive of special effects such as water splashing, the cruise shipping moving, a tour of the casino, spas, pools, dining experience, accommodation facilities and the excursions offered by the cruise company (e.g. Portuguese Islands). This mini-experience is sure to persuade potential cruise tourists to take a cruise.

- In order to accommodate the largest source market (Gauteng) with travel costs to the ports of call, the cruise company needs to partner with a cheaper more affordable airline (e.g. Mango), to offer cruise passengers combined packages which include the cost of the air ticket, transfer costs from the airport to the port of call and the cost of the cruise. This will eliminate hidden and unexpected costs during the cruise which will make planning and budgeting easier and more pleasurable for cruise passengers as everything is organised on their behalf.
- Novelty is relayed through word-of-mouth recommendations and photos taken during other cruise tourists experiences. Cruise passengers can be encouraged to share their photos on the cruise company's Facebook page, and by partaking in competitions to share their experiences on various social platforms or published articles. This will make the novelty of the cruise last well after the actual experience while also attracting potential cruise tourists through positive and happy memories through the eyes of former cruise passengers, who will therefore be seen as reliable sources.
- Special festival cruises such as a Jazz Festival Cruise can be offered to potential cruise tourists and will therefore attract a completely different and new segment. Since the Afrikaans market is the second largest source market, a festival similar to KKNK or Aardklop can be offered to this segment, featuring headline artists such as Juanita Du Plessis, Theuns Jordaan, Riana Nel, Klipverf Orkes, Jannie Moolman, Kurt Darren etc. This will also give adoring fans the opportunity to share in the novelty of meeting and possibly spending time with these artists in an unique environment.
- Since the average travel budget of a typical South African cruise tourist is R 10 000, an early bird special is recommended or a pay-off system which encourages potential and current tourists to plan their cruise holiday in advance. Cruise companies should take advantage of the Kit-Kat system (which is popular and unique to South Africa consumers) by allowing larger groups of families and friends to pay money towards a cruise experience fund every month. This will be perceived as a more affordable approach and will allow the opportunity for more cruise segments to travel.
- People cruise to be entertained and therefore this study recommends that the cruise company partner with Big Concerts or 5FM to source International Artists such as Beyoncé, Simon Garfunkel, One Direction, Hardwell, Adele or Drake, by

implementing two-day cruises to no-where featuring one of these artists (e.g. an Adele Cruise) which are then packaged and sold to fans.

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### 6.5.2 RECOMMENDATIONS WITH REGARD TO PRODUCT DEVELOPMENT OF CRUISE TOURISM/ EXPERIENCES

In order to enhance the cruise product and to deliver on the promises made through marketing initiatives the following recommendations have been formulated:

- Service and quality value start long before the cruise passenger boards the ship and one of the elements which will enhance the cruise experience is the offering of refreshments and temporary waiting areas at the ports for those passengers who arrive early and need to wait for a delayed cruise liner.
- Since service and quality value are highly perceived before, during and after the cruise experience and while it is also the most important determinant of loyalty and satisfaction, cruise managers need to implement the following:
  - The service provided by the employees on the cruise liner will influence the cruise passengers perceptions and experience. These elements include all staff members, from the porter to the cleaners and even the captain. The service that these personnel render to the passengers should be top notch, professional and friendly, as this will determine the satisfaction of the passengers total cruise experience.
  - The ships need to be kept in mint condition and attention to detail in the type of linen, towels, sanitary supplements, hairdryers in the rooms and quality of the coffee used at the self-service stations will go a long way in ensuring satisfactory high quality experiences.
  - Safety precautions and quick briefings need to be provided as this will reduce heightened perceived sacrifice value during the cruise.
  - Excursions need to be properly organised and controlled by the cruise companies staff and training needs to be provided if a local company is used to ensure that their offering is up to standard. Local employees should also be able to speak basic English to accommodate the majority of the cruise passengers.
- The cruise company should ensure that they have good relationships with tourism organisations in South Africa such as the Tourism Grading Council of

South Africa and South African Tourism. This provides a point of reference for cruise tourists and enhance elements in perceived risk value which are highly sought from reliable sources such as the aforementioned organisations.

- Entertainment and facilities provided on-board a cruise liner are becoming more and more important since cruise tourists travel for the experience and not the end destination. Therefore quality shows, shore excursions, facilities, on-board shopping facilities and other amenities (e.g. spa and casino) need to be offered to cruise passengers.
- The fourth biggest cruise market is sourced from the Eastern Cape and a recommendation which was made by most cruise tourists residing there is that a port of call be opened at East London. This will attract an even wider and bigger market from the Eastern Cape as costs to travel to the Durban or Cape Town ports will be eliminated.

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### 6.5.3 RECOMMENDATIONS CONCERNING FUTURE RESEARCH

- It is believed that the overall model presented in this study can be beneficial in the prediction of perceived value and repurchase intentions beyond that of the cruise industry. It is suggested that the model may aid in the understanding of perceptions of value and repurchase intentions for a multitude of services and products.
- To further determine the potential of the perceived value model, additional research is needed to investigate the models effectiveness in other environments (e.g. the hospitality sector).
- Further investigation needs to be done to analyse difference between the various cruise segments. The pre-perceived value of first time versus repeat visitors needs to be analysed and understood.
- Since this is the first study to be conducted on the South African cruise market a definite opportunity exists to analyse this niche academic area in more detail. Economic impact, environmental impact, social impact and feasibility studies still need to be done to understand the effect which the cruise industry has on the country and the South African tourism industry.
- Perceptions of major cruise companies (such as Carnival cruises) need to be tested so that attractive investment packages can be formulated to attract these

companies to the South African shorelines, not only as an alternative stop for long haul visits but on a more permanent basis.

- The South African government is taking an increasing interest into boosting infrastructure and supporting amenities to attract these segments and therefore research is needed to guide future decisions and allocation of funds.
- With regard to the multi-facet research topic at hand and the unique nature of the South African cruise industry, it is recommended that a combination of statistical analyses is considered. This is proved to be a useful approach for this study in obtaining a more comprehensive view of the perceived value of a cruise experience.

## 6.6 LIMITATIONS OF THE STUDY

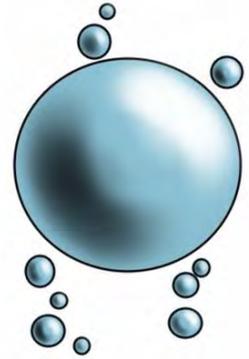
The findings of this study need to be set within the context of limitations, which are related to data collection and the measurement approach:

Although this study is considered to be a timely contribution to the perceived value and cruise tourism literature, it is nonetheless subject to limitations.

- This study focused on the perceived value experienced by the South African cruise market. Therefore, the results should not be generalised to cruising within other contexts or countries such as the United States of America or any of the European countries.
- Since cruise tourism is a very broad sector to tap into this study only analysed elements pertaining to the cruise tourists' total experience and not the effect which cruise tourism has on environmental or community issues. Since the cruise industry does have a very negative influence on these elements they need to be explore in more detail.

However, despite these limitations, this study successfully developed a valid and reliable model that measures the perceived value of a cruise experience. Furthermore, this study sheds light on the current decline in growth numbers as it indicates important underlying perceptions that influence re-visitation and positive word-of-mouth recommendations.

# Annexure A



## Pre-perceived value questionnaire of a cruise experience

Dear Respondent

Thank you for your participation in this survey.

My name is Kiera Schoeman and I am currently completing my PhD study at the North-West University. The focus of my PhD is to conduct research regarding cruise vacationers' perceptions about the value of a cruise vacation.

The success of this study is dependent on individuals such as you responding to the questionnaire. If you respond, you can be assured of complete confidentiality. Your answers will only be used when they have been combined with the answers of other respondents. The e-mail address located on the questionnaire will only be used to send you a post-perception questionnaire once you have returned from your cruise. The e-mail list will be destroyed when the study is complete.

Please note that your participation in this study is voluntary. You have the right to discontinue participation at any time. Once you have completed the questionnaire, please select the submit button; by doing this, you will have indicated your consent to participate in the study.

In advance, **THANK YOU** for your participation in this study. If you have any questions, please contact:

**PhD student:** Kiera Schoeman

E-mail: [Schoeman.kiera@gmail.com](mailto:Schoeman.kiera@gmail.com)

**Promoter:** Professor P Van Der Merwe

E-mail: [Peet.VanDerMerwe@nwu.ac.za](mailto:Peet.VanDerMerwe@nwu.ac.za)

**Co-promoter:** Professor E Slabbert

E-mail: [Elmarie.Slabbert@nwu.ac.za](mailto:Elmarie.Slabbert@nwu.ac.za)

# QUESTIONNAIRE

## The perceived value of a cruise tourism experience

### SECTION A: EXPERIENCE AND PERCEIVED VALUE

1.1 Are you going on a cruise in the near future?

No	1
Yes	2

1.2 If your answer was yes, please specify when you will go on a cruise?

November 2014	1
December 2014	2
January 2015	3
February 2015	4
March 2015	5
Other	6
Specify:	

<b>Very important</b>	4			
<b>Slightly important</b>	3			
<b>Fairly unimportant</b>	2			
<b>Not important</b>	1			
<b>I want to go on a cruise to:</b>	1	2	3	4
cruise at least once	1	2	3	4
discover something new	1	2	3	4
visit places I can talk about when I get home	1	2	3	4
enjoy the nature and the scenery	1	2	3	4
enjoy the beauty of the coastal landscapes	1	2	3	4
increase my knowledge about people, places and things	1	2	3	4
enjoy the marine wildlife from the cruise liner	1	2	3	4
see and do a variety of things	1	2	3	4
have an interesting experience	1	2	3	4
satisfy my curiosity	1	2	3	4
experience total relaxation	1	2	3	4
relax and get away	1	2	3	4
have a worry-free vacation	1	2	3	4
experience fresh, clean air and the environment	1	2	3	4
enjoy the leisure facilities and to have fun	1	2	3	4
be rejuvenated	1	2	3	4
self-reflect and think about my personal values	1	2	3	4
increase my feelings of self-worth	1	2	3	4

learn more about myself	1	2	3	4
derive a feeling of accomplishment	1	2	3	4
feel excited	1	2	3	4
feel a sense of adventure	1	2	3	4
be physically active	1	2	3	4
spend time with someone special (spouse, partner, family, friend)	1	2	3	4
experience the nightlife offered on board the cruise liner	1	2	3	4
meet someone special (potential romance)	1	2	3	4
celebrate a special occasion (e.g. anniversary, birthday, reunion, wedding)	1	2	3	4
rekindle, improve or strengthen a relationship	1	2	3	4
build relationships with other tourists outside of my usual travel group	1	2	3	4
reinforce my feelings of belonging to a group	1	2	3	4
be socially accepted by a group	1	2	3	4
meet new people	1	2	3	4
improve the way I am perceived by others	1	2	3	4
<b>The following will add value to my cruise experience:</b>				
The poolside beverage service and bar facilities offered	1	2	3	4
The bar and lounge service	1	2	3	4
The dining room food presentation	1	2	3	4
The dining room menu selection	1	2	3	4
The atmosphere in the dining room	1	2	3	4
The on-board shopping facilities	1	2	3	4
The spa facilities and treatments offered	1	2	3	4
The cabin size	1	2	3	4
The casino				
The show-time entertainment	1	2	3	4
The laundry valet service	1	2	3	4
The cleanliness of the ship	1	2	3	4
The helpfulness and friendliness of staff (on and off board)	1	2	3	4
The shore excursions	1	2	3	4
There seems to be a great atmosphere on-board cruises	1	2	3	4
Everyone seems to have a good time during cruises				

## 2.2 Evaluate to which extent you agree or disagree with the following statements:

<b>Agree</b>	4			
<b>Neutral</b>	3			
<b>Disagree</b>	2			
<b>Strongly disagree</b>	1			
<b>Do you think that this cruise company:</b>				
	1	2	3	4

will have helpful, professional, courteous, polite, respectful employees?	1	2	3	4
will deliver a quality experience?	1	2	3	4
will provide equipment that is reliable and safe?	1	2	3	4
will offer a good overall service?	1	2	3	4
will provide reliability, consistency and dependability?	1	2	3	4
is spoken of positively?	1	2	3	4
will provide services in a timely manner?	1	2	3	4
will provide good security and safety on the ship?	1	2	3	4
will provide value for money?	1	2	3	4
will meet all my specific needs?	1	2	3	4
will provide a quick and efficient check-in process?	1	2	3	4
<b>I would fear the risk of....during the cruise:</b>				
the ship sinking	1	2	3	4
experiencing a storm during the cruise	1	2	3	4
suffering an illness or sea sickness	1	2	3	4
a terrorist/pirate attack	1	2	3	4
being conned as a tourist	1	2	3	4
gaining weight	1	2	3	4
<b>The cruise packages offered are:</b>				
appealing	1	2	3	4
exciting	1	2	3	4
fairly priced	1	2	3	4
value for money	1	2	3	4
<b>The following influenced my decision to go on a cruise:</b>				
Marketing and promotions by the cruise company	1	2	3	4
Going on a cruise is something that I have always wanted to do	1	2	3	4
Recommendations by friends	1	2	3	4
Recommendations by experts (e.g. travel agents)	1	2	3	4
I enjoy being at the sea/on the water	1	2	3	4

## SECTION B: SOCIO-DEMOGRAPHIC DETAIL

**1. In which year were you born?**

19

**2. Home language?**

English	1
Afrikaans	2
Other (Specify)	3

**3. Marital status?**

Married	1
Not married	2
Divorced	3
Widow/er	4
Living together	5

**4. In which province do you live?**

Gauteng	1
KwaZulu-Natal	2
Eastern Cape	3
Western Cape	4
Northern Cape	5
Limpopo	6
Mpumalanga	7
Free State	8
North West	9
Outside SA	10

**5. Country of residence (If outside RSA)?**

**6. Please indicate your highest level of education.**

No school	1
Matric/grade 12	2
Diploma, degree	3
Post-graduate	4
Professional	5
Other (Specify)	6

**7. Which category best describes your annual household gross income group?**

R 50 000 or less	1
R 50 001-R 100 000	2
R 100 001-R 200 000	3
R 200 001-R 350 000	4
R 350 001-R 500 000	5
More than R500 000	6

## SECTION C: CRUISE TRAVEL PROFILE

**1. Indicate your travel budget for the duration of the cruise?**

R5 000 or less	1
R5 001-R10 000	2
R10 001-R20 000	3
R20 001-R30 000	4
R30 001-R40 000	5
R40 001-R50 000	6
More than R50 001	7

**2. Who was your travel companion during the duration of the cruise?**

Spouse	1
Family member	2
Lover/girlfriend/boyfriend	3
Friend	4
Travelling alone	5
Colleague	6

**3. Which method of purchase would you use?**

Internet	1
Travel agency	2
Cruise company	3
Booking through travel group	4

**4. Indicate where you have heard about this cruise company before?**

Twitter	1
Leaflets	2
Newspapers and magazines	3
Travel books	4
Told by friends	5
Travel agency	6
Internet	7
Television broadcast	8

**5. Indicate the option that best describes your travel habits. I planned my cruise...prior to departure.**

Less than 1 month	1
2-3 months	2
4-5 months	3
6-7 months	4
8-9 months	5
10-11 months	6
More than 1 year	7

**6. Who organised your other travel arrangements (excluding the cruise)?**

Arranged it by myself	1
The cruise company	2
Family member	3
Travel agent	4

**10. If you would like to participate in the post-perception value cruise experience survey, please write your e-mail address in the space provided<sup>1</sup>:**

E-mail address: \_\_\_\_\_.

**11. Do you have any recommendations?**

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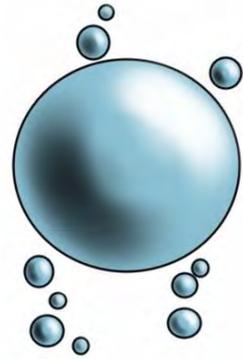


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# Annexure B



## QUESTIONNAIRE The perceived value of a cruise tourism experience

### SECTION A: POST-PERCEPTION VALUE

1.1 Evaluate to which extent you agree and/or disagree with the following statement:

Very important	4				
Slightly important	3				
Fairly important	2				
Not important	1				
<b>I went on a cruise to:</b>		1	2	3	4
cruise at least once		1	2	3	4
discover something new		1	2	3	4
visit places I could speak about when I got home		1	2	3	4
enjoy the nature and the scenery		1	2	3	4
enjoy the beauty of the coastal landscapes		1	2	3	4
increase my knowledge about people, places and things		1	2	3	4
enjoy the marine wildlife from the cruise liner		1	2	3	4
see and do a variety of things		1	2	3	4
have an interesting experience		1	2	3	4
satisfy my curiosity		1	2	3	4
experience total relaxation		1	2	3	4
relax and get away		1	2	3	4
have a worry-free vacation		1	2	3	4
experience fresh, clean air and the environment		1	2	3	4
enjoy the leisure facilities and to have fun		1	2	3	4
be rejuvenated		1	2	3	4
self-reflect and think about my personal values		1	2	3	4
increase my feelings of self-worth		1	2	3	4
learn more about myself		1	2	3	4
derive a feeling of accomplishment		1	2	3	4
feel excited		1	2	3	4
feel a sense of adventure		1	2	3	4
be physically active		1	2	3	4

spend time with someone special (spouse, partner, family, friend)	1	2	3	4
experience the nightlife offered on board the cruise liner	1	2	3	4
meet someone special (potential romance)	1	2	3	4
celebrate a special occasion (e.g. anniversary, birthday, reunion, wedding)	1	2	3	4
rekindle, improve or strengthen a relationship	1	2	3	4
build relationships with other tourists outside of my usual travel group	1	2	3	4
reinforce my feelings of belonging to a group	1	2	3	4
be socially accepted by a group	1	2	3	4
meet new people	1	2	3	4
improve the way I am perceived by others	1	2	3	4
<b>The following added value to my cruise experience:</b>				
The poolside beverage service and bar facilities offered	1	2	3	4
The bar and lounge service	1	2	3	4
The dining room food presentation	1	2	3	4
The dining room menu selection	1	2	3	4
The atmosphere in the dining room	1	2	3	4
The on-board shopping facilities	1	2	3	4
The spa facilities and treatments offered	1	2	3	4
The cabin size	1	2	3	4
The casino				
The show-time entertainment	1	2	3	4
The laundry valet service	1	2	3	4
The cleanliness of the ship	1	2	3	4
The helpfulness and friendliness of staff (on and off board)	1	2	3	4
The shore excursions	1	2	3	4
enjoy the great atmosphere on-board cruises	1	2	3	4
have a good time during cruise	1	2	3	4

## 1.2 Evaluate to which extent you agree or disagree with the following statements:

<b>Strongly agree</b>	5			
<b>Agree</b>	4			
<b>Neutral</b>	3			
<b>Disagree</b>	2			
<b>Strongly disagree</b>	1			
<b>The cruise company:</b>				
has helpful, professional, courteous, polite, with respectful employees	1	2	3	4
delivered a quality experience	1	2	3	4
provided equipment that is reliable and safe	1	2	3	4

offered a good overall service	1	2	3	4
provided reliability, consistency and dependability	1	2	3	4
is spoken of positively	1	2	3	4
provided services in a timely manner	1	2	3	4
provided good security and safety on the ship	1	2	3	4
provided value for money	1	2	3	4
met all my specific needs	1	2	3	4
provided a quick and efficient check-in process	1	2	3	4
<b>I feared the risk of....during the cruise:</b>				
the ship sinking	1	2	3	4
experiencing a storm	1	2	3	4
suffering an illness or sea sickness	1	2	3	4
a terrorist/pirate attack	1	2	3	4
being conned as a tourist	1	2	3	4
gaining weight	1	2	3	4
<b>The cruise packages offered were:</b>				
Appealing	1	2	3	4
Exciting	1	2	3	4
fairly priced	1	2	3	4
value for money	1	2	3	4
<b>The following influenced my decision to go on a cruise:</b>				
Marketing and promotions by the cruise company	1	2	3	4
Going on a cruise is something that I have always wanted to do	1	2	3	4
Recommendations by friends	1	2	3	4
Recommendations by experts (e.g. travel agents)	1	2	3	4
I enjoy being at the sea/on the water	1	2	3	4

## SECTION B: PERCEIVED SATISFACTION

**2. Evaluate to which extent you agree and/or disagree with the following statements:**

Strongly agree	4			
Agree	3			
Disagree	2			
Strongly disagree	1			
1. Overall, the value I experienced was good	1	2	3	4
2. The experience satisfied my needs and wants	1	2	3	4
3. I will say positive things about my trip	1	2	3	4
4. In future, this cruise company will be my first choice	1	2	3	4
5. I care about the success of this cruise company	1	2	3	4
6. The likelihood that I will return for another cruise on this mainliner in the next five years is good	1	2	3	4
7. I will recommend this cruise company to friends and relatives	1	2	3	4
8. I will recommend the agency to friends and relatives	1	2	3	4
9. My choice to purchase this trip was a wise one	1	2	3	4
10. This experience is exactly what I thought it would be	1	2	3	4

**2. Please confirm your e-mail address in the space provided below:**

E-mail address: \_\_\_\_\_

**3. Do you have any recommendations or comments?**

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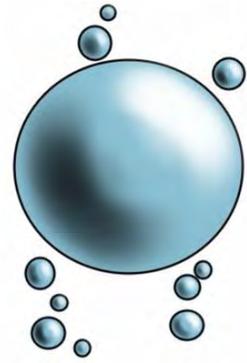


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10 December 2015

To whom it may concern

**RE: Language editing of PhD thesis (Developing a perceived value model for a cruise experience)**

This is to certify that I language edited the above-mentioned thesis by Mrs Kiera Schoeman (21184046) during November 2015.

Please feel free to contact me should there be any enquiries.

Kind regards

A handwritten signature in black ink, appearing to read 'Cecile van Zyl', with a large loop at the top and a horizontal line across the middle.

Cecile van Zyl

Language practitioner