www.ejthr.com

European Journal of Tourism, Hospitality and Recreation
Vol. 5, Issue 3, pp. 121-140, 2014

Printed in Portugal

TURNING SATISFACTION INTO LOYALTY:
THE CASE OF LITHUANIAN TOURISTS

Lina Pilelienė
Viktorija Grigaliūnaitė
Vytautas Magnus University, Lithuania

ABSTRACT: The intensifying competition in the tourism market forces travel agencies and tour operators to seek for new and improved ways for customer attraction and retention. Tourist satisfaction is an important factor to work on in achieving a tourism organization's goals; however, the real company's competitive advantage unfolds in the potential of loyal customers. Seeking for better ways to retain loyal customers, the aim of our research is to reveal core factors affecting Lithuanian tourist loyalty. During the research, the variables of the previously elaborated Lithuanian Tourist Satisfaction Index model (activities in the destination, destination marketing, environmental preservation, and natural features) were analysed in a framework of their impact on tourism satisfaction and loyalty. Moreover, direct and indirect relations and interrelations between variables were measured. The research revealed the existence of three core segments in the Lithuanian tourism market: satisfied, loyal, and frustrated. The core measures for turning satisfied customers into loyal ones were determined. **Keywords:** Lithuanian tourist, loyalty, satisfaction, satisfaction index.

RESUMEN: La concurrencia acrecida en los mercados turísticos obliga las agencias y los operadores turísticos a buscaren formas más eficaces de atracción y retención de clientes. La satisfacción de los turistas es un importante factor en la persecución de los objetivos de las organizaciones turísticas; pero, la real ventaja competitiva de las empresas se basa en el potencial de lealtad de los clientes. El objetivo del presente estudio consiste en identificar los factores determinantes de la lealtad turística en Lituania, teniendo en vista identificar el mejor método para retener clientes fieles. En el curso de la investigación, las variables del Modelo de Satisfacción Turística de la Lituania previamente elaborado (actividades ofrecidas en el destino, marketing de destino, preservación ambiental y atributos naturales) fueron analizadas en el ámbito del respetivo impacto en la satisfacción turística y en la lealtad. Además, fueron cuantificadas las relaciones y las interrelaciones directas e indirectas entre las variables. El estudio evidenció la existencia de tres segmentos principales en el mercado turístico de Lituania: los satisfechos, los leales y los frustrados. Fueron aún categorizadas las principales medidas para convertirse en la satisfacción de los consumidores en lealtad. **Palabras-llave:** Turismo de Lituania, lealtad, satisfacción, índice de satisfacción.

RESUMO: A concorrência acrescida nos mercados turísticos obriga as agências e os operadores turísticos a procurarem formas mais eficazes de atração e retenção de clientes. A satisfação dos turistas é um importante fator na persecução dos objetivos das organizações turís-

Lina Pilelienė, Ph.D. is Associated Professor at Faculty of Economics and Management, at Vytautas University, Lithuania. Her main scientific research areas are: consumer behavior, customer satisfaction and loyalty, place marketing, and neuromarketing. Author's e-mail: l.pileliene@evf.vdu.lt. **Viktorija Grigaliūnaitė** is master student at Faculty of Economics and management at Vytautas University, Lithuania. Her main scientific research areas are: mathematical methods in marketing, statistical analysis of the data. Author's e-mail: viktorija.grigaliunaite@fc.vdu.lt.

ticas; porém, a real vantagem competitiva das empresas assenta no potencial de lealdade dos clientes. O objetivo do presente estudo consiste em identificar os fatores determinantes da lealdade turística na Lituânia, tendo em vista identificar o melhor método para reter clientes fiéis. No decurso da investigação, as variáveis do Modelo de Satisfação Turística da Lituânia previamente elaborado (atividades oferecidas no destino, marketing de destino, preservação ambiental e atributos naturais) foram analisadas no âmbito do respetivo impacto na satisfação turística e na lealdade. Além disso, foram quantificadas as relações e as inter-relações diretas e indiretas entre as variáveis. O estudo evidenciou a existência de três segmentos principais no mercado turístico da Lituânia: os satisfeitos, os leais e os frustrados. Foram ainda elencadas as principais medidas para se converter a satisfação dos consumidores em lealdade. **Palavras-chave:** Turismo da Lituânia, lealdade, satisfação, índice de satisfação.

ACRONYMS:

ANOVA – analysis of variance; CHAID – CHi-squared Automatic Interaction Detector; LTSI – Lithuanian Tourist Satisfaction Index; PLS – partial least squares; SEM – structural equation modelling; VIP - Variables Importance on partial least squares Projections.

INTRODUCTION

The tourism industry is a fast growing industry and it has become an increasingly important sector (Lalromawia & Ramana, 2013). In order to develop the tourism industry, tourist satisfaction has been a considerable goal for many countries (Selladurai & Sundararajan, 2013). However, if not accompanied by the intention to revisit a place in the future, tourist satisfaction is not sufficient to be regarded as a destination's competitive advantage. The main difference between satisfaction and loyalty is indicated by the repeat purchase behaviour. According to Dick and Basu (1994), customer loyalty based only on attitudes and lacking adequate behaviour can be seen as incomplete. This indicates that the relation between satisfaction and loyalty in the tourist industry needs to be better studied.

Therefore, the scientific problem solved in this article rises with the question: what are the factors affecting Lithuanian tourist loyalty and how to transform satisfied tourists into loyal ones?

Seeking for better ways to retain loyal customers, the aim of our research is to reveal core factors affecting tourist loyalty in Lithuania. During the research, the variables of the previously elaborated Lithuanian Tourist Satisfaction Index model (activities in destination, destination marketing, environmental preservation, and natural features) are analyzed in a framework of their impact on tourist satisfaction and loyalty. Moreover, the core measures for turning satisfied customers into loyal ones are determined.

During the research, theoretical analysis and synthesis are provided. Tourists' attitudes and evaluations towards selected countries are determined providing the questionnaire research method. Structural equation modelling (SEM) using partial least squares (PLS) path modelling methodology, PLS regression and Classification Tree are applied for statistical analysis. Cluster analysis is provided to establish a prototype of the Lithuanian tourist and a structure of the Lithuanian tourism market. Scientific visualization is provided for multivariate data analysis.

LITERATURE REVIEW

According to Selladurai and Sundararajan (2013), in order to develop the tourism industry, tourist satisfaction has been a considerable goal for many countries. Several scholars note that tourist satisfaction is a crucial factor to generate destination loyalty (Shirazi & Mat Som, 2013). Tourism researchers agreed upon the idea that a satisfied tourist may repeat his visit and recommend it to others, rather than a dissatisfied one would (Pop & Ghereş, 2013). Moreover, according to the authors, when tourists have to compare destinations, they always think back to how they felt in the vacations they had. However, a few studies assert that satisfied tourists may not return to the same destination (Shirazi & Mat Som, 2013). According to Dick and Basu (1994) customer loyalty based only on attitudes and lacking adequate behaviour can be named as incomplete. Previous research (see Pilelienė, 2008) suggests that complete customer loyalty conception encompasses both: attitudinal and behavioural measures, and can be defined as "consumer's *behaviour* determined by its *attitudes*". In marketing literature, such approach to customer loyalty is called *composite loyalty approach*. Maintaining composite loyalty approach, Oliver (1999: 34) defines loyalty as: "A deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchases, despite situational influences and marketing efforts having the potential to cause switching behaviour". Therefore, in a framework of tourism, tourist loyalty can be defined as: "A deeply held commitment to revisit a preferred place consistently in the future, thereby spreading a positive word-of-mouth about the destination, despite situational influences and marketing efforts having the potential to cause switching behaviour".

The question of how loyalty develops has been subject to an abundance of researchers, leading to an expansive body of literature on loyalty determinants (Cahill, 2007). Scientific analysis reveals that researchers are widely examining factors affecting customer loyalty in their theoretical and empirical studies. While analysing destination loy-

alty, Shirazi and Mat Som (2013) argue that despite the fact that creating customer loyalty is the main objective of relationship marketing, there is little agreement on which antecedents could be used to achieve it. Moreover, authors highlight that this is particularly true in the competitive market of tourist destinations.

In-depth theoretical research on tourist satisfaction and loyalty indexes (Krešic & Prebežac, 2011; Song et al., 2011; Al-Majali, 2012; Siri et al., 2012; Song et al., 2012; PolyU Tourist Satisfaction Index Report, 2013; Salleh et al., 2013), enabled the determination of factors affecting tourist satisfaction, namely: accommodation and catering facilities, activities in the destination, natural features, destination aesthetics, environmental preservation, destination marketing; moreover, in the largest part of customer satisfaction research methodologies, e.g. American Customer Satisfaction Index, European Customer Satisfaction Index, Norwegian Customer Satisfaction Barometer, Swedish Customer Satisfaction Barometer, etc. (Johnson et al., 2001), as well as in the tourists satisfaction researches (Som et al., 2011; Salleh et al., 2013), the main consequence of satisfaction is considered to be loyalty to the destination. However, according to Shirazi and Mat Som (2013), in tourism research, various studies have identified a positive relationship between satisfaction and loyalty, but some researchers demonstrate a non-positive as well as non-linear, asymmetric relationship between satisfaction and loyalty. Despite this, in scientific literature, there is consensus that satisfaction leads to repeat purchase and optimistic word-of-mouth recommendation, which are focal indicators of loyalty.

Our previous research (see Pilelienė & Grigaliūnaitė, 2014) enabled the measuring of the relations among latter factors; moreover, the Lithuanian Tourist Satisfaction Index model was composed and substantiated (see Figure 1).

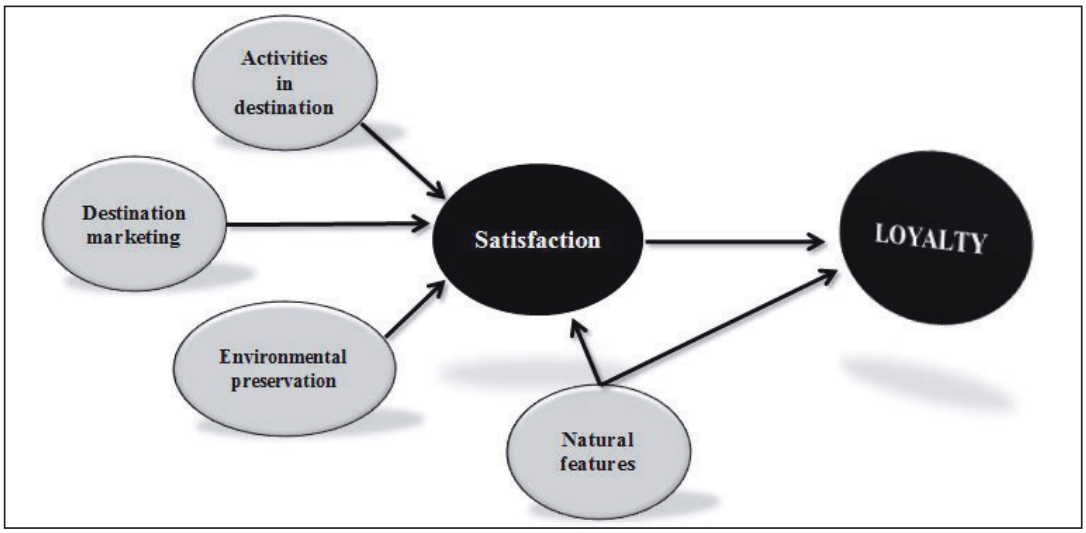

Figure 1. Lithuanian Tourist Satisfaction Index (LTSI) model

The model contains four exogenous latent variables and two endogenous latent variables. All the exogenous latent variables - 'activities in the destination', 'destination marketing', 'environmental preservation', and 'natural features'- are the determinants of tourist satisfaction. These determinants directly, positively and significantly affect 'satisfaction'. The variable 'natural features' directly, positively and significantly affects not only satisfaction, but tourist 'loyalty', as well. 'Satisfaction' is the other factor which directly and positively affects 'loyalty'.

RESEARCH METHODOLOGY

This research is the continuation of the previously elaborated Lithuanian Tourist Satisfaction Index (LTSI) model (see Pilelienė & Grigaliūnaitė, 2014). Consequently, the LTSI model used for this research could be represented with structural equations:

1. $Satisfaction = \beta_{50} + \beta_{51} Activities\ in\ destination + \beta_{52} Destination\ marketing + \beta_{53} Environmental\ preservation + \beta_{54} Natural\ features + \zeta_5$;
2. $Loyalty = \beta_{60} + \beta_{64} Natural\ features + \beta_{65} Satisfaction + \zeta_6$.

Considering the aim and the problem of the research, the results for the further analysis are correspondingly obtained from the same respondents' evaluations of the questionnaire for the elaboration of the LTSI model. During the research, a 10-point evaluation scale was applied for the questionnaire and the total sample size was made up of 251 respondents. The survey was conducted in the summer of 2013.

Structural equation modelling (SEM) using partial least squares (PLS) path modelling methodology was applied for determining core variables and their impact on tourist satisfaction, as well as on loyalty. Cluster analysis was provided to establish a prototype of the Lithuanian tourist and a structure of the Lithuanian tourism market. PLS regression was provided to specify the relation among dependent variables and a set of predictor variables and Classification Tree was provided to predict membership of cases in clusters, as well as to identify measures for turning the satisfied Lithuanian tourist into a loyal one. Scientific visualisation was provided for multivariate data analysis.

ANALYSIS OF THE RESEARCH RESULTS

The decision on the number of segments is based on the hierarchical cluster analysis regarding dendrogram and scree plot. The chosen number of segments was three and for further analysis the K-means Clustering has been performed with the number of three clusters.

The third cluster was found to be the largest one, containing the most cases (138); the second cluster was smaller, holding 98 cases; and the first cluster covered only 15 cases (see Table 1).

Table 1. Number of Cases in each Cluster

Cluster	No. of Cases	Valid	Missing
1	15		
2	98	251	0
3	138		

Despite the fact that the first cluster included the least number of cases, the Euclidean distances between the final cluster centers were fairly great (see Table 2). Greater distances between clusters corresponded to greater dissimilarities. The differences between the first and the third clusters were highest; the second cluster was more different from the first cluster, in comparison with the differences among the second and third clusters. Despite this, the second and third clusters were not similar enough. This displays the fact that the first cluster is small, but highly different from the other clusters, while the second and the third clusters contain obviously greater numbers of cases, but have less dissimilarities.

Table 2. Distances between Final Cluster Centers

Cluster	1	2	3
1		7.279	11.489
2	7.279		4.244
3	11.489	4.244	

The visualization of the dissemination of clusters can be seen in Figure 2. The first cluster is widely and rarely spread; in contrast, the second and third clusters are neighbouring, narrowly spread and even the accumulations of these clusters are observed. It can be assumed that greater number of cases in these clusters influences the dissemination.

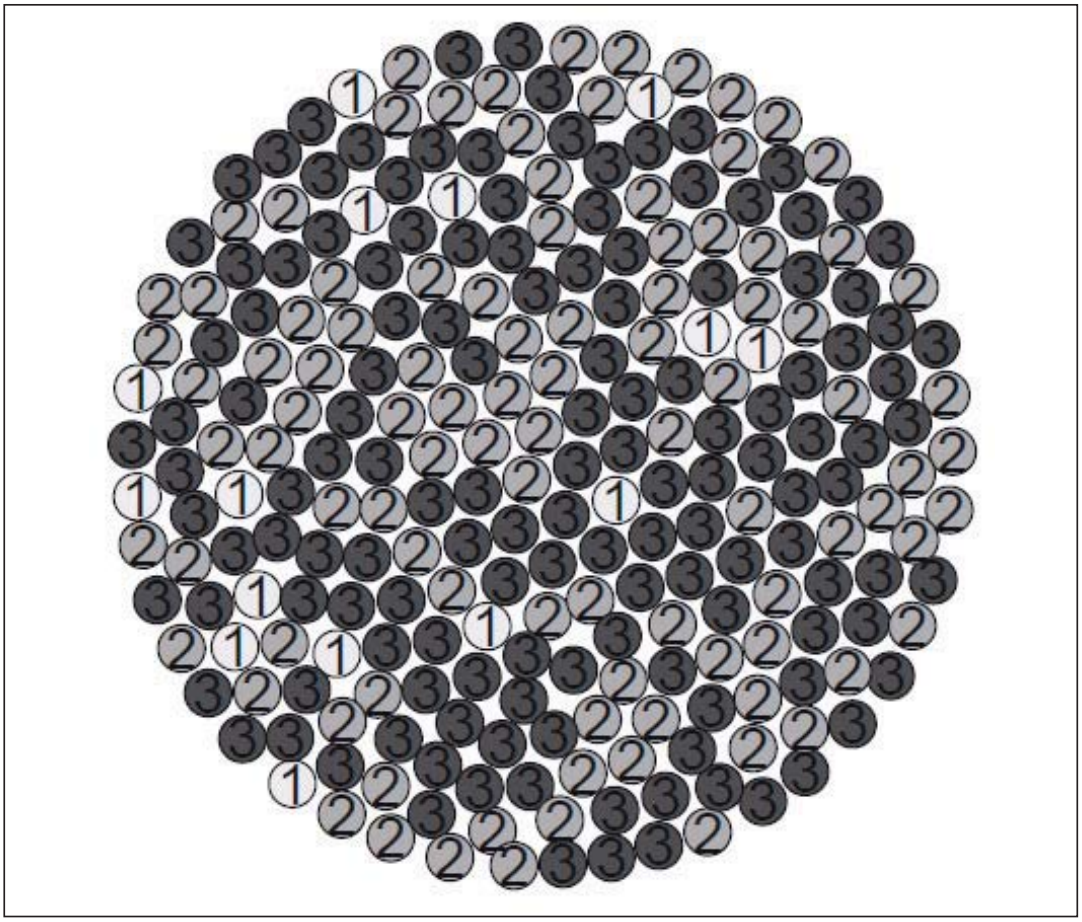

Figure 2. Dissemination of clusters

It can be indicated that those variables which contribute the most to the specified cluster solution are 'satisfaction', 'destination marketing', 'loyalty', and 'natural features'. Latter variables have highest F-ratios and lowest mean square errors (see Table 3). On the other hand, the variable 'activities in destination' contributed less to the specified cluster solution; and the variable 'environmental preservation' was the least valuable in forming and differentiating clusters based on the lowest F-ratio and highest mean square error.

Table 3. ANOVA

Variables	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
Activities in destination	173.893	2	1.753	248	99.209	.000
Destination marketing	220.859	2	1.028	248	214.864	.000
Environmental preservation	154.424	2	2.185	248	70.685	.000
Loyalty	282.818	2	1.466	248	192.957	.000
Natural features	138.336	2	1.185	248	116.708	.000
Satisfaction	257.065	2	.906	248	283.833	.000

The final cluster centers based on the respondents' evaluations are shown in Table 4. The first cluster involves those tourists who evaluated the manifest variables corresponding to the specific latent variables as very low. Those tourists whose assessments get into the first cluster are considered to be *frustrated* with their destination. The assessments of tourists who belong to the second cluster are at the average level, therefore these tourists may be regarded as *satisfied* with their destination, but the loyalty of these tourists to the specific destination is unpromising. On the other hand, the evaluations of the tourists in the third cluster are very high and the assessment of loyalty achieves the absolutely highest value, hence these tourists may be viewed as *loyal* to the destination.

Table 4. Final Cluster Centers

Variable	Cluster		
	1	2	3
Activities in destination	5	7	9
Destination marketing	4	7	9
Environmental preservation	4	7	8
Loyalty	4	8	10
Natural features	6	8	9
Satisfaction	4	8	10

According to the determined tourist valuations towards the destination, the core clusters of tourists' behaviour are formed. The frustrated cluster generally has very low Index values of latent variables. Considering that five variables in the Lithuanian Tourist Satisfaction Index model directly and / or indirectly positively affect tourist loyalty (see Pilelienė & Grigaliūnaitė, 2014), but the frustrated cluster has one of the lowest Index values for the variable 'loyalty' (see Table 5), the LTSI model for this cluster may not be applied on the purpose of loyalty enhancement. Furthermore, the variable 'destination marketing' has the lowest Index value, the variable 'satisfaction' has the same Index value as 'loyalty', and all the other Index values variables are above the values of 'destination marketing', 'satisfaction', and 'loyalty'. The effects of these variables on 'loyalty' regarding the frustrated cluster are not grounded; and the assumption could be made that frustrated tourists will never be loyal to the destination that made them feel in such a way.

Contrariwise, the LTSI model substantiates the behaviour and the effects among latent variables regarding satisfied and loyal Lithuanian tourists. Bearing in mind the loyal cluster, the lowest Index value is for the variable 'environmental preservation'; while all the other Index values are extremely high (above 90). The highest value is for the vari-

able 'loyalty'. The second highest evaluated variable (Index values) is 'natural features'; and the variables 'satisfaction', 'activities in the destination' and 'destination marketing' respectively are evaluated a little lower. Considering the satisfied cluster, the Index value of 'loyalty' is the second highest value; and only the variable 'natural features' exceeds it. The lowest value is the variable 'environmental preservation' (the same situation in the loyal cluster). The Index value of the variable 'satisfaction' is a little lower than the one of 'loyalty'.

Table 5. Index values of Latent Variables by Clusters

Variables	Frustrated	Satisfied	Loyal
Activities in destination	61	73	95
Destination marketing	34	75	92
Environmental preservation	41	70	82
Loyalty	40	80	98
Natural features	55	93	97
Satisfaction	40	77	96

The R square value of the variable 'loyalty' is 67 percent (see Figure 3); hence, it could be stated that such a value is substantial. Although the values of Variables Importance on partial least squares Projections (VIP) show that not all of the predictors' contributions to fit the model are sufficient.

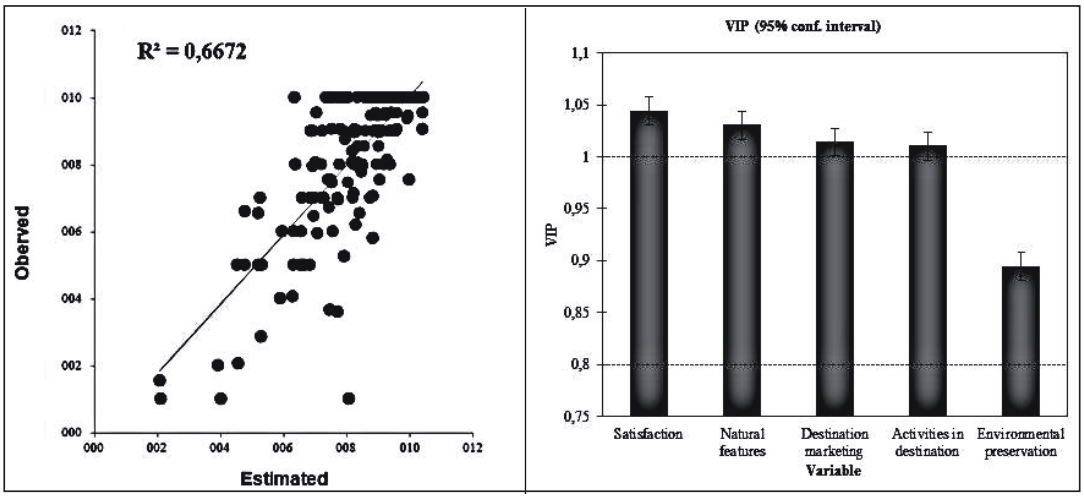

Figure 3. Loyalty and Variables Importance on Partial Least Squares projections

The VIP value basically is a weighted sum of squares of the PLS weights which takes into account the explained variance of each PLS dimension. The variables should be selected if VIP>1; the values of VIP,

that are in the range of [0.8; 1] are considered as small, and the values lower than 0.8 are considered too small for this measure. Consequently, in the given model, the most important variables are 'satisfaction', 'destination marketing', 'natural features' and 'activities in the destination'. The same four variables and the dependent variable 'loyalty' had the highest contribution in forming and differentiating clusters. Accordingly, it could be stated that creating loyal tourists for the destination requires four variables to take under consideration: 'satisfaction', 'destination marketing', 'natural features' and 'activities in the destination'. As the previous research has shown (see Pilelienė & Grigaliūnaitė, 2014), 'environmental preservation' had the least (but still statistically significant) direct effect and the least effect size on 'satisfaction' and had no direct effect on 'loyalty' and the least (but statistically significant) total effect on 'loyalty'. Considering these results, as well as the facts that 'environmental preservation' has too low a value of the VIP measure, and has least contributed in forming clusters, it could be stated that 'environmental preservation' needs to be deliberated when trying to make tourists satisfied, but this variable would certainly not make tourists loyal.

The location of the loyal cluster in Figure 4 indicates that this cluster is characterized by the high evaluations of satisfaction and loyalty.

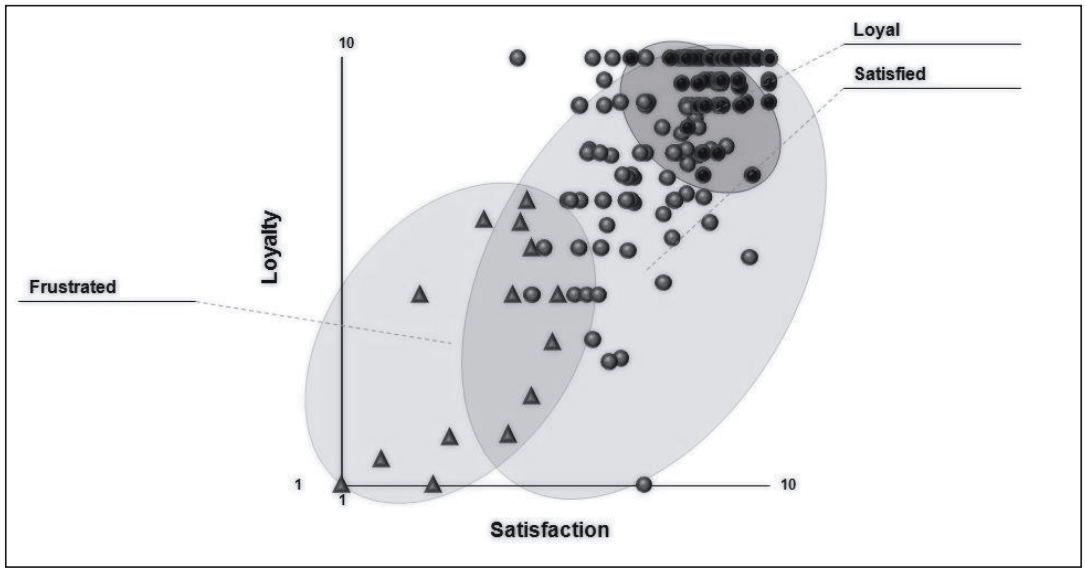

Figure 4. Variables' Loyalty and Satisfaction evaluations by clusters

The loyal cluster is included in the cluster of satisfied tourists, meaning that lacking the average or high level of satisfaction, tourists could not be loyal to the destination. Despite this, not all tourists with a high level of satisfaction pertain to the loyal cluster; additionally, many tourists have an average and above average satisfaction level and are not loyal. It could be suggested that the evaluation of the other factors of the LTSI model may have influenced the differences among satisfied and loyal clusters, and compose the group of the factors that could

turn the tourist from satisfied to loyal. Beyond doubt, all the tourists that evaluated satisfaction as very low, also evaluated loyalty as very low; they refer to the frustrated cluster, implicating that the loyalty of these tourists to the specific destination is highly unbelievable.

Looking at the satisfied cluster's evaluations of the 'activities in the destination' (see Figure 5), the wide dispersion is apparent.

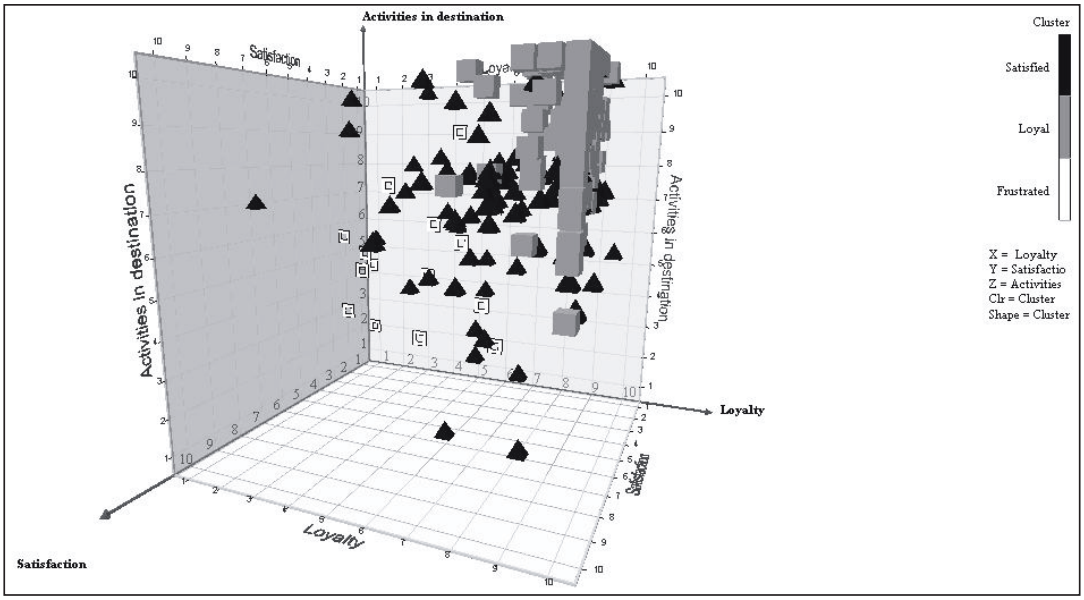

Figure 5. Activities in the destination, Satisfaction and Loyalty evaluations model

The scatter of the satisfied cluster is spread from the lowest to the highest evaluation of the variable 'activities in the destination', as well as the frustrated cluster's evaluations of the variable 'activities in the destination', which are scattered from below to above average level; and despite the fact that the large part of the loyal tourists evaluated the variable 'activities in the destination' highly, many loyal tourists evaluated the latter variable to be about the average level too. The evaluations model indicates that a significant part of Lithuanian tourists travel with a purpose to have a relaxing family vacation; and this purpose does not require the highest evaluation of the 'activities in the destination' in order for the tourist to become a loyal one. However, above average evaluations of the mentioned variable are required.

The model of evaluations of 'destination marketing', 'satisfaction' and 'loyalty' (see Figure 6) is very proportionally scattered: the frustrated cluster evaluated 'destination marketing', 'satisfaction' and 'loyalty' as low. The satisfied cluster generally evaluated 'destination marketing' at the average and above average level; demonstrated average and above average satisfaction level and the same level of loyalty. For the most part, the loyal cluster evaluated 'destination marketing', as well as 'satisfaction' and 'loyalty' at high and very high levels.

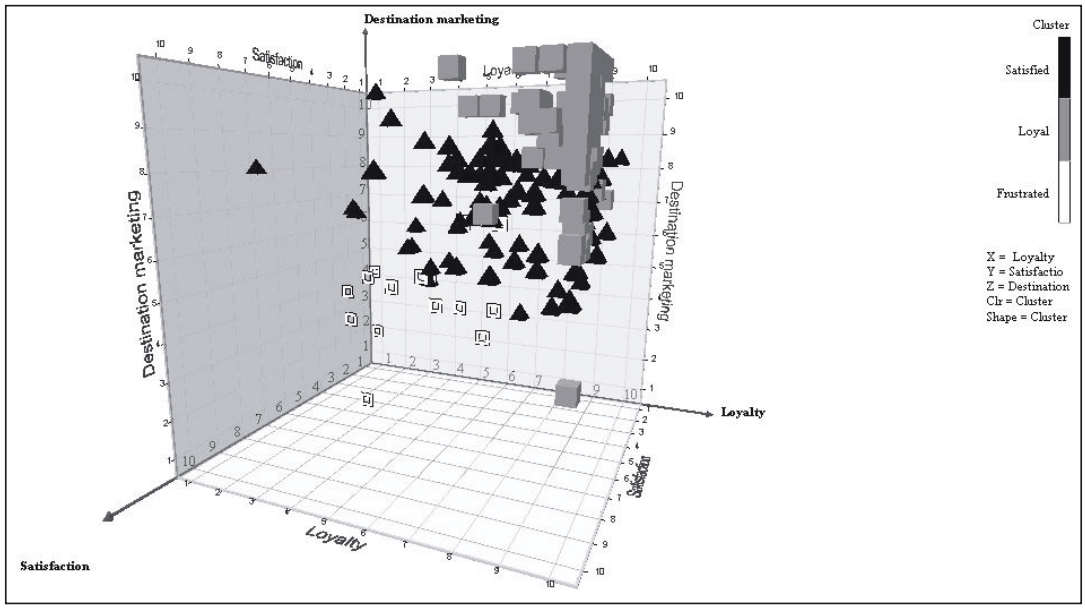

Figure 6. Destination marketing, Satisfaction and Loyalty evaluations model

Particularly, the average and above average level of 'destination marketing' could contribute to the creation of a satisfied tourist; and the creation of loyal tourist requires high and very high evaluations of 'destination marketing'.

Considering the evaluations among the variables 'natural features', 'satisfaction' and 'loyalty' (see Figure 7), it is noteworthy that the highest evaluations of 'natural features' are scattered among the loyal cluster. In spite of this, both clusters (satisfied and loyal) contain the above average and high evaluations of 'natural features', meaning that the high evaluation of 'natural features' alone does not guarantee the loyalty of a tourist. Furthermore, the frustrated cluster is dispersed with the average and below average evaluations of 'natural features'.

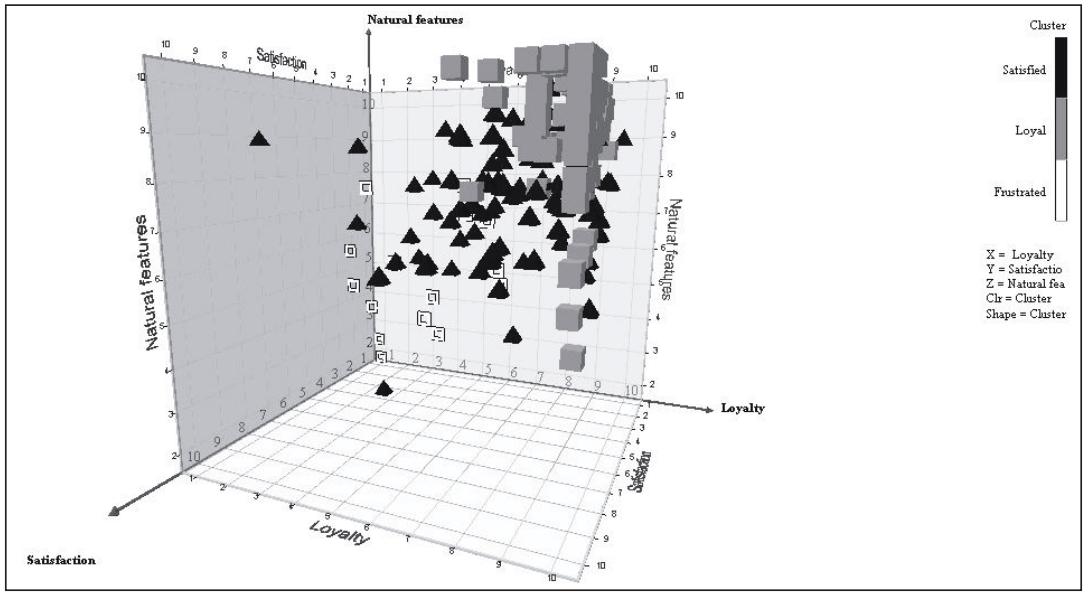

Figure 7. Natural features, Satisfaction and Loyalty evaluations model

Consequently, respondents' evaluations towards 'activities in the destination', 'destination marketing' and 'natural features' in the destination revealed that the high level of activities in the destination, the very high level of quality of destination marketing, as well as the very high level of natural features in the destination are required in order to create a Lithuanian tourist who is loyal to a particular destination. On the other hand, enhancing natural features of the destination is reasonably a problematical assignment and usually requires large investments from the government or business. As it can be seen from the structural equations representing the LTSI model, the feature 'natural features' directly positively affects tourists' loyalty for the destination; hence, if a destination has marvellous natural features, it will increase the possibility of turning the satisfied tourist into the loyal one; then again, if 'natural features' in the destination is at the average or above average and even at the high level, but not the highest level, there is a great chance of the tourist to remain satisfied, but not loyal. In such a case, if there is no allocation of the investments into natural features in the destination and the level of 'natural features' remains as a constant, then such a balance of the 'activities in the destination' and 'destination marketing' should be found, so that it would create a loyal tourist at the lowest costs.

Taking under consideration that turning the satisfied tourist into the loyal one already requires the average or high level of 'satisfaction'; and that natural features of the destination also directly affect 'loyalty', but usually 'natural features' remains as a constant, it should be noted that all of the variables in the LTSI model should be evaluated at least at the high level. Nevertheless, some of the tourists with a high level of satisfaction (meaning that factors affecting satisfaction were evaluated at least at the average level) remain satisfied and other tourists with the same level of satisfaction become loyal, the divergent evaluations of the factors affecting 'satisfaction' become the reason for this distinction among tourists clusters. In this framework, CHAID algorithm-based classification rules (which fulfilled three requirements: 1) contained together the variables 'natural features', 'destination marketing', and 'activities in the destination'; 2) had hundred percent purity; 3) involved satisfied or loyal clusters) were distinguished (see Table 6).

Table 6. The distinguished CHi-squared Automatic Interaction Detector algorithm-based Classification Rules

Purity	Rules
100.00%	If Natural features in [8; 10] and Activities in destination in [5.424; 7.25] and Destination marketing in [9.814; 10] then Cluster = **Loyal** in 100% of cases
100.00%	If Activities in destination in [7.211; 10] and Natural features in [7.13; 8.524] and Destination marketing in [9.128; 9.53] then Cluster = **Loyal** in 100% of cases
100.00%	If Natural features in [9.47; 10] and Activities in destination in [9.197; 10] and Destination marketing in [7.814; 8.571] then Cluster = **Loyal** in 100% of cases
100.00%	If Activities in destination in [8.5; 10] and Natural features in [9.189; 10] and Destination marketing in [8.571; 9.128] then Cluster = **Loyal** in 100% of cases
100.00%	If Activities in destination in [8.35; 10] and Natural features in [8.438; 8.97] and Destination marketing in [8.571; 9.128] then Cluster = **Loyal** in 100% of cases
100.00%	If Activities in destination in [5.505; 6.737] and Natural features in [8.438; 8.97] and Destination marketing in [8.571; 9.128] then Cluster = **Satisfied** in 100% of cases
100.00%	If Activities in destination in [8.816; 9.578] and Natural features in [7.456; 8.438] and Destination marketing in [8.571; 9.128] then Cluster = **Satisfied** in 100% of cases
100.00%	If Activities in destination in [5.475; 7.211] and Natural features in [7.13; 8.524] and Destination marketing in [9.128; 9.53] then Cluster = **Satisfied** in 100% of cases
100.00%	If Activities in destination in [8.345; 8.636] and Natural features in [8.379; 8.97] and Destination marketing in [5.942; 6.942] then Cluster = **Satisfied** in 100% of cases
100.00%	If Natural features in [6.639; 7.334] and Activities in destination in [9.197; 10] and Destination marketing in [7.814; 8.571] then Cluster = **Satisfied** in 100% of cases
100.00%	If Activities in destination in [5.801; 6.716] and Natural features in [9.244; 9.788] and Destination marketing in [5.942; 6.942] then Cluster = **Satisfied** in 100% of cases
100.00%	If Activities in destination in [7.119; 8.134] and Natural features in [5.439; 7.291] and Destination marketing in [5.942; 6.942] then Cluster = **Satisfied** in 100% of cases
100.00%	If Activities in destination in [6.525; 7] and Natural features in [8.379; 8.97] and Destination marketing in [5.942; 6.942] then Cluster = **Satisfied** in 100% of cases
100.00%	If Natural features in [6.339; 9.152] and Activities in destination in [1.816; 6.961] and Destination marketing in [7.814; 8.571] then Cluster = **Satisfied** in 100% of cases
100.00%	If Natural features in [4.744; 7.448] and Activities in destination in [6.961; 8.5] and Destination marketing in [7.814; 8.571] then Cluster = **Satisfied** in 100% of cases

As it can be seen in Table 6, if 'natural features' is at a low level and 'destination marketing' as well as 'activities in destination' do not achieve the highest levels, the tourist will remain satisfied, meaning

that in order to turn that tourist into a loyal one, the highest levels of 'destination marketing' and 'activities in destination' must be attained. When 'natural features' persists at the average level, the level of 'destination marketing' should be very high, and the high level of 'activities in the destination' would be sufficient, in order to make the tourist loyal to the destination. Lowering the level of 'destination marketing' from very high to high and/or lowering the level of 'activities in the destination' from high to average, would not result in the transformation of a satisfied tourist into a loyal one.

When the constant of 'natural features' is at the high level, there are two possibilities of turning a satisfied tourist into a loyal one. The selection of the specific possibility depends on the priority investments and business strategies of the given country. The first possibility is to create and retain high levels of 'destination marketing' and 'activities in the destination'. The second possibility is to create and retain a very high level of 'destination marketing' and an average level of 'activities in the destination'. Both approaches generate the same potentiality of turning satisfied tourists into loyal ones with the lowest costs by not aiming to invest into all variables to reach the highest levels. Finally, if 'natural features' is at the very high level, it is sufficient to make 'activities in the destination' at the high level and 'destination marketing' at the average level in order to turn satisfied Lithuanian tourist into loyal ones.

It is worth noting that if 'natural features' is at the high level, then the variable 'destination marketing' is essential to turn satisfied tourists into loyal ones; and if 'natural features' is at the very high level, then the variable 'activities in the destination' is essential to turn satisfied tourists into loyal ones. An assumption regarding this phenomenon could be made that because many countries have a high level of 'natural features', 'destination marketing' becomes the factor that makes them exclusive and turns satisfied tourists into loyal ones. On the other hand, if 'natural features' is at the very high level, 'destination marketing' is made by the tourists with *word-of-mouth* advertisements, involving online and offline areas; and in this case 'activities in the destination' complements 'natural features' and generates the absence of need to take 'destination marketing' into the high level. Consequently, if 'natural features' is at the very high level, 'activities in the destination' becomes the factor that turns satisfied tourists into loyal.

DISCUSSION

The tourists' level of satisfaction indicates whether they are frustrated or satisfied. A low level of satisfaction indicates that tourists are frustrated; contrarily, an average or a high level of satisfaction indi-

cate that tourists are satisfied. Accordingly, latent variables that affect tourist satisfaction are evaluated adequately. In spite of this, many satisfied tourists do not become loyal, and others do. To turn a satisfied tourist into a loyal one, all variables require a specific level of compatibility. Considering that 'natural features' is the constant in the model (due to the requirement of large investments), 'activities in the destination' and 'destination marketing' are those variables that should be managed. These variables have their manifest variables which imply the guidelines for management in order to turn satisfied Lithuanian tourists into loyal ones. Taking into account the fact that managing all manifest variables at the highest level might turn out to be not financially beneficial, the algorithm of turning satisfied Lithuanian tourists into loyal was elaborated (see Figure 8). By following the algorithm, it could be seen that the only condition for all of the manifest variables being managed is the low level of 'natural features'. In this case, enhancing all of the variables (quality of destination's promotion, formation of destination's image, amount and quality of information about the destination, feeling of personal safety, quality of transportation and accessibility, expectation management, passive recreation opportunities, active recreation opportunities, entertainment opportunities) generates the highest possibility to turn satisfied tourists into loyal.

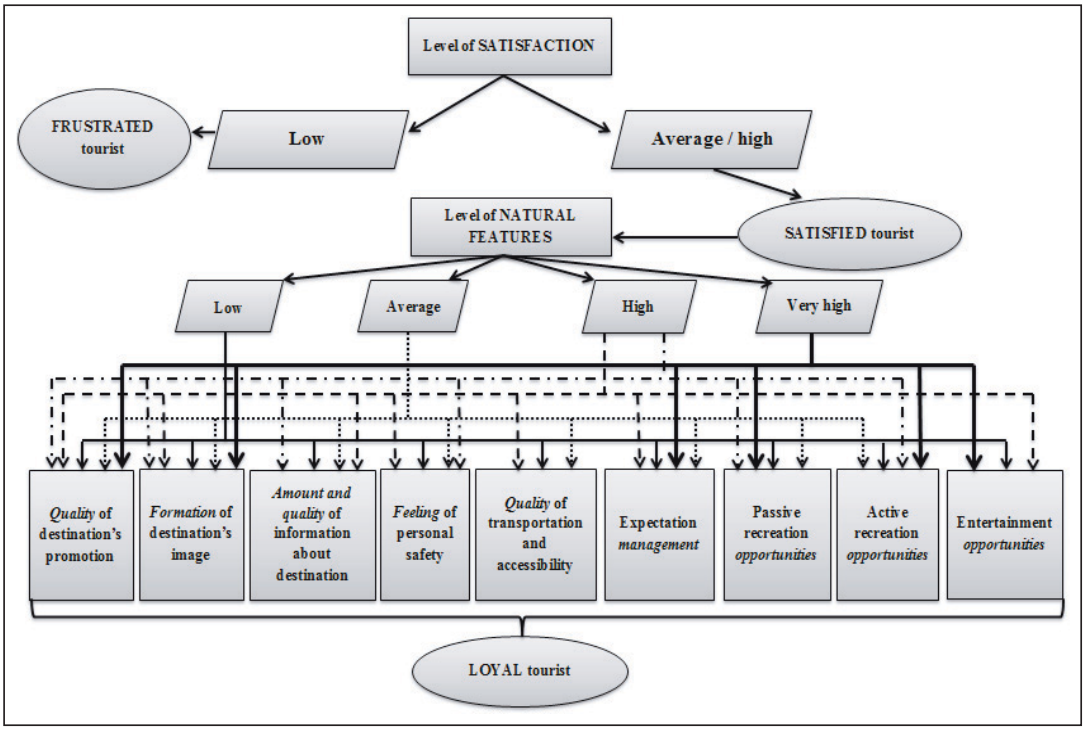

Figure 8. Algorithm for turning satisfied Lithuanian tourists into loyal

The average level of 'natural features' requires a high level of 'activities in the destination', and a very high level of 'destination marketing' to turn satisfied tourists into loyal. If not, with a lower level of

these variables, tourists would remain satisfied only. Therefore, 8 manifest variables should be managed: quality of destination's promotion, formation of destination's image, amount and quality of information about the destination, feeling of personal safety, quality of transportation and accessibility, expectation management, passive recreation opportunities, active recreation opportunities. Consequently, an average level of 'natural features' requires a lower level of 'activities in the destination'. If 'natural features' is at the high level, there are two methods to turn satisfied tourists into loyal: the first method requires a high level of 'destination marketing' and a high level of 'activities in the destination', consequently 6 variables should be enriched: quality of destination's promotion, formation of destination's image, amount and quality of information about the destination, feeling of personal safety, passive recreation opportunities, active recreation opportunities. The other method requires a very high level of 'destination marketing' and an average level of 'activities in the destination', hence 7 variables should be value-added: quality of destination's promotion, formation of destination's image, amount and quality of information about the destination, feeling of personal safety, quality of transportation and accessibility, expectation management, entertainment opportunities. A very high level of 'natural features' on the contrary requires a high level of 'activities in the destination' and an average level of 'destination marketing'. Thus, 6 variables should be improved: quality of destination's promotion, formation of destination's image, expectation management, passive recreation opportunities, active recreation opportunities, and entertainment opportunities.

Quality of destination's promotion and formation of destination's image need constant improvements, despite the level of 'natural features', due to the strong competition in the global market economy, hence these variables are pointed in the model from each level of 'natural features'. The selection of the other variables for each level of 'natural features' depended on the indicators' loadings (see Pilelienė & Grigaliūnaitė, 2014).

The results of the research substantiate the definition of tourist loyalty ("A deeply held commitment to revisit a preferred place consistently in the future, thereby spreading a positive word-of-mouth about the destination, despite situational influences and marketing efforts having the potential to cause switching behaviour") by revealing the fact that with a very high level of 'natural features' and a high level of 'activities in the destination' the average level of 'destination marketing' is sufficient in order to turn satisfied tourists into loyal. Additionally, with the other levels of 'natural features', 'destination marketing' has a major influence when turning satisfied Lithuanian tourists into loyal, by enhancing the algorithm-specified manifest variables.

MANAGERIAL IMPLICATIONS

From the tourism organizations' point of view, tourists' loyalty is one of the strategic aims which may generate the guaranteed incomes when the competition is considered to be very large. If a specific country has a market for Lithuanian tourists, then turning them from satisfied into loyal should be financially beneficial. The first step in order to turn satisfied Lithuanian tourists into loyal ones is the application of the LTSI model to ascertain the level of 'satisfaction', as well as of the 'natural features'. After this, the index values should pertain to the Algorithm of turning satisfied Lithuanian tourists into loyal ones. Regarding index values pertained to this algorithm, the organization would understand if tourists are frustrated, and attempting to turn them into loyal would not be useful; but if the tourists are satisfied, it is worth turning them into loyal ones. In this case, depending on the determined constant level of 'natural features', the algorithm points the guidelines of what aspects regarding 'destination marketing' and 'activities in the destination' should be enhanced. Moreover, the combination of these variables that would lower the costs of turning satisfied tourists into loyal would be established.

CONCLUSIONS

The analysis of the scientific literature and the results of the research led to the conclusion that tourist loyalty is a deeply held commitment to revisit a preferred place consistently in the future, thereby spreading a positive word-of-mouth about the destination, despite situational influences and marketing efforts having the potential to cause switching behaviour. Furthermore, tourist satisfaction is the most important factor of those determining tourist loyalty. The research results revealed that without a sufficient level of satisfaction, the tourist is highly unlikely to become loyal. Accordingly, a satisfied tourist might be loyal or transformed from satisfied into loyal with managerial efforts. Thus, a positive relationship between Lithuanian tourists' satisfaction and loyalty is supported.

The research revealed the existence of three core segments in the Lithuanian tourism market: satisfied, loyal, and frustrated. The frustrated cluster has no probability of becoming loyal, as the satisfaction level of these tourists is low, and implying that the specific destination was far from the ideal, did not match the expectations, and that their overall satisfaction with the destination was very low. Contrarily, the satisfied cluster has a high probability of turning into the loyal cluster.

The results of the research revealed that 'environmental preservation' needs to be deliberated when trying to make tourists satisfied, but this variable would certainly not make tourists loyal. Subsequently, variables that have to be considered to turn already satisfied tourists into loyal are: 'natural features', 'destination marketing' and 'activities in the destination'. Considering that the variable 'natural features' remains at a constant level due to the necessity of large investments, 'activities in the destination' and 'destination marketing' are variables requiring a specific level of compatibility.

The analysis of the research results revealed the fact that with a very high level of natural features and a high level of activities in the destination, the average level of destination marketing is sufficient in order to turn a satisfied tourist into a loyal one. Additionally, with the other levels of natural features, destination marketing has a major influence when turning satisfied Lithuanian tourists into loyal by enhancing the elaborated algorithm-specified manifest variables.

Consequently, it could be stated that combining the elaborated LTSI model with the generated algorithm of turning satisfied Lithuanian tourists into loyal ones would lead to the specific guidelines (and their combination) that could turn satisfied tourists into loyal at the lowest costs.

REFERENCES

Al-Majali, M. M. (2012). International Tourists Satisfaction: Case of Jordan. *International Business Research, 5 (9)*, 210-216.

Cahill, D. L. (2007) *Customer Loyalty in Third Part Logistics Relationships*. Leipzig: Physica-Verlag.

Dick, A. S., & Basu, K. (1994). Customer Loyalty: Toward an Integrated Conceptual Framework. *Journal of the Academy of Marketing Science, 22(2)*, 99-113. DOI: 10.1177/0092070394222001.

Johnson, M. D., Gustafsson, A., Andreassen, T. W., Lervik, L., &Cha, J. (2001). The evolution and future of national customer satisfaction index models. *Journal of Economic Psychology, 22 (2)*, 217–245.

Krešic, D., & Prebežac, D. (2011). Index of destination attractiveness as a tool for destination attractiveness assessment. *TOURISM - An International Interdisciplinary Journal, 59 (4)*, 497-517.

Lalromawia, K. K., & Ramana, V. (2013). An Empirical Study Of The Impact Of Marketing Mix Factor On Tourist Satisfaction: A Case Of Selected Three States In India. *International Journal Of Business Strategy*, *13*(1), 87-94.

Oliver, R. L. (1999). Whence Consumer Loyalty? *Journal of Marketing, 63(4), Special Issue,* 33-44.

Pilelienė, L. (2008). Pardavimų skatinimu pagrįstas vartotojų lojalumo formavimas. (Lithuanian). *Management Theory & Studies For Rural Business & Infrastructure Development*, *15*(4), 110-117.

Pilelienė, L., & Grigaliūnaitė, V. (2014). Lithuanian tourist satisfaction index model. *European Journal of Tourism, Hospitality and Recreatuon, 5(1)*: 35-51.

PolyU Tourist Satisfaction Index Report (2013). Internet access: http://hotelschool.shtm.polyu.edu.hk/tsi/common/methodology.jsp [Accessed August 25, 2013].

Pop, I., & Ghereş, M. (2013). Tourist satisfaction in rural areas – a comparative study on rural areas from Romania and Hungary. *Proceedings Of The International Conference Marketing - From Information To Decision*, *6,* 223-235.

Salleh, M., Omar, K., Yaakop, A. Y., & Mahmmod, A. R. (2013). Tourist Satisfaction in Malaysia. *International Journal of Business and Social Science, 4 (5)*, 221-226.

Selladurai, M. M., & Sundararajan, K. K. (2013). A Study On Satisfaction Of Tourists Visiting Yercaud Of Salem District. *Asia Pacific Journal of Research In Business Management*, *4*(3), 1.

Shirazi, F., & Mat Som, A. (2013). Relationship Marketing And Destination Loyalty: Evidence From Penang, Malaysia. *International Journal Of Management & Marketing Research (IJMMR)*, *6*(1), 95-106.

Siri, R., Josiam, B., Kennon, L., & Spears, D. (2012). Indian Tourists' Satisfaction of Bangkok, Thailand. *Journal of Services Research, 12* (1), 25-42.

Som, A. P. M., Shirazi, S. F. M., Marzuki, A., & Jusoh, J. (2011). A critical analysis of tourist satisfaction and destination loyalty. *Journal of Global Management, 2 (2)*, 178-183.

Song, H., Li, G., van der Veen, R., &Chen, J. L. (2011). Assessing Mainland Chinese Tourists' Satisfaction with Hong Kong Using Tourist Satisfaction Index. *International Journal of Tourism Research, 13 (1)*, 82-96.

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

Submitted: 25th February, 2014 *Accepted: 06th October, 2014*

Final version: 26th September, 2014 *Refereed anonymously*