

## The Roles of Cues for Assessing Consumers Perceived Quality at the Destination Level

<sup>1</sup>Enayet Hossain, <sup>2</sup>Mohammed Quaddus and <sup>3</sup>Ahasanul Haque

<sup>1&2</sup>Graduate School of Business, Curtin University, Perth City, Western Australia

<sup>3</sup>Faculty of Economics and Management Sciences  
International Islamic University Malaysia, Box No. 10, 50728 Kuala Lumpur, Malaysia

---

### ABSTRACT

This study is conducted in exploring the relationship between intrinsic and extrinsic cues, and quality at the destination level of Cox's Bazar in Bangladesh. A sample of 602 was used to identify relationships between cues and quality. Perceived intrinsic cue has been considered as formative construct whereas extrinsic cues are considered as reflective constructs. Partial Least Square (PLS) based Structure Equation Modeling (SEM) analysis reveals that both cues have positive impacts on perceived quality. The principle guideline of this study is to support destination operators in tourism planning and development. It will assist for successful business operation and long-term sustainability of the tourism destination. Theoretically, this study contributes to enhancing the causal relationships between cues and quality which have yet to be included in the tourism literature. Limitations of the study are discussed including future research direction.

**KEYWORDS:** Quality, Intrinsic Cues, Extrinsic Cues.

---

### 1. INTRODUCTION

Tourism industry has significant effect on global economic system that is proved by the statistical reports of world's tourism industry and have given attention to scientific studies on tourism industry as a result this industry is developing positively on modern society (Taleghani et al., 2012). Scholars of different disciplines tend to view quality from different vantage points (Parasuraman et al., 1994; Agarwal & Teas, 2001). For instance, psychology and philosophy researchers have focused on definitional issues of the innate excellence of an entity (Peterson and Jolibert 1976); economics researchers focus on profit maximization (Heinkel, 1981); management and accounting researchers focus on management control (Choi & Liker, 1995); and marketing researchers focus on buying behavior and consumer satisfaction (Zeithaml, 1988). In the recreation and tourism field, perceived quality has been viewed as the quality of the opportunity which consists of the attributes of a product, or a service or both (Lee et al., 2007). Zabkar et al. (2010) mention that quality in tourism is created by the processes of service delivery (efficiency, reliability etc.) and outcomes of services (accommodation, food, leisure facilities etc.). The authors also mention Gronroos, 1984 indicated that there are two dimensions of services; a) technical quality, which refers to the outcomes (what the customer gets), and b) functional quality, which refers to the processes (how he/she gets it). On this basis the perceived service is considered as the result of a consumer's perception on a bundle of service dimensions, some of which are technical and some of which are functional in nature''.

It is quite natural that high quality products or services would certainly be preferred by consumers over low quality products or services. However, the question becomes important when one product is preferred over another if it contains the same attributes (Chowdhury & Islam, 2003). In this regard, Ericksion et al. (1984), Mackenzie and Spreng (1992) argued that the quality of a product or service is not only inherently related to the attributes of the product but also to the psychological perceptions that consumers get from the products/services. It is found that consumer's perceptions of quality are generally formed on the basis of a large and impressive series of quality cues (Chowdhury & Islam, 2003). The cues can provide a clear idea about a product or service's powers to satisfy consumers' requirements. Determining which quality cue plays the most important role is still unexplored at the destination level.

It is evident from the literature that measurement practices in business research are conventionally based on reflection where the direction of causality runs from the latent variable to its measures (Diamantopoulos, 2008). In this case, observed measures are assumed to reflect variation in the latent variable (Henseler et al, 2009). Recently, researchers have recognized that constructs become more sensible if the causality direction is reversed, implying that a construct is a combination of its measures (Zabkar et al., 2010). In this situation a formative measurement model is deemed adequate for defining the combination of its indicators (Henseler et al., 2009). Therefore, this research tries to fill these gaps in achieving the objectives of: a) The role of cues on perceived

quality at the destination level, and b) the role of intrinsic cue on perceived quality as a formative construct at the destination level.

## 1.2 The Study Area

The focus area of this study is tourism destination Cox's Bazar. It is the tourist capital of Bangladesh, having the World's longest (120 km) sandy beach sloping down to the blue waters of the Bay of Bengal against the picturesque background of a chain of hills covered with deep forests. The combination of miles of golden sands, towering cliffs, surfing waves, rare conch shells colorful pagodas, Buddhist Temples, ethnic tribes and delightful sea-food is a breath taking vista. The shark free beach is good for bathing, basking and swimming. The breathtaking beauty of the setting-sun behind waves of the sea is captivating. There are also a few very old wooden Buddhist temples at Ramu, not distant from Cox's Bazar, which are well worth visiting. Cox's Bazar is located at a distance of 152 km. south of Chittagong, the leading seaport of Bangladesh. It is connected both by air and road from Dhaka, the capital of Bangladesh and Chittagong (the commercial capital). A drive to Teknaf, which is the southernmost tip of the mainland of Bangladesh, is a memorable journey. A day trip to either Moheshkhali or Sonadia, the deltaic islands nestled among the gentle waves of the Bay of Bengal, will also be really interesting. Other attractions for visitors are the conch shell market, tribal handicraft, salt, and prawn cultivation. Besides, the longest sea-beach, Cox's Bazar and its' adjoining areas there are a lot of things to see and places which deserve a visit from tourists. For many years Cox's Bazar has been the heart of interest to the tourists of Bangladesh for a long time. According to current information right now there are 117 residential hotels, 62 guest houses, 125 cottages in Cox's Bazar where there is accommodation for 70, 000 visitors which is not sufficient (Prothom Alo, 2010). The report also added that almost 5 million foreign visitors usually visit this destination which could escalate to 13 million in 2020. The total contribution to GDP is expected 4-5% from this destination alone. According to the study of Sharif & Alimoradi (2011), there are scopes of research to do marketing of tourist destinations. For instance consumer behavior (also mentioned Mattila, (2004), branding any tourist destination, marketing through online (e-marketing) and strategic marketing. Riege and Perry (2000) also emphasized the importance of strategic marketing. Sharif and Alimoradi (2011) also mentioned the necessary of demographic factors of the tourist. According to them, marketing should be different for different tourist of developing countries like India and China. Despite having this tourism potential, little research has been conducted regarding the quality of service development for this destination (Hossain, 2007; Hossain & Islam, 2007; Rashed, 2006), and no research has been done yet to measure the role of intrinsic and extrinsic cues as perceived quality for this destination. Thus, Cox's Bazar is used as a test application for this research.

## 1. Theoretical Ground and Hypotheses

In general, cues are related to product or service performance. These cues can be further divided into intrinsic (product or service related) and extrinsic (non-product or service related) cues (Olson & Jacoby, 1972; Paul et al., 1994). Intrinsic cues are connected to the product's physical characteristics or a core expectation from a service and vary by product or service category. As an example, a crisp picture with clear audio effect is product-related cues of a color television, whereas the natural and the built environment are core cues for a tourist destination. Extrinsic (non-product related) cues are defined as external aspects, which relate to a product's purchase or consumption (Kaili et al., 2007). It's a 'Sony' is a phrase that suggests that this a Japanese product where quality is the first preference based on a perception of a brand that has zero defects. Extrinsic cues convey different types of information such as price, country of origin, brand image, and warranty for products, whereas the word 'Niagara' suggests the country Canada and a natural waterfall as the destination, Taj Mahal, equates to a message that the icon has been built by highly skilled craftsmen. Apparently extrinsic cues have little impact on a product's function, but may serve as important clues to help create further associations especially when intrinsic cues are unknown to prospective consumers. For example, consumers often associate price with quality. It is likely that, in their minds, they may group products in a category by price. For example, packaging usually does not affect product function, but serves as a cue to product quality. A price per day of \$500 for a hotel room itself suggests a quality that is higher than a hotel room for which the cost is \$100 per night. Past research suggests that consumer perceptions of product quality are generally formed on the basis of an array of cues, including extrinsic cues (Berkowitz & Walter, 1980). Thus Perceived Price (PP), Perceived Destination Brand Image (PDBI), and Perceived Warranty (PW) can thus be considered to be extrinsic cues. In fact, both cues play important roles for product or service selection (Chowdhury & Islam, 2003). Surprisingly, it is not evident from the literature that the construct roles of intrinsic and extrinsic cues on perceived quality are important for tourism consumers' choice or decision making. No evidence has been found from the literature separating the impact of intrinsic from extrinsic cues on quality at the tourism destination level. Entertaining these cues as individual constructs on quality might provide an excellent addition to the literature and to practice.

### **1.1 Relationship between Perceived Intrinsic Cues (PIC) and Perceived Quality (PQ)**

Intrinsic cues are such that attributes can't be changed without changing the physical characteristics of the product (Olson and Jacoby, 1972). Consumer behavior literature provides evidence that the perceived quality of products or services varies with the variations in the nature of the consumer perceptions of intrinsic cues associated with those products or services (Olson & Jacoby, 1972; Shahid, 1997). There are five intrinsic marketing cues in the literature that have received significant research attention for consumers' perception of quality of products or services. These are suitability, pride, appearance, reliability, and workmanship. The products that are perceived to have fine workmanship as compared to others are perceived to have high quality (Shahid, 1997).

In the case of tourism, the cue might be the inclusion of special events, physiography and climate, culture and history, a mix of activities, entertainment, and superstructure (Crouch, 2007) and its natural attraction. In nature-based tourism like that associated with Cox's Bazar it implies core benefits (main attractions) for which visitors visit a particular destination. These benefits are the surface (visible) means which are used in advertisement and promotional offers which motivate consumers and influence a positive or negative attitude (Rossister et al., 1991) towards the tourism products like; 'shark free sandy beach' for Cox's Bazar whereas Malaysian airlines says 'home in the air'. Nowadays, manufacturers or service providers for making a product or service different from their competitors add even a meaningless attribute (100% halal soap) that can lead to increased consumer quality perception or can decrease perceived risk (Simonson and Tversky 1992). Study conducted by Gilaninia et al., (2012) examined the important factor affecting on lack of tourism organization in prominent province North Khorasan in Iran. Hence, author developed the tourism industry in selecting four different important sectors which are tourism service sector, decision making sector; poor infrastructure sector and poor marketing sector, both are associated with underdevelopment of tourism organization. The researchers gathered so many important information and different aspects of the tourism issues through face to face interview of various experts and library hard work studies. In reality, during the decision making process consumers not only consider the present value of the products but also take into consideration future performances of their attributes. Hence, intrinsic attributes will be considered in this study as the core attraction of the tourism destination for which visitors usually visit destinations like; unbroken 120 km sandy beach, rhythmic sound of the water, sun setting over blue water, world amazing corn shell (handicraft) products etc. for Cox's Bazar. It was found from a field study that most of the visitors mentioned that they were satisfied with the core attractions of the destination as well as its ancillary services. They also mentioned "We are more enthusiastic about the different core facilities with natural attractions for which we really visit at this destination. If we feel that there is not enough benefit to visit this destination, we feel hazardous which reduce our intention to revisit" (Hossian et al., 2009). Therefore,

*Hypothesis 1: There is a positive relationship between Perceived Intrinsic Cue (PIC) and Perceived Quality (PQ).*

### **2.2 Relationship between Perceived Extrinsic Cues and Perceived Quality**

Among the extrinsic cues of products or services, brand is most salient to consumers because it plays different roles for them. Clarke (2000) has identified six benefits from tourism destination brand image; a) brand image helps to reduce the choice, b) brand image helps reduce the impact of intangibility, c) brand image conveys consistency across multiple outlets and through time, d) brand image can reduce the risk factor attached to decision making about holidays, e) brand image facilitates precise segmentation, and f) brand image helps to provide a focus for the integration of producers' (operators) effort, helping people to work towards the same outcome (Foley, 2004). Therefore, it is believed that destinations with more positive brand images are more likely to be included in the process of consumers' decision making

In business, a warranty is a guaranty of the reliability of a product (Bearden & Shimp, 1982). Warranty usually protects sellers from unreasonable claims of buyers for the stated period of time. It influences consumers by representing assurance of product or service quality and value by increasing consumers' specific self-confidence by reducing consumers' feelings of risk; and by increasing satisfaction through dissonance reduction (Bearden & Shimp, 1982). It is also used by marketers as a persuasive sales variable which indicates that when consumers perceive the money back guarantee or get the assurance of repair and maintenance of personal belongings, their perceptions of the quality of the products and services will be positively influenced (Shahid, 1997). It means that when consumers perceive the warranties associated with certain products or services as adequate, they tend to favorably judge the products' or services' performance which, in turn, affects the perceived quality of the products.

Perceived price is what consumers give up in order to obtain a product or service (Zeithaml, 1988). Price has a dual effect on consumer buying decision making (Monroe 1990). First, price is an extrinsic cue to perceived quality (Rao & Monroe, 1988) and its strength may be reduced by non-price cues (Zeithaml, 1988). Second, price is an indicator of the amount of financial sacrifice (to be paid) needed to purchase a product or service (Parvin & Chowdhury, 2006). Price influences the prospective buyer's expectations of service levels. A

too low price, for credence products in particular, may suggest inferior quality (Zeithaml & Bitner, 1996). Shahrokh (2012) conducted a research among the managers of 30 hotels in Guilan in Iran and analyzed the findings by Hierarchical Analysis Process and Expert Choice software. It was found that “price” is the most important factor that leads tourist satisfaction, followed by individuals, product, promotion, distribution, process, physical documents and utilization. Hoffman and Bateson (1997) argued that service buyers are prepared to pay more for a service to reduce the uncertainty associated with unfamiliar service providers. Price is “a visible indicator of a service’s level and quality” (Berry & Parasuraman, 1991) and thus a means of reducing perceived risk (Boshoff, 2002). Arguments behind this assumption are: a) Producing a quality service or product requires sophisticated machineries that cost more and increase the price, b) service providers use high quality materials to provide quality service or product and, c) it is unlikely that a product or service of low quality will cost more in this competitive world. Therefore, the following hypotheses are proposed.

*Hypothesis 2: There is a positive relationship between Perceived Destination Brand Image (PDBI) and Perceived Quality (PQ).*

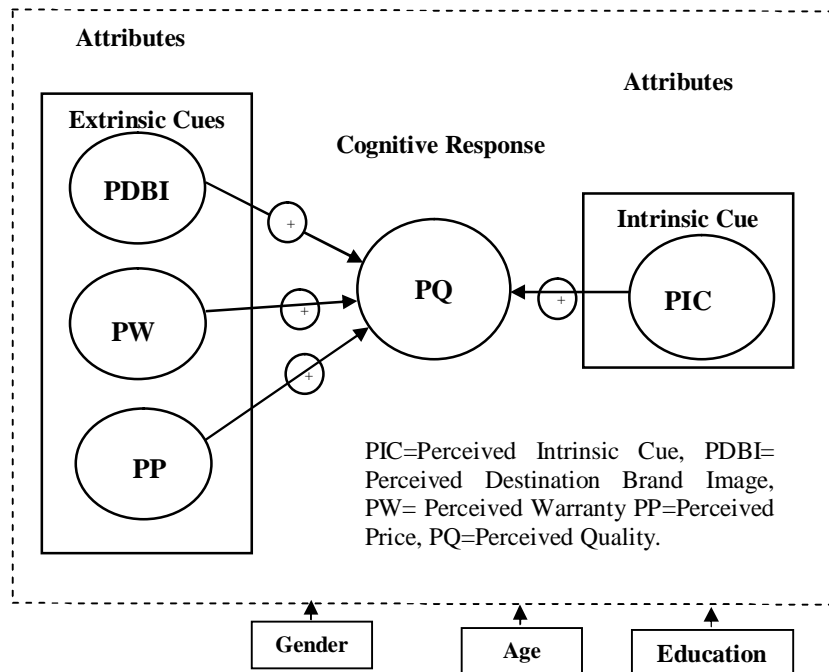
*Hypothesis 3: There is a positive relationship between Perceived Warranty (PW) and Perceived Quality (PQ).*

*Hypothesis 4: There is a positive relationship between Perceived Price (PP) and Perceived Quality (PQ).*

**2.3. Theoretical Basis of the Proposed Conceptual Quality Model**

Information Processing Theory (IPT) and Theory of Reason Action (TRA) were considered as basis to develop the proposed conceptual quality model (Fig 1). In IPT (Miller, 1956), the first concept is ‘chunking’, which suggests that processing capacity of short-term memory is approximately seven chunks (seven plus or minus two) of information. Secondly, if the environment likes to input more than seven chunks of information, the information processing level begins to decrease. It follows that the consumer cannot always articulate the attributes because of their limited working memory and computational capabilities (Olson and Jaccoby 1972; Sirakaya& Woodside, 2005). Thus, authors have selected five constructs (including independent and dependent) for this study. The information processing theory also argues that the consumer, for example, may lack the motivation to sort out the information that might lead to an objective determination of quality in making the decision; may not have the ability to process it, or the information may simply be unavailable. It has been found that even well designed, defect free products fail if they don’t fit consumer’s perceptions of high quality. On the other hand TRA remained a powerful tool for predicting individual’s behavioral intention or behavior (Madden et al., 1992) within its specified limits (Sheppard, et al. 1988). This theory has been applied based on assumption that human make rational decision. It proposes that there are causal relationships linking belief, attitudes, and intention and those attitudes and subjective norms determine behavioral intentions (Ajzen & Fishbein, 1980). Therefore, the core of the TRA is an individual’s behavioral intention to perform a specific act with respect to a given object, in a given situation. This intention is a function of an individual’s “attitude toward the behavior” and his or her “subjective norm”.

**Fig 1: Proposed Conceptual Quality Model of Cox’s Bazar**



The first determinant of behavioral intention of TRA is a "behavioral attitude" that is conceptualized as the overall positive or negative evaluation of salient beliefs towards an object (Fishbein 1963; Fishbein and Ajzen 1975; Ajen and Fishbein 1980). In the literature, it has been regarded that quality is the performance attribute of product/service, which can satisfy consumers' needs and requirements (McCarthy and William, 1991). But the most difficult task is to identify how consumers perceive the quality of a product/s (Parvin & Chowdhury, 2006), because abstract attributes are accessible in memory, and form the basis of attitudes toward an object (Keller, 1993). A product or service may contain quality attributes but it may not satisfy consumers' preferences if it does not fit with their perception and evaluation of quality. In this respect perceived quality (PQ) has been theorized from the concept of attitudinal behavior of TRA. Healthy Environment and atmosphere gives tourist comfort during travelling. Hassanimehr and Far (2012) lead a research on environmental and atmospheric impact on tourist destination in Ghoochan and Gonabad . It was found that Eco condition in Ghoochan changing rapidly tourist perception. Perceived Intrinsic Cue (PIC), Perceived Destination Brand Image (PDBI), Perceived Warranty (PW), and Perceived Price (PP) have been considered as environmental belief of TRA.

## 2. RESEARCH METHOD

This study used a combination of qualitative and quantitative methods which has become increasingly popular in recent years (Bryman, 2006). The mixed method helps to increase the quality, accuracy, validity and reliability of data (Babbie, 2004). In fact, qualitative research contributes to the quantitative research works by: a) identifying salient variables to be examined in the particular context; b) facilitating the sampling design; and c) helping to explain the quantitative findings (Martin & Bosque, 2008). Therefore, to improve the applicability of the initial proposed model, this study followed a mixed research method. In the qualitative phase, researcher conducted 10 interviews intensively in the field with respondents who took part voluntarily. The authors used 'content analysis' in analyzing interview transcripts as suggested by Berg (2001). A combination of inductive and deductive approaches was used to categories the factors and variables (Quaddus & Xu, 2005).

**Table: 1, Different Measures and Their Sources**

Items	NV	FS			
PIC1	Natural scenery	L & FS	PW3	Transportation	L & FS
PIC2	Accommodation	L & FS	PW4	Tourist guide	FS
PIC3	Sea bathing	FS	PW5	Quality foods	FS
PIC4	Adjacent sights	L & FS	PW6	Special offer	FS
PIC5	Locally made product	FS	PP1	Cost of accommodation	L & FS
PIC6	Longest sandy beach	FS	PP2	Cost of transportation	L & FS
PIC7	Sound of water	FS	PP3	Cost of foods and beverage	L & FS
PDBI1	Good reputation	L & FS	PP4	Cost for travelling nearby places	FS
PDBI2	Famous for beach	FS	PP5	Cost of locally made products	FS
PDBI3	Distinct natural sights	L & FS	PQ1	Reliable service	L & FS
PDBI4	Natural wonder of world	FS	PQ2	Timely Service	L & FS
PDBI5	Pride for Bangladesh	FS	PQ3	Good value for money	L & FS
PDBI6	Favorable weather	L & FS	PQ4	Good warranty	FS
PW1	Service warranty	L & FS	PQ5	Good placement of hotels	FS
PW2	Length of coverage	L & FS	PQ6	Adequate security	FS

Notes: NV=Name of Variables, L=Literature, FS=Field Study

After three rounds of revisions a final total of 30 variables were produced for a total 5 factors including dependent variable (Table 1). In the quantitative phase the researchers followed the rules of measurement and structure model suggested by Chin (1998).

## 3. Measurement Model

As stated earlier, perceived intrinsic cue was modeled as formative construct whereas perceived extrinsic cue (perceived destination brand image, perceived warranty perceived, perceived Price) and perceived quality were considered as reflective constructs. In this study the author considered both literature and field study for contextualization of constructs and their relevant measures. In total 602 completed samples were collected from Cox's Bazar, Bangladesh with a set of pre-tested structured questionnaires between December 2009 and March 2010 in four phases using 6 point Likert Scale (1= Strongly Disagree and 6= Strong Agree). Partial least Square (PLS) v.3.00 was used to analyse the data as it is most appropriate for discussion model which incorporated both formative and reflective indicators (Chin 1998; Diamantopoulos and Winklhofer 2001; Fornell & Bookstein, 1982). PLS considers all path coefficients simultaneously and estimates multiple individual item loadings and weights (White et al., 2003). As per PLS based SEM in the measurement section item loadings less than 0.6 were discarded from reflective constructs (Hulland, 1999) whilst for 'formative' constructs only weights were considered (Santosa et al. 2005).

**Table 2: Coefficients for PIC**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	SE	Beta			Tolerance	VIF
1	(Constant)	-.106	.092		-1.156	.248		
	Natural Scenery	.149	.014	.162	10.484	.000	.868	1.152
	Accommodation Facilities	.139	.009	.243	15.927	.000	.891	1.122
	Sea Bathing	.124	.010	.200	12.409	.000	.797	1.254
	Nearby Places	.154	.009	.267	17.056	.000	.847	1.181
	Locally Made Product	.157	.008	.300	19.155	.000	.849	1.178
	The Longest Sandy Beach	.148	.013	.197	11.710	.000	.736	1.358
	The Sound of Water	.153	.012	.227	13.059	.000	.687	1.455

(a Dependent Variable: Overall Evaluation of PIC. \*Tolerance of variable, a value of near one indicates independence. VIF reflects the absence of multicollinearity)

In this regard multicollinearity among the seven proposed indicators for intrinsic cue was assessed (Diamantopoulos and Winklhofer 2001). The tolerance levels ranged from 0.687 to 0.891 for PIC. Variance Inflation Factors (VIF) were between 1.122 and 1.455 which was far less than the acceptable level of 10 (Hensler et al. 2009). In addition, correlations of each indicator of the formative constructs with the overall perceived intrinsic attributes were positive and significant at  $p < 0.01$  level.

**Table 3: Assessment of Items Reliability and Internal Consistency**

Items	W/L	t-V	Items	W/L	t-V
PIC1	0.2049	7.5546	PW3	0.7679	30.6101
PIC2	0.4119	11.5221	PW5	0.8121	39.0926
PIC3	0.2866	9.7877	PW5	0.7917	35.4878
PIC4	0.3162	11.6124	PW6	-----	-----
PIC5	0.2434	10.3932	PPI	0.7098	21.7132
PIC6	0.1742	6.2793	PP2	0.8255	42.8996
PIC7	0.0500	4.5723	PP3	-----	-----
PDBI1	0.8357	14.0006	PP4	0.7758	31.7297
PDBI2	0.6595	8.6210	PP5	0.6708	22.8731
PDBI3	0.6291	6.6589	PQ1	----	-----
PDBI4	-----	----	PQ2	0.7494	34.3270
PDBI5	-----	----	PQ3	0.7153	24.2318
PDBI6	-----	----	PQ4	0.7836	36.992
PW1	-----	----	PQ5	0.7319	16.5984
PW2	-----	----	PQ6	0.7487	30.3654

(Notes: W=Weight for formative items, L= Loading for Reflective items, PIC=Perceived Intrinsic Cues, PDBI=Perceived Destination Brand Image, PW= Perceived Warranty, PP= Perceived Price, PQ= Perceived Quality)

After discarding one measure from perceived quality (PQ1), three measures from perceived warranty (PW1, PW2 and PW6), three from perceived destination brand image (PDBI4, PDBI5, PDBI6), and one from perceived price (PP3) item reliability (loading) ranged from .629 to .825 for reflective constructs of PQ, PW, PDBI, and PP.

The weights for formative constructs' intrinsic cues determinants ranged from 0.0500 to 0.4119 (Table 3). Discriminant validity was assessed comparing the square roots of the AVE and the correlations of the constructs (Fornell & Larcker, 1981). In this study, the assessment of discriminant validity did not reveal any problems for reflective constructs because the bolded, diagonal values are greater (0.714 to 0.791) than the off-diagonal correlation values in their corresponding rows and columns (ranged from 0.128 to .591) (Table 4).

**Table 4: Correlation among Constructs and AVE**

	PW	PQ	PDBI	PIC	PP
PW	<b>0.791</b>				
PQ	0.591	<b>0.716</b>			
PDBI	0.261	0.222	<b>0.714</b>		
PIC	0.359	0.315	0.439	<b>---</b>	
PP	0.492	0.544	0.128	0.244	<b>0.747</b>

(PIC=Perceived Intrinsic Cues, PDBI=Perceived Destination Brand Image, PW= Perceived Warranty, PP= Perceived Price, PQ= Perceived Quality, Bolded diagonal elements are the square root of AVE)

Internal consistency values for reflective constructs of this study exceeded 0.70 (Table 5) as suggested by Nunnally (1978; Bagozzi and Yi, 1998). The lowest internal consistency for perceived destination brand image was 0.754 while PP had the highest of 0.853. Most constructs had an internal consistency more than 0.8 and above (Table 5).

**Table 5: Result of Hypotheses**

<b>HY</b>	<b>PR</b>	<b>PC</b>	<b>t-V</b>	<b>CO</b>	<b>CR</b>	<b>AVE</b>	<b>R<sup>2</sup></b>
<b>H1</b>	PIC-PQ (+)	0.075	2.0674**	PIC	-	-	-
<b>H2</b>	PDBI-PQ (+)	0.046	1.5498	PDBI	0.754	0.510	-
<b>H3</b>	PW-PQ (+)	0.391	9.4200**	PW	0.833	0.625	-
<b>H4</b>	PP-PQ (+)	0.328	7.9780**	PP	0.853	0.559	-
				PQ	0.838	0.512	0.433

(HY=Hypotheses, PR= Path Relation, PC=Path Coefficient, t-V= t -Statistics, CO=Constructs, CR=Composite Reliability, AVE= Average Variance Extracted, \*\*Significant at P<.01)

It was found acceptable convergent validity since the average variance expected (AVE) ranged from 0.510 to 0.625 (Table 5) for reflective constructs (Fornell and Larcker 1981).

**4. Structural Model**

The final structural model includes the formative constructs of the perceived intrinsic cues of a destination’s offerings and reflective constructs of perceived quality, perceived destination brand image, perceived warranty, and perceived price. Table 5 presents the results of estimated path coefficients (significant paths indicated with an asterisk), and associated t-value of the paths. Test of significance of all paths were performed using the bootstrap re-sampling procedure. Path coefficient, interpreted like standardized beta indicated the strength of relationships between constructs. Three (3) out of 4 hypothesized paths in the proposed quality model were found to be statistically significant at different significant levels. One hypothesis (H2) was not supported at the acceptable (0.01, 0.05) level. There was a significant impact of Perceived Intrinsic Cues (PIC) on Perceived Quality (PQ) with path coefficients of 0.075. Perceived warranty and perceived price had impact on perceived quality, with path coefficients of 0.391 and 0.3280 (Table 6). The four (PIC, PW, PDBI and PP) antecedent determinants were accounted for 44.3% of variance explanation. Surprisingly no satisfactory positive relation was found between perceived destination brand image and perceived quality but the path coefficient had the right direction as per the generated hypotheses. It is necessary to mention that the impact of perceived warranty and perceived price on perceived quality were very strong in the context of Cox’s Bazar in Bangladesh.

**5. DISCUSSION**

This study focused on the role of intrinsic and extrinsic cues on perceived quality that lead the visitors towards the tour destination Cox’s Bazar Bangladesh. The managerial implications of this study are more focused on a discussion of this finding, rather than focusing on a discussion of the influence of the perceived tourism development impacts. The research findings would help tourism planners, developers, and policy-makers to understand what key tourism players such as visitors prefer to develop in tourism attractions/resources and to plan and implement successful competitive business strategies. These results are likely to help tourism stakeholders and marketers to collect information and making short term and long term strategies. The selection of appropriate intrinsic attributes, the development of a specific pricing policy, and offering appropriate warranty are recommended as specific marketing plans in order to strengthen of a place on a competitive market. More specific implication of this study is that tourism destination management organizations can play an important role for destination development as facilitators between local organization and agencies of service providers. The establishment of effective linkages between local organization and service providers is recommended in order to capture the market years to come.

The perceived quality model of the study was developed upon Information Processing Theory (IPT) and Theory of Reasoned Action (TRA) related literatures postulating direct relationship between intrinsic and extrinsic cues, and perceived quality. This PIC was considered as formative constructs whereas PEC (PDBI, PW, PP) reflective constructs for service industry like tourism and included in the model with reflective construct of perceived quality. The finding confirmed the argument for the strong relationship between cues and quality. The empirical results of this study provided tenable evidence that the proposed structural equation model designed to consider destination quality was acceptable which incorporates the interaction of perceived intrinsic and extrinsic cues. An important contribution of this study is the relationship between perceived intrinsic cues and extrinsic cues with perceived quality. Although, the literature has been acknowledged that quality is very important for tourism destination, not much research has not been done to investigate its measurement, or its structural relationships (cues) with quality. This study has revealed and confirmed the existence of the critical relationships between cues and quality in the context of Cox’s Bazar, Bangladesh.

**6. Limitation and Further Research Direction**

This study investigated the influential variables of intrinsic and extrinsic cues that lead to the perceived quality perspectives of Cox’s in Bazar Bangladesh which narrow down to general acceptance. This study

somewhat limited in its selection of observed variables even if those observed variables were selected based on the survey, other variables may exist to achieve further insights to destination selection. For example the authors used perceived destination brand image, perceived price, and perceived warranty as extrinsic cues. This result could be different if it included more variables like country image, corporate image of service providers. Therefore, future studies will be conducted addressing destination selection variables which could involve information technology, techniques etc.

## REFERENCES

- Agarwal, S. and Teas, R. K. (2001). Perceived Value: Mediating Role of Perceived Risk. *Journal of Marketing Theory and Practice*, (fall), 1-14.
- Ajzen, I., and Fishbein, M. A. (1980). *Understanding Attitudes and Predicting Social Behavior*. Englewood Cliffs, NJ: Prentice Hall.
- Babbie, E. (2004). *The Practice of Social Research* (10th ed.). Wadsworth: Thomson.
- Bagozzi, R.P. and Yi, Y., (1988). On the Evaluation of Structural Equation Models. *Journal of the Academy of Marketing Science*, 16 (1), 74-94.
- Bearden, W.O. and Shimp, T. A. (1982). The Use of Extrinsic Cues to Facilitate Product Option. *Journal of Marketing Research*, 19, 229-239.
- Berkowitz, E.N. & Walter, J.R. (1980). Contextual influences on consumer price responses: An experimental analysis. *Journal of Marketing Research*, 17, 349-58.
- Berry, Leonard, L. and A. Parasuraman (1991). *Marketing Services: Competing through Quality*. New York: Free Press.
- Boshoff, C. (2002). Service Advertising: An Exploratory Study of Risk Perceptions. *Journal of Service Research*, 4 (4), 290-298.
- Bryman, A. (2006). Integrating Quantitative and Qualitative Research: How is it done? *Qualitative Research*, 6(1), 97–113.
- Chin, W. (1998). *The Partial Least Square Approach to Structural Equation Modeling in Modern Methods for Business Research*. G. A. Marcoulides, ed. Mahwah, NJ: Lawrence Erlbaum, 295-336.
- Chowdhury, M.H.K. and Islam, M. Rabiul (2003). Critical Factors in Consumer Quality Perceptions: A Cognitive Approach” *Journal of Business Research*. 5, 1-18.
- Clarke, J. (2000). Tourism Brands: An exploratory Study of the Brands box Model. *Journal of Vacation Marketing*, 6 (4), 329–345.
- Crouch, Geoffrey I. (2007). Modeling Destination Competitiveness-A Survey and Analysis of the Impact of Competitiveness Attributes. An unpublished Seminar Paper
- Diamantopoulos, A. (2008). Formative indicators: Introduction to the special issue. *Journal of Business Research*. 61(11), 1201–1202.
- Diamantopoulos, Adamantios and Heidi M. Winklhofer (2001). Index Construction with Formative Indicators: An Alternative to Scale Development. *Journal of Marketing Research*, 38,269-77.
- Erickson, Gray M., Johny K. Johansson and Chao Paul (1984). Image Variables in Multi attribute Product Evaluations: Country of Origin Effects. *Journal of Consumer Research*, 11, September, 694-699.
- Far, E. F & Hassanimehr, S. S. (2012). Evaluate the Role Retail Climate in Tourism Planning (Case study: Ghoochan and Gonabad). *J. Basic. Appl. Sci. Res.*, 2(1)29-37.
- Fishbein, M and Ajzen, I. (1975). Attitudes towards Objects as Predictors of Single and Multiple Behavioral Criteria. *Psychological Review*, 81 (1), 59-74.
- Fishbein, M. (1963). An Investigation of the Relationship between Beliefs about an Object and the Attitude towards that Object. *Human Relations*, 16, 233-240.
- Foley, A. (2004). Incongruity between Expression and Experience: The Role of Imagery in Supporting the Positioning of a Tourism Destination Brand. *Brand Management*, 11(3), 209–217.
- Fornell and David F. Larcker (1981). Evaluating Structural Equations Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, (18), 39-50.
- Fornell, Claes and Fred L. Bookstein (1982). Two Structural Equations Models: LISREL and PLS Applied to Consumer Exit-Voice Theory. *Journal of Marketing Research*, 18, 39-50.
- Gilmore, H.L. (1974). Product Conformance Cost. *Quality Progress*, 6-19.
- Heinkel, R. (1981). Uncertain Product Quality: The Market for Lemons with an Imperfect Testing Technology. *Bell Journal of Economics*, 12, 625-636.
- Henseler, J., Christian, M., Ringle,R., & Sinkovics (2009). The use of Partial Least Square Path modeling in international Marketing. *Advances in International Marketing*. (20, 277-319.
- Hossain M. Enayet, Quaddus M., & Tekle S. (2009). Consumer Choice Behaviour Regarding tour Destination Loyalty: A field study of factors and variables. Paper presented at the Curtin International Business Conference (CIBC), Miri, Malaysian.
- Hulland, J., (1999). Use of Partial Least Squares (PLS) in Strategic Management Research: A Review of Four Recent Studies. *Strategic Management Journal*. 20, 195-204.
- Kaili Y., Yu-Ching C., & Ya-Kang C., (2007). Understanding the Antecedents to Customer Loyalty by Applying Structural Equation Modeling. *Total Quality Management*.



- Keller, K. L. (1993). Conceptualizing, Measuring and Managing Customer-Based Brand Equity. *Journal of Marketing*, 57, 1-22.
- Kotler, P. (1997). *Marketing Management: Analysis, Planning, Implementation and Control*. NJ: Prentice-Hall, Inc. P 443.
- Lee S.Y., Petric J.F., Crompton J (2007). The Roles of Quality and Intermediary Constructs in Determining Festival Attendees' Behavioral Intention. *Journal of Travel Research*, 45(4), 402-412.
- Mackenzie, Scill B. and Spreng, Richard A. (1992). How Does Motivation Moderate the Impact of Central and Peripheral Processing on Brand Attitudes and Intentions? *Journal of Consumer Research*, 18, 519-529.
- Madden, T. J., Scholder Ellen, P. & Ajzen, I. 1992. A comparison of the Theory of Planned Behavior and the Theory of Reasoned Action. *Personality and Social Psychology Bulletin*. 18(1), 3-9.
- Martin, H.S. and Bosque I. A. R., (2008). Exploring the Cognitive-affective Nature of Destination Image and the Role of Psychological Factors in its Formation. *Tourism Management*, 29, 263-277.
- McCarthy J. E and William P.D. (1991). *Essential of Marketing*, (5th Ed.) New York, Mc Graw Hill
- Miller, G.A. (1956). The magical number seven, plus or minus two: Some limits on our capacity for processing information. *Psychological Review*, 63, 81-97.
- Mattila, A.S. (2004). Consumer behavior research in hospitality and tourism journals, *International Journal of Hospitality Management*, Vol. 23, pp. 449-57
- Monroe, K. B. (1990). *Pricing: making Profitable Decision*, 2<sup>nd</sup> Ed. McGraw-Hill, New York
- Nunnally, J.C., (1978). *Psychometric Theory*. New York, NY: McGraw-Hill
- Olson, J.C. & Jacoby, J. (1972). Cue Utilization in the Quality Perception Process, Proceedings, 3<sup>rd</sup> Annual Conference of Association for Consumer Research, ed. M. Venkatesan, Chicago: Association for Consumer Research, 167-179.
- Parasuraman, A., Zeithaml, V., and Berry, L. (1994). A Reassessment of Expectation as Comparison Standard in Measuring Service Quality. *Journal of Marketing*, 58, 111-124.
- Parvin N. and Chowdhury H.K., (2006). Consumer Evaluation of Beautification Products: Effect on Extrinsic Cues. *Asian Academy of Management Journal*, 11(2), 89-104.
- Paul, R.S. Dick, A.S., Jain and Arun, K. (1994). Extrinsic and Intrinsic Cue Effects on Perceptions of Store Brand Quality. *Journal of Marketing*, 58 (4), 28-37.
- Peterson, R. A., and Alain J.P. (1976). A Cross-National Investigation of Price Brand Determinants of perceived product quality. *Journal of Applied Psychology*, 61, 533-536.
- Prothom Alo. (2010). Crowded of Visitors at Cox's Bazar, [www.prothom-alo.com/details/date/2010-09-14/news/93268](http://www.prothom-alo.com/details/date/2010-09-14/news/93268).
- Quaddus M., Xu J. (2005). Adoption and Diffusion of Knowledge Management System: Field Studies of Factors and Variables. *Knowledge Based Systems*, 18, 107-115
- Rao, A.R. and Monroe, K.B. (1988). The Moderating Effect of Prior Knowledge on Cue Utilization in Product Evaluations. *Journal of Consumer Research*, 15, 253-264.
- Riege, A.M. & Perry, C. (2000). National marketing strategies in international travel and tourism, *European Journal of Marketing*, Vol. 34 (11/12), pp. 1290-304.
- Rossister, J., Percy, L; Donovan, R.J (1991). A Better Advertising Planning Grid. *Journal of Advertising Research*, Vol. 21, (11-21).
- Santosa, P. I., Wei, K. K. & Chan, H. C. (2005). User involvement and user satisfaction with information-seeking activity. *European Journal of Information Systems*, 14 (4), 361-370.
- Shahid, B. N. (1997). Marketing Cues and Perceived Quality: Perception of Saudi Consumers Towards Products of the U.S, Japan, Germany, Italy, U.K. and France. *Journal of Quality Management*, 2(2), 217-234.
- Shahrokh, Z. D. (2012). Examination of Hotel keeping Industry Effective Factors with Hierarchical Analysis Method in Tourism Regions, *J. Basic. Appl. Sci. Res.*, 2(1)815-820
- Sharif, B & Alimoradi, A. (2011). Toward the Future Tourism Marketing, *J. Basic. Appl. Sci. Res.*, 1(12), 2889-2899.
- Sheppard, B. H., Hartwick, J. & Warshaw, P. R. 1988. The theory of reasoned action: a meta-analysis of past research with recommendations for modifications and future research. *Journal of Consumer Research*. 15(3), 325-343.
- Sirakaya E. & Woodside A.G., (2005). Building and Testing Theories of Decision Making by Travelers. *Tourism Management*, 26 (6), 815-832.
- Simonson, Itmar and Amos Tversky (1992). Choice in Context: Trade-off Contrast and Extremeness Aversion. *Journal of Marketing Research*, 29, 81-295.
- Taleghani, M., Rad, S. K., Rahmati, Y. (2012). The Role of Innovation in the Relationship between Knowledge Management and Competitive Advantage (An Empirical Study of Tourism Industry), *Journal of Basic. Appl. Sci. Res.*, 2(4)3607-3614.
- Wallendorf, M., Zaltman, G. (1979). *Reading in Consumer Behavior: Individuals, Groups and Organizations*. Jon Wiley & Sons, Inc.
- White, C.J., Varadarajan, R.P. and Dacin, P., (2003). Market Situation and Response: the Role of Cognitive Style, Organizational Culture, and Information Use. *Journal of Marketing*, (67), 63-79.
- Zabkar, V., Brencic M.M., and Dmitrovic, T., (2010). Modeling Perceived Quality, visitor satisfaction and behavioural intentions at the destination level. *Tourism Management*, 31, 537-546.
- Zeithaml, V. A. and Mary, J. B. (1996). *Services Marketing*. New York: McGraw-Hill.
- Zeithaml, V.A. (1988). Consumer Perceptions of Price, Quality and Value: a Means-end Model and Synthesis of Evidence. *Journal of Marketing*, 52(3), 2-22.