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Chinese Tourists’ Satisfaction with International Shopping Centers: A Case Study of the Taipei 101 Building Shopping Mall

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1. Introduction

Shopping is one of the main activities undertaken by tourists (Kent et al., 1983; Choi et al., 1999; Reisinger & Turner, 2002; Snepenger et al., 2003; Kent & Yuksel, 2007). For some tourists, shopping may be the single most important purpose of tourism (Cohen, 1995; Reisinger & Waryzack, 1996; Huang & Hsu, 2005), or be viewed as an indispensable part of being a tourist (Heung & Qu, 1998; Yuksel, 2004). Creating a comfortable, attractive shopping environment is thus a key aspect of tourist industry development (Block et al., 1994; Jones, 1999; Lin, 2004; Yuksel, 2004). Not only can the existence of a first-class shopping environment enhance tourists’ overall satisfaction with the tourist destination as a whole (Heung & Cheng, 2000; Yuksel, 2007), it can also encourage tourists to spend more money (Jones, 1999), thereby providing increased economic benefits for the tourist destination (Jansen-Verbeke, 1991; Di Matteo & Di Matteo, 1996; Timothy & Butler, 1995).

According to statistics published by the National Tourism Administration of the People’s Republic of China (CNTA), in 2010 there were a total of 57.39 million tourist departures from China, and these Chinese tourists spent a record US$48 billion while traveling overseas. Expenditure on shopping as a percentage of overall tourist expenditure was highest among Chinese tourists traveling to Hong Kong, at 76% of total tourist expenditure (CTA, 2011). Taiwan did not relax the restrictions on travel to Taiwan by Chinese tourists until July 2008, but in the three years that have elapsed since then China has replaced Japan as Taiwan’s main source of overseas tourist arrivals, and now accounts for around 50% of all tourists traveling to Taiwan (Tourism Bureau, Taiwan, 2011). Statistics compiled by Taiwan’s Tourism Bureau indicate that shopping is the single largest expenditure item for Chinese tourists visiting Taiwan, and that expenditure on shopping by Chinese tourists is higher than average expenditure on shopping by tourists of all nationalities. Given that, as noted above, shopping plays a very important part in tourism, there is a clear need for Taiwan to develop a more in-depth understanding of Chinese tourist shopping satisfaction.

The Taipei 101 Building Shopping Mall is located in the Taipei 101 Building, the second highest building in the world, and one of Taipei’s best-known landmarks. According to the results of a survey conducted by Taiwan’s National Tourism Administration, the Taipei 101
Building Shopping Mall is Chinese tourists’ favorite shopping location within Taiwan. As it is only relatively recently that Taiwan relaxed the restrictions on travel to Taiwan by Chinese tourists, academic research in this area is still largely focused on overall tourism service quality; little effort has been made to explore the shopping service quality aspect of Chinese tourism in Taiwan. Internationally, a large number of studies have been undertaken examining shopping by Chinese tourists, but most of these studies – such as those by Cai et al. (2001), Jang et al. (2003), and Becken (2003) – have focused on the overall economic benefits of shopping by Chinese tourists, or on their consumption behavior and consumption models; few studies have been undertaken of Chinese tourists’ shopping satisfaction. Those few studies that have addressed the question of shopping satisfaction – including the studies by Choi et al. (1999), Heung & Cheng (2000), Liu et al. (2008), Tasci & Denizci (2010), and Lee et al. (2011) – have confined the scope of their case studies to Hong Kong or South Korea, and have limited their evaluation to the shopping environment as a whole, with no attempt to appraise shopping satisfaction with respect to individual (or representative) shopping centers. The aim of the present study is to help fill this gap in the empirical literature. It is anticipated that the study will help governments and business enterprises that are hoping to benefit from the consumption power of Chinese tourists to gain a more in-depth understanding of the constitute elements of Chinese tourist shopping satisfaction, thereby helping them to improve service quality in shopping environments catering to Chinese tourists, and boosting the economic benefits from tourism.

2. Review of the literature

2.1 Service packages and service quality

The concept of the “service package” was first used in Fitzsimmons & Fitzsimmons (1994). It is based on the idea that output in the service sector consists of the “package” of goods and services that a company provides within a given environment. Fitzsimmons & Fitzsimmons (2005) expanded the number of service package attributes from four to five: (1) Supporting facilities: The physical resources that must be put in place before a service can be offered; (2) Facilitating goods: The material purchased or consumed by the buyer, or the items provided by the customer; (3) Information: Operations data or information that is provided by the customer; (4) Explicit service: The benefits that are readily observable by the senses, and that consist of the essential or intrinsic features of the service; (5) Implicit service: Psychological benefits that the customer may sense only vaguely, or the extrinsic features of the service.

Kellogg & Nie (1995) take the service package matrix proposed by Fitzsimmons & Fitzsimmons as their analytical framework; by entering the characteristics of different service industries into the service package, they seek to identify the service characteristics or key features required by individual service industries, to provide a basis for formulating appropriate strategies to enhance service quality. Kandampully (2000) uses the service package concept as a basis for exploring the factors that influence customer satisfaction in the travel industry. This paper suggests that, in all service industries (including the travel industry), the goods and services provided embody a hybrid mix of tangible and intangible elements; customer satisfaction is determined by the customer’s experience of, and interaction with, this hybrid mix. Business managers need to simultaneously manage these
“hard” and “soft” factors, ensuring that the right balance is kept between them, in order to be able to enhance service quality and raise the level of customer satisfaction. Bloch et al. (1986), Batra & Ahtola (1990), Eroglu et al. (2005), Michon et al. (2005) and Yuksel (2007) all offer confirmation for the idea that “shopping value” derives from two elements: utilitarian value (referring to the consumer’s ability to buy goods they need) and hedonic value (referring to the pleasure that the consumer derives from the shopping process). Both types of value can be obtained whenever a consumer undertakes the shopping process Eroglu et al. (2005). In the case of purchasers who are on holiday, hedonic value becomes more significant than it would otherwise be. Snepenger et al. (2003) suggest that shopping allows tourists to experience local culture, and to fit in with local lifestyles. Hughes (1995) and Cary (2004) believe that the shopping process gives tourists a feeling of excitement or novelty. These research results suggest that shopping centers can enhance the enjoyment tourists obtain from shopping through careful service package design; this view is supported by the research of Kellogg & Nie (1995) and Kandampully (2000), which found that identifying the constituent elements of the service package and the optimal service package element mix could help to enhance the quality of service provided by shopping centers.

Heung & Cheng (2000) and Liu et al. (2008) evaluate the indicators used to appraise the shopping satisfaction of Chinese tourists visiting Hong Kong. The study of the shopping behavior of overseas tourists by Dimanche (2003) uses basically the same service quality indicators as those used in previous studies in this area. Yuksel (2004) finds that, while there may be some variation between overseas tourists and locals (i.e. Turkish citizens) when it comes to constitute elements of shopping service quality, the same appraisal indicators can be used for both groups. The present study therefore uses a review of the literature on shopping service quality to identify suitable service quality appraisal indicators. A retrospective examination of past studies of shopping environment service quality shows that the appraisal indicators used all fall broadly within the five service package attributes identified by Fitzsimmons & Fitzsimmons: (1) Supporting facilities: This covers “hardware” infrastructure and facility indicators such as “transportation to the mall,” or “cleanliness of shops” (Heung & Cheng, 2000; Yuksel, 2004; Josiam et al., 2005; Liu et al., 2008; Keng et al., 2007); (2) Facilitating goods: This aspect covers the quality of the goods being sold, including the range of products and brands available, the frequency with which new models are introduced, price, reliability, etc. (Heung & Cheng, 2000; Yuksel, 2004; Josiam et al., 2005; Keng et al., 2007; Liu et al., 2008); (3) Information: This includes the language and communication skills of the sales personnel, the presentation of information relating to the shopping facility, and visual merchandising (Heung & Cheng, 2000; Yuksel, 2004; Josiam et al., 2005; Liu et al., 2008); (4) Explicit service: This covers the attitude and professionalism of the sales personnel (Milliman, 1986; Heung & Cheng, 2000; Yuksel, 2004; Josiam et al., 2005; Keng et al., 2007; Liu et al., 2008), waiting time (Hui et al., 1997; Heung & Cheng, 2000), payment methods (Heung & Cheng, 2000), etc.; (5) Implicit service: This aspect includes shopping facility décor, music, color schemes, and scent (Milliman, 1982; Bellizzi et al., 1983; Yalch & Spangenberg, 1990; Bellizzi & Hite, 1992), the aesthetic appeal or special features of the building in which the shopping facility is located (Kotler, 1974; Jansen-Verbeke, 1991; Bitner, 1992; Lin, 2004; Keng et al., 2007), and the sense of excitement, discovery or cultural enlightenment experienced during the travel or shopping process (Hughes, 1995; Snepenger et al., 2003; Cary, 2004).
2.2 Service quality, customer satisfaction and customer loyalty

Most of the studies in the literature have confirmed that service quality constitutes a leading indicator for customer satisfaction (Cronin & Taylor, 1992; Ekinci, 2003; González et al., 2007), and that there is a strong positive correlation between service quality and satisfaction (Taylor & Baker, 1994; Olorunniwo et al., 2006; Hu et al., 2009). Shopping-related research has also shown a significant positive correlation between shopping center service quality and customers’ shopping behavior (Kotler, 1974; Babin et al., 2004), and has demonstrated that a high-quality service package can increase the time that customers spend in the shopping center (Spangenberg et al., 1996), as well as boosting the amount of money they spend and the number of items they purchase (Crowley, 1993; Spangenberg et al., 1996), and enhancing customer satisfaction (Mattila & Wirtz, 2001).

A study by Olsen & Johnson (2003) found that product quality, price and service flow combine to affect customer satisfaction. Olsen & Johnson suggest that customer satisfaction derives from the overall transaction experience; their findings thus appear to be in conformity with the service package concept. A business enterprise needs to identify the aspects of the transaction experience that affect customers if they are to be able to make improvements and enhance customer satisfaction, thereby building customer loyalty. In the present study, it is assumed that there is a direct relationship between the constituent elements of service quality (products, price, and service) and satisfaction. Unlike past studies in this field, the present study does not use overall service quality as an intermediary between the constituent elements of service quality and satisfaction; in this respect, the present study is similar to Otto & Ritchie (1996), which treats service quality and satisfaction as being synonymous.

The ultimate goal of improving shopping service quality is to use the provision of a first-class service experience to enhance customer satisfaction, thereby leading the customer to spend more money, and possibly even establishing customer loyalty. Attitudinally speaking, customer loyalty may take the form of brand preference or expression of willingness to purchase (Lee et al., 2001). In behavioral terms, it is expressed by repeat purchasing, and through the building of word-of-mouth brand reputation. Oliver (1999) suggests that satisfaction constitutes an important step in the process of forging loyalty, but that loyalty is not an inevitable result of satisfaction. Berné & Yague (2001) found that those customers who had the highest level of satisfaction did not necessarily wish to engage in repeat purchasing. In their study of the level of satisfaction of Chinese tourists visiting Korea et al. (2011) found that Chinese tourists’ satisfaction with travel to Korea did not lead to increased loyalty towards travel to Korea. However, Huang & Hsu (2005) came to a different conclusion. They suggested that the fact that Chinese tourists from both Beijing and Guangzhou generally viewed Hong Kong as a “shopper’s paradise,” and that some survey respondents made regular trips to Hong Kong for shopping, indicated that Chinese tourists did feel loyalty towards travel to and/or shopping in Hong Kong. Overall, it is clear that more research is needed to explore the relationship between satisfaction and loyalty in tourism and shopping.

3. Methodology

3.1 Research model

The purpose of the research model used in the present study is to verify the existence of a causal relationship between the service package offered by the Taipei 101 Building...
Shopping Mall and the level of satisfaction and loyalty of Chinese tourists visiting the Mall. The study takes as its foundation the service package theory of Fitzsimmons & Fitzsimmons (2004), while following Otto & Ritchie (1996) and Olsen & Johnson (2003) in viewing service quality as being synonymous with satisfaction. The following hypotheses are made: The five attributes of the service package each affect customer satisfaction (H1 – H5), and customer satisfaction affects customer loyalty (H6) (Fig.1). The five hypotheses established for the individual service package attributes are as follows:

- H1: Supporting facilities have a positive impact on customer satisfaction
- H2: Facilitating goods have a positive impact on customer satisfaction
- H3: Information has a positive impact on customer satisfaction
- H4: Explicit service has a positive impact on customer satisfaction
- H5: Implicit service has a positive impact on customer satisfaction
- H6: Customer satisfaction has a positive impact on customer loyalty

Fig. 1. Research framework

3.2 Questionnaire design

The questionnaire used in the present study was formulated based on the results obtained in the review of the literature. The 20 variables covered by the questionnaire were as shown in Table 1 below.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting facilities (SF)</td>
<td>1. Convenience of transportation access to the shopping center (SF1)</td>
</tr>
<tr>
<td></td>
<td>2. Provision of adequate restrooms, elevators, left luggage lockers, etc. (SF2)</td>
</tr>
<tr>
<td></td>
<td>3. Cleanliness of shopping center environment (SF3)</td>
</tr>
<tr>
<td>Facilitating goods (FG)</td>
<td>1. Goods sold in the shopping center are reasonably priced (FG1)</td>
</tr>
<tr>
<td></td>
<td>2. The shopping center offers a wide range of fashionable products (FG2)</td>
</tr>
<tr>
<td></td>
<td>3. The products sold in the shopping center are of reliable quality, and there is no danger of being sold fake/pirated goods (FG3)</td>
</tr>
<tr>
<td>Information (IF)</td>
<td>1. Information about the services available on each floor of the shopping center can be obtained easily (IF1)</td>
</tr>
<tr>
<td></td>
<td>2. The goods on sale, and circulation within the shopping center, are clearly labeled (IF2)</td>
</tr>
<tr>
<td></td>
<td>3. No language barrier when communicating with salespeople (IF3)</td>
</tr>
<tr>
<td>Explicit service (ES)</td>
<td>1. Sales personnel display a respectful, friendly, helpful attitude (ES1)</td>
</tr>
<tr>
<td></td>
<td>2. Sales personnel demonstrate a high level of knowledge about the products they are selling (ES2)</td>
</tr>
<tr>
<td></td>
<td>3. The shopping center offers a wide range of convenient payment methods (ES3)</td>
</tr>
<tr>
<td>Implicit service (IS)</td>
<td>1. The shopping center is worth visiting because it is located in the second highest building in the world (IS1)</td>
</tr>
<tr>
<td></td>
<td>2. The shopping center provides an opportunity to experience Taiwanese-style shopping (IS2)</td>
</tr>
<tr>
<td></td>
<td>3. Having shopped at the Taipei 101 Building Shopping Mall is something you can go home and brag about having done (IS3)</td>
</tr>
<tr>
<td>Customer satisfaction (CS)</td>
<td>1. I ended up spending more in the Taipei 101 Building Shopping Mall than I had originally intended to (CS1)</td>
</tr>
<tr>
<td></td>
<td>2. Even if you don’t buy anything, it’s interesting just wandering round the Mall (CS2)</td>
</tr>
<tr>
<td></td>
<td>3. Overall satisfaction (CS3)</td>
</tr>
<tr>
<td>Customer loyalty (CL)</td>
<td>1. Will come back again (CL1)</td>
</tr>
<tr>
<td></td>
<td>2. Would recommend the Mall to others (CL2)</td>
</tr>
</tbody>
</table>

Table 1. Explanation of Variables

4. Survey and analysis

In the present study, a sample survey was administered to Chinese tourists visiting Taiwan; the convenience sampling method was used. Over the period from July 20 to August 5, 2011, pretesting was carried out, using a total of 80 questionnaires, so that any problems could be ironed out. The survey proper was implemented over the period from August 10 to September 15, 2011; the survey was carried out within the Taipei 101 Building Shopping Mall, targeting Chinese tourists aged 18 or over. In all, 350 questionnaires were distributed; 314 valid, completed questionnaires were returned. Analysis of the questionnaire survey results was performed using LISERL 8.0 and SPSS 14.
4.1 Respondents’ basic data

The basic data for the respondents were as shown in Table 2 below. The sex ratio was relatively evenly balanced; the vast majority of the respondents were young or middle-aged. The most commonly given occupation was “businessperson,” followed by “salaried employee.” Respondents with average monthly income in the range of 3,000 – 8,000 Yuan accounted for 54.4% of all respondents.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>167</td>
<td>53.2</td>
</tr>
<tr>
<td>Female</td>
<td>147</td>
<td>46.8</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 - 24</td>
<td>34</td>
<td>10.8</td>
</tr>
<tr>
<td>25 - 34</td>
<td>62</td>
<td>19.7</td>
</tr>
<tr>
<td>35 - 44</td>
<td>95</td>
<td>30.3</td>
</tr>
<tr>
<td>45 - 54</td>
<td>61</td>
<td>19.4</td>
</tr>
<tr>
<td>55 - 64</td>
<td>33</td>
<td>10.5</td>
</tr>
<tr>
<td>65 or over</td>
<td>29</td>
<td>9.2</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public servant</td>
<td>39</td>
<td>12.4</td>
</tr>
<tr>
<td>Salaried employee</td>
<td>100</td>
<td>31.8</td>
</tr>
<tr>
<td>Businessperson</td>
<td>125</td>
<td>39.8</td>
</tr>
<tr>
<td>Farmer</td>
<td>20</td>
<td>6.4</td>
</tr>
<tr>
<td>Other</td>
<td>30</td>
<td>9.6</td>
</tr>
<tr>
<td>Monthly Income (CNY)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 3,000 Yuan</td>
<td>34</td>
<td>10.9</td>
</tr>
<tr>
<td>3,000 – 5,000 Yuan</td>
<td>72</td>
<td>22.9</td>
</tr>
<tr>
<td>5,000 – 8,000 Yuan</td>
<td>99</td>
<td>31.5</td>
</tr>
<tr>
<td>8,000 – 10,000 Yuan</td>
<td>48</td>
<td>15.3</td>
</tr>
<tr>
<td>Over 10,000 Yuan</td>
<td>61</td>
<td>19.4</td>
</tr>
</tbody>
</table>

Table 2. Respondent Characteristics

4.2 Goodness-of-fit measurement

The next step undertaken after obtaining the questionnaire survey data was to test the reliability of the data. According to Nunnally (1978), Cronbach's Alpha should be greater than 0.7. In the present study, the composite reliability values obtained for each service package attribute were as follows: SF = 0.862; FG = 0.823; IS = 0.923; IF = 0.873; CS = 0.752; CL = 0.743. The composite reliability values for six of the seven items thus conformed to Nunnally’s criteria for reliability; while the composite reliability value for ES (0.685) was under the 0.7 threshold, it was very close to the threshold, so the overall reliability of the data was felt to be acceptable.

4.3 Relationship results

In this section, we begin by evaluating the Goodness-of-Fit Index (GFI) for the model as a whole, in order to confirm that the model established for the present study has good explanatory power with respect to the data collected. Comparison with the appraisal criteria and recommended values proposed in other studies suggests that the model adopted in the present study does in fact have good explanatory power. Joreskog & Sorbom (1989) suggest
that the GFI and the Adjusted Goodness-of-Fit Index (AGFI) should fall within the range of 0.8 – 0.89. Mulaik, James, Altine, Bennett, Lind & Stilwell (1989) propose that a satisfactory model should have a Parsimony Goodness-of-Fit Index (PGFI) value of at least 0.5. For the model adopted in the present study, GFI = 0.88, AGFI = 0.84, and PGFI = 0.65; all of these values fall within an acceptable range. Hair, Tatham, Anderson & Black (1998) hold that the Normed Fit Index (NFI) should be greater than 0.9, while Bentler & Bonnett (1980) suggest that a Non-Normed Fit Index (NNFI) value of 0.9 indicates very high goodness of fit; the Comparative Fit Index (CFI) should ideally be greater than 0.9 (Bentler, 1990). The values obtained for the model used in the present study are: CFI = 0.95; NFI = 0.92; NNFI = 0.93; all of these values indicate high goodness of fit. Byrne (1989) suggests that the Root Mean Square Residual (RMR) value should be less than 0.05, while Hu & Bentler (1999) hold that the Standardized RMR (SRMR) should be lower than 0.08. The RMR and SRMR values obtained for the present study are both far below the respective levels noted above. It can thus be seen that, for the model used in the present study, all of the goodness-of-fit indicators fall within the acceptable range, indicating a high level of goodness of fit.

The structural model estimation results are shown in Table 4 and Figure 2 below. The test results obtained for each of the study’s hypotheses were as follows:

1. H1 is not supported; supporting facilities do not have a significant impact on shopping center customers’ level of satisfaction
2. H2 is supported; facilitating goods have a direct, positive impact on shopping center customers’ level of satisfaction (with a value of 0.31, the path coefficient is significant)
3. H3 is not supported; information does not have a significant impact on shopping center customers’ level of satisfaction
4. H4 is not supported; explicit service does not have a significant impact on shopping center customers’ level of satisfaction
5. H5 is supported; explicit service has a direct, positive impact on shopping center customers’ level of satisfaction (with a value of 0.10, the path coefficient value is significant)
6. H6 is supported; customer satisfaction has a direct, positive impact on customer loyalty (with a value of 0.88, the path coefficient value is significant)

<table>
<thead>
<tr>
<th>Research hypothesis</th>
<th>Path-coefficients</th>
<th>t-Value</th>
<th>Results of analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Supporting facilities → Custom satisfaction</td>
<td>0.07</td>
<td>0.41</td>
<td>Not supported</td>
</tr>
<tr>
<td>H2: Facilitating goods → Custom satisfaction</td>
<td>0.31</td>
<td>1.9</td>
<td>Supported</td>
</tr>
<tr>
<td>H3: Information → Custom satisfaction</td>
<td>0.08</td>
<td>0.79</td>
<td>Not supported</td>
</tr>
<tr>
<td>H4: Explicit service → Custom satisfaction</td>
<td>0.32</td>
<td>1.47</td>
<td>Not supported</td>
</tr>
<tr>
<td>H5: Implicit service → Custom satisfaction</td>
<td>0.1</td>
<td>1.88</td>
<td>Supported</td>
</tr>
<tr>
<td>H6: Custom satisfaction → Custom loyalty</td>
<td>0.88</td>
<td>19.59</td>
<td>Supported</td>
</tr>
</tbody>
</table>

**t >1.96, *t > 1.64

Table 4. Research Hypothesis Results

Fig. 2. Structural equation model test results
5. Discussion of the results

The empirical results obtained in the present study show that the level of satisfaction among Chinese tourists with respect to the Taipei 101 Building Shopping Mall is relatively high. The main sources of this satisfaction are the “facilitating goods” and “implicit service” attributes of the service package. Facilitating goods fall under the category of utilitarian value, while implicit service falls under the category of hedonic value. However, in the case of the Taipei 101 Building Shopping Mall, the importance of facilitating goods is greater than that of implicit service. This suggests that the value that Chinese tourists derive from shopping while engaged in tourism is mainly utilitarian value, a finding that goes against the view expressed in most studies in the literature that the pleasure which tourists gain from shopping while engaged in tourism derives mainly from hedonic value. It would thus appear that the constituent elements of the satisfaction that Chinese tourists derive from shopping are different from those that apply in the case of tourists of other nationalities.

Facilitating goods are the aspect of service quality with which Chinese tourists are most concerned, and also their main source of satisfaction. This probably relates to the disparities between the consumption environment in China and that existing in other parts of the world. High import duty makes imported goods significantly more expensive in China than they are in other countries; Chinese tourists therefore like to take advantage of the opportunity to purchase goods at lower prices when they are traveling overseas, and Chinese citizens who do not have the chance to travel overseas will ask friends or relatives traveling abroad to shop on their behalf. This situation is one of the key factors behind the large sums of money that Chinese tourists spend while on holiday. With regard to the three items about which Chinese tourists were asked under the facilitating goods category – “goods sold in the shopping center are reasonably priced,” “the shopping center offers a wide range of fashionable products,” and “the products sold in the shopping center are of reliable quality, and there is no danger of being sold fake/pirated goods,” “goods sold in the shopping center are reasonably priced” had the highest loading value, which is in conformity with the analysis presented above. “The shopping center offers a wide range of fashionable products” had the lowest loading value, possibly because it is only relatively recently that Taiwan has begun to allow Chinese tourists to visit the country, and a high percentage of the Chinese tourists visiting Taiwan will previously have been to “shoppers’ paradises” such as Paris and Hong Kong; the range of products and brands on sale at the Taipei 101 Building Shopping Mall may seem relatively unimpressive by comparison, but the prices are still low enough (compared with those charged in China) to ensure that Chinese tourists feel satisfaction after shopping at the Taipei 101 Building Shopping Mall. A similar situation can be seen in Chinese tourist shopping activity in Hong Kong and in the U.S. (Liu, Choi & Lee, 2008; Xu & McGehee, 2011). “The products sold in the shopping center are of reliable quality, and there is no danger of being sold fake/pirated goods” had a somewhat higher loading value, which probably reflects the inadequate enforcement of intellectual property rights protection in China, as a result of which the possibility of unwittingly buying fake or pirated goods in China is quite high, a risk that does not exist when shopping at the Taipei 101 Building Shopping Mall.

Of the three items included under the implicit service attribute, the relatively high loading values of “the shopping center is worth visiting because it is located in the second highest building in the world” and “the shopping center provides an opportunity to experience
Taiwanese-style shopping” are in conformity with the frequent reports in the literature that the opportunity to explore new things and interact with local people is an important aspect of the shopping experience for many tourists. The reaction to “having shopped at the Taipei 101 Building Shopping Mall is something you can go home and brag having done” probably reflects the importance of displaying one’s wealth in contemporary Chinese society, an importance seen, for example, in the fact that Swiss watches are sold (using Chinese-language labeling and advertising) on the viewing platform of the Jungfraujoch in Switzerland. Chinese tourists want to do more than just buy the world’s most prestigious luxury goods; they want to purchase those goods at famous global locations, in order to maximize the “display of wealth” effect. Given this cultural trait, it is clear that, within the value scheme of Chinese tourists, the Taipei 101 Building Shopping Mall is more than just a world-famous building; it is also an important location for the sale of international luxury brands.

There are two possible reasons why the results obtained for supporting facilities do not indicate any significant impact on customer satisfaction. Firstly, there is the fact that Chinese tourists are currently only allowed to visit Taiwan on package tours. As such, they arrive at the Taipei 101 Building Shopping Mall on tour buses as part of a tour group; they do not need to make their way to the Mall by themselves, and therefore they have no need to concern themselves with the questions of whether transportation access is convenient, whether there are sufficient parking space, or whether enough storage lockers have been provided. Furthermore, package tours usually have a busy itinerary, spending only a limited amount of time at each stop. Chinese tourists on package tours spend an average of only around 2.5 hours at the Taipei 101 Building Shopping Mall, and they spend most of this time shopping or taking souvenir photographs. Provided that there are no major problems, the details of the shopping environment at the Taipei 101 Building Shopping Mall are unlikely to have much impact on Chinese tourists visiting the Mall.

As regards the information attribute of the service package, this attribute does not appear to have much impact on the satisfaction of Chinese tourists visiting the Taipei 101 Building Shopping Mall, possibly because of the lack of a significant language barrier between Chinese and Taiwanese people. However, shopping centers in non-Chinese-language environments might need to take this factor into account. Chinese tourists who have visited the U.S. report that the language barrier spoiled their enjoyment of the shopping experience; Chinese tourists expressed the hope that shopping centers in the U.S. could recruit more Chinese-speaking sales staff and provide more Chinese-language signage and other materials (Xu & McGehee, 2011). Taiwan has an inherent advantage when it comes to the language environment; however, this advantage is gradually being eroded. Shopping centers in Europe, Hong Kong and Japan are all able to recruit sales personnel who speak fluent English, and are starting to provide more in the way of Chinese-language information; by creating a more Chinese-friendly shopping environment, shopping centers in these countries are seeking to develop the significant business opportunities presented by Chinese tourists.

Rather unexpectedly, the explicit service attribute did not appear to have a significant impact on the shopping satisfaction experienced by Chinese tourists at the Taipei 101 Building Shopping Mall. Bearing in mind that the products on sale at the Taipei 101 Building Shopping Mall are mainly international luxury goods, and that luxury goods retailers generally emphasize the creation of a “personal” shopping experience, in which
sales assistants give individual explanations of the special features of the products being sold, so as to emphasize the brand value, and given the non-existence of a language barrier, it would seem only natural that tourists shopping at the Taipei 101 Building Shopping Mall are benefiting from explicit service. One possible explanation for the fact that the explicit service attribute did not have a significant impact on customer satisfaction is the short time that Chinese tourists spend at the Taipei 101 Building Shopping Mall; it may be that they simply do not have enough time to enjoy the explicit value provided (in terms of listening to product explanations, trying clothes on, experimenting with different color combinations, etc.). If these aspects of service provision are eliminated, then all that is left is the exchange of physical goods for money. This would explain why the facilitating goods attribute was the main source of satisfaction within the overall service package. Another possible explanation for the fact that explicit service is not a significant contributor to Chinese tourists’ shopping satisfaction may be the restrictions that the Chinese government imposes on opportunities for Chinese citizens to travel overseas; those Chinese who are in a position to travel abroad are people towards the top of the social pyramid. People of this sort will be familiar with leading global brands, and will have obtained all the product information they need before leaving China; they will not require explanations from luxury goods boutique sales personnel. Evidence for this is provided by the fact that Chinese tourists can often be seen standing in front of the counters in boutiques in the Taipei 101 Building Shopping Mall holding shopping lists; having clearly already planned out in advance what they are going to buy, they do not require any special assistance from the sales staff.

The shopping satisfaction experienced by Chinese tourists visiting the Taipei 101 Building Shopping Mall has a pronounced, direct impact on customer loyalty. The survey results show that, not only are Chinese tourists very satisfied with their shopping experience in the Taipei 101 Building Shopping Mall, they would also be willing to recommend the Taipei 101 Building Shopping Mall to other people after returning home to China. This is an important finding, because, when they are planning trips aboard, Chinese people are usually strongly influenced by the recommendations they receive from relatives and friends (Beerli & Martin, 2004; Sparks & Pan, 2009); in other words, word-of-mouth marketing is very effective in China. With the first FIT Chinese tourists (i.e. tourists traveling individually rather than as part of a tour group) starting to arrive in Taiwan on June 28, 2011, it can be anticipated that many Chinese tourists who decide to visit Taiwan again will return to the Taipei 101 Building Shopping Mall. With the right government policies in place, the high level of satisfaction that Chinese tourists feel with their shopping experience in the Taipei 101 Building Shopping Mall can be translated into repeat visits and additional purchasing. Given that the number of Chinese tourists that have visited the Taipei 101 Building Shopping Mall already exceeds 2.4 million (according to data compiled by Taiwan’s Tourism Bureau in 2011), the potential benefits from the customer loyalty being built up among Chinese tourists towards the Taipei 101 Building Shopping Mall are significant.

6. Conclusions and recommendations

Currently, facilitating goods constitute the main source of shopping satisfaction for Chinese tourists visiting the Taipei 101 Building Shopping Mall. The key factor here is the disparity between the price of luxury goods in Taiwan and China. However, given that China has adopted a policy of trade liberalization, it can be anticipated that import duty in China will
gradually be reduced in the future, possibly causing the relative price of imported luxury goods to fall; in this case, the Taipei 101 Building Shopping Mall’s price advantage would be eroded. At the same time, with more and more foreign brands opening direct sales outlets in China, the risk of unwittingly buying pirated or fake goods in China is starting to fall. Given these potential changes in the wider business environment, the Taipei 101 Building Shopping Mall may need to think about diversifying the range of products on sale in the Mall, or selling products that are more distinctive to the Mall, so as to be able to maintain its advantage in terms of facilitating goods. This might involve collaborating with leading international brands on the development of limited edition, “Taipei 101” co-branded goods, so as gain maximum benefit from the general feeling among Chinese tourists that the Taipei 101 Building is a major global landmark (as well as being a place to purchase international luxury goods). By leveraging Chinese tourists’ desire to show off their wealth, the Taipei 101 Building Shopping Mall should be able to transform itself from a distribution channel into a brand in its own right, leveraging its fame as a landmark to create additional sales revenue.

Following the relaxation in 2003 by the Chinese government of the restrictions on travel to Hong Kong by residents of other parts of China, Hong Kong’s tourism and shopping related industries experienced dramatic growth (Tasci & Denizci, 2010). The Chinese government began to permit FIT tourism to Taiwan by individual Chinese travelers starting from June 2011. Although this policy currently applies only to residents of Beijing, Shanghai and Xiamen, it can be anticipated that the scope of implementation will be expanded in the future, creating the possibility that Taiwan could become a major destination for Chinese FIT travel, along the same lines as Hong Kong, and possibly also a major overseas shopping destination. In light of the high level of satisfaction that Chinese tourists have expressed with their shopping experience at the Taipei 101 Building Shopping Mall, and their reported strong interest in coming back again (and in recommending the Mall to others), and given that land and labor costs in Taiwan are significantly lower than in Hong Kong, Taiwan should be able to compete effectively against Hong Kong on price in this respect. The results of a survey of Chinese tourists conducted by Liu, Choi & Lee (2008) showed that the areas where Chinese tourists felt that most improvement was needed in the Hong Kong shopping environment included: more variety of goods and styles; more convenient transportation, better store display design, and the creation of a better in-store atmosphere. The first two of these items fall under the “facilitating goods” attribute, which currently constitutes the core service element for the Taipei 101 Building Shopping Mall; these survey results therefore support the idea that the Taipei 101 Building Shopping Mall has the potential to be highly competitive in the future. The latter two items where Chinese tourists visiting Hong Kong felt improvement was needed fall under the “supporting facilities” and “implicit service” attributes. At present, with most of the Chinese tourists who visit the Taipei 101 Building Shopping Mall doing so as members of tour groups, these attributes may not be particularly important, but once Chinese FIT travel to Taiwan takes off, they can be expected to emerge as important factors influencing the level of satisfaction with shopping services. This is a challenge that the Taipei 101 Building Shopping Mall will be facing in the very near future. The Taipei 101 Building Shopping Mall should try not merely to avoid displaying the deficiencies in service quality that Chinese tourists have reported in Hong Kong, but rather to build competitive advantage in these areas, so as to be able to maintain the loyalty of existing customers and continue to develop new business opportunities.
The research model used in the present study relied heavily on the results of past research in this area as reported in the literature; the study can thus be seen as falling under the category of “verificatory research.” However, the service quality attributes that have traditionally been used in research on shopping centers do not appear to be fully able to explain the overseas shopping behavior of Chinese tourists, or the component elements of service quality. Comparison with case studies of Hong Kong suggests that there may be significant disparities in shopping service satisfaction preferences between tourists on package tours and FIT tourists. Furthermore, it would appear that, due to the restrictions that the Chinese government imposes on overseas travel, as a result of which those Chinese able to travel abroad are generally people with economic and social status that locates them towards the top of the social pyramid, and because of the distinctive social value schemes and consumption habits that have emerged as a result of China’s rapid economic development, the research assumptions that need to be made when studying Chinese tourists are different from those which have been applied in past research on tourists from other countries. When considering the huge numbers and immense buying power of Chinese tourists traveling overseas, from the point of view of a researcher studying service quality management, it would seem advisable to adopt an exploratory research approach, with the aim of formulating a “shopping service quality scale” applicable to Chinese tourists that can serve as a management tool to help countries and business enterprises that are seeking to develop the business opportunities presented by Chinese tourists to manage service quality more effectively.

7. References


Chinese Tourists’ Satisfaction with International Shopping Centers: A Case Study of the Taipei 101 Building Shopping Mall


This book is comprised of a collection of reviews and research works from international professionals from various parts of the world. A practical approach to quality management provides the reader with the understanding of basic to total quality practices in organizations, reflecting a systematic coverage of topics. Its main focus is on quality management practices in organization and dealing with specific total quality practices to quality management systems. It is intended for use as a reference at the universities, colleges, corporate organizations, and for individuals who want to know more about total quality practices. The works in this book will be a helpful and useful guide to practitioners seeking to understand and use the appropriate approaches to implement total quality.

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