



# **Domestic Travelers**

## **Perceived Destination Image of**

### **Shanghai**

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Bachelor Thesis for Obtaining the Degree

Bachelor of Business Administration in

Tourism and Hospitality Management

Submitted to Daniel Leung

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Vienna, 06 June 2014

## Affidavit

I hereby affirm that this Bachelor's thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

6<sup>th</sup> June 2014

Date



Signature

## Abstract

In recent years, China's tourism industry in general and its domestic tourism in particular has experienced dramatic growth. One of the most favored cities for domestic tourism in China is Shanghai but limited information is available about how domestic travelers perceive Shanghai as a tourist destination. Therefore, this study investigates the perceived destination image of Shanghai by domestic travelers to better understand their needs and sustain Shanghai's position as a premier tourist destination. Qualitative research has been applied by using content analysis approach to examine the online reviews on China's largest review website 'Dianping.com'. In total 270 reviews from three main categories which are accommodation, meals outside hotels and attraction have been collected and analyzed. The results demonstrate that domestic travelers' overall image of Shanghai is generally positive while only restaurant sector may need additional improvements. The city is seen as a great sight-seeing destination with convenient transportation, whereas hotels provide high quality rooms and have professional and friendly service personnel. The quality of food and service in restaurants are rated as average only albeit expensive. Apart from these, the 'systems' factor has been perceived negatively by all three categories and needs to implement better quality assurance and customer complaint handling systems.

## Acknowledgement

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# 1 Introduction

## 1.1 Tourism development in China

In recent years, the tourism industry in China booms and contributes a significant part to the country's economic growth. According to the *Tourism Highlights 2013* by the United Nations World Tourism Organization, China ranked as one of the world's top tourist destinations in 2012. It was ranked the third place with 58 million international tourist arrivals, which is behind France and the United States only (see Table 1).

<b>International Tourist Arrivals</b>					
<b>Rank</b>	<b>Series</b>	<b>Million</b>		<b>Change %</b>	
		<b>2011</b>	<b>2012</b>	<b>11/10</b>	<b>12/11</b>
1 France	TF	81.6	83.0	5.0	1.8
2 United States	TF	62.7	67.0	4.9	6.8
3 China	TF	57.6	57.7	3.4	0.3
4 Spain	TF	56.2	57.7	6.6	2.7
5 Italy	TF	46.1	46.4	5.7	0.5
6 Turkey	TF	34.7	35.7	10.5	3.0
7 Germany	TCE	28.4	30.4	5.5	7.3
8 United Kingdom	TF	29.3	29.3	3.6	-0.1
9 Russian Federation	TF	22.7	25.7	11.9	13.4
10 Malaysia	TF	24.7	25.0	0.6	1.3

**Table 1. International tourist arrivals by country**

Source: United Nations World Tourism Organization (2013)

Besides, inbound tourism also generated USD 50 billion in international tourism receipts to the country. According to the *World Travel and Tourism Council*, the total contribution of the tourism and travel industry to the country's Gross Domestic Product (GDP) amounted to CNY 4,783.0 billion (including the total travel and tourism spending by residents and non-residents for business and leisure purposes, plus the travel and tourism spending by government directly linked to visitors), which is equivalent to 9.3 percent of China's GDP. The total contribution of the tourism industry to the country's GDP is expected to rise by 8.9% per year to CNY 12,062.2 billion by 2023 (*World Travel and Tourism Council*, 2013).

The outbound tourism in China increased significantly over the past years due to rising disposable incomes, increasing purchasing power and relaxation of visa restrictions on foreign travel of Chinese travelers. In 2012 Chinese travelers spent an all-time record of USD 102 billion on outbound tourism, with almost eightfold in 12 years up from USD 13 billion in 2000. The country took the first place for tourism expenditures, overtaking both long-time top spender Germany and second largest spender United States (*UNWTO*, 2013).

Besides traveling to other countries and territories, Chinese travelers are fond of visiting destinations within their country. With a population of 1.6 billion (*World Population Statistics*, 2013), China's domestic tourism market is considered the world's largest (*Chiang*, 2011). In China, the number of domestic tourists even exceeds that of international tourists and shows an even larger growth. The number of domestic travelers totaled 2.1 billion as of 2010 (*Chiang*, 2011), which showed an enormous increase as the corresponding figure in 1990 was 280 million only (*Eijgelaar, Peeters & Piket*, 2008). China's domestic tourism contributes over 4% to the growth of China's GDP and has a continuous increase of around 10% each year (*TravelChinaGuide*, 2013). Given that the domestic tourism market is of great importance for the China's tourism industry, it is necessary for destination management organizations to understand how domestic tourists feel and think about different tourist destinations within the country.

## 1.2 Tourism development in Shanghai

Among all first-tier cities in China, Shanghai is one of the most popular tourist destinations in the eyes of domestic travelers. Its' modern image attracts a great number of domestic tourists every year. In 2010, 19% of domestic travelers visited Shanghai and Beijing and contributed 39% to the domestic tourism revenue (Chiang, 2011).

In the coming years, the Shanghai government plans to develop and promote its city as a world famous international tourism destination. By turning the tourism industry into a strategic pillar one, the Shanghai government expects to create 300,000 jobs by 2015 and aims to increase the tourism revenue by 70% from 2010 to 2015. After the accomplishment of several tourism-related projects such as the construction of the Shanghai Disneyland and the expansion of Happy Valley (Shi, 2011), Shanghai expects to welcome 240 million domestic travelers by 2015 (Tang, 2011).

Although Shanghai would continue to serve as a major tourist destination by domestic travelers, our understanding about how domestic tourists perceive Shanghai as a tourist destination is relatively limited. To fill this knowledge gap and supplement the future development, the purpose of this study is to investigate domestic tourists' perceived image of Shanghai on a Chinese-based travel review website.

The remaining parts of this thesis will be presented as follows. The next chapter will firstly review and summarize the previous literature about destination image. Also, different concepts regarding the formation of visitor's destination image will be presented and then followed by an introduction of the development of Shanghai from the past until now. In the methodology chapter, details about the data collection and analysis will be provided. In brief, secondary data were collected from one of the largest Chinese-based review websites named "Dian ping" (URL: <http://www.dianping.com>). Using the content analysis approach to scrutinize the textual content generated by Chinese tourists on this website, the perceived image of hotels, restaurants and sight-seeing spots in Shanghai would be exposed. This research is expected to identify which tourism sector(s) is well perceived and where the area(s) of improvement is. Potential problems will be discovered and solutions

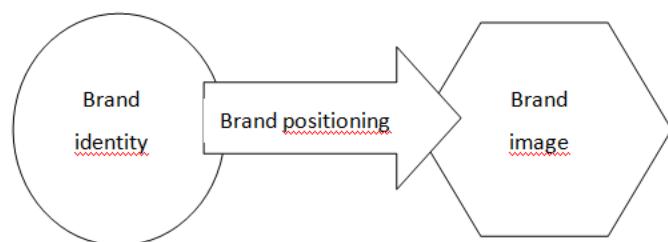
will also be suggested. Generally speaking, the research is expected to have much contribution to destination management organizations, managers in the field and the government as the findings will help them understand the current situation of the domestic travelers' image of Shanghai. That in turn, would show where area(s) of improvement is and forms the basis for setting new strategies and decisions.

## 2 Literature review

## 2.1 Definitions of destination image

Destination image is one of the most widely research topics in the tourism literature over the past few decades. Pike's (2002) literature review study provides a concrete evidence since he identified a total of 142 papers which directly or indirectly dealt with the subject of destination image from the year 1973 to 2000. The concept of destination image has been studied in various disciplines such as geography, anthropology and sociology (Gallarza, Gil & Calderon, 2002). Among the tourism literature, the concept of destination image was mainly discussed in destination marketing related studies.

To have a better understanding of the role of destination image in destination marketing, it is necessary to have an idea about the components of a destination brand. According to Pike (2012), a destination brand consists of three essential elements which are brand identity, brand positioning and brand image (see Figure 1).



**Figure 1. Three components of a destination brand**

Source: Pike (2012)

Brand identity stands for the self image of a destination aspired to the marketplace by incorporating the internal mission and vision of a destination. Different from the image conveyed by a destination, brand image is referred to the actual image of a destination held by the consumers. To ensure the congruency between projected image and perceived image, the role of brand positioning serves as a bridge to align these two images. According to Hunt (1975), destination image is very powerful since it can affect the viability of a destination. Understanding the image of a destination held by the travelers is very important since it affects the consumer's travel purchase decision and choice (Chen & Kerstetter, 1999; Pearce, 1982).

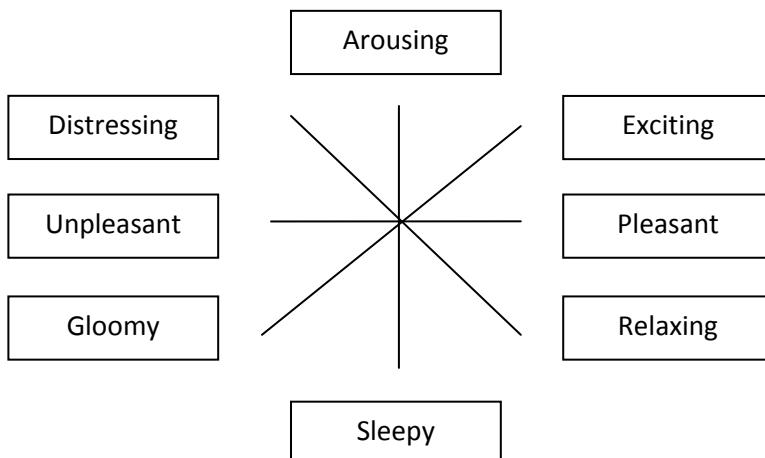
Apart from Pike (2012), previous literature about destination image defined destination image differently. For instance, Lawson and Baud-Bovy (1977, cited in Ruzzier, 2010, p. 89) defined destination image as "an expression of knowledge, impressions, prejudice, imaginations and emotional thoughts an individual has of a specific object or place". Crompton (1979, cited in Ruzzier, 2010, p. 89) provided a similar definition which is "the sum of beliefs, ideas, and impressions that a person has of a destination". Considering the inclusion of the emotional aspect, Ruzzier (2010) commented that Lawson and Baud-Bovy's (1977) definition is more comprehensive comparing with Crompton's (1979) one. Hunt (1975, cited in Ruzzier, 2010, p.89) defined it as "the impression a person or persons hold about a state in which they do not reside". Both of them shared a similar opinion that destination image is the "impressions" people have of a destination. According to the World Tourism Organization (1997, cited in Milman & Pizam, 1995), destination image is "an aura, an angel, a subjective perception accompanying the various projections of the same message transmitter". This suggests that an image can be formulated only if someone has certain knowledge about the destination. Though various definitions of destination image emerged in the literature, all of them commonly noted that destination image is subjective and perception-based.

## 2.2 Destination image formation

### 2.2.1 Destination image components

Gartner (1993) suggested that destination image consists of three different but hierarchically interrelated components, which are cognitive, affective and conative images. Cognition signals the awareness of a destination and represents the sum of beliefs and knowledge about the destination. Affect refers to the feeling about a destination which can be favorable, unfavorable or neutral (Fishbein, 1967). Conation represents the action and intent component (Pike, 2012), and it is commonly formed as a result of cognition and affect (Baloglu & McCleary, 1999).

Among these three components, affect is the most widely discussed one. Baloglu and McCleary (1999) also commented that the affective component (feelings) is dependent on and responsive to cognition. Based on Gartner's theory, Russel, Ward and Pratt (1981) developed an affective responsive grid showing the eight affective image dimensions of destination image (see Figure 2).



**Figure 2. Affective response grid**

Source: Russel, Ward and Pratt (1981)

In this affective response grid, the vertical axis stands for the level of arousal, and the horizontal axis represents the level of pleasantness. The eight dimensions are functions of their corresponding vertical and horizontal axis. For instance, “relaxing” is a combination of pleasant and sleepy whereas “gloomy” is a combination of unpleasant and sleepy. Many researchers made use of this affective response grid

and applied it to their studies. Baloglu and Mangaloglu (2001) applied this grid to investigate the image perceived by travel intermediaries. The study of Stern and Krakover (1993) on the urban image formation also applied and found out that both cognitive and affective factors formulated the overall image.

### 2.2.2 Information Sources

According to Gartner (1993), information sources are image forming agents and also the forces which have an influence on people's perception and evaluation of a destination. Some research studies indicated that information sources solely influence the cognitive component of an image but not the affective ones (Holbrook, 1978; Woodside & Lysonski, 1989). Moreover, the type, quantity and quality of the information source were believed to determine the development of an image (Burgess, 1978). Pike (2012) also found that the information obtained after visiting a destination has an effect on the choice of specific destination over others. Generally speaking, information sources can be divided into two categories - primary and secondary sources.

The primary information is acquired through having an actual visit to the destination and having personal experience, which in turn forms the primary image. Although Gartner and Hunt (1987) as well as Phelps (1986) claimed that the destination image formed based on primary information generally tends to be more realistic and complex than the image formed through secondary sources, the extensiveness of personal experience is highly dependent on the degree of interaction an individual has in the place he or she visits. While some people engage in an intensive exploration of the place visited by seeing many attractions and interact with the local community, others may have less motivation and prefer to have more relaxing time. Thus, it is believed that the number of visits to the destination, length of stay and the degree of involvement would influence the primary image of the destination (Beerli & Martin, 2004).

The image formed by secondary sources is basically one perceived before visiting a destination, and usually called secondary image (Phelps, 1986). According to Mansfeld (1992), secondary sources of information fulfil three basic functions in

destination choice: (1) to minimize the risk that destination entails, (2) to create an image of the destination and (3) to serve as a mechanism for later justification of the choice. Gunn (1988) has proposed the theory that those images are formed at two levels: organic and induced. Organic images are built from non-commercial information sources which people are confronted with such as word of mouth and actual visitation at the destination. Induced images are developed through the information with intentional marketing purposes which reflects the direct influence of tourism promotions on people. The cutting line between organic and induced images is the level of control held by marketers. Gartner (1993) has further provided a continuum of eight image formation agents or information sources influencing destination image.

Gartner's (1993) continuum of information sources ranges from a) overt induced 1 and 2, which are information found in traditional advertising and information delivered by tour operators; b) covert induced 1 and 2, representing the information from a second party endorsement as celebrities to promote the destinations in traditional advertisements, newspapers and articles; c) autonomous, usage of mass media to promote the destination through documentaries, films, television programs, etc.; d) unsolicited and solicited organic, the knowledge and information based on own experiences about the destination shared by friends and family which could be asked for or given voluntarily; and e) organic, an actual visit at the destination. Each of the image formation agents have a different impact on the image formed and therefore can be used independently or in combination, depending on travelers' preferences.

### 2.2.3 Personal Factors

Academic studies also proved that destination images are not only formed through organic, autonomous and induced information sources, but also through the individuals' personal characteristics like how they evaluate the incoming information (Gartner, 1993). Bramwell and Rowding (1996) stated that received images usually differ from projected images in the way by how people comprehend, understand and interpret the messages of projected images, and as a result form their individual

mental picture of the destination. This thought is also shared by Um and Crompton (1990), who claimed that one's attitude towards a destination has rooted in his / her personal factors. Personal factors are considered in the context of consumer behavior as socio-demographic characteristics of an individual (e.g., gender, age, occupation, level of education, social class and others) and also psychological components (e.g., motivation, values, experiences, lifecycle, personality and others) (Beerli & Martin, 2004). Among the tourism literature, the impact of socio-demographical factors on perceived image showed uncompromising results. While some authors found some differences in perceived images across age groups, gender, income and level of education (Chen & Kerstetter, 1999; Stern & Krakover, 1993; Walmsley & Jenkins, 1993), Baloglu's (1997) study showed no difference.

Furthermore, motivation, as a psychological factor influencing the image formation, is also considered as a driving force affecting tourists' behaviour and destination choice. Mill and Morrison (1992) believe that travel motivation lies in the principal of satisfying certain needs and wants. Gray (1970) tried to explain motivation as a concept of wanderlust and sunlust. Wanderlust refers to the innate need of exploring something new and leaving the familiar environment, and sunlust is characterised as the travel to a destination with a specific purpose and receive benefits which are not available at home.

#### **2.2.4 Associative network memory**

The associative network memory model defines the destination image formation process through the interlinking of nodes and links in the human brain. The nodes represent the stored information of any subject in the brain which is connected by the information links. Whenever information is retrieved from the memory, the nodes are activated and this process is known as the association. Depending of the context, the associations related with one node will activate several other nodes. Based on that, the destination image can be seen as "perceptions of a destination as reflected by the associations held in the consumer memory" (Keller, 1993, p. 3). According to Keller (1993), associations between products and services can be created in three different forms. The first one is a result of the direct experience

with the product or service. The second one is based on the information communicated by the company, the word of mouth and any other commercial sources, and the last one is the association connected with another entity which is also known as secondary association.

Those secondary associations are formed through the attribute associations of a company, the country of origin, the celebrity spokesperson of the product / service / event and the distribution channel. As a result, secondary associations create new associations and also affect the current associations in the consumers' minds (Deng & Li, 2014). When transforming this theory to destination branding, secondary associations play an important role in the image transfer from an event to the destination. The host of an event in a destination will result that consumers associate some features (nodes) of the event indirectly (links) with the destination itself. Thus provide the destination the chance to create new, favourable and strong associations for the destination through the event (Cai, 2002).

## 2.3 Shanghai

Since the study focuses on the perceived image of Shanghai, the following sections provide a brief introduction about the development of the city.

### 2.3.1 The history of Shanghai

Shanghai is located at the Yangtze River Delta in the middle of China's east coast line. Despite being a small fishing village in the eleventh century, Shanghai is now a renowned international metropolis which is comparable to New York, London and other capitals. The urban development of Shanghai started slowly when it became a small sea port with a booming cotton industry by the sixteenth century. After the loss of the first opium war in the year 1842, the British established their concession in Shanghai which was governed by the occupying country and not under the control by the Chinese government. Following the British's practices, French, American and Japanese also created their territories in Shanghai. The city offered the advantage

that it did not require any travel restrictions to enter and had no formal authority who governs the place. By that time, Shanghai became a major hub for foreigners including missionaries, businessmen and traders from all around the world who sought opportunities to make international business.

By the 1930s, Shanghai has been internationally recognized as the “Paris of the Orient” where provided adventure, mystery, wealth and adversity. Yet, the dark side of the city cannot be overlooked since the city dealt predominately with prostitution, drug and gambling scenes. This period lasted not very long and the Chinese Communist Party under the leader Mao Ze Dong took over the control of Shanghai after defeating the Japanese in 1945 and the Western powers agreed to leave the city. For the next several decades, Shanghai and the rest of China were restructured under the Communist Party. It had no contact to the outside world and many businesses have been slowly nationalized (Gilmore, 2010).

### **2.3.2 Shanghai at modern stage**

After the death of Mao Ze Dong in 1976, his follower Deng Xiaoping took over his position and decided to reopen China to the world. In order to rebuild the image of the nation, Shanghai in general and Pudong in particular was set to be the new financial center for China. The vision was to redevelop Shanghai into a world class city by symbolizing prosperity and modernity. Following this vision, Shanghai underwent massive urban regeneration, old building have been restored and renovated and new icons and symbols are created (Gilmore, 2010). One of the major foci was to build magnificent skyscrapers that represent the “iconography of modernity” (Pumphrey, 1987). With the vision of “the bigger, the better”, the constructions of impressively tall buildings should stand for the city brand identity and aim to differentiate themselves with other cities (Gilmore, 2010). Until the end of year 2010, Shanghai has more than 4,500 towers (Gilmore, 2010) and the most remarkable landmarks of Shanghai are the Oriental Pearl Television Tower (468 meters) and the Jin Mao Mansion (420 meters) which are located in the Pudong area (Hsu, Dehuang & Woodside, 2009). Apart from constructing the skyscrapers, the city has built the biggest container port and the longest steel arch bridge in China. In less

than 15 years, Shanghai managed to create an astonishing skyline which took thirty years to create in Hong Kong and fifty years in New York (Gilmore, 2010). The development continues and the construction of “Shanghai Tower”, the tallest building in China with a height of 632 meters, is in progress and is expected to be finished in the beginning of 2015 (Ji, 2011).

### **2.3.3 Shanghai World Expo 2010**

The hosting of mega events such as the Olympics and the World Expo will bring many benefits such as “economic growth, infrastructure upgrading and image promotion for the hosting country” (Kim & Petrick, 2005, cited in Chen, 2012, p. 732). Due to the significant benefits derived from hosting mega events, many countries are willing to take the high costs and complicated bidding process for striving to be the host of these events. In the year 2010, China passed the rigorous selection process and was designated for hosting the World Expo 2010. This designation is exceptionally meaning because this is the first time that the World Expo to be hosted in a developing country (Loo & Davies, 2006). Thus, this recognizes that China and Shanghai has the potential to be the hosting city of international mega events.

According to Law (1993), hosting cities of mega events were generally able to take mega events as an effective marketing tool to promote the distinctive image of their city to a global audience. Following this notion, being the hosting city of the World Expo 2010 gives Shanghai another great opportunity to expose its diversified image to the world. With reference to Carta (2013), Shanghai’s branding goal was to position itself as an “international metropolis” which can be comparable to London and Paris. Moreover, the World Expo 2010’s slogan of “better city, better life” indicates that the city provide a lot of new opportunities to people thus attracting many people to leave their initial home and come to the city. But at the same time, hosting mega events generate new problems and threats as pollution and overcrowding which needs to be dealt with. Hence, it signals that the city’s development needs to be managed in a sustainable way for the good of its residents

and for next generations (Official Site of the Bureau International des Expositions, 2013).

Despite aiming to promote the image of the country to the international audiences through this event, it is also mainly targeted to the domestic people inside China. According to the official statistics, 94.2% out of total 73 million visitors to the World Expo 2010 were domestic visitors (Chen, 2012). Throughout the exhibition period, many domestic visitors from different regions of China came to the city and experienced Shanghai at first hand. According to Jean-Pierre Lafon, president of World Expo supervising body the International Exhibitions Bureau, the event was an "astounding success for China, Shanghai and the World Expo" and created new record in terms of visitor numbers (Jian, 2010). Moreover, it resulted in "improvements at the territorial and urban scales and at the touristic and social levels and increased the community participation in the cities renewal" (Roche, 2000; Zeng 2010, cited in Carta, 2013, p. 11). The excessive media coverage both at the domestic and international level during the Expo period significantly contributed to a positive image of Shanghai at a global stage (Xue, Chen & Yu, 2012).

### 3 Methodology

Although majority of destination image related studies have used the structured / quantitative measurement technique such as likert or semantic differential scale (Ruzzier, 2010), the reliability and validity of these techniques have been questioned by some researchers (Chase & Harada, 1984; Veal, 1997). By contrast, the use of qualitative approach to capture destination image provides a better measurement of the holistic parts of an image and its distinctive features (Echtner & Ritchie, 2003). Some researchers have demonstrated the robustness of the qualitative methodology in reflecting travelers' perceived destination image (Wenger, 2008). Thus this study follows and uses the qualitative research approach, particularly the content analysis method to analyze the comments on the review website dianping.com, in order to find out the perceived image of Shanghai as a travel destination from domestic travelers' perspective.

### 3.1 Data collection

Secondary data were collected from one of the largest Chinese-based review websites named “Dian ping”. The website is one of the first online independent third-party consumer service rating sites, which was founded by Tao Zhang in April 2003 (Dianping, 2014). The website initially allowed only reviews for restaurants, and later extended to different fields such as entertainment, shopping, beauty products, accommodation and others. Today, the platform features more than 10 million local businesses covering around 2,300 cities across China which people can comment about (Dianping, 2014). Besides the main purpose of helping consumers to facilitate their decision for merchandise through reviews, Dianping offers discount in certain shops through the purchase of vouchers and group-buying directly via the website. Moreover, it provides other functions such as creating an e-membership card, making online restaurant reservations and other online to offline services (Martin, 2011).

Until the first quarter of 2014, the website had counted more than 100 million monthly active users and over 33 million reviews (Dianping, 2014). The huge number of users of the website emphasizes its important role across consumers. To encourage consumers to pose a review, the website offers CNY 1 incentive to users for group-buying. Acknowledgment is also offered to those who provided a review on the relevant business unit. Moreover, depending on amount of reviews given, the user’s status will change from an ordinary user to a professional/expert (Martin, 2011). In this study, the perceived destination image of Shanghai is based on reviews from three main categories which are hotels (3-5 stars), restaurants and sight-seeing spots. Using the content analysis approach to scrutinize the textual content generated by Chinese tourists on this website, the perceived image of hotels, restaurants and sight-seeing spots in Shanghai would be exposed.

To ensure that the reviews included for analysis are selected systematically, a three-step selection approach was employed. First, for each category, firms or attractions which were listed in the first result page were taken into consideration which would include 15 hotels, 15 restaurants and 15 sight-seeing spots. The ranking of the hotels, restaurants and attractions are based on the quality and rating of peoples’ reviews

and the order is automatically done by the system itself. Second, the last review from the year 2013 for each business unit or attraction is taken as a starting point for the review selection. Third, based on the last review, three pages are turned backward and the first six reviews on the third page are selected and included in the analysis. Following this approach, 90 reviews (15 business units / attractions times 6 reviews per business unit / attraction) of each category were collected which gives a total of 270 reviews. Since all the reviews are written in Chinese, the results should effectively exhibit the perceived destination image of Shanghai held by Chinese travelers.

### 3.2 Data analysis

The procedure of the data analysis is adapted from Leung, Law and Lee's (2011) study which focused on the perceived destination image of Hong Kong by Chinese visitors as revealed on Ctrip.com. Unlike their study, this paper focuses only on three main categories which are 'accommodation' (including 3-5 star hotels), 'meals outside hotel' and 'attractions' (see Table 2). For each category, several subcategories exist and different evaluation criteria are given. The subcategories include environment, product, processes, people, price and systems. The only difference lies in the category of 'accommodation' where the term 'product' is changed to 'guestroom and facilities'.

The following coding instructions are used to analyze the textual content of the reviews. The first step was to collect the full text of all reviews and classify them into the three categories. Next, the content of each review was analyzed in detail and the keywords with qualifiers (i.e., positive, negative and neutral) were identified according to the predetermined subcategories. Finally, frequency analysis is used to examine the distribution of positive, negative and neutral perceptions according to the subcategories.

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**Accommodation**


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Subcategories	By star category: three subcategories (e.g. five-star)												
Rationale	Ctrip.com is the market leader in the online travel market (Web2Asia, 2009)												
Evaluation criteria	<table border="0"> <tr> <td>Environment</td> <td>(1) Ease of access, (2) maintenance of the premises, (3) overall security</td> </tr> <tr> <td>Guestrooms</td> <td>(1) Basic of guestroom, (2) beds and bedding, (3) furniture and fittings, (4) bathroom, (5) other customer care facilities and services</td> </tr> <tr> <td>Processes</td> <td>1) Clarity and sufficiency of information, (2) booking and confirmation, (3) cancellation and refund policy</td> </tr> <tr> <td>People</td> <td>(1) Serving attitude, (2) presentation, (3) communication skills and professional knowledge</td> </tr> <tr> <td>Price</td> <td>(1) Value for money</td> </tr> <tr> <td>Systems</td> <td>(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling system</td> </tr> </table>	Environment	(1) Ease of access, (2) maintenance of the premises, (3) overall security	Guestrooms	(1) Basic of guestroom, (2) beds and bedding, (3) furniture and fittings, (4) bathroom, (5) other customer care facilities and services	Processes	1) Clarity and sufficiency of information, (2) booking and confirmation, (3) cancellation and refund policy	People	(1) Serving attitude, (2) presentation, (3) communication skills and professional knowledge	Price	(1) Value for money	Systems	(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling system
Environment	(1) Ease of access, (2) maintenance of the premises, (3) overall security												
Guestrooms	(1) Basic of guestroom, (2) beds and bedding, (3) furniture and fittings, (4) bathroom, (5) other customer care facilities and services												
Processes	1) Clarity and sufficiency of information, (2) booking and confirmation, (3) cancellation and refund policy												
People	(1) Serving attitude, (2) presentation, (3) communication skills and professional knowledge												
Price	(1) Value for money												
Systems	(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling system												
Rationale	Modification of the QTS scheme assessment checklist–visitor accommodation (HKTB, 2009c)												

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**Meals outside hotels**


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Subcategories	By cuisine type: eight subcategories												
Rationale	Categorization is adopted by the quality tourism services (QTS) Scheme – category of cuisine (HKTB, 2009b)												
Evaluation criteria	<table border="0"> <tr> <td>Environment</td> <td>(1) Ease of access, (2) cleanliness, tidiness and maintenance, (3) customer care facilities</td> </tr> <tr> <td>Products</td> <td>(1) Presentation and variety of food, (2) food quality, (3) food safety and hygiene</td> </tr> <tr> <td>Processes</td> <td>(1) Menu information, (2) tableware and service equipment</td> </tr> <tr> <td>People</td> <td>(1) Serving attitude and skills, (2) presentation, (3) communication skills and professional knowledge</td> </tr> <tr> <td>Price</td> <td>(1) Value for money</td> </tr> <tr> <td>Systems</td> <td>(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling and remedial service</td> </tr> </table>	Environment	(1) Ease of access, (2) cleanliness, tidiness and maintenance, (3) customer care facilities	Products	(1) Presentation and variety of food, (2) food quality, (3) food safety and hygiene	Processes	(1) Menu information, (2) tableware and service equipment	People	(1) Serving attitude and skills, (2) presentation, (3) communication skills and professional knowledge	Price	(1) Value for money	Systems	(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling and remedial service
Environment	(1) Ease of access, (2) cleanliness, tidiness and maintenance, (3) customer care facilities												
Products	(1) Presentation and variety of food, (2) food quality, (3) food safety and hygiene												
Processes	(1) Menu information, (2) tableware and service equipment												
People	(1) Serving attitude and skills, (2) presentation, (3) communication skills and professional knowledge												
Price	(1) Value for money												
Systems	(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling and remedial service												
Rationale	Modification of the QTS scheme assessment checklist – restaurants (HKTB, 2009c)												

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**Attractions**


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Subcategories	By type of attractions: nine subcategories
Rationale	Categorization is adopted by the HKTB (HKTB, 2009b)
Evaluation	Environment (1) Ease of access

Products	(1) Cleanliness, tidiness and maintenance, (2) customer care facilities
Processes	(1) Clarity and sufficiency of information
People	(1) Serving attitude and skills, (2) helpfulness, (3) communication skills and professional knowledge
Price	(1) Value for money
Systems	(1) Quality assurance, (2) safety and emergency procedures, (3) complaint handling and remedial service
Rationale	No standard assessment or approach was adopted

**Table 2. Categorization and evaluation criteria used**

Source: Leung, Law and Lee (2011)

## 4 Findings

This chapter is going to present the content analysis results in the following sequence: 1) Review entries on dianping.com; analysis of the textual information for each of the three categories: 2) accommodation, 3) meals outside hotels, 4) attractions; and 5) comparison among the three categories.

### 4.1 Review entries on Dianping.com

In total the sample comprised of 270 reviews which have been collected from three categories (i.e., accommodation, meals outside hotels and attractions). As stated in the methodology chapter, only those 15 business units or attractions on the first page in each category were selected. During the data collection process, one difficulty arose in the “attractions” category since the first two attractions on the first page were paid to acquire the positions. Instead of including them, they were replaced by the first two attractions on the subsequent page. Next, the length of the reviews varies widely from 10 words up to 10 sentences which resulted in spending more time for evaluating some reviews and less for others. In addition to the textual comment on dianping.com, people are allowed to upload pictures on the website

which helps other users to build a better image of the business unit. Moreover, the date of entry, a like button and a comment section is provided for each review. Apart from that, no information was given to the frequency of views for each review.

## 4.2 Accommodation

Accommodation	Keyword counts	Percentage %
<b>Environment</b>		
Positive	26	67%
Negative	8	20%
Neutral	5	13%
Total	39	
<b>Guestrooms and facilities</b>		
Positive	36	69%
Negative	11	21%
Neutral	5	10%
Total	52	
<b>Processes</b>		
Positive	0	0
Negative	0	0
Neutral	0	
Total	0	
<b>People</b>		
Positive	27	82%
Negative	6	18%
Neutral	0	
Total	33	
<b>Price</b>		
Positive	12	75%
Negative	4	25%
Neutral	0	
Total	16	
<b>Systems</b>		
Positive	3	33%
Negative	6	67%
Neutral	0	
Total	9	

**Table 3. Accommodation results**

Since the ranking provided by the chosen website indicate that five-star hotels in Shanghai generally have a higher number of total and positive reviews than four- and three-star hotels, all 15 hotels included in this section are all from the five-star category. In brief, the 'environment', 'guestrooms and facilities', 'price' and 'people' in the 'accommodation' category are well perceived whereas 'systems' has received a higher proportion of negative comments. No information was found concerning the aspect of 'processes'.

Among the comments about the 'environment', 67% are positive. The most discussed content in this aspect referred to the convenient location of the hotel properties as well as the good maintenance and physical appearance of the buildings. One reason for the wide discussion about the convenient location is due to the fact that most of the hotels are located in the city center which makes them easily accessible. Only 20% negative comments were identified in this aspect and most complained about the difficulties in finding the hotels.

People commented that hotels in Shanghai have spacious guestrooms, the high quality of the room facilities, the nice arrangement and decoration of the rooms. These are fully reflected by the 69% positive comments for the evaluation of 'guestroom and facilities'. Members often praised the 'luxury style of the room design' and 'big size of the guestrooms with stunning view'. Of those 21% negative comments, members mainly addressed the small size of the bathrooms.

On the other hand, hotels in Shanghai were seen as 'value for money' since 75% of the comments on 'price' are positive. Members often stated that the high charges for the rooms were worthy because of the great environment and high quality of service they received. To the remaining 25% negative comments, people argued that the money is not worthy and criticized that everything is average only except the nice environment.

'People' was the most favorable aspect in the 'accommodation' category as 82% of the comments are positive. Customers described the employees in the hotel as 'very friendly and helpful', 'enthusiastic', 'professional' and 'well trained with excellent service attitude'. One member commented that her stay was perfect from the moment she entered the hotel due to the great service offered by various hotel

employees including bell boy and front desk agent. Nevertheless, there are still 15% of comments describing negative experience with hotel employees.

With as high as 67% of total comments are negative, "systems" was found to be the least favorable aspect in the 'accommodation' category. Complaints addressed include 'poor complaint handling system' and 'low level of safety and quality assurance'. Some members reported incidences such as finding glass splits in the food, dirty cutlery and furniture. Other comments dealt with the sense of unsafety through living in a room with connecting doors and ineffective complaint handling procedures. As a result, it is clear that the 'systems' factor in the 'accommodation' category in Shanghai needs further improvements.

### 4.3 Meals outside hotels

Meals outside hotels	Keyword counts	Percentage %
<b>Environment</b>		
Positive	34	67%
Negative	12	23%
Neutral	5	10%
Total	51	
<b>Products</b>		
Positive	20	30%
Negative	14	21%
Neutral	32	49%
Total	66	
<b>Processes</b>		
<b>Positive</b>	<b>3</b>	<b>30%</b>
Negative	5	50%
Neutral	2	20%
Total	10	
<b>People</b>		
Positive	17	34%
Negative	13	26%
Neutral	20	40%
Total	50	
<b>Price</b>		
Positive	12	29%
<b>Negative</b>	<b>24</b>	<b>57%</b>
Neutral	6	14%
Total	42	
<b>Systems</b>		

Positive	3	42%
Negative	4	58%
Neutral	0	
Total	7	

**Table 4. Meals outside hotels results**

The results under the category 'meals outside the hotel' shows that Chinese restaurants dominate the ranking since nine out of 15 restaurants on the first page serving traditional Chinese food. The remaining six restaurants are Korean, Thai, Australian and western styles.

People were generally satisfied with the 'environment' in the restaurants as 67% of comments are positive. Another 23% of the total comments are negative and 10% are neutral. Positive keywords often referred to the 'nice design of the restaurant', 'family-like atmosphere' and 'convenient location'. With 49% of neutral comments on the 'products' aspect, this sector has generated the highest number of neutral comments indicating that the food in Shanghai is perceived as average only. Apart from that, another 30% of the comments are positive. Positive comments include the beautiful 'visual presentation of the food' and 'big portions'. The remaining 21% are negative and signals dissatisfaction with the food.

'Processes' are one of the two negatively perceived aspects in this category. Around 50% of the comments were negative, while complaints mainly concerned the 'dirty tableware' or 'missing tableware' at the time when people get seated. That in turn leaves a bad impression to consumers. In addition, limited information was provided in the menu and also by servers. One member commented that waiters did not mention the name of the food when serving the dishes, which caused confusion among the guests. Nevertheless, another 30% of the comments are positive and 20% are neutral.

The rating on the 'people' aspect is mainly average since 40% of comments are neutral. This means that the service provided by the waiters and waitresses are perceived as neither spectacular good nor bad. Besides that, positive comments

described great service offered by the employees with positive keywords cited as 'quick and friendly service' and 'great service attitude'.

'Price' has generated the highest proportion of negative comments in the 'meals outside hotels' category with 57% of comments are negative. Majority of members commented that the price charged for the meals is considered as 'too expensive' compared to the quality of food / service received in return. Nevertheless, 29% positive comments consider the whole dining experience as having a great value for money and 14% negative comments claimed that the prices charged in the restaurants are just adequate.

The last aspect 'systems' is almost evenly divided into positive (42%) and negative (58%) comments. Some members experienced the same quality of service / food over years in restaurants signaling a good system of control. Other restaurants have focused less on quality assurance, and some members even complained about 'cold food' and 'slow service in the food delivery process'.

#### 4.4 Attractions

Attractions	Keyword counts	Percentage
<b>Environment</b>		
Positive	15	54%
Negative	10	36%
Neutral	3	10%
Total	28	
<b>Products</b>		
Positive	22	55%
Negative	10	25%
Neutral	8	20%
Total	40	
<b>Processes</b>		
Positive	0	0
Negative	0	0
Neutral	0	0
Total	0	
<b>People</b>		
Positive	1	100
Negative	0	0
Neutral	0	0

Total	1	
<b>Price</b>		
<b>Positive</b>	<b>15</b>	<b>60%</b>
Negative	9	36%
Neutral	1	4%
Total	25	
<b>Systems</b>		
Positive	3	11%
Negative	25	89%
Neutral	0	
Total	28	

**Table 5. Attractions results**

The ‘attractions’ appearing on the first page shows sight-seeing spots from diverse fields. They range from fun parks, zoos, museums, TV towers to small villages within the border of the city. This partly indicates that Shanghai offers a wide diversified range of attractions as well as different activities to its visitors.

The accessibility of the ‘attractions’ has been perceived as convenient given that more than 50% of comments on the ‘environment’ aspect are positive. This is due to the fact that most tourist attractions are situated in the city center which makes them easily reachable. Moreover, Shanghai has the world largest public transport system (TravelChinaGuide, 2014) which easily connects major sight-seeing spots. It is thus no surprising that tourists perceive the accessibility of attractions positively. Still, 36% of the comments demonstrate dissatisfaction with the location of specific attractions since they are ‘too far away’ or ‘hard to find’.

The overall impression of the ‘attractions’ also exhibit great results and is perceived as relatively positive (59%). Most of the positive comments steam from renowned attractions such as ‘The Bund’, ‘Pearl Tower’ and ‘Shanghai World Financial Center Observatory Floor’ where members could enjoy the beautiful skyline of Shanghai. Frequently cited keywords in the members’ description were ‘amazing’, ‘modern’, ‘stunning night view’, ‘glamorous’ and ‘lovely’. Negative comments (19%) noted about the ‘attractions’ concerned with ‘obsolete appearance’, ‘small size of property’ and ‘dirtiness’.

It is noticeable that the human interaction and service quality is less dominant in the 'attractions' category. Out of 75 comments evaluated, only one member commented on the 'people' aspect which was positive. One possible reason is that people usually focus on the visitation of the attraction while less human interactions are involved during the visitation process.

'Price' has attracted the highest percentage of positive comments (60%) in the 'attraction' category. This suggests that 'attractions' in Shanghai are perceived as value for money from domestic travelers' perspective. Members mentioned that 'low cost of entrance fees' and 'special treatment on the birthdays with no cost for entrance' were offered in many locations. To those 38% negative comments, they complained about various aspects such as 'small size of the property' and 'less offerings' which causes an impression of 'not worth the money spend'.

With 89% of negative comments, 'systems' is perceived as the least favored aspect. Most complaints are concerned with the 'long queues for purchasing tickets' and 'overcrowding of people'. One member reported a 'waiting time in the queue about 1 hour' which signals a low level of quality management. Long queue might have a negative effect on the mood of the visitors and can affect their evaluation of the attraction at the end. The lack of safety procedure dealing with the 'overcrowding of people' was criticized many times in the comments. Overcrowding poses a danger of safety for the visitors since people might easily get lost.

#### 4.5 Comparison among categories

The rating of the 'environment' aspect for all three categories shows similar results (Accommodation: 67% positive, 20% negative and 13% neutral; Meals outside hotels: 67% positive, 23% negative and 10% neutral; Attractions: 54% positive, 36% negative and 10% neutral). That confirms that domestic travelers generally satisfied with location or accessibility of restaurants / hotels / attractions in Shanghai.

When comparing the 'product' among the categories, 'accommodation' has received a relatively higher percentage of positive comments (69%) followed by attractions (55%). It represents that the overall satisfaction with core products and

services provided by hotels and sight-seeing places are positive. In contrast, commodities and services by ‘restaurants’ in Shanghai have been perceived as average only since 49% of comments are neutral.

Limited information was provided by the comments about ‘processes’ which involves the clarity and sufficiency of information given. In fact, no keywords about “processes” were found in the ‘accommodation’ and ‘attractions’ category which could be possibly explained by its low importance among the members on Dianping.com. Only some information was given by the ‘meals outside hotels’ category which represent 50% of negative comments for the ‘processes’ aspect.

The comments on the ‘people’ aspect among the three categories indicate different results. All ‘people’ related comments under the ‘attraction’ category are positive given that only one keyword was identified among 75 comments. Unlike the ‘attractions’ category, the other two categories ‘accommodation’ and ‘meals outside hotels’ involves more human interactions in the service delivering process and accounted for 33 and 55 cited keywords respectively. In the ‘accommodation’ category, the ‘people’ aspect has been well perceived and received a high proportion (82%) of positive comments. It demonstrates that domestic travelers are largely satisfied with the employees in the hotels. In contrast, majority of ‘people’ related comments under the ‘meals outside hotels’ category’ are neutral (40%) and depicts that the service in the restaurant is only perceived as average.

As a critical factor in the evaluation process of the overall experience, ‘price’ was well perceived under the ‘accommodation’ (75%) and ‘attractions’ (60%) categories. Drawing on the in-depth analysis on the ‘price’ related comments, it is noticeable that ‘value for money’ was resulted from different reasons under these two categories. Consistent with all comments in the ‘accommodation’ category, prices have been viewed as very high in hotels but are compensated by the good quality of service provided. Comparing with hotel accommodations, the prices charged by attractions are perceived as very low. Therefore it is assumed that cheap prices will lower the expectation of the products and enlarge the level of tolerance which in turn generates an overall positive impression. For the ‘meals outside hotel’ category, members perceive the restaurants as having a bad value for money with 57% of negative comments.

Out of the six evaluation criteria, only the 'systems' aspect has generated a majority of negative comments in all three categories in which 'attractions' has the highest percentage of negative comments with 89%. Hence, it is believed that more attention and further improvement should be paid to this factor.

## 5 Conclusions

This study provided some comprehensive knowledge about the perceived destination image of Shanghai by local visitors. The use of qualitative research by examining eWOM (electronic world of mouth) through analyzing textual content on China's biggest review website is considered very effective in evaluating the perceived destination image. Analysis of eWOM gives a more detailed and broader picture of the visitor's travel experiences than questionnaires and rating scales (Leung, Law & Lee, 2011). Positive as well negative factors have been identified and several suggestions to improve the negatively perceived aspects in the visitors' travel experience have been given. To conclude, managers as well as the government can make use of the information to see how each industry is perceived and apply some of the suggested solutions in this study. Tourism destination marketers in Shanghai can compare the results with their intended brand identity to see where deviations exists and use the information as a basis in their new marketing campaign.

The findings demonstrated that Shanghai is perceived as a very modern city and tourist destination offering a variety of attractions. Moreover, the transportation system inside Shanghai was highly valued. Besides, five-star hotels are perceived as a value for money choice which offers high quality guest rooms and professional service by hotel employees. The food and service quality in restaurants are considered as only average while dishes are rated as being overpriced and equipments as being unsatisfactory. Furthermore, the 'systems' factor was perceived negatively by all three categories in particular there is a lack of quality assurance incorporated by ineffective customer complaint handling systems and remedial services. Drawing on the findings, it is believed that many aspects in the

Shanghai tourism industry need to be improved or enhanced in order to satisfy and retain the visitors. Especially restaurants generated the highest amount of negative comments thus need the most improvements as compared to the others.

## 5.1 Theoretical implication

This study provided a new perspective on destination image studies by examining the perceived destination image of Shanghai by domestic travelers. Previous literature has conducted similar studies but with a different focus. Leung, Law & Lee (2011) have investigated the perceived destination image of Hong Kong among visitors from mainland China but besides that other literature on destination image mainly focused on the perceived destination image by international travelers (Hsu, Dehuang & Woodside, 2009; Wenger, 2008). Hence, this paper contributes to the limited literature currently available on the perceived destination image of a destination by domestic travelers. This kind of research is of particular importance for countries like United States, Russia, Australia, China and Germany (Eijgelaar, Peeters, & Piket, 2008) where domestic tourism constitutes a big part to the travel industry inside the country. Studies in that field are essential to undercover domestic travelers' perceptions and needs and help tourism marketers and managers to improve their products and services. Therefore, further research on the domestic travelers' perception of a destination should be conducted in the future.

## 5.2 Recommendations

### 5.2.1 Accessibility

The high accessibility of attractions in Shanghai is contributed by the great public transportation system. Currently, there are 14 subway lines in operation with a total length of 525.2 kilometers expanding to core destinations as well as neighborhood areas (TravelChinaGuide, 2014). In addition, Shanghai has the world most extensive bus system with more than one thousand bus lines. Apart from that, the first maglev railway in the world was constructed and operated since 2003 which connects

Pudong international airport to the city center in only seven minutes (The Official Shanghai China Travel Website, 2013). Given the existing convenient travel mode in Shanghai, the government can even enhance the visitors' experience by implementing a 24-hour subway service on the weekend. A good example can be taken from Vienna, Austria where subways are operated 24 hours on Friday, Saturdays and the night before feast days (Wien-konkret, 2013). Peoples' reaction to that was very positive and increased the customer satisfaction. As Shanghai offers many events and parties on the weekend, the provision of 24-hour subway service would be a good suggestion since it would encourage visitors to stay longer at events.

### 5.2.2 Restaurants

The relatively expensive prices charged for foods are possibly due to the high rental fees for restaurant outlets in Shanghai. According to Jin Peihua, deputy secretary-general of the Shanghai Restaurants Association, the rental fees in Shanghai have doubled from the year 2006 to 2010 due to the booming real estate market which causes many businesses fail to make a profit and eventually withdraw from the market. The restaurant rental costs in Shanghai account for 15% of the business revenue in 2012 and 50% of the total operating costs (Want China Times, 2014). High rental fees mean high fixed costs for a restaurant, and this needs to be covered by charging high prices for the food items. Although the cost of rental fees cannot be controlled, the restaurateurs should consider charging high prices with excellent service and product quality in order to deliver a good value to the customer. At the moment, Shanghai's restaurants are considered as presenting a relatively low value for money from domestic travelers' perspective. To overcome this problem, several actions need to be implemented in order to change visitors' perception from 'expensive' to 'value for money'. One option would be reducing the prices by reducing the portion size of the dishes. However, it would even be more effective to increase the quality of food and service personal in the restaurant which at the moment is only considered as being average only.

### 5.2.2.1 Service quality

Assuring the consistency in food and service quality provided to the guests in a restaurant has long been a challenging task to restaurant managers. The major reason is because service providers are largely heterogeneous. It increases the level of difficulty in guaranteeing the provision of consistent services to customers. According to Martin (2002), quality customer service means that employees are well trained in both personal and procedural dimensions. Personal dimension focuses on the style of the service and includes three main elements: attitude, verbal skills and behavior whereas the procedural dimension involves type and timing of service. Moreover, Martin suggests a six step approach for managers to achieve quality customer service: 1) Understand the personal and procedural needs of customers; 2) Create a quality service culture and leadership climate; 3) Establish clear standards for the service delivery process; 4) Service standards should be incorporated in the organizational system; 5) Follow up with progress and reward successes; and 6) Improve the quality of service on a continual basis. Next, a higher level of customer service can be achieved through empowerment by giving the employee more rights and authority which makes them feel valued by the company and in turn perform better service. As employees can take self initiative and solve problems and inquiries at the spot through empowerment, it will speed up the communication process between staff members and guests which work in favor for the customers. Besides that, proper training and mentorship programs for service personnel are of equal importance to ensure that employees' performance conform to the standards.

### 5.2.2.2 Food quality

Food quality is one of the most critical components of the dining experience (Namkung & Jang, 2007). Sulek and Hensley (2004) found out that compared to other aspects of the restaurant such as atmosphere or service quality, food quality is the most important element determining customer satisfaction. Sanders and Hill (2001) considered taste, quality of ingredients, portion size and methods of preparation as the key factors determining food quality. To ensure that those factors harmonize with each other, managers need to define the quality standard for all items on the menu. This means having a standardized recipe for each item in which

a detailed outline of the amount of ingredients used, the production method and the serving method can be standardized. Only by having clear product standards, one can monitor and evaluate the quality of dishes and take corrective actions if needed. As a result, managers need to make sure that cooks are well trained and prepare foods according to the standards and all machinery and equipments are functioning well.

### **5.2.3 Overall quality assurance**

The overall quality management of the products or service in any organization is the key to success (Buzzell & Gale, 1987). Thus, managers and the government can use various approaches to control, maintain and increase the quality in restaurants, hotels and attraction in Shanghai. Such approaches include quality assurance, total quality management, continuous quality improvement, six sigma and others. Quality assurance aims to prevent errors to happen in the process and should be focusing on a proactive system. It means that organizations not only react on problems but make efforts to prevent problems to occur. The total quality management is directed to customer satisfaction with an emphasis on the people and culture in an organization. The continuous quality management is a management philosophy emphasis on processes improvement rather than on people and aims to review and improve processes on a regular basis. Six sigma is a data-driven approach which collects operational data and aims to reduce variations and defects from a product or service (Davis, Lockwood, Pantelidis & Alcott, 2008). In addition to the above, several tools might help managers in improving the process in quality management which include benchmarking, flow charts, plan-do-check-act, cause and effect diagram, histograms, control charts, pareto analysis and others (Spears & Gregoire, 2007).

### **5.2.4 Complaint handling system**

Effective complaint handling system is of great importance for an organization to ensure customer's satisfaction. Ford and Heaton (2000) stated that the way of how a

service failure is treated and recovery actions implied is more important for customers than the failure itself. Thus, organizations have to implement effective training system for their employees in order to let them acquire relevant social and communication skills to deal with customers' complaints and concerns. Behavior modeling would be a good training method for newcomers as they can observe how other experienced employees solve customer problems and learn from them. Martin (2002) has proposed a seven-step approach to handle customer complaints: 1) Careful listening to the complaint or problem; 2) Acknowledge the concern and repeat it to make sure correct mutual understanding of the problem; 3) Service provider apologizes for the inconvenience regardless of who is responsible for the problem; 4) Acknowledgment of the customers feeling (anger, frustration and others); 5) Ask the customer to propose a solution to the problem; 6) Service provider state a solution to the problem or turn the wrong argument by the customer into a right one; and 7) Service provider appreciates the feedback by the customer and thanks the person. Apart from that, organizations have to set clear procedures and rules for providing compensation to guests. Managers and staff members have to understand to which extent they are allowed to offer compensation as discounts on meal or free coffee / dessert to the guests.

### 5.3 Limitations

This study has some limitations that readers have to be attentive to. First of all, the study employed qualitative methodology in which subjective opinions are involved in the evaluation and categorization process. Hence, personal bias of the researcher who is looking for supportive rather than unsupportive data might exist. Secondly, human errors might have occurred in the data coding and frequency analysis process since this study did not make use of computerized data coding systems. Thirdly, the generalizability of the study might be limited since there is no authentication system available that secure that the review entries on dianping.com steam from visitors only. Last but not the least, this study only analyzed the reviews on one review website. The findings may not represent the image of Shanghai perceived by all domestic travelers in China.

## 5.4 Recommendations for further research

Similar studies can be conducted for other destinations using other travel review websites or any other source of online travel information websites. Moreover, research on the perceived destination image of Shanghai by international visitors would be an interesting topic to find out if there are similarities and differences in the image perceived by domestic and international travelers.

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