Tourism Management 70 (2019) 453–459

Contents lists available at ScienceDirect

Tourism Management

journal homepage: www.elsevier.com/locate/tourman

Research note

The effect of price on word of mouth: First time versus heavy repeat visitors

Kurt Matzler[a,*], Karin Teichmann[b], Andreas Strobl[b], Michael Partel[c]

[a] Free University of Bolzano, Faculty of Economics and Management, Piazza Università 1, 39100, Bolzano, Italy
[b] University of Innsbruck, Department for Strategic Management, Marketing and Tourism, Universitätsstr. 15, A-6020, Innsbruck, Austria
[c] Mountain-Management C. Est, Industriering 21, 9491, Ruggell, Liechtenstein

ARTICLE INFO

Keywords:
Customer satisfaction
Price
Word of mouth
Hierarchical linear modelling

ABSTRACT

Many tourist destinations strongly focus and depend on repeat visitors. A central assumption thereby is that repeat visitors are more profitable (e.g. through lower marketing costs) and that their positive word of mouth (WOM) is essential to attract new guests. In this paper, we present a large-scale empirical study to investigate the effect of price for first time and heavy repeat visitors of ski resorts. Applying a hierarchical linear modelling approach, we show that price is negatively related to WOM for first time visitors and that price has no effect on WOM for repeat visitors. Thus, we show that the effect of price on WOM decreases for repeat visitors.

1. Introduction

It is often argued that destinations should try to create loyal customers and focus on repeat visitors (e.g. Oppermann, 1998). Many mass-tourist-type destinations, as for example ski resorts (Tjørve, Lien, & Flognfeldt, 2018), strongly depend on repeat visitors (e.g. Gitelson & Crompton, 1984; Oppermann, 1998), especially when novelty and novelty-seeking is not a major travel motive (Jang & Feng, 2007). Repeat visits are associated with lower marketing costs (Reichheld & Sasser, 1989), lower price sensitivity (Krishnamurthi & Papatla, 2003), and increased word of mouth publicity (Shoemaker & Lewis, 1999). Repeat visitors are also more likely to revisit a destination (Oppermann, 2000). This phenomenon, also called cumulative inertia (McGinnis, 1968), assumes that behaviourally loyal customers tend to repeat their visit decisions in future. These important behaviourally and attitudinal differences led to substantial empirical research to study differences between single and repeat visitors in tourism destinations (e.g. Chang, Chen, & Meyer, 2013; Fakeye & Crompton, 1991; Lau & McKercher, 2004; Li, Cheng, Kim, & Petrick, 2008; Oppermann, 1997). While research has made much progress in the study of the relationships among central constructs in this context (e.g. satisfaction, loyalty, repeat visits, and word of mouth), the role of price is less clear and findings are mixed. In this study, we contribute to this research by studying the role of price for word of mouth (WOM) in Alpine ski resorts. We argue that WOM, a central key performance indicator (Reichheld, 2003) and driver of growth (Reichheld, 2003; Reichheld & Covey, 2006), is a function of individual-level predictors (satisfaction with ski area characteristics), and group-level predictors (i.e. destination-level factors like ticket prices, slope kilometres, and height difference). Understanding the antecedents of WOM is especially important for tourism management as travel and destination choices are commonly based on information passed on by WOM practices (Bieger & Laesser, 2004; Murphy, Mascardo, & Benckendorff, 2007). Concerning price responses, it is important to distinguish between price sensitivity and price elasticity. While price elasticity describes and measures changes in demand due to price changes, price sensitivity describes "the weight attached to price in a consumer valuation of a product's overall attractiveness or utility" (Erdem, Swait, & Louviere, 2002, p. 2) and as a consequence a price-sensitive customer is "one who is more likely to base their purchase decisions on price" (Petrick, 2005, p. 754). With this study, we contribute to literature on the role of price sensitivity in several ways. First, we extend research on the role of price by studying its effects on WOM, a central construct in tourism marketing (Confente, 2015). Second, it has been shown that heavy repeat visitors significantly differ from "light repeat visitors" (Fuchs & Reichel, 2011, p. 271) in a number of ways. Heavy repeat visitors are very important segments in some tourism contexts and by differentiating first time visitors and heavy repeat visitors (more than 10 times), we get a more differentiated understanding of price effects for this important customer group. Third, instead of using price sensitivity scales (Petrick, 2004), this study uses objective ticket prices of the ski resorts and thus avoids limitations of subjective, self-reported scales. Fourth, some previous studies on the role of price were limited to single destinations or service providers and therefore their generalizability was limited (Petrick, 2005). With this

* Corresponding author.
E-mail addresses: kurt.matzler@unibz.it (K. Matzler), karin.teichmann@uibk.ac.at (K. Teichmann), andreas.strobl@uibk.ac.at (A. Strobl), mpartel@mountain-management.com (M. Partel).

https://doi.org/10.1016/j.tourman.2018.09.013
Received 8 September 2017; Received in revised form 20 September 2018; Accepted 20 September 2018

large-scale study with data from 55 ski resorts, we avoid some shortcomings of previous work.

We consider ski resorts as a particularly interesting research context for several reasons. First, ski tourism is of central importance for winter tourism in many regions, especially in the Alps (Matzler, Füller, Renzl, Herting, & Späth, 2008). Second, for mass-tourist-type destinations like ski resorts (Tjørve et al., 2018) the key variables of this study (price, satisfaction, and WOM) as well as repeat visitors are of central importance (e.g. Gitelson & Crompton, 1984; Oppermann, 1998). Third, for this study we could rely on a large-scale customer satisfaction survey in 55 Alpine ski resorts (n = 25,294) and could correlate it with available, objective secondary data. In the following section, we develop the hypotheses for this study. Then, we present the method and results and conclude with a discussion of the implications and limitations.

2. Theory – key constructs

Destination loyalty and word of mouth (WOM) are of central importance in tourism management (e.g. Alegre & Juaneda, 2006; Confente, 2015). Studies on loyalty and WOM use a simple and straightforward chain of arguments: Satisfaction with destination attributes leads to guest loyalty and positive WOM, loyalty and WOM in turn increase profitability. This chain of effects (satisfaction–loyalty–-profitability) has been subject to many empirical studies that include the role of moderators and mediators in different contexts (e.g. Chen, 2012; Matzler, Füller, & Faullant, 2007; Matzler et al., 2008). Two central variables in tourism management are repeat visits (Oppermann, 1997) and price (Petrick, 2005). This is especially true for ski resorts, as many of them are highly dependent on repeat visitors (Tjørve et al., 2018) and as price plays a major role (Unbehaun, Pröbstl, & Haider, 2008). Skiing is often seen as expensive (Falk & Hagsten, 2016) and an "elitist" sport (Gilbert & Hudson, 2000) and lift ticket prices vary considerably between ski resorts (Falk, 2011). In this study, we integrate these two variables (repeat visits and ticket prices) in a model that links satisfaction with WOM of ski resorts.

WOM is a function of the subjective satisfaction with ski resort attributes (individual-level predictors) that typically are measured with a survey-based approach (e.g. Füller & Matzler, 2008; Konu, Laukkanen, & Komppula, 2011; Matzler et al., 2008). There are however also predictors and moderators on destination-level that can be entered as objective data in a model. Such factors are the ticket prices, slope kilometres, and height differences (e.g. Matzler et al., 2008). Hence, we argue that for the context of a ski resort WOM is a function of the guests' satisfaction with individual-level predictors (size of the ski resort, quality of slopes and transport comfort of the ski lifts) and objective destination-level predictors and moderators. Ticket prices have a negative impact and slope kilometres and height differences have a positive influence on WOM.

Extensive research has shown that previous destination experiences and the number of previous visits have a significant impact on various relevant constructs like decision-making and destination selection (e.g. Woodside & Lysonski, 1989), perception of destination image and future behaviour (e.g. Baloglu & Mangaloglu, 2001), perceived quality and satisfaction (e.g. Li et al., 2008), and intention to revisit and WOM (Petrick, 2004). Among these studies controversy emerged regarding repeat visitors' price sensitivity (e.g. Petrick, 2005), leading to the provoking questions whether loyal visitors indeed are desired visitors (e.g. Petrick, 2004). While many studies found that repeat visitors spend less (e.g. Petrick, 2004), others found that loyalty reduces consumers' sensitivity to price variations (e.g. Confente, 2015; Fuchs & Reichel, 2011; Krishnamurthi & Papatla, 2003; Matzler et al., 2008; Petrick, 2004, 2005).

Alegre and Juaneda (2006, p. 685) identify two opposing effects: "One the one hand repeaters have a greater knowledge of the destination and thus can make a more efficient choice (based on lower prices) for all or some components of the cost of the trip. On the other hand, if quality ranks among their motivations, they will be prepared to pay a surcharge. A reduction in the holiday's non-monetary costs and risk aversion could also be linked with a surcharge." It seems that the majority of literature on loyalty and price sensitivity comes to the conclusion that loyalty reduces price sensitivity (Petrick, 2005). Literature also argues that first-timers in a tourist destination are more driven by external factors (including the price), repeat visitors' decisions are more influenced by internal factors (i.e. quality of an offering), or consequences of a previous stay (like lower non-monetary costs or emotional attachment), resulting in a higher willingness to pay (Alegre & Juaneda, 2006). Tjørve et al. (2018, p. 95) report in their study about Norwegian ski resorts that "the number of visits is clearly negatively related to price level, meaning that no purchasers and first-time visitors are more sensitive to price level as a criterion for choice of destination than repeat visitors." When tourists visit a place several times, they develop emotional links with this place, resulting in a sense of identification with the destination and in place attachment (Alegre & Juaneda, 2006). Therefore, we assume that the effect of price on post purchase behaviour is lower the more often the tourist has visited a ski resort. This lower price sensitivity should also influence WOM behaviour. First time visitors' and destination-naïve visitors' recommendation behaviour will be negatively influenced by ticket prices. Heavy repeat visitors will recommend the ski resorts to others independent of the price.

This argument is also supported by literature on perceived risks. Perceived risk, as a "subjective expectation of a loss" (Sweeney, Soutar, & Johnson, 1999, p. 81), consists of several dimensions (i.e. financial, performance, physical, psychological, social, and time (Jacoby & Kaplan, 1972; Murray & Schlacter, 1990)), of which financial risk is of relevance in this context. Financial risk "represents the perceived likelihood of not getting the best value for money resulting from an overpriced ticket … In general, it is the risk that the service purchased may not be worth the money paid for it" (Boksberger, Bieger, & Laesser, 2007, p. 92). It has been found that in a tourism context, financial risk is negatively related (via image perceptions) to revisit intentions (Chew & Jahari, 2014). First time visitors of a ski resort will perceive higher financial risks as they have less knowledge about the ski resort and are less sure whether they get the value for the money spent. Repeat customers have more information about a vendor and as they have more information, they perceive lower levels of risk (Kim & Gupta, 2009). Hence, heavy repeat visitors know what they get for their money spent. Therefore, they perceive a very low or no financial risk, and price will not negatively influence their WOM.

Hence, we believe that

H1a. For first time visitors, ticket prices will negatively influence WOM.

H1b. For first time visitors, ticket prices will negatively moderate the influence of individual-level predictors on WOM.

H2a. For heavy repeat visitors, ticket prices will have no influence on WOM.

H2b. For heavy repeat visitors, ticket prices will not moderate the influence of individual-level predictors on WOM.

In the next section, we report the results of a large-scale empirical study in 55 Alpine ski resorts to test these proposed hypotheses.

3. Study

3.1. Data, scales and analytical procedure

Data for this study stem from a large scale customer satisfaction survey in 55 Alpine ski resorts from all over Europe. The survey was conducted in 2014. In line with other large scale customer satisfaction surveys (e.g. Hult, Morgeson, Morgan, Mithas, & Fornell, 2017),

attribute satisfaction and WOM were measured with single item measures on 10-point rating scales. For instance, the American Customer Satisfaction Index (ACSI) (http://www.theacsi.org/) relies on 10-point rating scales and single-item measures. The ACSI surveys more than 180,000 customers in more than 40 industries on a yearly base, using 10-point rating scales and single-item measures. Single-item measures with an unambiguous meaning not encompassing various dimensions are considered predictively valid (Bergkvist & Rossiter, 2007, 2009). 10-point rating scales are advantageous in this setting because they yield greater data variance, achieve a higher measurement reliability and precision and enable detecting changes in satisfaction more easily (Krosnick & Presser, 2010; Wittink & Bayer, 1994). Questionnaires were translated by professional translation offices and were available in seven languages (German, English, French, Italian, Russian, Czech, and Polish). Translations were double-checked by industry experts (managers, professionals). The data collection was conducted by handing out a self-administered questionnaire to skiers in the ski resorts who agreed to participate in the study. As no information about the statistical population of ski tourists is available beforehand convenience sampling had to be applied. Data collection took place in highly frequented places in the ski area such as restaurants or lodges, where skiers were most easily reached and where data collection was most convenient for skiers. Each ski resort was accessed for data collection purposes at least four times between December and April covering the peak and off-peak season. For the research at hand only responses from first time visitors and heavy repeat visitors (more than 10 destination visits) were considered (Lam & Hsu, 2006). As in Fuchs and Reichel (2011, p. 271), visitors that have visited a destination more than 10 times were considered as "heavy repeat visitors". Overall, 25,294 fully completed and usable questionnaires for the purpose of this study were available for data analysis (Table 1 displays the sample demographics and characteristics). Customer satisfaction with the 1) size of the ski resort (M = 8.16, SD = 1.70), 2) quality of slopes (M = 7.86, SD = 1.76), and 3) transport comfort of the ski lifts (M = 7.88, SD = 1.86) were measured on a 10-point-scale with the item "How satisfied are you with … ?" (1 = insufficiently, 10 = excellently). WOM was measured on a 10-point-scale with the question "How likely is it that you recommend this ski resort to friends/relatives?" (M = 8.18, SD = 1.90; 1 = very unlikely, 10 = very likely). Data on destination-level factors were ticket prices (M = 44.02, SD = 20.22), slope kilometres (M = 159.43, SD = 80.20), and height difference (M = 1493.51, SD = 443.88). As gathering data about ticket prices with surveys often only measures distorted perceptions (e.g. because the actual ticket price was disguised behind a bundle of additional services), we used the actual day ticket prices as an objective proxy for the price level of a skiing destination. Day ticket prices make a valid proxy because online platforms comparing skiing destinations typically use day ticket prices as a selection criterion (see e.g. https://www.bergfex.com/oesterreich/suchen/) enabling customers to find a skiing resort meeting their price preferences. These destination-level data were taken from the ski resorts' websites and the online portal bergfex.com. Bergfex.com provides information on more than 1800 European ski resorts including accommodation facilities, events, snow reports, webcams etc..

Table 1
Sample demographics and characteristics.

Demographics		Characteristics	
Age	(%)	Skiing expertise	(%)
12-19	17.4	Beginner	4.7
20-34	34.2	Intermediate	15.6
35-49	27.1	Advanced	44.3
50-64	17.3	Excellent	35.4
65+	4.0		
Gender	(%)	Type of sport	(%)
Female	44.2	Alpine ski	85.0
Male	55.8	Snowboard	15.0
Nationality	(%)	Skiing days per season	(%)
Germany	26.0	6–10 days	46.1
Switzerland	22.9	11–15 days	22.8
France	11.0	16 days +	31.1
Italy	6.8		
Great Britain	6.6		
Austria	6.3		
Netherlands	4.9		
Belgium	3.3		
Poland	1.7		
Russia	1.3		
Czech Republic	1.0		
Other	8.2		

3.2. Data analysis

The data structure underlying this study comprises a nested hierarchy with two levels: visitors (level 1: individual-level predictors) and destinations (level 2: group-level predictors). Visitors are nested within skiing destinations and as our hypotheses specify relationships between the individual level (e.g. WOM), the group level (e.g. ticket prices), as well as cross-level interactions, we employ hierarchical linear modelling (HLM) using Mplus (Muthén & Muthén, 1998–2015). HLM fits models to outcome variables that generate a linear model with independent variables accounting for variations at each level, utilizing variables specified at each level, as well as their cross-level interactions. HLM predicts random effects associated with each sampling unit at every level (Heck & Thomas, 2015). Direct effects of individual and group-level factors on WOM are tested first. Then, interaction effects between individual-level and destination-level predictors on WOM are investigated. The dependent variable, WOM, is an individual-level construct. We test the model in four steps (Bryk & Raudenbush, 1992; Liao & Chuang, 2004). In the first step, a null model with no predictors is estimated that partitioned the variance in the outcome into within- (level 1; individual level) and between- (level 2; destination level) unit components. The second step involves estimating a level 1 model within each destination with WOM regressed on individual-level predictors. In the level 2 analysis, constituting the third step, the estimated intercepts obtained from level 1 are used as outcome variables and regressed on destination-level predictors. In the fourth step, the slope estimates obtained from level 1 are regressed on the destination-level predictors to detect interaction effects between level 1 and level 2. We use z-values for our predictors (Heck & Thomas, 2015) and control for gender and skiing expertise at level 1.

4. Results

For hypotheses testing, we split the sample into two groups: first time visitors and heavy repeat visitors. Then, we conduct HLM for each of the groups separately (Table 2: first time visitors; Table 3 heavy repeat visitors). In the following, we first discuss the results for first time visitors and then for heavy repeat visitors.

Null model: To detect if there is significant between-destination variance in WOM, we estimate a null model with no predictors. The level 2 residual variance of the intercept is 0.06 and significant ($p < .001$). The intraclass correlation is 0.051, which means that 5.1 percent of the total variance in WOM is associated with destinations as opposed to 94.9 percent of the variance residing within individuals.

Main effects of individual-level predictors on WOM: Satisfaction with skiing characteristics exhibits an influence on WOM. Specifically, satisfaction with size of the ski resort (0.338, $p < .001$), quality of slopes (0.256, $p < .001$), and transport comfort of the ski lifts (0.185, $p < .001$) are positively associated with WOM.

Main effects of destination-level predictors on WOM: We test the effects of ticket prices, slope kilometres, and height difference on WOM. The results show that ticket prices are negatively related to WOM (−0.053,

Table 2
HLM results for WOM (first time visitors).

Variable	Null Model	Individual-level Predictors	Individual- and Destination-level Predictors
Level 1			
Intercept	−0.311*** (0.06***)	−0.167*** (0.009**)	−0.169*** (0.007**)
Size of the ski resort		0.338*** (0.002*)	0.341*** (0.001)
Quality of slopes		0.256*** (0.002)	0.255*** (0.001)
Transport comfort of the ski lifts		0.185*** (0.004**)	0.185*** (0.003**)
Control variables:			
Gender (1 = male)		−0.023**	−0.022**
Expertise		−0.011	−0.012
Level 2			
Ticket prices			−0.053***
Slope kilometres			0.004
Height difference			−0.005
Within-destination residual variance	1.124	0.717	0.717
Model comparison			
Loglikelihood	−20914.88	−14670.97	−14657.32
Df	3	14	26
Δ X^2		12487.82***	27.30**
R^2 (within-destination)[a]		0.36	
R^2 (between-destination)[b]			0.22

Visitors n = 14,109. Destinations n = 55.
Entries are estimations of the fixed effects. Estimations of the random variance components are in parentheses.
*p < .05; **p < .01; ***p < .001;
Standardized coefficients are shown.
[a] Proportion of within-destination variance explained by individual-level predictors.
[b] Proportion of between-destination variance explained by destination-level predictors (after controlling for individual-level predictors).

p < .001) after we account for individual-level predictors. Hence, the results support the negative influence of ticket prices for first time visitors, as proposed in H1a.

Interaction effects between individual-level and destination-level predictors on WOM: We test whether the destination-level predictors moderate the relationship between satisfaction with skiing characteristics and WOM. To test for any cross-level interaction effects, first the random variance component has to be significant. This is the case for transport comfort of the ski lifts (0.003, p < .001) implying that the relationship between transport comfort of the ski lifts and WOM varies across destinations. We then inspect whether destination-level predictors explain this variance. The results reveal that ticket prices are negatively related to transport comfort of the ski lifts (−0.015, p < .01) but not the other destination-level predictors. For first time visitors, ticket prices attenuate the positive effect of satisfaction with transport comfort of the ski lifts on WOM, in partial support of H1b.

A likelihood ratio test provides a basis for model comparison (Bryk & Raudenbush, 1992). Table 2 shows that the model including individual-level predictors is superior to the null model (Δ X^2 = 12487.82, Δ df = 11, p < .001) and the model including destination-level predictors is superior to the model including only individual-level predictors (Δ X^2 = 27.30, Δ df = 12, p < .01). Thus, models including heterogeneity explain significantly more variance than models without heterogeneity.

Table 3
HLM results for WOM (heavy repeat visitors; visits > 10 times).

Variable	Null Model	Individual-level Predictors	Individual- and Destination-level Predictors
Level 1			
Intercept	0.315*** (0.05***)	0.222*** (0.014**)	0.223*** (0.013**)
Size of the ski resort		0.225*** (0.012**)	0.226*** (0.012**)
Quality of slopes		0.189*** (0.012)	0.189*** (0.011)
Transport comfort of the ski lifts		0.169*** (0.004*)	0.169*** (0.004)
Control variables:			
Gender (1 = male)		−0.028***	−0.028***
Expertise		0.033**	0.032**
Level 2			
Ticket prices			−0.009
Slope kilometres			−0.009
Height difference			0.024
Within-destination residual variance	0.689	0.483	0.483
Model comparison			
Loglikelihood	−13862.76	−10112.78	−10109.09
Df	3	14	26
Δ X^2		7499.96***	7.38
R^2 (within-destination)[a]		0.30	
R^2 (between-destination)[b]			0.07

Visitors n = 11,185. Destinations n = 55.
Entries are estimations of the fixed effects. Estimations of the random variance components are in parentheses.
Standardized coefficients are shown.
*p < .05; **p < .01; ***p < .001;
[a] Proportion of within-destination variance explained by individual-level predictors.
[b] Proportion of between-destination variance explained by destination-level predictors (after controlling for individual-level predictors).

For heavy repeat visitors, we repeat the procedure of analysis described above. Table 3 presents the results. The intraclass correlation is 0.068. Again, skiing characteristics exhibit a significant influence on WOM (size of the ski resort: 0.225; quality of slopes: 0.189; transport comfort of the ski lifts: 0.169; all p < .001). Different to first time visitors, however, destination-level predictors do not seem to be associated with WOM for heavy repeat visitors (ticket prices: −0.009; slope kilometres: −0.009; height difference: 0.024; all n.s.). In support of H2a, ticket prices have no influence on WOM for heavy repeat visitors. Furthermore, the relationship between skiing characteristics and WOM does not vary across destinations for heavy repeat visitors as we do not detect any significant interaction effects between individual-level and destination-level predictors on WOM. We thus find support for H2b proposing that ticket prices do not moderate the influence of individual-level predictors on WOM. As Table 3 shows the model including individual-level predictors is superior to the null model (Δ X^2 = 7499.96, Δ df = 11, p < .001). The model including destination-level predictors is inferior to the model including individual-level predictors only (Δ X^2 = 7.38, Δ df = 12, n.s.). Thus, destination-level predictors do not add to explain variance. Specifically, for destination-experienced tourists' destination-level factors such as ticket prices, slope kilometres, or height difference do neither strengthen nor lower the positive effect of individual-level predictors on WOM.

5. Discussion and conclusion

We argued that WOM is a function of individual-level predictors (satisfaction with ski area characteristics), and group-level constructs (i.e. destination-level predictors like ticket prices, slope kilometres, and height difference), as well as their cross-level interactions. Our empirical study shows that three ski area characteristics (size of the ski resort/slope offering, quality of slopes, and transport comfort of the ski lifts) positively and significantly influence visitors' WOM and that ticket prices have a negative effect on specific visitor groups. When separating visitors into first time visitors and heavy repeat visitors (more than 10 times), we see that for heavy repeat visitors ticket prices have no significant impact on WOM, indicating that heavy repeat visitors' WOM behaviour is not influenced by prices, whereas there is a significant negative effect of price on WOM for first time visitors. With this finding we also confirm previous studies suggesting that repeat visitors respond less to external factors such as the price than first time or destination-naïve visitors (Alegre & Juaneda, 2006).

This finding has important theoretical and managerial implications. First, this study contributes to the extensive literature that tries to describe behavioural and attitudinal differences between destination-naïve and repeat visitors (Li et al., 2008; Oppermann, 1997; Tjørve et al., 2018), empirically showing the declining role of price. Thus, we corroborate literature on the satisfaction–loyalty–profitability chain that argues that loyal customers are more attractive as they are less sensitive to price (Kandampully, Zhang, & Bilgihan, 2015).

Research on price sensitivity however has also shown that the loyalty-price sensitivity relationship varies across product categories and consumers (e.g. Krishnamurthi & Papatla, 2003). Hence, while we confirm the general relationship between these constructs, additional research is needed to clarify the nature of this relationship in different contexts (i.e. different tourism and travel-related services) and for different customer segments. Satisfaction and loyalty research for example in ski resorts has shown that several personal, situational, and product factors (Matzler et al., 2008) as well as lifestyle, spending and skiing skills (Matzler et al., 2007) are important contingency factors to consider. We base our theoretical argumentation on the assumption that repeat visitors develop stronger emotional ties with a destination which in turn trigger a sense of identification and attachment (Alegre & Juaneda, 2006) and on a decreasing perceived financial risk that reduces the negative impact of ticket prices on WOM. While we believe that these effects occur in most tourist settings, there is no guarantee that our findings are generalizable to any context.

We also add another interesting facet to the satisfaction–loyalty–performance chain in tourism: WOM is considered an important key performance indicator (Reichheld, 2003) and driver of growth (Reichheld, 2003; Reichheld & Covey, 2006). We show that WOM of heavy repeat customers is not influenced by ticket prices. This is a particularly important finding as WOM is effective and powerful (Kandampully et al., 2015) and more impactful when it comes from credible and trustworthy sources. WOM is influential as it is transmitted personally and the content is based on personal experiences (Kandampully et al., 2015). The source of WOM is especially credible and trustworthy when it possesses a high degree of expertise, has more experience and is more knowledgeable (Bansal & Voyer, 2000) and when the message is rich and strong (Sweeney, Soutar, & Mazzarol, 2008). Hence, heavy repeat visitors' WOM will be particularly impactful.

Our findings obviously have important managerial implications. To further increase the ski resort's performance, managers are advised to foster WOM activities of visitors. For instance, visitors could be encouraged to engage in electronic WOM (eWOM) activities. Social media platforms act as amplifiers of travel information and destinations can reach a wide audience through these channels (Luo & Zhong, 2015). Managers should be aware that for eWOM to be effective, it depends on how much the eWOM sender reveals about her-/himself so that the WOM receiver can gauge homophily (Rosario, Sotgiu, Valck, & Bijmolt, 2016). Therefore, photographs and reviews about personal skiing experiences should be most impactful and convince prospects to visit the ski resort.

First time visitors and destination-naïve tourists are more responsive to prices in their WOM behaviour. Hence, smart tools of price differentiation between first-time and repeat visitors and segmentation with price sensitivity (Petrick, 2005) can be very effective to maximize returns. In our study, we include only ticket prices and do not look at spending behaviour of tourists in the destination. Hence, we do not add to the literature that investigates spending behaviour in the destination and argues that repeat visitors spend less as they are better informed and make a more efficient choice (based on lower prices) (Alegre & Juaneda, 2006). Furthermore, it would be important to know how ticket prices interact with other prices in a destination (e.g. accommodation), and how this interaction influences loyalty and WOM. Another avenue of research is price bundling and dynamic pricing, as it has been shown that these pricing tactics influence price fairness perceptions (Li, Hardesty, & Craig, 2018) and may also be related to price sensitivity (Munnukka, 2008). Furthermore, this study investigated how destination-level characteristics (price etc.) interact with individual-level characteristics (satisfaction with quality attributes). So, variance of destination-level data only exists between destinations but not within destinations and as such not between the individuals of a destination. Thus, future research could therefore investigate how price variances within destinations impact visitor behaviour such as WOM.

Finally, although data collection for this study is in line with other large scale satisfaction surveys (e.g. Hult et al., 2017), relying on single item measures might pose some problems. Research has demonstrated that results based on single item measures might vary across different situations (Diamantopoulos, Sarstedt, Fuchs, Wilczynski, & Kaiser, 2012). Generally, multi-item measures are better able to capture the continuous nature of a variable because this type of measurement provides more response variations (Diamantopoulos et al., 2012). Thus, relying on single item measures might pose problems for detecting existing relationships.

Author contribution

Kurt Matzler: Survey Development, Theoretical Framing & Discussion of Results.

Karin Teichmann: Statistical Analysis, Results & Discussion of Results.

Andreas Strobl: Theoretical Framing, Data Collection & Discussion of Results, Limitations.

Michael Partel: Survey Development, Sampling, Data Collection & Discussion of Results.

References

Alegre, J., & Juaneda, C. (2006). Destination loyalty: Consumers' economic behavior. *Annals of Tourism Research, 33*(3), 684–706.

Baloglu, S., & Mangaloglu, M. (2001). Tourism destination images of Turkey, Egypt, Greece, and Italy as perceived by US-based tour operators and travel agents. *Tourism Management, 22*(1), 1–9.

Bansal, H. S., & Voyer, P. A. (2000). Word-of-mouth processes within a services purchase decision context. *Journal of Service Research, 3*(2), 166–177.

Bergkvist, L., & Rossiter, J. R. (2007). The predictive validity of multiple-item versus single-item measures of the same constructs. *Journal of Marketing Research, 44*(2), 175–184.

Bergkvist, L., & Rossiter, J. R. (2009). Tailor-made single-item measures of doubly concrete constructs. *International Journal of Advertising, 28*(4), 607–621.

Bieger, T., & Laesser, C. (2004). Information sources for travel decisions: Toward a source process model. *Journal of Travel Research, 42*(4), 357–371.

Boksberger, P. E., Bieger, T., & Laesser, C. (2007). Multidimensional analysis of perceived risk in commercial air travel. *Journal of Air Transport Management, 13*(2), 90–96.

Bryk, A. S., & Raudenbush, S. W. (1992). *Hierarchical linear models.* Newbury Park, CA: Sage.

Chang, K.-L., Chen, C.-M., & Meyer, T. J. (2013). A comparison study of travel expenditure and consumption choices between first-time and repeat visitors. *Tourism*

Management, 35, 275–277.
Chen, S.-C. (2012). The customer satisfaction–loyalty relation in an interactive e-service setting: The mediators. *Journal of Retailing and Consumer Services, 19*(2), 202–210.
Chew, E. Y. T., & Jahari, S. A. (2014). Destination image as a mediator between perceived risks and revisit intention: A case of post-disaster Japan. *Tourism Management, 40*, 382–393.
Confente, I. (2015). Twenty-five years of word-of-mouth studies: A critical review of tourism research. *International Journal of Tourism Research, 17*(6), 613–624.
Diamantopoulos, A., Sarstedt, M., Fuchs, C., Wilczynski, P., & Kaiser, S. (2012). Guidelines for choosing between multi-item and single-item scales for construct measurement: A predictive validity perspective. *Journal of the Academy of Marketing Science, 40*(3), 434–449.
Erdem, T., Swait, J., & Louviere, J. (2002). The impact of brand credibility on consumer price sensitivity. *International Journal of Research in Marketing, 19*(1), 1–19.
Fakeye, P. C., & Crompton, J. L. (1991). Image differences between prospective, first-time, and repeat visitors to the Lower Rio Grande Valley. *Journal of Travel Research, 30*(2), 10–16.
Falk, M. (2011). International price differences in ski lift tickets. *Swiss Journal of Economics and Statistics, 147*(3), 303–336.
Falk, M., & Hagsten, E. (2016). Importance of early snowfall for Swedish ski resorts: Evidence based on monthly data. *Tourism Management, 53*, 61–73.
Fuchs, G., & Reichel, A. (2011). An exploratory inquiry into destination risk perceptions and risk reduction strategies of first time vs. repeat visitors to a highly volatile destination. *Tourism Management, 32*(2), 266–276.
Füller, J., & Matzler, K. (2008). Customer delight and market segmentation: An application of the three-factor theory of customer satisfaction on life style groups. *Tourism Management, 29*(1), 116–126.
Gilbert, D., & Hudson, S. (2000). Tourism demand constraints: A skiing participation. *Annals of Tourism Research, 27*(4), 906–925.
Gitelson, R. J., & Crompton, J. L. (1984). Insights into the repeat vacation phenomenon. *Annals of Tourism Research, 11*(2), 199–217.
Heck, R. H., & Thomas, S. L. (2015). *An introduction to multilevel modeling techniques: MLM and SEM approaches using Mplus.* New York, NY and East Sussex: Routledge.
Hult, G. T. M., Morgeson, F. V., Morgan, N. A., Mithas, S., & Fornell, C. (2017). Do managers know what their customers think and why? *Journal of the Academy of Marketing Science, 45*(1), 37–54.
Jacoby, J., & Kaplan, L. B. (1972). The components of perceived risk. In M. Venkatesan (Ed.). *SV - proceedings of the third annual conference of the association for consumer research* (pp. 382–393). Chicago, IL: Association for Consumer Research.
Jang, S. S., & Feng, R. (2007). Temporal destination revisit intention: The effects of novelty seeking and satisfaction. *Tourism Management, 28*(2), 580–590.
Kandampully, J., Zhang, T., & Bilgihan, A. (2015). Customer loyalty: A review and future directions with a special focus on the hospitality industry. *International Journal of Contemporary Hospitality Management, 27*(3), 379–414.
Kim, H.-W., & Gupta, S. (2009). A comparison of purchase decision calculus between potential and repeat customers of an online store. *Decision Support Systems, 47*(4), 477–487.
Konu, H., Laukkanen, T., & Komppula, R. (2011). Using ski destination choice criteria to segment Finnish ski resort customers. *Tourism Management, 32*(5), 1096–1105.
Krishnamurthi, L., & Papatla, P. (2003). Accounting for heterogeneity and dynamics in the loyalty–price sensitivity relationship. *Journal of Retailing, 79*(2), 121–135.
Krosnick, J. A., & Presser, S. (2010). Question and questionnaire design. In P. Marsden, & J. Wright (Eds.). *Handbook of survey research* (pp. 263–313). (2 ed.). .
Lam, T., & Hsu, C. H. C. (2006). Predicting behavioral intention of choosing a travel destination. *Tourism Management, 27*(4), 589–599.
Lau, A. L., & McKercher, B. (2004). Exploration versus acquisition: A comparison of first-time and repeat visitors. *Journal of Travel Research, 42*(3), 279–285.
Liao, H., & Chuang, A. (2004). A multilevel investigation of factors influencing employee service performance and customer outcomes. *Academy of Management Journal, 47*(4), 41–58.
Li, X. R., Cheng, C.-K., Kim, H., & Petrick, J. F. (2008). A systematic comparison of first-time and repeat visitors via a two-phase online survey. *Tourism Management, 29*(2), 278–293.
Li, W., Hardesty, D. M., & Craig, A. W. (2018). The impact of dynamic bundling on price fairness perceptions. *Journal of Retailing and Consumer Services, 40*, 204–212.
Luo, Q., & Zhong, D. (2015). Using social network analysis to explain communication characteristics of travel-related electronic word-of-mouth on social networking sites. *Tourism Management, 46*, 274–282.
Matzler, K., Füller, J., & Faullant, R. (2007). Customer satisfaction and loyalty to alpine ski resorts: The moderating effect of lifestyle, spending and customers' skiing skills. *International Journal of Tourism Research, 9*(6), 409–421.
Matzler, K., Füller, J., Renzl, B., Herting, S., & Späth, S. (2008). Customer satisfaction with alpine ski areas: The moderating effects of personal, situational, and product factors. *Journal of Travel Research, 46*(4), 403–413.
McGinnis, R. (1968). A stochastic model of social mobility. *American Sociological Review, 33*(5), 712–722.
Munnukka, J. (2008). Customers' purchase intentions as a reflection of price perception. *The Journal of Product and Brand Management, 17*(3), 188–196.
Murphy, L., Mascardo, G., & Benckendorff, P. (2007). Exploring word-of-mouth influences on travel decisions: Friends and relatives vs. other travellers. *International Journal of Consumer Studies, 31*(5), 517–527.
Murray, K. B., & Schlacter, J. L. (1990). The impact of services versus goods on consumers' assessment of perceived risk and variability. *Journal of the Academy of Marketing Science, 18*(1), 51–65.
Muthén, B. O., & Muthén, L. K. (1998-2015). *Mplus user's guide* (7 ed.). Los Angeles, CA: Muthén & Muthén.
Oppermann, M. (1997). First-time and repeat visitors to New Zealand. *Tourism Management, 18*(3), 177–181.
Oppermann, M. (1998). Destination threshold potential and the law of repeat visitation. *Journal of Travel Research, 37*(2), 131–137.
Oppermann, M. (2000). Tourism destination loyalty. *Journal of Travel Research, 39*(1), 78–84.
Petrick, J. F. (2004). Are loyal visitors desired visitors? *Tourism Management, 25*(4), 463–470.
Petrick, J. F. (2005). Segmenting cruise passengers with price sensitivity. *Tourism Management, 26*(5), 753–762.
Reichheld, F. F. (2003). The one number you need to grow. *Harvard Business Review, 81*(12), 46–55.
Reichheld, F. F., & Covey, S. R. (2006). *The ultimate question: Driving good profits and true growth.* MA: Harvard Business School Press Boston.
Reichheld, F. F., & Sasser, W. E. (1989). Zero defections: Quality comes to services. *Harvard Business Review, 68*(5), 105–111.
Rosario, A. B., Sotgiu, F., Valck, K. D., & Bijmolt, T. H. A. (2016). The effect of electronic word of mouth on sales: A meta-analytic review of platform, product, and metric factors. *Journal of Marketing Research, 53*(3), 297–318.
Shoemaker, S., & Lewis, R. C. (1999). Customer loyalty: The future of hospitality marketing. *International Journal of Hospitality Management, 18*(4), 345–370.
Sweeney, J. C., Soutar, G. N., & Johnson, L. W. (1999). The role of perceived risk in the quality-value relationship: A study in a retail environment. *Journal of Retailing, 75*(1), 77–105.
Sweeney, J. C., Soutar, G. N., & Mazzarol, T. (2008). Factors influencing word of mouth effectiveness: Receiver perspectives. *European Journal of Marketing, 42*(3/4), 344–364.
Tjørve, E., Lien, G., & Flognfeldt, T. (2018). Properties of first-time vs. repeat visitors: Lessons for marketing Norwegian ski resorts. *Current Issues in Tourism, 21*(1), 78–102.
Unbehaun, W., Pröbstl, U., & Haider, W. (2008). Trends in winter sport tourism: Challenges for the future. *Tourism Review, 63*(1), 36–47.
Wittink, D. R., & Bayer, L. R. (1994). The Measurement Imperative - empirical results on the number of scale points give managers a reliable gauge for assessing customer satisfaction. *Marketing Research, 6*(4), 14–22.
Woodside, A. G., & Lysonski, S. (1989). A general model of traveler destination choice. *Journal of Travel Research, 27*(4), 8–14.

Kurt Matzler is Professor at the Faculty of Economics and Management at the Free University of Bozen-Bolzano and guest professor at the University of Innsbruck, Austria. Furthermore, he is academic director of the Executive MBA program at MCI in Innsbruck and Partner of IMP, an international consulting firm with its headquarters in Innsbruck, Austria. His research focus is on Strategy, Innovation, and M&A.

Karin Teichmann has been assistant professor at the Department of Strategic Management, Marketing and Tourism at the University of Innsbruck since February 2010. From 2005 to 2009, she worked as a research and teaching assistant at the Institute for Tourism and Leisure Studies at the Vienna University of Economics and Business (WU Wien). She finished her doctorate in November 2009. Her research interests are in the areas of advice taking, service marketing, and (product) communication research.

Andreas Strobl is assistant professor at the Department of Strategic Management, Marketing and Tourism at the University of Innsbruck. He received his doctoral degree from Innsbruck University in 2012. His main research focuses on issues related to entrepreneurship and small and medium-sized businesses as well as destination management.

Michael Partel is owner of Mountain Management Consulting, expert in market research and strategy development in the field of tourism regions and destinations, mountain railways, infrastructure. He has authored several international studies (Best Ski Resort). Speaker and creative head.