Cultivating the Chinese market through destination loyalty:
Enhancing life cycle resilience in the Maldives

Abstract
Market diversification, one critical means by which tourism-dependent small island states can maintain sector resilience and destination life cycle stability, requires understanding of the destination loyalty of strategic new inbound markets such as China. An online survey of 1,260 Chinese adults with previous travel experience to the Maldives identified positive proclivities with respect to revisitation and recommendation intentions as well as agreement that Chinese visitors were well catered for. Sample diversity, however, was demonstrated by cluster analysis, which revealed dominant “highly loyal” (31.2%) and “loyal” (37.1%) segments along with specialized clusters ambivalent about the catering (14.3%) or the revisitation intent (17.4%). Loyalty was strongly associated with older, married and higher income visitors who were aware that the Maldives is an Islamic country and who included the capital city of Male in their itinerary. Such information is invaluable for assisting target marketing and product development strategies, but situates in a context of bilateral asymmetry in which the Chinese government can destabilize small island tourism through decisions that curtail visitation by otherwise loyal residents.

Keywords: small island resilience, destination life cycle, destination loyalty, the Maldives, China

Introduction
The tsunami of outbound Chinese tourists, widely touted as one of the most significant international tourism developments of the early 21st century, is now delivering substantial numbers of new visitors to “pleasure periphery” island-states. For the latter, this dispersal of Chinese travelers beyond traditional East Asian destinations is a welcome development given their dependency on tourism, and parallel – but increasingly precarious in light of exogenous shocks such as the 2007 Global Financial Crisis – dependency on mature origin regions such as Europe (Song & Lin, 2009). Such market diversification, accordingly, not only sustains local economic growth but can more broadly contribute to the stability of affected small island tourism systems by curtailing sector stagnation and decline, as per the “resilience” paradigm.
These benefits, however, may be similarly precarious over the longer term in the absence of knowledge about the new inbound markets, and in particular the extent to which their visits result in positive personal dispositions toward the destination. This research therefore uses a segmentation approach from survey results to identify the prevalence and variation of destination loyalty among Chinese adults who have already visited the Maldives, a hyper-dependent high-end archipelagic destination where Chinese visitors have expanded tenfold from 3% of all inbound arrivals in 2005 (Carlsen & Hughes, 2008) to 30% in 2015 (UNWTO, 2017a). Despite this growth and the potential of inbound Chinese tourists to contribute to destination life cycle stability through the market diversification it confers, the loyalty of Chinese visitors to the Maldives as a destination has never been systematically identified or differentiated. “Destination loyalty” herein is expressed conatively through revisit intention and proclivity to recommend the destination to others, and attitudinally through an innovative culturally-specific service quality variable. Following a literature review of the constituent knowledge domains and an outline of the methodology, factors associated with the revealed loyalty are identified, and implications both theoretical and strategic are discussed along with associated limitations of the research.

**Literature review**

*Destination loyalty*

Destination loyalty is a relatively recent derivative of the much older idea of customer loyalty, and as such remains a matter of “intense academic debate” as to definition and appropriate measurement (Wu, 2016, p. 2214). Knowledge derived from the parent concept has limited utility in this regard due to what Su, Hsu and Swanson (2017) describe as the unique experiential context of tourist destinations. Distinguishing factors that contribute to a highly complex subject of investigation include product heterogeneity (each destination is unique), continuous product change, the numerous sub-experiences (e.g. seeing attractions, eating, travelling, sleeping) that a destination visit entails, and internal complexity, wherein assessments of “destination” loyalty are more likely to implicate only some of the attendant qualities and locations, and only some of the aforementioned sub-experiences. In the tourism literature, the dual intentions to revisit the place and recommend it to others are commonly regarded as the core attributes of destination loyalty (Chen & Gursoy, 2001; Chen & Tsai, 2007; Hughes, 1991; Kim & Brown, 2012; Lee, Jeon & Kim, 2011; Opperman, 2000; Prayag & Ryan, 2012; Sönmez & Graefe, 1998; Su, Hsu & Swanson, 2017; Yoon & Uysal, 2005).
Such “conative” loyalty bears directly on tourism life cycle stability, as it is widely regarded as the best predictor of future behavior and is thus a critical parameter of competitive advantage that enables the attraction and retention of target markets (Gursoy, Chen & Chi, 2014; Kozak, 2001; Sun, Chi & Xu, 2013). Also, loyal customers tend to be less pervasive to price variations (Krishnamurthi & Papatla, 2003) and require lower marketing costs to retain compared with attracting first-time visitors (Reichheld, Markety, & Hopton, 2000). One arena of debate, however, is the relative merit of each aspect of conative loyalty. Chen and Gursoy (2001), for example, use only recommendation proclivity, since actual or intended repeat visitation may disguise spurious and hence unstable expressions of loyalty associated with affordability, family member preference or other factors. Moreover, long-haul destination visits in particular tend to entail high monetary and time risks, and hence are infrequent experiences repeated after long time intervals and often no more than once (Bianchi & Pike, 2011). The destination in such instances does not achieve short-term or enduring market gain despite the expressed intentions. In contrast, recommendations are normally very low risk actions, often carried out soon after or even during a visit, which can have a widespread positive influence through social media dissemination (Harris & Prideaux, 2017). Potential tourists considering a particular destination can mitigate the associated purchase risks by heeding recommendations from those who are trusted because of their prior direct experience with that destination (Qu, Kim & Im, 2011; Tussyadiah, Park & Fesenmaier, 2011).

Beyond revisits and recommendations, additional factors are positioned variably as parameters of cognitive/affective loyalty or, at least as commonly, antecedents to conative loyalty (Weaver & Lawton, 2011). Overall visit satisfaction is the most common of these variables, with numerous empirical studies demonstrating its high correlation with intentions to revisit and recommend (Chi & Qu, 2008; Sui & Baloglu, 2003; Wu, 2016; Yoon & Uysal, 2005). Others contend for a more tenuous association (Oliver, 1999), as for example in situations where novelty-seeking is an important motivation; here the visitor can be genuinely “satisfied” but nevertheless seeks out new destinations for future travel. Also germane is evidence that evaluations of satisfaction are culturally mediated, with members of collectivist cultures typically displaying mid-level responses and acquiescence bias to save face and avoid uncertainty (Smith, 2004). A further limitation of overall satisfaction is that it does not on its own reveal which sub-experiences had the most positive influence. The potential spuriousness of overall satisfaction indicates the complexity of this and other cognitive/affective antecedents (Su, Hsu & Swanson, 2017), many of which have been incorporated with mixed results into the empirical research. These variables include place attachment (Gursoy, Chen & Chi, 2014;
Weaver & Lawton, 2011; Xu & Zhang, 2016; Yuksel, Yuksel & Bilim, 2010), destination image (Chen & Phou, 2013; Chi & Qu, 2008; Zhang et al., 2014), motivation (Yoon & Uysal, 2005), destination familiarity and perceived value (Sun, Chi & Xu, 2013), service quality (Gursoy, Chen & Chi, 2014; Lee, Graefe & Burns, 2007; Su, Hsu & Swanson, 2017) and travel experiences (Gursoy, Chen & Chi, 2014; Kim & Brown, 2012).

**Chinese outbound tourism**

China is by far the leading country in outbound tourists and affiliated destination revenue, with departures increasing from 10 million in 2004 to 135 million in 2016. In that year, expenditures of US$261 billion were achieved (UNWTO, 2017b). The major underlying factors of growing discretionary income and time are augmented in China by the increased psychological and social positioning of leisure travel as a life necessity and major parameter of life quality and personal well-being (Chen, Lehto & Cai, 2013). Although domestic trips and the proximate semi-autonomous “international” destinations of Hong Kong and Macau still account for most Chinese tourism, rapid increases in longer distance travel – albeit from a small numeric base – reflect the country’s transition from what Burton (1995) describes as an industrialising phase of travel diffusion to an industrialised pattern. Approved Destination Status (ADS), a government strategy since 1983 to permit outbound package tours to so-designated countries, can be regarded as both a facilitator and consequence of growing consumer demand for longer-haul international tourism (Arita et al., 2011).

Aspirations to understand, attract and retain a share of this burgeoning market have spawned numerous segmentation studies, including contentions from a generational perspective of a youth-oriented “2nd wave” of Chinese tourists during the early 2000s (Arlt, 2013) and a subsequent “3rd wave” dominated by middle-aged elites (Bao, Jin & Weaver, 2018). More directly germane from a destination perspective is differentiation by motivation and, explicitly or implicitly, the place attributes that fulfil the latter. Empirical research by Kim, Guo and Agrusa (2005) identified safety, beautiful scenery, well-equipped tourism facilities, novel cultural/historical resources and good weather as the five most important destination attributes of potential Chinese outbound tourists, while a later study by Sparks and Pan (2009) revealed natural beauty, quality infrastructure, autonomy, inspirational places and social self-enhancement. A combined motivation/attribute approach yielded the three overlapping segments of entertainment and adventure seekers (i.e., fun, stimulation, seeing and doing), life-seeing experience/culture explorers (new and unique social and cultural experiences) and relaxation/knowledge seekers (rest, relaxation, inner harmony) (Li et al., 2011).
Several studies have endeavoured to associate these patterns with traditional Chinese and broader East Asian cultural traits (e.g., Fu, Lehto & Cai, 2012; Mok & Defranco, 2000), as well as combinations of traditional and contemporary influences (Pearce, Wu & Osmond, 2013). The latter perspective is reflected in the “updated” approach of Hsu and Huang (2016), who take modern values into account to reflect the profound social, cultural and economic changes experienced by China since the introduction of the reform era in the 1980s. Important contemporary terminal (or end result) values of convenience, indulgence, leisure/relaxation, liberation, self-interest and ostentation evoke broader constructs of individualism, hedonism and materialism wherein pleasure-seeking and living in the moment are key priorities. Major instrumental values (means of achieving these results) include the modern virtues of horizon broadening and traditional ones of knowledge, education, and stability/security. While Hsu and Huang (2016) remark further that the modern values are most salient among younger Chinese, Sun and Wang (2010) contend that Chinese people born since 1955 tend to share modern values such as individualism and self-development. Beyond knowledge-seeking, traditional values are perhaps less apparent in the leisure travel area given its recency as a mass phenomenon, but includes the probable influence of communalism, conformity and maintenance of social harmony on proclivities to visit a place when friends, family members, travel agents or other reference groups say that it is a good place to visit (Hsu, Kang & Lam, 2006; Sparks & Pan, 2009). Electronic word-of-mouth (eWOM), through social media and blogs and using personal smart phones (Kantar Media, 2017), is an increasingly important vehicle through which such recommendations are disseminated (Kasabov, 2016).

The latter tendencies indicate for destinations the positive marketing implications of Chinese tourist intentions to recommend destinations to others. However, targeted studies of Chinese destination loyalty patterns are rare (Sun, Chi & Xu, 2013; Tse, 2015), and scant understanding of this phenomenon remains (Su, Hsu & Swanson, 2017). Nevertheless, the few studies that have been conducted, focusing on domestic destinations (Su, Hsu & Swanson, 2017; Sun, Chi & Xu, 2013; Xu & Zheng, 2016), the short-haul international destination of South Korea (Chiu, Zeng & Cheng, 2016; Lee, Jeon & Kim, 2011) and the long-haul destination of Australia (Mao & Zhang, 2014) all indicate a correlation between satisfaction and loyalty, and varying positive antecedents to satisfaction such as place attachment, image, motivation, familiarity and perceived value. The results, all based on structural equation modelling, generally accord with the overall literature but provide no clear indications of distinctive mainland Chinese destination loyalty patterns. This is an important shortcoming in
the literature given growing evidence that the massive outbound Chinese market is an increasingly diverse entity (Chow & Murphy, 2008).

Small islands

Weaver (2018, p. 118) distinguishes small warm-weather islands as the “little giants of tourism”, with the 50 small island states and dependencies that report arrival data to the UNWTO accounting for just 0.36% of global population in 2015, but 4.2% of international overnight tourist arrivals and 54.8% of excursionists arriving on cruises originating in foreign ports. For the 26 that also supply economic data, the average contribution to GDP from inbound tourism revenue was 20.8%. Although often more difficult to quantify, this insularity effect is enlarged when tourism-intensive subnational entities such as Cozumel (Mexico), Hawaii (USA), Jeju (South Korea), Okinawa (Japan), Phuket (Thailand), Hainan (China), Lakshadweep (India), Crete (Greece) and Majorca (Spain) are included. Fundamentally underlying this performance is that insularity not only offers but amplifies projections and expectations of idyllic sea, sand and sun experiences, with place names such as Bali and Tahiti evoking more strongly than mainland coastal locations imaginaries of the remote, exotic, escapist and paradisical (Lockhart & Drakakis-Smith, 1997; Mountz, 2015). Yet, whether those images are warranted or not, small island success in attracting leisure tourists has been widely problematized as an ambivalent consequence of a syndrome entailing otherwise severe resource constraints, apparent paucity of viable economic alternatives, enduring dependency on historical “core” countries, and susceptibility to severe economic disruption and stagnation or decline dynamics as per the destination life cycle if those dominant markets collapse. This syndrome has been effectively captured in the enduring idea of a pan-global “pleasure periphery” (Turner & Ash, 1975).

A more recent counter-narrative, however, contends that small islands by necessity are also arenas of innovation and resilience wherein residents routinely seize opportunities to compensate for these shortcomings (Alberts & Baldacchino, 2017; Baldacchino, 2005; Weaver, 2017). What Baldacchino (2010, p. 189) describes as “fairly sophisticated ways to exploit the opportunities of contemporary rampant globalization” variably includes offshore finance, passport sales, migrant detention centres, issuance of superfluous stamps and coins to collectors, online gaming and pornography sites, and “dollar diplomacy”. A constructive reinterpretation of tourism within this counter-narrative situates the small island not merely as a disadvantaged geographic or pleasure periphery but simultaneously as an experiential core inherently well positioned to compete in the international tourism marketplace (Weaver, 2013).
Assertive efforts since the late 1990s to woo mainland Chinese tourists, accordingly, are a complementary innovation intended to enhance sector resilience through strategic market diversification. This is reflected in patterns of travel facilitation – of the 26 countries that provided visa-free access to holders of mainland Chinese passports in 2018, 14 are small island states. Of the 31 small island countries in total, another nine offer a visa upon arrival, while only eight require a visa in advance.

Even though such efforts now have a history of almost 30 years for some small island states, these entities as a collective are just beginning to experience the outbound Chinese tsunami. The South Pacific, the Caribbean’s rival as the largest concentration of independent tropical small island states (e.g., Fiji and Tonga) and their dependent counterparts (e.g., French Polynesia and Cook Islands), received in 2016 just 0.14% of Chinese outbound tourists, who nevertheless accounted for a significant 7.2% of inbound arrivals in the region (Cheer et al., 2018). Small absolute visitation base levels in some destinations mean that a relatively small increase in intake from a particular market can equate to a major increase in that market’s relative share, with, for example, mainland China accounting for almost one-half (47.0%) of international arrivals in the tiny state of Palau in 2016. A more modest 6.2% share was claimed by larger Fiji, but that compares with just 0.8% seven years earlier in 2009. In tandem with the dominant foreign imaginaries, the main Chinese niche segments in Fiji are honeymoon, luxury and diving (Vada-Pareti, 2015). More generally, tropical island tours were identified by a sample of Chinese outbound tour operators as an important niche market, targeting not just countries such as Fiji but dependencies such as Guam, Tahiti, and Bali, and sub-national entities such as Hawaii, Phuket and Langkawi (Xu & Wang, 2014).

The only identified study of destination loyalty among Chinese visitors to islands is the aforementioned work of Sun, Chi and Xu (2013), who found that destination image, familiarity and perceived value influenced satisfaction, which influenced loyalty. Caution, however, should be exercised in extrapolations of these outcomes to the Maldives and similar destinations, since they pertain to Hainan, a short-haul domestic Chinese destination with accordant high repeat visit proclivities and emphasis on lower-end tourist experiences in high density urban settings such as Sanya. Other island-focused studies, all applying SEM to samples of international inbound arrivals as a whole, yielded similarly conventional loyalty antecedent outcomes in Mauritius (Prayag & Ryan, 2012; Ramseook-Munhurrun, Seebaluck, & Naidoo, 2015) and Northern Cyprus (Yoon & Uysal, 2005). Little in this literature, accordingly, suggests unique insular parameters of such relationships or in particular any knowledge pertaining to Chinese visitors to small islands, tropical or otherwise.
Resilience and tourism

Resilience provides a suitable framework for investigating the cultivation of new inbound markets in small-island and other tourist destinations. As elaborated elsewhere in this special issue, “resilience” captures the essential idea of an affected entity having sufficient capacity to survive and even thrive, through appropriate adaptations, in an environment of seemingly permanent uncertainty and constant change (Magis, 2010). According to Lew (2014), the resilience paradigm therefore differs from the sustainability paradigm in its emphasis on adaptability over mitigation or prevention. Holling (2001), in contrast, regards the two paradigms as complementary. Though more through compelling and enduring macro-level push and pull factors than any concerted multilateral strategy or policy, contemporary global tourism has demonstrated remarkable long-term resilience, recording just relatively minor and temporary declines in overall international stayover numbers since 1950 as a result of major political (e.g. 9/11) or economic (GFC) crises (Weaver & Lawton, 2014). However, as the scale of inquiry reduces to individual destinations, significant and longer-term fluctuations resulting from these or local circumstances are more apparent along with more pronounced volatility in localized destination life cycles, and the issue of resilience subsequently becomes more compelling.

Holling’s (2001) idea of panarchy, or combined set of hierarchies and adaptive cycles, provides a heuristic for analysing resilience at this scale. Hierarchy from above (“remembering”) implicates long-held policy by small island authorities to prioritize leisure tourism development, therefore facilitating continuity and stability over a slower, larger time cycle. Concurrently, hierarchical impulse from below (“revolt”) accounts for the strategic cultivation of new markets such as China as per positively disruptive learning and innovation during an embedded faster and smaller cycle. This occurs when small islands or other destinations are situated in the accumulation phase of the adaptive cycle, that is, when the serious risk factor of “accumulated” over-dependency on mature markets necessitates restructuring to avoid system collapse. In the context of Butler (1980), this starts to become a risk in the post-late development stage as critical carrying capacities are approached and more negative market reactions emerge. Factors that determine whether the restructuring will be successful and give rise to a renewal phase include wealth, which is having sufficient resources (i.e., sea, sand sun, marketing budgets, etc. to attract the new markets) and internal controllability (i.e., stakeholders within the destination having the capacity to control its own destiny), as well as adaptive capacity to leverage these advantages to successfully attract those
markets. Destination loyalty locates within the panarchy framework as a critical indirect indicator of the extent to which this adaptive capacity is salient, as it captures collective intentions to revisit and recommend that propel continuing patronage from the new inbound market country.

**The Maldives**

A 298 km² Indian Ocean archipelagic state of 1,192 coralline islands, the Maldives epitomizes the idyllic sea, sand and sun destination. Traditionally reliant on fishing, trade and overseas labor, tourism development began in the early 1970s and expanded rapidly to 42,000 in 1980, 600,000 in 2004 (Carlsen & Hughes, 2008), 1.2 million by 2014 almost 1.5 million in 2018, or approximately three arrivals for every resident. Yearly arrivals to 2014 as depicted in Figure 1 indicate the “development” stage of the tourism area life cycle (Butler, 1980), notwithstanding temporary depressive effects from the Indian Ocean tsunami (2004) and the global financial crisis (2009).

Figure 1 here

The conservative Muslim population resides on just 188 of the constituent islands, and is insulated from the direct effects of tourism by a longstanding policy of confining most leisure visitors to luxury resorts on uninhabited islands (on a one resort per island basis) where contact with residents is restricted to resort employees. Leases for 99 years are available to foreign or domestic developers from the government, which retains ownership over all islands. This can be seen as another innovation “from below” to prevent the accumulation of negative socio-cultural impacts that can induce stagnation in the destination life cycle. Of 32,000 beds in 2015, 75% were provided by remote island facilities, 109 of which were occupied by resorts and another 112 under development as of 2015, leaving over 800 available for future development (Shakeela & Weaver, 2016). The remaining inventory consists of hotels and guesthouses in the capital of Male and other inhabited islands, which serve to disperse the direct economic benefits of the sector to local communities as per further short cycle innovation.

Following these parallel resort and “alternative” paths (Shakeela & Weaver, 2016), tourism now makes a 27% direct contribution to GDP and a 70% total impact (i.e., direct, indirect and induced) (WTTC), indicating status as a “hyper-destination” and suggesting that engagement with tourism resilience is tantamount in the foreseeable future to engaging with the overall economic resilience of the archipelago. Regardless of this dependency, local
residents, even in remote and more conservative communities, appear supportive of tourism
though with attendant reservations over the potential exposure of residents to alcohol and
“inappropriate” clothing. Environmental problems such as the destruction of coral reefs to
construct “over-water” accommodation units, and restrictions to traditional fishing grounds due
to the establishment of exclusive-use water zones around resort enclaves are also evident. In
part this support relates to appreciation for the lack of economic alternatives, but also to social
exchange initiatives that shield residents from the perceived “evils” of hedonistic tourism and
thereby demonstrate informal modes of cultural and social resilience (Shakeela & Weaver,
2012, 2016, 2018). This equation of support, however, may erode if continued development
exacerbates these noted social and environmental issues through a lack of their prioritization
in attendant tourism planning.

This apparent bottom-up resilience is paralleled by compelling evidence of top-down
sector resilience. The policy of strategically opening new uninhabited islands for luxury resort
and approving households for guesthouse development, for example, reflects a concerted and
to date successful attempt by government to facilitate economic resilience by avoiding under-
or over-capacity in the crucial accommodation sector. Regarding responsiveness to crisis
situations, international arrivals in the wake of the locally destructive 2004 Indian Ocean
tsunami recovered to 70% of pre-disaster levels within just three months as a result of proactive
strategies from government and industry (Carlsen & Hughes, 2008). Beyond strategic
accommodation policy and effective responses to unexpected natural disasters, sector
resilience is also evident in longstanding strategic attempts led by the Ministry of Tourism to
attract outbound Chinese tourists in large part as a response to stagnation in traditional
European markets such as the United Kingdom and Italy (Figure 2). In 2003, the Maldives
became the second small island state after Malta to obtain ADS (Arita et al., 2011), and arrivals
increased accordingly from 7,000 in 2001 to 20,000 in 2004 (Carlsen & Hughes, 2008).
Notably, the 119,000 Chinese arrivals in 2010 represented a doubling of the previous year,
which substantially mitigated the otherwise negative market effect of the Global Financial
Crisis (Kumar, 2012). China has held the status as the Maldives’ most important country of
visitor origin since 2009 (Shakeela & Weaver, 2016) and now consistently provides over
360,000 visitors per year, although numbers have decreased somewhat since 2014 (Figure 2).
Based on core products such as snorkeling/scuba diving, honeymoons and family holidays the
Maldives is solidly positioned among Chinese outbound leisure travellers, especially from the
more prosperous coastal provinces, as a highly attractive and aspirational destination (Kozak,
Such penetration is but one aspect of the close cooperation that has been cultivated between China and the Maldives since the early 1980s, which for the latter has been motivated not only for reasons of market diversification but also from a desire, based on parallel adaptive cycles, to balance the geopolitical influence of neighboring India (Fernando, 2010). Reciprocally, Kumar (2012) regards the counter trending 2010 intake as a deliberate exercise in “economic diplomacy” by China to attract gratitude and further deepen the bilateral relationship in the interests of its own geostrategic objectives. As of early 2019, the status of the Maldives as impressively “China-ready” was evidenced by direct flights from the major Chinese cities of Beijing, Guangzhou, Kunming, Shanghai and Chengdu as offered by Beijing Capital Airlines, China Southern Airlines, China Eastern Airlines, and Sichuan Airlines (author search of air ticket search engine). Other evidence includes China Union Pay’s availability at 95% of the country’s ATMs, and negotiations underway with several Chinese companies to lease islands for enclave resort development (Kumar, 2016) that could specialize in the Chinese market. Many existing resorts offer full service in Chinese as well as Chinese food, though similar provision in Male or other inhabited islands remained limited as of 2019. Such high-level tourism-related machinations, however, are only relevant if consumers want to visit or recommend the target destination, and it is in this context that the destination loyalty of Chinese visitors to the Maldives is a strategically important subject of investigation, though one that has received scant attention, and apparently none at all from a segmentation perspective.

Methodology

This research identifies the destination loyalty of Chinese adults who have already visited the Maldives. The focus on the Maldives is merited because of the archipelago’s hyper-dependency on tourism, the rapid emergence of China as its most important inbound tourist market, and the absence of knowledge about this critical market’s loyalty parameters. As the number of qualifying individuals (based on cumulative arrival statistics from that destination) is far below one per cent of the Chinese population, a survey to a random sample of consumers would not efficiently yield the critical mass suitable for statistical analysis. Instead, a well-established (since 2005) and highly reputable China-based online marketing company was
commissioned to provide 100 and 1,200 valid returns (pilot and main survey respectively) from its database or “panel” of 2.6 million adult Chinese consumers. This confines the outreach to the target country and yields diversity of response with regard to participants, year and season of visit. Biased responses, by comparison, can result from specific events or weather conditions, and from the presence of over- or under-represented segments (e.g., more family groups), that might occur during a time-constrained exit survey (e.g., during school holidays).

Procedurally, the company emailed a solicitation to everyone in the database on 24 January, 2018, providing an online questionnaire link for the convenience of those qualified and inclined to participate. Completed e-surveys were then submitted and accepted after screening for validity, in return for a small payment from the company, until the requested quota was reached. The request for 1,200 responses was based on the desire to obtain a sample large enough to better represent the target population, achieve a robust case-to-item ratio, and derive the greatest possible substantive segmentation diversity.

The two core behavioral loyalty items of repeat visit intention (“I will go to the Maldives again in the future”) and recommendation intention (“I will recommend the Maldives as an attractive destination to other Chinese people”) (Chen & Gursoy, 2001; Chen & Tsai, 2007; Hughes, 1991; Kim & Brown, 2012; Lee, Jeon & Kim, 2011; Opperman, 2000; Prayag & Ryan, 2012; Sönmez & Graefe, 1998; Su, Hsu & Swanson, 2017; Yoon & Uysal, 2005) were used for clustering along with one attitudinal loyalty item. Parsimony with the latter was exercised since attitudes tend to be antecedal and complex. Overall visit satisfaction, though relatively simple, was initially considered despite potential cultural bias but rejected after the pilot study revealed strongly consistent high satisfaction, rendering this item unsuitable for sample differentiation. In contrast, the statement “I believe that the Maldives caters to the needs of Chinese tourists very well”, fulfillment of preferences being a dimension of satisfaction not found in the previous destination loyalty literature, avoids an explicit value judgement and perhaps for that reason did attract sufficient response diversity. Its subsequent inclusion in the clustering exercise was based also on its status as a service quality assessment that is culturally specific, extrapolated by each respondent to the target nationality, and amenable to management action based on details requested in the subsequent open-ended question, the content of which was content analysed using standard coding procedures to identify prominent themes. Because repeat travel to long-haul destinations is characterized by infrequency and long intervals between trips as well as greater uncertainty as to these time frames (Bianchi & Pike, 2011), no time stipulation was included in the revisitation item. All three statements were assessed on Likert-type scales ranging from 1 (“strongly disagree”) to 5 (“strong agree”).
Diversity of human behavior, including participation in tourism, necessitates consumer segmentation as a foundational practice in marketing research, the intention being to obtain an optimal compromise between population generalization and customization (Li et al., 2011). Given the exploratory nature of the research, hierarchical cluster analysis using Ward’s method with squared Euclidean distance was used to segment the sample on the basis of the above three loyalty items, since this is appropriate when there is no prior knowledge of the “correct” cluster number. Also, this method maximizes the similarities and differences within and between the clusters respectively (Fredline, 2012; Hennig et al., 2015). Statistical tests such as comparison-of-means or chi-squared were then used as warranted to identify significant differences between the cluster based on relevant independent variables. The questionnaire itself, incorporating minor refinements from the pilot study, was composed in English, translated into Chinese, and then back-translated into English by author team members fluent in both languages to maximize cross-lingual fidelity.

Limitations

Limitations that qualify the reliability and validity of the findings include the assignment of equal weight to the three clustering variables, even though it is likely that they contribute unequally in importance to the broader “loyalty” construct. Revisitation and recommendation intentions, moreover, are just that and do not necessarily presage future behavior, while the sample may not represent Chinese visiting adults to Maldives as a whole, but just those motivated to join a marketing panel. Another issue is the potential role of “face” in generating positive assessments of negative experiences so it does not appear as if the respondent made a bad destination choice (Kwek & Lee, 2015). Finally, while not a limitation as such, it may be that the potential Chinese visitor market to the Maldives and similar destinations is massive enough to render recommendations and repeat visits as unnecessary to ensure a robust ongoing intake.

Results

After almost four weeks of solicitation (18 February, 2018), 1,260 valid surveys were returned. The 60 extra responses were received after the company notified the authors that the budgeted amount allowed for additional responses. Overall findings of a high package component (70.0%), small group composition (44.5% and 23.0% in a group of two or three respectively; 2.8% solo), residency in a coastal province (74.1%), recent visitation (12.4% before 2013; 71.0% in 2015 or more recently), and youthful age structure (92.0% younger than
40) indicate the sample to represent the target population, although only the latter variable was
subsequently significant in differentiating the clusters. Gender (56.8% female) and province of
residence were also insignificant at the 95% confidence level. All positive overall were the
three clustering items of recommendation intention (4.22), revisit intention (4.04) and
agreement that Chinese visitors were well catered for (3.92) (Table 1). Revisitation and
recommendation, according to the open-ended comments, were based mainly on the quality of
the marine environment, peace and tranquility, and effective catering to Chinese market needs
and preferences.

A four-cluster solution was accepted based on cluster size, level of differentiation, and
interpretive logic. **Highly loyal** visitors (31.2%) score strongly on all three dimensions, and
significantly more so than the other clusters, while **loyal** visitors (37.1%) – the normative
segment – display moderately positive scores. Representative open-ended responses from
members of these clusters indicated the Maldives’ success in catering to the needs of Chinese
visitors with regard to accommodation quality, transport, local hospitality, local and Chinese
food, service quality, access to China, communication and scenery: ‘the tourist facilities were
adequate and the local people showed strong hospitality to Chinese tourists’, ‘the
accommodation and transportation were very convenient in Maldives and there were a lot of
delicious local snacks’, ‘the hotel provided high quality of service to Chinese tourists and we
could enjoy a very relaxed vocation in Maldives’, ‘the Maldives are not far away from China
and can be reached very easily’, ‘there were many Chinese staff in the hotel and I did not suffer
any communication barriers’, ‘I could at least have some Chinese food in Maldives, which
catered my needs well’, and the scenery in Maldives is so beautiful, I don't need any extra
service’.

Otherwise weakly positive **responsive-ambivalent** visitors (14.3%) are not sure if
Chinese visitors are well catered for, while **revisit-ambivalent** visitors (17.4%) only weakly
support the catering and recommendation statements while being unsure about their revisit
intentions. Negative comments from these clusters were far more infrequent and isolated, but
tended to implicate service deficiencies and incompatible price points: ‘the service provided to
Chinese tourists was not perfect’, ‘the price level in Maldives was unacceptable for Chinese
tourists’, ‘the food did not cater the taste of Chinese tourists’, ‘there was no warm drinking
water and no kettle in the hotel room’, ‘the credit card was not widely accepted and I did not
have enough cash to enjoy more leisure activities’, and ‘there were no shopping areas and the leisure and recreation activities were limited’. Younger visitors were more likely to be ambivalent, as were lower-income respondents, singles, those without children, students, those less aware that the Maldives is a Muslim country, and those who did not include the capital city of Male in their itinerary.

Discussion

In tandem with the broader literature, studies of Chinese loyalty to tourist destinations, including small warm weather islands (Sun, Chi & Xu, 2013), conventionally employ SEM to demonstrate correlations between overall satisfaction and behavioral loyalty as well as between a variety of other antecedents and satisfaction. Using the Maldives as a small island-state focus, this study uses cluster analysis to build on such results by dividing this population into distinct segments, since tourist behavior and attitudes are not uniform. Overall outcomes indicate that the Maldives have been effective in spawning a visitor loyalty effect in which those who have experienced the destination are willing to recommend it to others and to revisit, and agree that Chinese visitors are well catered for; expectations of an idyllic tropical island destination, accordingly, are largely met, while theoretical expectations of positive inter-variable correlation also seem likely. That recommendation intent is higher than revisit intent is unsurprising, since the former entails low risk and many Chinese consumers regard this kind of destination as an aspirational and reliably satisfying luxury experience and/or most suitable for a “one-off” rite of passage such as a honeymoon. Just slightly less positive assessments of culturally-specific catering satisfaction denote the Maldives moreover as largely successful in delivering idyllic experiences “with Chinese characteristics”.

The segmentation exercise, however, more insightfully engages the market resilience implications. Indicated is a loyalty spectrum anchored on one pole by a relatively small group of ambivalent and probable one-visit visitors constrained respectively by income and/or life event fulfilment (e.g. honeymoon). Lack of pre-trip information or induction may also have created unrealistic expectations for this minority of surveyed visitors about the availability of Chinese food, credit card services, and shopping opportunities in some resorts and on inhabited islands. Occupying the other pole, and constituting a much larger cohort, are somewhat older and wealthier (“high value”) visitors who, tellingly, tend to be more knowledgeable about the Maldives based on awareness of its Muslim identity and inclusion of the non-resort capital city of Male in their itinerary. It is widely assumed that the tropical small island destination experience is epitomized by the remote “unspoiled” island, and this is indeed provided by the
enclave resorts; however, the vernacular cultural landscape of the inhabited islands, with its associated imperfections and risks, seems to serve as a complementary component that creates a richer experience and enhanced loyalty outcome. This result may reflect broader findings, evident for example in cruising (Jones, 2011), that identify both relaxation and stimulation as important (though not necessarily concurrent) motivations within the same leisure visit, the former being satisfied more by exposure to culture, and the latter more by exposure to nature. Small islands such as the Maldives, therefore, need to provide isolation as well as cultural and social exposure to meet both motivations. Reciprocal education and awareness programs, however, are also recommended to ensure that residents and Chinese visitors both find such interactions to be satisfying, since even one well-publicized negative incident such as a terrorist attack or less extreme anti-tourist incident can significantly affect market sentiments and intentions, at least in the short term (Shakeela & Weaver, 2012). Especially given recent stabilization in Chinese inbound numbers, the expansion of Chinese language, culture and food provision in Male and other inhabited islands is also warranted.

Whether or not the Maldives and other small tropical island-states can therefore enhance their resilience and avoid life cycle stagnation or decline through market diversification and the establishment of enduring loyalty among strategic new markets, several peculiarities of the resultant bilateral relationships give pause as to what can be realistically attained. Small island-states have shown initiative and innovation in cultivating the new Chinese market, but such efforts are not risk-free given the Chinese government’s tendencies to harness outbound tourism as a form of diplomacy (Tse, 2013). While clearly benefiting the small island economy, China itself also benefits not just through the satisfaction of new consumer demands and enhanced quality of life, but from successfully projecting its soft power into geopolitically strategic regions (Lanteigne, 2012). Strong bilateral relations with small islands, attained at minimal cost, can therefore help to secure vital trade routes, (with for example 30% of China’s international sea trade moving through the Indian Ocean close to the Maldives (Khurana, 2008)), gain preferential access to fishing and other resources within disproportionately large Exclusive Economic Zones, and win diplomatic support in international forums such as the United Nations. In the case of the Maldives, continuing integration into China’s sphere of influence is evidenced by the formalization of a free trade agreement in 2017 and a concurrent memorandum of understanding to bring the Maldives into the Maritime Silk Road (MSR) component of China’s Belt and Road initiative. According to CIIS (2016), Maldives as of 2016 was already considered part of the MSR, which proclaimed
the ambition of achieving full connectivity with China through Chinese investment in local infrastructure.

Growing dependence on China, moving beyond opportunistic flirtations intended in some cases to reignite broader Western interest in former small island colonies (Henderson & Reilly, 2003), can be costly however if perceived circumstances compel China to exert “harder” power projections. This was demonstrated in 2018 when the Chinese government “punished” Palau for continuing to recognize Taiwan by withdrawing permission for its nationals (almost one-half of the total intake) to visit there, causing a major crisis for the local tourism industry at minimal concurrent cost to China. Assumptions about freedom of movement that underpin conventional understandings of destination loyalty and its benefits must therefore be qualified when China is implicated as a major country of visitor origin. In a panarchical context, this equates with unstable internal controllability, one of the three critical factors for attaining and maintaining resilience (Holling, 2001). As stated succinctly by Han and Cheer (2018, p. 166), “Chinese outbound tourism is partly influenced by market forces, [but] it is still ultimately under the control of the state and this maintains a situation where outbound visitation can be somewhat unpredictable and prone to wider bilateral political contexts.” Accordingly, new bottom-up short-term cycle dynamics may be merited to cultivate yet newer markets, ensuring that the Chinese share of inbound tourism does not reach a critical mass capable of inducing an economic crisis should China choose to exercise a Palau-like hard power decision.

A strong candidate for such strategic cultivation is India, with its spatial proximity, traditionally strong bilateral cooperation, large market, and robust outbound tourism growth which in the context of Burton’s (1995) model situates the country in a similar stage as China in the early 2000s. In 2017, India with 61,931 arrivals was the fifth largest origin country (Ministry of Tourism, 2018). From an Indian perspective, the desire to prevent an even deeper entrenchment of Chinese interests in the Maldives may incentivize its cooperation in such cultivation. For the Maldives, a strategy of maintaining a robust flow of Chinese visitors, but not being reliant upon this market, would be consistent with its prior pattern of actions to maintain its resilience. A final discussion point concerns the relevance of these findings and speculations to similar tourism-intensive but subnational island entities such as Hawaii and Okinawa. There is good reason to suppose that the loyalty findings derived from independent island-states such as the Maldives would pertain similarly, but supply-side dynamics indicate structural constraints that inhibit locally derived options for resilience innovation. Specifically, local authorities do not have “gateway” powers to decide who can and cannot visit, they have
limited authority to negotiate tourism-related initiatives with other countries, and uncontrolled flows of domestic tourists can compensate for disruptions in foreign traffic.

Conclusion

Investigations of destination loyalty in bilateral contexts involving large countries of visitor origin and small island states, or the “mighty and the micro” (Henderson & Reilly, 2003, p. 94), are inherently asymmetrical, so that the potential decisions of governments representing the former to restrict the access of its citizens to the latter can almost instantly appear to obliterate years of effort to cultivate collective destination loyalty among those consumers, while concurrently inducing sudden and serious disruption to the destination life cycle and local economy. Yet, that effort could still be rewarded if the loyalty remains dormant and is manifested once again in revisitations and recommendations if and when such government decisions are rescinded. The investigation of consumer intentions in the context of such scenarios would be an innovative topic for follow-up research. This focused research provides a foundation for future investigations into the Chinese tourist engagement with the Maldives, as for example through expanded participant characteristics such as travel frequency and psychographic profile, the role of key opinion leaders (KOLs) in stimulating consumer interest in the archipelago, and pre-trip booking and on-site activity patterns including the use of social media. For the two conative variables, future research can investigate the speculative time frames for intended revisitation, and the means (e.g., WOM or eWOM) and timing (e.g., during or after trip) for recommending the Maldives to other Chinese.

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Table 1. Cluster outcomes and differentiation by significant variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Overall (n=1260)</th>
<th>1. Highly loyal (n=393)</th>
<th>2. Loyal (n=468)</th>
<th>3. Cater-ambivalent (n=180)</th>
<th>4. Revisit-ambivalent (n=219)</th>
</tr>
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<tbody>
<tr>
<td>Caters to Chinese</td>
<td>3.92</td>
<td><strong>4.48</strong></td>
<td>4.01</td>
<td>2.83</td>
<td>3.64</td>
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<tr>
<td>Revisitation</td>
<td>4.04</td>
<td><strong>4.88</strong></td>
<td>3.97</td>
<td>3.69</td>
<td>2.95</td>
</tr>
<tr>
<td>Recommendation</td>
<td>4.22</td>
<td><strong>4.70</strong></td>
<td>4.19</td>
<td>4.08</td>
<td>3.53</td>
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<tr>
<td><strong>Age (χ²=48.9, p&lt;.006)</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% 18-25</td>
<td>18.4</td>
<td>14.5</td>
<td>17.9</td>
<td>20.6</td>
<td>24.7</td>
</tr>
<tr>
<td>% 26-30</td>
<td>33.6</td>
<td>35.6</td>
<td>33.5</td>
<td>33.9</td>
<td>29.7</td>
</tr>
<tr>
<td>% 31-35</td>
<td>27.5</td>
<td>29.8</td>
<td>26.7</td>
<td>26.1</td>
<td>26.0</td>
</tr>
<tr>
<td>% 36-40</td>
<td>12.5</td>
<td>13.5</td>
<td>13.9</td>
<td>10.6</td>
<td>9.6</td>
</tr>
<tr>
<td>% &gt;40</td>
<td>8.0</td>
<td>6.7</td>
<td>7.9</td>
<td>9.0</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>Monthly household income (χ²=52.3, p&lt;.001)</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>% &lt;10,000 RMB</td>
<td>10.0</td>
<td>6.9</td>
<td>9.0</td>
<td>13.9</td>
<td>14.6</td>
</tr>
<tr>
<td>% 10,001-14,999 RMB</td>
<td>22.3</td>
<td>18.8</td>
<td>22.0</td>
<td>24.4</td>
<td>27.4</td>
</tr>
<tr>
<td>% 15,000-19,999 RMB</td>
<td>25.3</td>
<td>22.9</td>
<td>25.2</td>
<td>28.9</td>
<td>26.9</td>
</tr>
<tr>
<td>% 20,000-24,999 RMB</td>
<td>17.2</td>
<td>18.6</td>
<td>19.9</td>
<td>11.7</td>
<td>13.7</td>
</tr>
<tr>
<td>% 25,000-29,999 RMB</td>
<td>9.9</td>
<td>10.7</td>
<td>11.3</td>
<td>9.4</td>
<td>5.9</td>
</tr>
<tr>
<td>% 30,000-34,999 RMB</td>
<td>5.2</td>
<td>7.9</td>
<td>5.1</td>
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<tr>
<td>% 35,000+ RMB</td>
<td>10.1</td>
<td>14.2</td>
<td>7.5</td>
<td>9.4</td>
<td>8.7</td>
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<tr>
<td><strong>Marital status (χ²=36.0, p&lt;.001)</strong></td>
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<td></td>
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</tr>
<tr>
<td>% single</td>
<td>25.8</td>
<td>18.1</td>
<td>26.9</td>
<td>32.2</td>
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<td>% married</td>
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<td>69.2</td>
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<td><strong>Children in household (χ²=36.8, p&lt;.001)</strong></td>
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<td>None</td>
<td>39.4</td>
<td>32.6</td>
<td>37.8</td>
<td>47.2</td>
<td>48.4</td>
</tr>
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<td>1</td>
<td>46.2</td>
<td>52.9</td>
<td>48.9</td>
<td>36.1</td>
<td>36.5</td>
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<td>2</td>
<td>10.2</td>
<td>11.5</td>
<td>9.8</td>
<td>10.6</td>
<td>8.7</td>
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<td><strong>Employment status (χ²=26.5, p&lt;.009)</strong></td>
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<td>% full-time</td>
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<td>91.1</td>
<td>88.9</td>
<td>89.4</td>
<td>80.8</td>
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<td>% student</td>
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<td>4.6</td>
<td>4.5</td>
<td>7.2</td>
<td>10.0</td>
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<tr>
<td><strong>Awareness that Maldives is Muslim (χ²=39.9, p&lt;.001)</strong></td>
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<tr>
<td>Yes</td>
<td>69.4</td>
<td>79.6</td>
<td>69.2</td>
<td>55.6</td>
<td>63.0</td>
</tr>
<tr>
<td><strong>Travel to capital of Male (χ²=14.5, p&lt;.002)</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Yes</td>
<td>52.5</td>
<td>60.3</td>
<td>49.8</td>
<td>47.2</td>
<td>48.4</td>
</tr>
</tbody>
</table>

1 Bolded and underlined means, respectively, are significantly higher and lower than other clusters at p<.001
Figure 1. The Maldives: International Arrivals 2002-2017

Figure 2. Maldives arrivals by selected country, 2002-2017