## The Role of Functional and Wellness Values in Visitors' Evaluation of Spa Experiences

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### Abstract:

By responding to the current emphasis on health and wellness in modern society, the spa industry has experienced a rapid growth in the last two decades. To understand the determinants of revisitation and long-term attitudinal loyalty, this study investigated how visitors perceive the potential value of spa experiences. The purpose of this study was to examine the role of two distinct dimensions of perceived value (functional and wellness values) in spa visitors' decision-making process for future behavior. Based on the framework of "quality-perceived value-satisfaction-behavioral intention", a field survey was conducted to test the mediating role of functional and wellness values in the case of Jinan Red Ginseng Spa located in South Korea. The findings provide further information to explain the underlying mechanisms for increasing spa visitors' behavioral intention to revisit and recommend.

Keywords: spa | health tourism | functional value | wellness value | behavioral intention

### Article:

### Introduction

Given the emphasis on well-being in modern society, people place a significant value on the improvement of their health and wellness when participating in travel and leisure activities (Gill & Bedini, 2010). From the earliest forms of tourism in Europe (e.g. visiting spas and sea bathing in the 1500s), touristic experience has been inherently tied with a potential to increase an individual's well-being. One of the most popular, and ancient, forms of health tourism takes places in spas (or hot springs). A spa is defined as "a health resort with a variety of core products and services related to the use of mineral springs or thermal baths, and a set of ancillary recreation and lodging facilities designed to appeal to the special interest tourists" (Williams, Andestad, Pollock, & Dossa, 1996, p. 12). Spas are a common destination for health tourism designed to enhance visitors' physical, mental, social, and spiritual health and wellbeing (Lin,

2013). To fulfill various needs for health tourists, modern spas have been developed to offer professional services such as esthetic treatment, therapeutic massage, and medical care.

In the last two decades, the spa industry has experienced rapid growth by attracting visitors for both medical and leisure purposes (ErfurtCooper & Cooper, 2009). There were more than 80,000 spas worldwide generating US\$60.3 billion in 2010 and the number of spas has been swiftly growing at an annual rate of 8–10% (Mintel, 2011). Recent studies have provided distinctive perspectives on this revival of spa tourism. First, the popularity of spa tourism is geographically broad. Rapid growth of spa tourism has been well documented in Europe (Kapczynski & Szromek, 2007; Snoj & Mumel, 2002), North America (McNeil & Ragins, 2004), South America (Williams et al., 1996), and Asia (Knight, 1996; Sayili, Akca, Duman, & Esengun, 2007). Second, various types of spa destinations have been developed in terms of size and quality. For example, there are not only luxury spa resorts for a limited number of high-end users, but also large-scale spa facilities for budget travelers and local people. Third, by incorporating unique themes (e.g. thermal water, exotic massage, doctor fish, and herbal food) into spa facilities and programs, spa destinations have positioned themselves to attract particular target markets seeking either therapeutic and medical needs (Sayili et al., 2007), esthetic treatments (Yu & Ko, 2012), or entertainment uses (Williams et al., 1996).

Responding to the renaissance of spa tourism and its popularity, there is an interesting question to ask: What makes people continue engaging in spa tourism? In the literature on service marketing and tourism, the framework of "quality-perceived valuesatisfaction-behavioral intention" has been widely used to explain a decision-making process of touristic experiences for future behavior (Cronin, Brady, & Hult, 2000; Lee, Lee, & Choi, 2011). By proposing the mediating role of perceived value in the framework, researchers have suggested that people tend to repeatedly participate in a certain activity when they feel that the participation is valuable (Lee, Yoon, & Lee, 2007; Lee et al., 2011). Related to lifestyle choice, prevention of illness, and health awareness, spas are known to have value for improving visitors' well-being (ErfurtCooper & Cooper, 2009; Lin, 2013). It is especially true in East Asian countries where people have been traditionally enjoying spas; and recently even more people are getting involved in spa tourism for esthetic and well-being purposes (Erfurt-Cooper & Cooper, 2009; Lee, Ou, & Huang, 2009).

As the number of spas rapidly increases, spa tourism becomes progressively more competitive (Erfurt-Cooper & Cooper, 2009; Mintel, 2011). Because of increased competition, spa managers strive to maintain an optimum number of visitors and promote revisitation using successful management strategies. To understand the determinants of revisitation and long-term attitudinal loyalty, this study investigated how visitors perceive the potential value of spa experiences. More specifically, this study attempted to articulate the dimensionality of perceived value to reflect the context of spa and health tourism. Many researchers (Gronroos, 1997; Petrick & Backman, 2002; Sweeney & Soutar, 2001) have suggested that perceived value is a multi-dimensional concept (i.e. functional, monetary, reputational, and emotional), but little research has been conducted on the wellness value associated with physical, mental, and social health benefits from spa experiences. Given that spa tourism tends to attract health-conscious visitors (Carrera & Bridges, 2006; Goodrich & Goodrich, 1987), wellness value can be considered to have profound effects on visitors' future behavior. Therefore, the purpose of this study was to delve into the

dimensionality of perceived value with functional and wellness values in a spa experience and examine its role in visitors' evaluation process. In this study, functional value is defined as spa visitors' cognitive trade-off between the costs and benefits, whereas wellness value represents their perception about the improvement of mental and physical health. Examining the mediating role of functional and wellness values, a research model was developed to investigate the relationships between quality, perceived value, satisfaction, and behavioral intention, particularly in the case of Jinan Red Ginseng Spa in South Korea (hereafter "Korea").

# **Literature Review**

## Spa and Health Tourism

A spa refers to a facility to promote overall well-being by revitalizing physical, mental, and spiritual health through various professional services (International Spa Association, 2012). From a historical perspective, the curative effects of spas, including thermal water and hot springs, have been recognized as a main force to encourage the emergence of tourism in Europe among noble and royal families (Towner & Wall, 1991). Given that the core elements of spa programs and services are based on the improvement of users' health status, spas have been recognized as a destination for health tourism.

Health tourism is defined as "the organized travel outside one's local environment for the maintenance, enhancement or restoration of an individual's well-being in mind and body" (Carrera & Bridges, 2006, p. 449). Depending on the use of core products and services offered, health tourism consists of two different types of tourism: medical tourism and wellness tourism (Smith & Puczko, 2009). Medical tourism refers to the act of traveling to receive specialized medical treatments and care services for improving patients' health (Yu & Ko, 2012). Wellness tourism is "a holistic mode of travel that integrates a quest for physical health, beauty, or longevity, and/or a heightening of consciousness or spiritual awareness, and a connection with community, nature, or the divine mystery" (Bushell & Sheldon, 2009, p. 11). Although spas have been historically developed as a destination for medical tourism, modern era spas have been more largely influenced by the wellbeing movement and aim to fulfill tourists' needs for both medical and wellness tourism (Spivack, 1998).

There is a trend across various types of spas to explicitly address the aspect of well-being for physical and mental health either by specializing facilities and programs for wellness tourism or by adding a wellness component to the existing spa facilities for medical tourism. McNeil and Ragins (2004) argued that many spa destinations in the USA have been specialized for cosmetic treatment, fitness, and relaxation, rather than medicinal use. Kapczynski and Szromek (2007) proposed that transforming traditional spa products (e.g. the balneological procedures) into new products (e.g. biological and cosmetic renewal, cardiological programs, and prophylactic facilities) elicited the rebirth of spa tourism in Poland. Similarly, Sayili et al. (2007) illustrated another example of incorporating wellness and entertainment elements into healing treatment methods of spa facilities in Kangal Fish Spring, Turkey. By emphasizing the aspect of wellness from a unique natural resource of doctor fish known to cure psoriasis, the authors argued that the spa has become an international destination for health tourism.

### Functional and Wellness Values

From psychological and marketing perspectives, perceived value has been considered a central construct to understand how consumers' evaluation of using products and services influences customer satisfaction and loyalty. Zeithaml (1988) conceptualized perceived value within a utilitarian perspective and defined it as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (p. 14). More recently, other researchers have suggested that perceived value encompasses more than just a monetary value; social, emotional, reputational, and non-monetary values have been conceptualized in various tourism settings (Gronroos, 1997; Lee, Lambert, & Law, 2012; Petrick & Backman, 2002; Sweeney & Soutar, 2001).

Based on the multi-dimensional approach to perceived value, this study investigated two aspects of health tourism in regard to functional valuation and wellness. In terms of functional value, the perception of utilitarian benefits compared to what they invest in plays an important role in the evaluation of health and medical products and services, which often require high costs (Connell, 2006; Goodrich & Goodrich, 1987). Particularly in the spa industry, it is a noticeable phenomenon that luxurious and expensive spa facilities and programs have been developed to meet tourists' demands of advanced treatments and specialized services for health and beauty (Alonso-A´ lvarez, 2012; Spivack, 1998). In their multi-dimensional model of perceived value (PERVAL), Sweeney and Soutar (2001) proposed that functional value represents the utilitarian assessment about touristic experience/performance and monetary value for the price. This study operationalized functional value as the degree to which spa visitors perceive the benefits of spa products, services, and programs on the basis of the monetary cost.

More importantly, the current popularity of spa tourism is closely related with the growing interest in the values of health and wellness. This study articulated wellness value as one dimension of perceived value in a sense that spa visitors and health tourists are health-conscious consumers to the extent that they expect to achieve health benefits from their touristic experiences (Carrera & Bridges, 2006; Goodrich & Goodrich, 1987; Lin, 2013). For instance, the essential messages portrayed in current marketing strategies of modern spas emphasize the efficacy of spa experiences for improving users' psychological and physical health (White, 2012). In the case of the Mexican spa tourism market, Williams et al. (1996) found that visitors' experiences in health tourism were somewhat different from other touristic experiences based on their expectation for wellness components in touristic experiences. Thus, given the unique characteristics of health tourism, it is critical to consider not merely functional, but also wellness aspects of perceived value among spa users. As wellness is regarded as an active process of achieving well-being (Gill & Bedini, 2010) and an integrated entity of body, mind, and spirit (Myers, Sweeney, & Witmer, 2000), wellness value is closely related to an individual's responses to the experience of mental and physical health. Considering the expectation of healthconscious tourists consuming products and services in health tourism, the improvement of physical, emotional, and cognitive well-being is a substantial outcome of health tourism (Carrera & Bridges, 2006; Smith & Puczko, 2009). In this study, wellness value was operationalized to reflect the degree that an individual's subjective and perceptual evaluation agrees with achieving physical and mental health benefits from spa experiences.

#### **Evaluation Process of Spa Experience**

To understand the impact of functional and wellness values on spa visitors' behavioral intention to revisit and recommend, it is necessary to investigate the process of evaluating spa experiences. According to Bagozzi's (1992) "appraisal-emotional-coping" framework, there is a sequential process of cognitive evaluation, affective response, and behavioral intention when people evaluate their experience with a product or service. Quality, perceived value, and satisfaction have been considered as three experiential components of a given service and/or product that are useful to predict consumers' behavioral intent to reuse and recommend. Quality is the principal antecedent of perceived value, which leads to satisfaction and behavioral intention (Cronin et al., 2000; Lee, Lee, Lee, & Babin, 2008; Lee et al., 2011).

As the evaluation of excellence or superiority of various attributes of a service/product (Zeithaml, 1988), quality has been treated as a multidimensional construct (Brady & Cronin 2001; Parasuraman, Zeithaml, & Berry, 1985). Spas have the multifaceted aspects of tangible and intangible resources such as physical, health, social, regulatory, psychological, and business environments (Cooper, 2009). Using the SERVQUAL model in the Slovenian spa industry, Snoj and Mumel (2002) listed 23 specific spa quality components under five overarching dimensions: tangibles, reliability, responsiveness, assurance, and empathy. In many empirical studies, these dimensions of quality have been modified to reflect the environments of a study setting (Lee et al., 2011; Yoon, Lee, & Lee, 2010). To capture the environment of the Jinan Red Ginseng Spa, this study identified four general quality dimensions (i.e. spa facility, spa program, staff, and uniqueness) to consider and incorporate the environmental aspects of spa experience (see the study setting section for more information).

A positive relationship between quality and perceived value has been supported in the literature (Cronin et al., 2000; Lee et al., 2011; Yoon et al., 2010). For instance, Cronin et al. (2000) examined the interrelationship between quality, perceived value, satisfaction, and behavioral intention across various service fields (spectator sports, participant sports, entertainment, healthcare, long distance carriers, and fast food). By conceptualizing the unidimensionality of quality, their results revealed a consistent pattern supporting a significant direct effect of quality on perceived value. Further, to reflect the unique characteristics of each tourism setting, Yoon et al. (2010) supported that multiple dimensions of festival quality, including tangible and intangible aspects (e.g. informational service, program, souvenir, food, and facility), were significantly associated with perceived festival value. Particularly examining the distinctive role of functional and emotional values, Lee et al. (2011) found that several festival quality dimensions (e.g. festival program, convenient facility, and natural environment) had significant effects on functional and emotional values. Considering the context of spa tourism in the given research setting, this study proposed a positive relationship between spa quality dimensions (i.e. spa facility, spa program, staff, and uniqueness) and functional and wellness values in the following hypotheses:

H1a. Spa facility is positively associated with functional value.

H1b. Spa facility is positively associated with wellness value.

H2a. Spa program is positively associated with functional value.

H2b. Spa program is positively associated with wellness value.

H3a. Staff is positively associated with functional value.H3b. Staff is positively associated with wellness value.

H4a. Uniqueness is positively associated with functional value.

H4b. Uniqueness is positively associated with wellness value.

As the substantial indicators of high retention of customers and a long-term attitudinal loyalty, satisfaction and behavioral intention are the primary concerns in the consideration of monetary, social, and emotional value of a tourism product/service (Sweeney & Soutar, 2001; Ye, Qiu, & Yuen, 2012). Building on the consumers' subjective perception of various quality attributes, satisfaction represents the overall evaluation of their experience with a good or service over time (Anderson & Sullivan, 1993). On the other hand, known as the strongest predictor of actual behavior (Fishbein & Ajzen, 1975), behavioral intention is conceptualized to capture visitors' future behaviors. In terms of service and tourism products, behavioral intention has been measured with (a) intent to revisit or reuse, (b) positive word-of-mouth, and (c) recommendation to others (Zeithaml, Berry, & Parasuraman, 1996).

Empirical studies have supported that perceived value mediates the effect of quality on both satisfaction and behavioral intention (Cronin et al., 2000; Lee et al., 2007, 2011). Across various service settings, Cronin et al. (2000) consistently found that there was a substantial direct effect of perceived value on both satisfaction and behavioral intention. In particular, tourism researchers have proposed that multiple dimensions of perceived value are strongly associated with satisfaction and behavioral intention. In the context of the Korean demilitarized zone, Lee et al. (2007) supported that three dimensions of perceived value (functional value, emotional value, and overall value) were significantly related to tourists' satisfaction and recommendation. Similarly, Lee et al. (2011) investigated the relation of functional and emotional values with satisfaction and behavioral intention in a nature-based festival. They found that although both had a significant effect, emotional value was more strongly related to visitors' satisfaction than functional value. Also, in terms of behavioral intention, only emotional value had a significant direct effect. Considering the consistent findings in previous studies, this study hypothesized positive relationships of functional and wellness values in spa experiences with visitors' satisfaction and behavioral intention:

H5a. Functional value is positively associated with satisfaction.

H5b. Wellness value is positively associated with satisfaction.

H6a. Functional value is positively associated with behavioral intention.

H6b. Wellness value is positively associated with behavioral intention.

The positive association between satisfaction and behavioral intention is well established in previous literature on service marketing and tourism (Baker & Crompton, 2000; Cronin et al., 2000; Petrick. 2004). For instance, Cronin et al. (2000) found that satisfaction was the strongest predictor for consumers' behavioral intention to repurchase and to recommend. Also, Petrick (2004) found a significant direct effect of satisfaction on behavioral intention on a cruise tour.

Thus, this study also proposed that visitors' satisfaction in spa experience will increase their behavioral intention to revisit and recommend as stated in this hypothesis:

H7. Satisfaction is positively associated with behavioral intention.

Based on the hypotheses, a research model is proposed in Figure 1.

# Method

## Study Setting

To examine the role of functional and wellness values in the evaluation of spa experience, a field survey was conducted in the Jinan Red Ginseng Spa located in Jinan-gun, Jeollabukdo, Korea. Red Ginseng Spa is a resort that was established in February 2010 by the local government for the purpose of promoting a local product (i.e. red ginseng). Similar to other spa tourism destinations, Red Ginseng Spa provides various experiences with core spa facilities and programs. The layouts and programs of the spa were designed to reflect the overarching theme of health and cosmetic benefits. A unique aspect of the spa is that the quality of water was improved by adding red ginseng powder or concentrate.

The facilities consist of two parts for the spa experience (a spa complex) and accommodation (26 guest rooms and 8 meeting rooms). The majority of visitors are non-residents and the core spa experience is based on a day course in the spa complex. The spa complex has a capacity of 100–150 maximum visitors per set. Including diverse spa facilities (e.g. indoor and outdoor pools, meditation tent, and massage rooms) and specialized programs (e.g. red ginseng bubble massage, stone massage, and herb therapy), the whole spa experience takes about 3–6 hours and costs about US\$35 per person. Considering the small size of the county, this spa has been successful to attract about 300 visitors per day.

# Measurement

A self-administered survey questionnaire was designed to measure visitors' socio-demographic characteristics and the eight latent constructs of experience components (four quality dimensions, two perceived values, satisfaction, and behavioral intention; Table 1). Following Churchill's (1979) recommendation, each latent construct was measured with multiple items using five-point Likert scales anchored from strongly disagree (1) to strongly agree (5). Initially, a comprehensive list of 29 items was generated from previous literature on quality, perceived value, satisfaction, and behavioral intention. To ensure that the questionnaire reflected the environment of Red Ginseng spa, researchers visited and fully experienced the whole spa facilities and programs. Then, two external academic researchers and two spa industry experts (managers in the Red Ginseng spa) were invited to check the content validity of the preliminary items. Based on the managers' suggestions, several items of quality dimensions were modified to reflect the unique aspects of the research setting (e.g. the addition of red ginseng improves the quality of water or this spa uses natural organic ingredients in many spa facilities). Detailed feedback was collected for the fluency of wording, the sequence of items, flow, and length. Also, a pretest was conducted on 10 graduate students to finalize the list of items.

wording of 6 items and adding 2 items, 31 items were eventually used for the eight latent constructs (Table 1).



Figure 1 Proposed Research Model.

The measures for quality dimensions were developed to reflect both the tangible (e.g. spa facility) and intangible environment (e.g. spa program) of the spa complex, particularly focusing on visitors' core spa experience in a day course. Based on the previous literature on the multiple quality dimensions of touristic experiences (Lee et al., 2008, 2011) and the discussion with the spa managers, four quality dimensions (spa facility, spa program, staff, and uniqueness) were identified. Spa facility was measured with three items (e.g. "The water quality of Red Ginseng Spa was excellent") and spa program was measured with four items (e.g. "The spa programs in Red Ginseng Spa were well organized"). Similarly, both staff (e.g. "The staff was kind") and uniqueness (e.g. "The concept of Red Ginseng Spa was unique") were measured with four items.

In terms of perceived value, five items (e.g. "Considering the cost, Red Ginseng Spa provided a lot of benefits") were derived from Lee et al. (2011) to measure functional value. The measure for wellness value was developed based on the literature on health and wellness (Gill & Bedini, 2010; Myers et al., 2000) to capture an individual's perception about the positive impact of an activity or experience on the integrated entity of mental and physical health domains. Thus, four items (e.g. "Red Ginseng Spa had a beneficial value for my health") were used to measure the individual's subjective evaluation about the achievement of well-being in terms of body, mind, and spirit from the spa experience. Satisfaction was measured with three items revised from Oliver (1997). Finally, visitors' behavioral intention to revisit and to recommend was measured with four items revised from the loyalty subset of behavioral intention scale (Zeithaml et al., 1996).

# Data Collection

Three well-trained graduate students conducted an on-site intercept survey for the individual visitors of the Red Ginseng Spa. To obtain a representative sample, a systematic sampling approach was used in the data collection process. Visitors on weekdays and weekends were included by conducting a survey for five days from 5-9 August 2010. At the exit of the spa, every fifth visitor was asked to participate. If the fifth visitor did not elect to participate, field researchers asked the next person and then the next fifth visitor from the person who was invited.

Among 378 visitors, 334 agreed to participate (response rate: 88.36%). Seventeen cases were excluded because of a large portion of missing and insincere responses, leaving 317 cases for the final analysis.

Factors	FL	t-Value	SE
Spa facility ( $\alpha = .81$ )			
SF1: Spa facilities were well maintained	.68	NA	NA
SF2: The water quality of Red Ginseng Spa was excellent	.72	10.63	.10
SF3: The quality of the spa was good by using natural organic ingredients	.80	11.45	.10
Spa program ( $\alpha = .87$ )			
PR1: The programs in Red Ginseng Spa were varied	.77	NA	NA
PR2: The programs in Red Ginseng Spa were well managed	.74	13.52	.07
PR3: The spa programs in Red Ginseng Spa were well organized	.87	16.13	.07
PR4: The spa programs in Red Ginseng Spa were funny	.80	14.76	.07
Staff ( $\alpha = .90$ )			
ST1: I liked the services of the staff	.86	NA	NA
ST2: The staff was kind	.94	22.84	.05
ST3: The staff was willing to help	.85	19.43	.05
ST4: The staff was knowledgeable about spa facilities and programs	.68	13.87	.06
Uniqueness ( $\alpha = .88$ )			
UN1: The concept of Red Ginseng Spa was unique	.82	NA	NA
UN2: I enjoyed a unique experience in Red Ginseng Spa	.86	17.62	.06
UN3: The concept of Red Ginseng Spa was specialized from other spas	.85	17.38	.06
UN4: The experiences of Red Ginseng Spa cannot be experienced in other	.70	13.49	.07
spas			
Functional value ( $\alpha = .89$ )			
FV1: Visiting Red Ginseng Spa was economical	.75	NA	NA
FV2: Considering the cost, Red Ginseng Spa provided a lot of benefits	.82	14.55	.07
FV3: Red Ginseng Spa offered a better value for the money than other spas	.79	13.99	.07
FV4: The value of Red Ginseng Spa exceeded travel expense	.75	13.21	.07
FV5: Visiting Red Ginseng Spa was affordable	.80	14.07	.07
Wellness value ( $\alpha = .90$ )			
WV1: Red Ginseng Spa had value for improving my quality of life	.84	NA	NA
WV2: Red Ginseng Spa had beneficial value for my health	.84	18.13	.05
WV3: Visiting Red Ginseng Spa evoked energy for living	.85	18.50	.05
WV4: Visiting Red Ginseng Spa relieved my tension	.78	16.28	.05
Satisfaction ( $\alpha = .89$ )			
SA1: I am satisfied with my decision to visit Red Ginseng Spa	.82	NA	NA
SA2: On the whole, I am happy with Red Ginseng Spa	.90	19.60	.05
SA3: Overall, I am satisfied with Red Ginseng Spa	.87	18.47	.05
Behavioral intention ( $\alpha = .93$ )			

Table 1 Results of Confirmatory Factor Analysis

Factors	FL	t-Value	SE
BI1: I will prioritize Red Ginseng Spa over other spas when deciding whether to visit	.83	NA	NA
BI2: I will keep visiting Red Ginseng Spa	.86	18.96	.05
BI3: I will recommend Red Ginseng Spa to my friends and neighbors	.91	20.91	.05
BI4: I will spread positive word of mouth about Red Ginseng Spa	.90	20.29	.05

Notes: FL, factor loading and SE, standard error for unstandardized coefficients; All factor loadings are significant at the level of .05; *t*-Values for parameters fixed at 1.0 for identification purposes were not available (NA); Goodness-of-fit ( $\chi^2 = 857.723$ , df = 406, p < .01; RMSEA = .059, 90% CI = .054-.065; CFI = .939; SRMR = .046; NNFI = .930).

Each study participant reported their demographic characteristics. There were slightly more female respondents (54.3%) than males (45.7%). The most prevalent age categories were 30–39 years (26.4%), followed by 40– 49 years (22.8%) and 50–59 years (22.8%). Respondents had a relatively high educational level with 72.7% graduating from a 2-year or 4-year college. More than half of respondents' monthly income was either US\$2,000–3,999 (35.2%) or US\$4,000–5,999 (22.5%). In terms of marital status, more respondents were married (71.7%) than single (28.3%). The majority of respondents were accompanied by either family (63.3%) or friends (31.6%). Also, there were more first-time visitors (88.5%) than repeat visitors (11.5%).

## Results

# Testing for Measurement and Structural Models

The data for this study were analyzed using SPSS 19.0 and AMOS 19.0. To begin the analysis, data were screened for missing values. Since less than 5% of the data were missing (0.3 - 1.3%) and the missing values were not related to other variables based on Little's MCAR test (p . .05), there were no serious problems caused by missing values (Tabachnick & Fidell, 2007). An expectation-maximization procedure was performed in SPSS to account for missing values. As shown in Table 1, multiple-item reliability for all constructs (Cronbach's a <sup>1</sup>/<sub>4</sub> .81 –.93) demonstrated good reliability above .70 (Nunnally, 1978). To test the hypotheses, a two-step approach was adopted. A measurement model was examined, and a structural equation model was then constructed to test the proposed structural relationships among latent constructs.

First, confirmatory factor analysis was conducted to test the measurement model with eight latent variables. The Chi-square statistic (x 2 ¼ 857.723, df ¼ 406, p , .01) for the measurement model was significant. However, since Chi-square is largely influenced by sample size, other practical fit indices were considered. Based on these fit indices (RMSEA ¼ .059, 90% CI ¼ .054 – .065; CFI ¼ .939; SRMR ¼ .046; NNFI ¼ .930), we concluded that the measurement model had an acceptable level of model fit (Hu & Bentler, 1999). All standardized factor loadings (l ¼ .68 – .94) were statistically significant. By showing high convergent validity, the average variance extracted (AVE) for each latent variable was greater than .51 (Table 2). In terms of discriminant validity, each latent construct had a higher value of AVE than the square of the correlation between corresponding inter-constructs (Fornell & Larcker, 1981).

Second, the structural model was conducted to test the proposed hypotheses. This model also had a good model fit (x  $2\frac{14}{909.414}$ , df  $\frac{14}{415}$ , p, .01; RMSEA  $\frac{14}{.061}$ , 90% CI  $\frac{14}{.056-.067}$ ; CFI  $\frac{14}{.061}$ 

.933; SRMR <sup>1</sup>/<sub>4</sub> .050; NNFI <sup>1</sup>/<sub>4</sub> .925). The explained variance in endogenous variables was 51% for functional value, 65% for wellness value, 68% for satisfaction, and 75% for behavioral intention.

# Hypothesis Testing

By examining direct and indirect effects among the latent variables, the proposed hypotheses were tested (Figure 2). In the relationships between four quality dimensions and functional and wellness values, the spa facility positively influenced both functional value (g11 <sup>1</sup>/<sub>4</sub> .53, t <sup>1</sup>/<sub>4</sub> 3.51) and wellness value (g21 <sup>1</sup>/<sub>4</sub> .36, t <sup>1</sup>/<sub>4</sub> 2.98), which is consistent with H1a and H1b. Spa program (g22 <sup>1</sup>/<sub>4</sub> .23, t <sup>1</sup>/<sub>4</sub> 2.37) and staff (g23 <sup>1</sup>/<sub>4</sub> .24, t <sup>1</sup>/<sub>4</sub> 4.42) had a significantly positive impact on wellness value which support H2b and H3b. However, both (g12 <sup>1</sup>/<sub>4</sub> .22, t <sup>1</sup>/<sub>4</sub> 1.94; g13 <sup>1</sup>/<sub>4</sub> 2.04, t <sup>1</sup>/<sub>4</sub> 20.69) were not significantly related to functional value. Thus, H2a and H3a were not supported. H4a and H4b were also not supported as neither functional value (g14 <sup>1</sup>/<sub>4</sub> .02, t <sup>1</sup>/<sub>4</sub> 0.28) nor wellness value (g24 <sup>1</sup>/<sub>4</sub> .13, t <sup>1</sup>/<sub>4</sub> 1.78) was significantly influenced by uniqueness.

The impacts of functional value on satisfaction and behavioral intention were significant which support H5a and H5b. Also, by showing significant effects of wellness value on both satisfaction and behavioral intention, H6a and H6b were supported. However, we found that wellness value (b32  $\frac{1}{4}$  .69, t  $\frac{1}{4}$  11.17) was more strongly associated with satisfaction than functional value (b31  $\frac{1}{4}$  .21, t  $\frac{1}{4}$  4.04). On the other hand, functional value (b41  $\frac{1}{4}$  .28, t  $\frac{1}{4}$  5.52) was more strongly related to behavioral intention than wellness value (b42  $\frac{1}{4}$  .15, t  $\frac{1}{4}$  2.06).

Followed by the recommendation of Shrout and Bolger (2002), a bootstrapping procedure was performed using 2000 bootstrap samples with a bias-corrected confidence interval level of 95% to examine whether functional and wellness values mediate the effects of quality dimensions on satisfaction and behavioral intention. For functional value, the indirect effects of spa facility on satisfaction and behavioral intention were significant at p , .05. Also for wellness value, the indirect effects of spa facility, spa program, and staff on satisfaction and behavioral intention were significant at p , .05, supporting the mediating role. Considering both direct and indirect effects, the total effect of wellness value ( $x12 \frac{14}{53}$ ) had a stronger effect on behavioral intention a strong positive relationship between satisfaction and behavioral intention (b43  $\frac{14}{55}$ , t  $\frac{14}{6.80}$ ).

# Discussion

Spas have become a popular tourist destination, largely influenced by the current emphasis of well-being in touristic experience. The purpose of this study was to investigate the role of functional and wellness values in spa experience and test the interrelationships between quality, perceived value, satisfaction, and behavioral intention in the context of spa tourism. Given that the findings are useful to explain the underlying mechanism for increasing spa visitors' behavioral intent to revisit and recommend, this study provides several important theoretical implications to the body of knowledge on spa and health tourism.

	SF	SP	ST	UN	FV	WV	SA	BI
SF	1.00							
SP	1.69 (.48)	1.00						
ST	1.50 (.25)	1.52 (.27)	1.00					
UN	1.64 (.41)	1.63 (.40)	1.40 (.16)	1.00				
FV	1.63 (.40)	1.62 (.38)	1.33 (.11)	1.52 (.27)	1.00			
WV	1.64 (.41)	1.69 (.48)	1.55 (.30)	1.61 (.37)	1.56 (.31)	1.00		
SA	1.64 (.41)	1.71 (.50)	1.60 (.36)	1.60 (.36)	1.59 (.35)	1.78 (.61)	1.00	
BI	1.64 (.41)	1.69 (.48)	1.50 (.25)	1.53 (.28)	1.68 (.46)	1.73 (.53)	1.83 (.69)	1.00
CR	1.92	1.95	1.96	1.95	1.95	1.95	1.95	1.96
AVE	1.54	1.63	1.69	1.65	1.61	1.69	1.75	1.76
Mean	3.52	3.36	3.92	3.61	3.07	3.69	3.77	3.65
SD	1.67	1.66	1.65	1.67	1.66	1.64	1.69	1.75

Table 2 Correlations, Composite Reliability, AVE, Mean, and SD

Notes: SF, spa facility; SP, spa program; ST, staff; UN, uniqueness; FV, functional value; WV, wellness value; SA, satisfaction; BI, behavioral intention; CR, composite reliability; AVE, average variance extracted; and SD, standard deviation; Values in parentheses are squared correlations.

Consistent with previous studies (Brady & Cronin, 2001; Lee et al., 2007), the results suggest multiple dimensions of quality in spa tourism. Based on the measurement model, four aspects of quality attributes (spa facility, spa program, staff, and uniqueness) were identified in the setting of Red Ginseng Spa. Those quality dimensions reflect various tangible and intangible aspects of the spa environment. More importantly, we verified there are two aspects of perceived value in spa tourism: functional and wellness values. Whereas functional value represents visitors' utilitarian aspects of perceiving the value of spa experiences, wellness value reflects the benefits of spa experiences in terms of enhancing physical, mental, and spiritual health. The results in the measurement model showed that functional and wellness values have good construct and discriminant validity.

Both functional and wellness values played an important mediating role in visitors' spa tourism experience. In line with previous studies looking at the different role of diverse dimensions of perceived value in various touristic experiences (Lee et al., 2007; Petrick & Backman, 2002), the findings supported the similar pattern of the antecedent-mediating-consequence relations, which have been tested in other recreational (Cronin et al., 2000), tourism (Lee et al., 2007), and festival settings (Lee et al., 2011). This study found that there were distinctive roles of functional and wellness values when they mediate the effect of quality dimensions on satisfaction and behavioral intention. Functional value and wellness value were differently related to tangible and intangible spa environments. For example, in the relations with quality dimensions, functional value was influenced by only the spa facility. On the other hand, the wellness value was associated with the spa facility, spa program, and staff.



Figure 2 Estimates of Final Structural Model. Note: Goodness-of-fit ( $\chi^2 = 909.414$ , df = 415, p < .01; RMSEA = .061, 90% CI = .056-.067; CFI = .933; SRMR = .050; NNFI = .925).

The findings suggest that functional value was more strongly related to the tangible environment (e.g. facility maintenance, water quality, or the quality of spa service). Given that functional value represents a utilitarian perspective of calculating a monetary value for what they actually purchase a product or service (Zeithaml, 1988), tangible environment may be the most salient aspect to construct visitors' functional value. On the other hand, wellness value was positively associated with both tangible and intangible environments. As wellness indicates an individual's subjective feeling of mental and physical health (Gill & Bedini, 2010; Myers et al., 2000), wellness value is considered to be a more comprehensive concept incorporating physical, mental, and emotional aspects. Spa visitors' level of wellness value can be enhanced by not only functional rewards of core spa products or services, but also the level of enjoyment from fun and diverse spa programs and emotional responses to the staff.

However, surprisingly, uniqueness had no significant effect on perceived values although its correlations with functional and wellness values are seemingly strong. Because the effect of uniqueness seems to be largely influenced by other quality dimensions, researchers should be cautious to interpret this result. It may imply that, rather than valuing the unique aspects of the spa, spa visitors place a greater emphasis on the core facilities and programs that would have direct impacts on their well-being. Or simply visitors may not perceive the substantial merits of the unique atmosphere, which the spa attempted to create under the overarching theme of red ginseng. Based on the results, it seems important to consider both functional and wellness value to understand visitors' responses to diverse spa quality dimensions.

In terms of the consequences of perceived value, both values are significantly related to satisfaction and behavioral intention. However, it is important to point out that wellness value is a more powerful predictor than functional value on visitors' satisfaction. In addition to the fact that the wellness value is more strongly related to satisfaction, it has a stronger total effect (?12 1/4 .53) on behavioral intention than functional value (?11 1/4 .39). As other researchers (Carrera & Bridges, 2006; Goodrich & Goodrich, 1987) proposed, the results suggest that spa visitors are healthconscious consumers, whose satisfaction and loyalty are more strongly influenced by the perception of physical and mental health benefits than that of monetary and utilitarian rewards. Moreover, by showing the substantial role of the wellness value in spa tourism, this study supports the importance of identifying the dimension of wellness to better understand visitors' experience. Recent studies have postulated a strong association between tourism and wellness (Chen & Petrick, 2013; Lehto, 2012; McCabe & Johnson, 2013; Wei & Milman, 2002). Given that touristic experience can enhance individuals' psychological well-being (McCabe & Johnson, 2013; Wei & Milman, 2002), improve physical health (Chen & Petrick, 2013), and restore mental fatigue (Lehto, 2012), it is important to consider health and wellness as an experiential outcome of travel and tourism. In particular, this study suggests that the increased perception of health and wellness can determine the overall evaluation of touristic experience and future behavior.

The findings can provide several important managerial implications for spa managers and marketers. Considering the increasing interest in health and wellness internationally, this study provides timely information. Given the importance of both functional and wellness aspects of perceived value, spa managers should keep in mind that not only tangible spa environment, but also the intangible spa environment is crucial to increase customer satisfaction and loyalty. Unlike functional value, the elements emphasizing wellness value can be embedded in both tangible and intangible environments. In the case of the Red Ginseng Spa, a wellknown herbal food (e.g. red ginseng) played an important role in developing specialized spa facilities and programs. Also, the wellness component of tangible and intangible environments enhanced the value of spa experiences. Hence, it seems critical to incorporate the wellness component in constructing and maintaining spa facility, designing specialized spa programs and training professional staff.

To provide guidance for future research in this area, it is important to discuss the limitations of this study. First, this study was conducted in one particular spa in Korea. The findings may have limited generalizability in other spa settings although the main components of quality dimensions and functional and wellness values could be applicable. In future studies, it is recommended to examine the mediating roles of functional and wellness values in a larger sample of diverse settings, including both medical and wellness tourism destinations. Researchers should consider the unique aspects of their research setting to develop the dimensionality of quality and perceived value. Second, this study examined only two dimensions of perceived value because the main purpose was to identify and examine the important role of wellness value in spa tourism. Given that other dimensions of perceived values, such as emotional and social values, can be potential mediators, future research should consider more diverse dimensions of perceived value. Third, this study mainly used a self-reported survey method. Considering the issue of common method variance, future research is recommended using multiple methods, including observation, documentation, and interviews. Fourth, in terms of spa and health

tourism, there would be other potential variables influencing perceived value in health tourism. Because spa visitors tend to be more health conscious, it is important to consider visitors' health status and health consciousness that may play an important role in their evaluation of spa experiences. Although some limitations exist, the findings of this study are useful by suggesting that wellness value plays an important role in spa experiences and a multidimensional approach of conceptualizing perceived value helps to better understand the mechanism of spa visitors' evaluation process.

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