

Opinion Piece

A critical evaluation of importance–performance analysis

Ernest Azzopardi^a, Robert Nash^{b,*}^a University of Malta, Malta^b School of Hotel, Resort and Tourism Management, Faculty of Business, Bond University, Gold Coast, Queensland 4229, Australia

ARTICLE INFO

Article history:

Received 23 April 2012

Accepted 26 July 2012

Keywords:

Importance

Performance

Tourism

Destination

Competitiveness

ABSTRACT

This study is a methodological evaluation of studies on importance and performance measurement, and importance–performance analysis (IPA) which has gained widespread acceptance in the hospitality and tourism research. A synthesis of IPA literature on conceptual and measurement issues is presented with a view to identifying and mitigating potential validity concerns.

© 2012 Elsevier Ltd. All rights reserved.

1. Introduction

Tourism literature suggests that tourism is a special case of trade in services with particular characteristics that require special treatment in competitiveness analysis. Economic and management literature has identified several conceptual and measurement problems that are the subject of an on-going competitiveness debate, but it also provides Tourism Destination Competitiveness (TDC) studies with sound theoretical foundations based on the integration of comparative and competitive advantage theories. These concepts are implicit in several models that focus on specific aspects of competitiveness and the enumeration of various components that affect it. In spite of their narrow focus and measurement problems, these models contribute to a better understanding of competitiveness and the development of TDC frameworks. This is acknowledged by the three most comprehensive competitiveness models to date (Dwyer & Kim, 2003; Heath, 2003; Ritchie & Crouch, 2003), which have been primarily designed with large countries in mind. These models provide exhaustive lists of indicators but are still incomplete elaborations. They lack empirical support to validate their formulations and have limited practical utility in evaluating TDC. The literature has strongly suggested further research in TDC models and measurement, especially in small destinations. IPA has been identified as a potentially useful diagnostic tool for assessing TDC. There is a strong body of evidence to show that IPA is a useful and versatile

tool but the technique is still surrounded by conceptual, methodological and measurement ambiguity. IPA has been particularly criticised for its arbitrary measurement of importance, and its poor discriminatory and predictive validity. IPA literature highlights the need for IPA research to be extended to incorporate reliability and validity measures.

2. Importance–performance analysis

The aim of reviewing the IPA literature is to critically evaluate, in an integrative manner, past research studies on IPA and to summarise broad views relating to strengths and weaknesses of this analytical framework in order to serve as a guide to advancing a research in the area of TDC. In the process, arguments will be evaluated, key issues and gaps in the methodology will be identified, and conclusions relevant to the study's objective will be drawn.

The technique has gained widespread acceptance across many fields and is extensively used in the hospitality and tourism industry because of its simplicity and attractiveness in projecting results and in suggesting strategic action to improve competitiveness. Although these characteristics are desirable in any technique, they do not represent reliability and validity criteria that underlie sound research methodologies (Oh, 2001).

Fig. 1 represents a chart that maps out the conduct of the IPA literature review. The literature is first examined for a comprehensive understanding of the workings of the IPA framework as well as its value and application in various studies, with special emphasis on the hospitality and tourism research. The discussion then moves to identify the main issues and problems prevalent in IPA

* Corresponding author. Tel.: +61 7 5595 1169.

E-mail address: rnash@bond.edu.au (R. Nash).

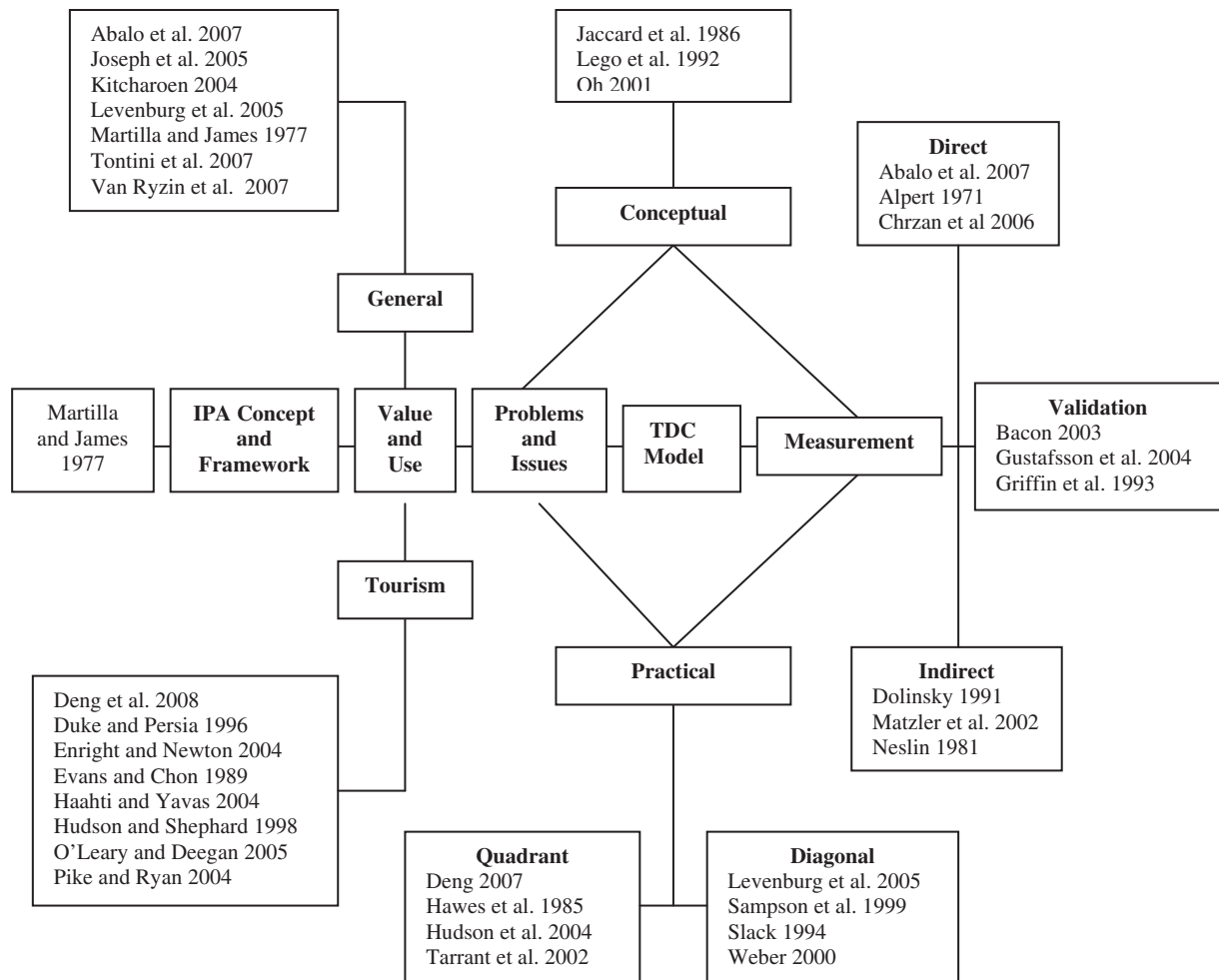


Fig. 1. IPA literature map.

methodology and application. The literature review will focus on core conceptual, measurement, and practical concerns that arise from the use of the IPA method. Finally, some conclusions from the studies under review will be drawn which may assist in the development of an appropriate research instrument to assess a TDC model.

2.1. IPA concept and application

The IPA technique is a basic diagnostic decision tool (Johns, 2001; Matzler, Sauerwein, & Heischmidt, 2003) that facilitates the identification of improvement prioritisation (Sampson & Showalter, 1999), the mobilisation and deployment of scarce resources to where they are needed most (Levenburg & Magal, 2005), and the harmonisation of strategic planning efforts to enhance relative competitiveness (Matzler, Bailomb, Hinterhuber, Renzl, & Pichler, 2004).

Martilla and James (1977) were the first to introduce IPA, basing their application on the conceptual foundation of multi-attribute choice models (Wilkie & Pessemier, 1973). They recognised the value of analysing both attribute importances and factor performances, illustrating their case through a simple study of an automobile service dealer set on increasing service customers and repeat sales of new vehicles. The authors first identified fourteen attributes affecting service department patronage from the literature and interviews with the service and sales employees. They

then conducted a questionnaire survey (45% response rate) using scale rating (based on a five-point Likert scale) to assess each attribute's importance and the performance of each attribute. This became the established procedure for subsequent importance–performance studies.

Slack (1994) argues that the utility of the strategic framework of Martilla and James (1977) derives from its ability to simultaneously examine the customers' or visitors' judgement of the importance of salient attributes and their perceptions of the providers' performance in meeting the demands on each attribute. Although measures of importance and performance can provide useful management information independently, the combined measures of importance (the perceived worth/value of attributes of the purchasing experience) and performance (the perceived state of the attributes of the consumptive experience) can effectively identify better competitiveness drivers, yielding greater marketing and management insights for decision making (Guadagnolo, 1985; Haahti & Yavas, 2004; Martilla & James, 1977; Tarrant & Smith, 2002; Wade & Eagle, 2003).

Martilla and James (1977) presented their results in an IP matrix as in Table 1 which gives a typology that classifies importance and performance on a scale of low or high, making the interpretation of data easier and more useful for strategic management decisions.

The actual mean values of the ratings or the scale means for importance and performance can be used as hair points in constructing the two-dimensional grid that divides the matrix into

Download English Version:

<https://daneshyari.com/en/article/1012191>

Download Persian Version:

<https://daneshyari.com/article/1012191>

[Daneshyari.com](https://daneshyari.com)