# Tourism Destination Branding as a Marketing Factor: The Case of TRNC

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## ABSTRACT

The aim of this study is to assess the implications of 'branding' on customer satisfaction and loyalty in the context of marketing management studies. Therefore, an examination of customer satisfaction and customer loyalty measured through two mediators: brand image and destination brand loyalty. The assumption is that destination's profitable tourism sector is highly dependent upon accommodation business success (i.e., four and five star hotels). However, the successful accommodation sector is possible if a pool of loyal and satisfied customers exist. Branding is a powerful factor to mediate this outcome.

The study focused on North Cyprus as a case to investigate and explore the factors that determine the 'brand' definition for the island and how such branding can become a marketing tool. Seven hypotheses established to examine the case. Survey questionnaires were administered to the international tourists in four and five star hotels. Data analysis conducted through SPSS, ANOVA, R Square, t-test, Beta coefficient and Pearson correlation coefficient. 250 questionnaires distributed among international tourists and 220 were collected.

Out of seven hypotheses, six hypotheses were accepted and one rejected. The study revealed that the customer involvement which is the plan for tourism agencies to involve tourists in trip plan to make customer feel that they are part of the process themselves. Effects of customer involvement on brand image of destination and brand image as a mediator for customer involvement and destination brand loyalty are not supported and thus in tourists involvement in delivering and using of destination services has no positive effects on destination image. This can be explained regarding the willingness of customers to be served with zero involvement. International tourists travel to enjoy their trip without participating in any form of working.

Following the footsteps of previous studies, customer satisfaction is accepted as a positive influence on destination image and vice versa. The effect of service quality is in line with previous studies that positively influences the loyalty. Service quality has positive effects on customer satisfaction but the results were not high as expected but nonetheless it was positive.

**Keywords:** Destination Branding; Brand Image; service Quality; Profitability; North Cyprus.

# ÖZET

Bu çalışmanın amacı 'markalaşma' çalışmalarının, müşteri memuniyeti ve sadakati üzerindeki etkisini pazarlama yönetimi bağlamında incelemektir. Bu amaca uygun olarak müşteri memnuniyeti ve müşteri sadakati, marka imajı ve destinasyon marka sadakatinin ara bulucu etkisi de göz önüne alınarak incelenmiştir. Destinasyonların turizm sektöründen kâr etmesinin, konaklama sektörünün başarısına bağlı olduğu varsayılmıştır (Ör. dört ve beş yıldızlı oteller). Ancak, başarılı bir konaklama sektörünün olması, sadık bir müşteri kitlesi olmasıyla mümkün olabilir. Markalaşma bu sonuca ulaşmak için çok güçlü ara bulucu bir etkendir.

Çalışma, Kuzey Kıbrıs'ı bir vaka olarak ele alarak ada için 'marka' tanımını belirleyen faktörleri ve bu markalaşmanın nasıl pazarlama aracı haline gelebileceğini araştırmaktadır. Vakayı incelemek için yedi hipotez oluşturulmuştur. Dört ve beş yıldızlı otellerin uluslararası müşterilerine ölçekler uygulanmıştır. Veriler SPSS üzerinden varyans analizi, regresyon analizi, t-testi, beta katsayısı ve Pearson ilişki katsayısı kullanılarak analiz edilmiştir. Uluslararası müşterilere 250 ölçek dağıtılmış, 220'si geri toplanmıştır.

Yedi hipotezden altısı desteklenmiş, biri reddedilmiştir. Çalışma göstermiştir ki, müşteri katılımı (turizm acentelerinin turistleri gezi planlamasına dahil etme stratejisi), müşterilere bu işlemin bir parçası olduğunu hissettirmektedir. Müşteri katılımı ve destinasyon marka sadakati üzerinde, müşteri katılımının destinasyon marka imajı üzerindeki etkisi ve marka imajının ara bulucu etkisi desteklenmemiştir. Bu sonuca göre, turist katılımının destinasyonda olanaklara sahip olma ve onları kullanma olarak destinasyon imajı üzerinde olumlu bir etkisi yoktur. Bu sonuç, müşterilerin katılım göstermeden hizmet almak istemesi ile açıklanabilir. Uluslararası turistler, tatillerinde çalışmak istemeyebilir ve tatillerinin zevkini bu şekilde yaşayabilirler.

Önceki çalışmalara bakıldığında, müşteri memuniyeti destinasyon imajı üzerinde olumlu bir etki yaratmaktadır, aynı etki ters yönde de işlemektedir. Hizmet kalitesinin etkisi, müşteri sadakatini olumlu olarak etkilemekte ve önceki çalışmalara tutarlılık göstermektedir. Hizmet kalitesinin müşteri memuniyeti üzerinde olumlu etkisi vardır ancak sonuçlar pozitif olmasına rağmen beklendiği kadar yüksek seviyede çıkmamıştır.

Anahtar Kelimeler: Destinasyon Markalama; Mark İmajı; Hizmet Kalitesi; Kârlılık; Kuzey Kıbrıs

# **DEDICATION**

This dissertation dedicated to persons whom always been there during difficult and trying moments.

To my father, who always encourage and inspire me in throughout my life.

To my mother, who I would like dedicate everything I do.

To my aunt, Esmat Ghaedi for her emotional and kinds word through my master study.

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# Chapter 1

# INTRODUCTION

## Overview

Understanding external trends and measures in tourism industry became an important challenge for tourism managers due to their impacts on tourism market (Dwyer & Edward, 2009). Recently, tourism and hospitality scholars has demonstrated great attention toward various factors regarding tourists demographic, characteristic and profiles to improve market, destinations profitability and performances (Oppermann, 2000a; Mykletun et al, 2001; Kim & Ruys, 2003; Hsu & Marshall 2013). In tourism and marketing literature, scholars show great enthusiasm in ways to decrease the cost and increase profitability based on the predefined factors as overall satisfaction, service quality, customer involvement and etc.

Concurrent with empirical studies, repeated customers' behavior concluded based on various reasons; mainly first, satisfied customers; second, reduced relevant operating costs of attracting and satisfying and, last is high inertial of repeaters' attitude increase return possibility (Oppermann, 2000a, 2000b). High business profile has required repeat behavior of satisfied and loyal customers based on continuation of qualified services and products, and significant differences between first time and repeated customers which mainly mentioned in economic studies (Gurau & Ranchhod, 2003). Different factors such as strong destination branding, customers' overall satisfaction and high qualified services offered can influence on degree of

repetitions and satisfaction of the customers in destination market (Krishnamurthi & Papatla, 2003). One of the intellectual solutions for destination to attract and keep their satisfied customers is to differentiate their destination from other places. The act of differentiating particular services, products and destinations from others based on their features, images, and resources is branding. This study mainly focused on destination branding as new marketing phenomenon in globalized market.

One of the important factors which differentiates the destination form each other is the image of destination which also plays and important part and it is the essential part of influencing the traveler's decision to choose destinations (Baloglu & Brinberg, 1997). Unlike other products, they cannot be tested or sampled before purchasing. Brand image has been known for perception of consumer's attached to specific brands. Also it has been defined as a personal entire perception and their whole set of impression about the destination. Brand image is considered as portrayal of destination.

Branding as one of the core concepts of marketing defined as physical or psychological benefits represents via companies and destinations to customers in order to satisfy required needs. Kotler (2005) defines a brand as "a name, term, sign, symbol, or design or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.

Destination branding is not enough in globalized competitive market so destinations have to provide facilities and tactics to increase satisfaction and loyalty of their customers specially those are repeated ones. Brand loyalty as new phenomena faced with great market attention but adversely low academic evaluation due to profitability and flexibility in market performance (Armstrong & Kotler, 2009). Branding have different concerns namely level of brand evaluation (micro vs. macro, individual vs. aggregate level), and next one depends on the data measurement usage in studies (Jacoby & Chestnut, 1978).

Regarding heterogeneous needs of customers, Tourism branding distinguishes a destination with its unique identity through services and products from other destinations; so branding play a crucial role in enhancing images, service and/ product awareness, recognition and memory to postulated the effects of tourism destination branding (lavidge & Steiner, 1961). Based on Dwyer et al. (2009), destinations have to improve their abilities to recognize changes and find solutions prudently.

#### **1.1 Philosophy and Scope of the Study**

The main concept of brand loyalty is when a person use and consume products and items from the same manufacturer repeatedly more often than from other brands. Many marketing managers have found that loyalty is very useful in attracting new and keeping old consumers. The importance of destination branding is the benefits tourists receive from destination which are: quality's assurance, reduction of searching costs and differentiation of destinations.

The influence and effect on decision making behavior of people is very important to study the destination image because it has a crucial vote in choosing the destination. Sometimes many perceptions from foreign destination are inaccurate and needs to be probed for more information as marketers are very interested to project a specific and unique image of destination to potential tourists. Incorporating such factors like images in tourism marketing planning can reincarnate the satisfaction and encourage the future repeated purchase of services (Selby et al., 1996).

## **1.2 Purpose of the Study**

The purpose of this research is to enhance the understanding of the current challenges in tourism destination branding with effects of service quality, overall satisfaction and involvement of tourists in this process to improve the destination images in eyes of tourists in order to motivate them for repeating behavior and consequently increase in market profitability of the destination in turn. Also this study tried to the mediating effects of tourism destination branding in aforementioned relationship. In addition, this study demonstrated the negative consequences of weak /no branding in destination with unique environmental and potential as Northern Cyprus. Moreover this study undermined the positive effects of destination branding on sustainability of touristic destinations.

## **1.3 Significance of Study**

This study covers various contributions to the tourism marketing literature as follow. First, no previous empirical studies evaluate the effects of tourism destination branding on the relationship between overall satisfaction, service quality and involvement on repeat behavior and market performance. Then, no previous study undermine mediating role of tourism destination loyalty in aforementioned relationship. Moreover, tourism destination branding is a new phenomenon in tourism and marketing literature which need more conceptual and scientific evaluation and demonstration. Dioko and So (2012) examined significant of cobranding in Macao- China as the gaming brand destination in hotel industry. In addition, little studies done before in tourism destination branding to monitor and spread the performance outcome of this new phenomenon (Carson et al, 2003; Masberg & Morales, 1999; Dolnicar & Schoesser, 2003). Research by Pike (2007) evaluated the core definitions of brand equity in consumer approach with its effects on environment and performance measurement, but current thesis puts more efforts to cover wider area of recent phenomenon named tourism destination branding through undermining impacts of satisfaction (overall), environmental potentials, service quality, and tourists involvement on proposed outcomes such as improving repeated visitors and market profitability in destination market. Finally, no previous study serves Northern Cyprus as study setting in aforementioned relationship with mediating role of tourism destination loyalty as theoretical framework.

## **1.4 Methodology of the Study**

A quantitative research methodology will be employed towards the data gathering and data analysis. There are certain destination branding indicators including involvement, service quality, environment, service quality, overall satisfaction, cost/value and proximity.

The Tourism Destination Branding Model (TDBM) will be tested against the case of TRNC. This model found through theoretical evaluation of empirical studies with aimed to play a major role in improving destination markets. A survey questionnaire will be applied based on the known dimensions (Taylor & Davis, 1997). Various tourism establishments will be targeted and tourists will be approached to fill out the questionnaire material. Descriptive data analysis will be applied. For this purpose, Likert scale model is recommended.

## **1.5 Organization of the Study**

This chapter of study called introduction with general information about philosophy of the study, theoretical background, purpose, significant and methodology used to examine the proposed relationship. Following chapter called literature review with widespread information about tourism and its effects, theory of study and dependent and independent variables with their antecedents and consequences in details via short information about study setting. Chapter three called case development. In chapter four model and hypothesis development are introduced. Chapter five is methodology of the study and data collection procedures.

Next chapter named result of data analysis and discussion which mainly showed the analytical results of data. Chapter six called conclusion which generalized theoretical finding with those of analytical. Last chapter named limitation and future studies which open new sights for more research areas.

## Chapter 2

## LITERATURE REVIEW

## **2.1 Concept of Tourism**

The definition of tourism is explained by the United Nations World Tourism Organization or UNWTO as to be a free leisure activity of people moving and traveling to places and staying there which is outside of the usual destination and unique for the purpose of either leisure, business, vacation or other explained purposes for a period of one year or less. Undertaking such activity by people has been recognized in human history in a long time and is a very known and important phenomenon which is economic and social (UNWTO, 2010).

Understanding the tourism definition is necessary for the increase of its effects and impacts on global economics and societies. Tourism consists of a range of activities which are sometimes meaningful and limited such as vacationing on holidays and other times which have broad purposes (UNWTO, 2010). In 1980, undeniable impacts on cultural, educational, social and economic sectors recognized as an important part of a countries sector and program (UNWTO, 2010). Also researches have attempted to uncover the profits and revenue the tourism industry has had for a nation's services and goods. Near 30% export of services and 6% exports of services and goods are obtained from tourism (UNWTO, 2010).

A tourist is defined as a person who travels to a specific destination in a short-term movement and is different from places in which he or she normally works or lives Theobald (2005). He mentioned that the act of returning and leaving the origin city and destination is a round-trip.

Term of tourism development consists of different methods and process of sustainability along with old approaches and method which can be useful for any strategy in the tourism process (Woodcock et al., 1994). There is no permanent method or approach in the process of development as there are multiple and different plans and sustainable strategies in both small and mass alternative implementations.

Klein (2008) explained that there are two types of descriptive and explanatory models in development processes and clarification. Development and growth are both the results of explanatory models. Descriptive models explain the tourism from aspects of physical life cycle explanation models such as hotels and many studies have dedicated their focus to their models. The main goal of development however remains as a process aimed to satisfy peoples' needs and increasing the standard of living.

## 2.2 History of Tourism

It all began when the romans and Greek, started using travel as a means of military movements and then in the renaissance era, grand tours and continuance appeared in the  $17^{\text{th}}$  and 18th centuries. After that, tourism was expanded by the efforts of Thomas Cook and in the  $19^{\text{th}}$  century. In the early 1920s, the absolute term for tourism had derived from Fremdenverkehr's tourism theory. This theory was coined in = Germany which at that time had gone through a large economic and business

problem. In the 1960s, the more modern tourism studies began to substitute the previous incarnations. The introductory phase of tourism development began around the 1950s. After the war and at the beginning of globalization, considerable amount of tourists were allocated to several European countries, rising from 28 percent to 58 percent in 1980.

The main tourism events began as new innovations and strategies were used in the economy. Tourism agencies began to appear and started to create their own systems and structures. Competitions began to rise and cheat offers and new destinations paved the way for mass tourism and new packages were introduced for holidays. Club holidays, as they called themselves, were the reason other destinations became accessible to nearly everyone around the globe.

#### 2.3 Evolution of Tourism

Last decade, fast up-trends took place in tourism demographics especially in the case of international tourism in Europe. With the availability of large numbers of tourists with several ranges of budget and interest along with a variety of resorts and hotels for housing, development of tourism has improved since then. TALC, or The Tourist Area Life Cycle, a model developed by Butler in the 1980s had six stages for tourism destination's evolution namely, "involvement, exploration, consolidation, development, post-stagnation, stagnation, and" (Papatheodorou, 2004).

Several changes occurred over different periods of time in the tourism sector such as geographical changes, tourism demands, availability of infrastructure, local communities', built and natural environment, interest and policies, social and economic changes. However many unused destinations would be decayed due to

their unpredictable and rapid growth in tourism, planned and measurable policies would be a great asset in destination given that they were much profitable and sustainable in tourism activities without causing noticeable damage. Also thanks to the development of transportation and technologies, several new ways and possibilities were developed for tourists in the tourism industry. A traditional trip to Europe was regarded as the Grand Tour which was taken mainly by a high class group of men. This event started from 1660 and continued to 1840 with the rise of using rail transits. The grand tour began in Dover in England and continued throughout many European countries from Spain, Belgium, and the Netherlands to France. And finally through Italy, the group would come back to England. Domestic tourism is defined as when the residents of a country traveled locally and within that country. While not a cost effective form of holiday tourism, this type of vacationing can be even more expensive than visiting a foreign destination. International tourism involves tourists and visitors travelling to foreign destinations and countries and now becoming one of the popular tourism forms which itself divides into different types of tourism.

## 2.4 Types of Tourism

Classification of tourism types are as followers:

- 1. International Inbound Tourism: In country guest traveling to destination country.
- 2. Outbound International Tourism: over broad traveling to foreign country
- Domestic Tourism: traveling within main countries borders and it's the most used tourism system.

Tourism is a developed industry which bloomed through years and diversified into different categories, special industries and customized on different fields. These are popular types of tourism which have been prioritized by visits:

• Leisure Tourism – is defined as free time which happens in no work time.

This tourism consists of holiday sessions filled with the following activities:

- 1. Relaxing, beach walking, jogging
- 2. Sport, swimming, surfing
- 3. Visiting local attractions
- 4. Relatives and friend visitation
- 5. Shopping
- Business Tourism defined vacation with a solely business purpose and is divided into these sections
  - 1. Trading goods
- 2. Business transactions and establishing contracts and meeting clients
- 3. Conference attending purpose, business and exhibition.

• Medical Tourism which include people traveling to different places to get treatment and health solutions for their sickness or surgical cares. Also those who search for better healthcare and lower cost may go for a medical tourism trip to other countries. Services like facilities, tour packages for transportation and accommodations for medical purposes.

• Cultural Tourism – based on heritage of the domestic location, it is mostly concerned with characteristics of that domestic area, historical, lifestyle, religion and architecture unique to that place. Facilities like museum, festivals and theaters are presented and it is one of the popular kinds of tourism.

 Adventure Tourism – defined as an outdoor activity which takes place in different parts of unpopulated areas this kind of tourism involves high physical activity on mountains, hiking and diving and surfing in oceans or seas.

• Wellness Tourism – this tourism, which is evolving so fast, is focused on a group of people which are pursuing their wellness and health in remote and unique locations with special local treatment, exercises and special programs dedicated for welfare and body nurturing.

• Eco Tourism – involves traveling to natural locations and preserved areas which are untouched and the purpose is to teach the visitors about the importance of natural preservation and destination. Educating conservation and increasing environmental awareness and understanding the benefits, regarding both the economics and environmentalism of the area and natural life.

- Sports Tourism Includes visiting for sole purpose of participating in sports events such as tournaments, Olympics and world cup, Grand Prix and Formula One events.
- Religious Tourism involves visiting religious place for sole purpose of pilgrimages, conventions, crusades or missionary work.
- Wildlife Tourism this kind of tourism is for observing the wild life animals and their natural environmental habitats. This includes traveling to documentaries, photography, feeding and is closely fit with sustainable and eco-tourism.

• Mass Tourism - Mass tourism is a form of tourism that involves tens of thousands of people going to the same resort often at the same time of year. It is the most popular form of tourism as it is often the cheapest way to go on holiday,

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and is often sold as a Package deal. A package deal is one in which all of the tourists needs are catered for by one company (such as Thomas Cook), these needs include travel/flights, activities, accommodation and sometimes food (called full board when all meals are included, half board includes 2 meals a day whilst self-catering means you cook for yourself). These types of holidays are often the opposite form of sustainable tourism, extreme tourism and ecological tourism.

•Alternate Tourism is a tourism concept that is defined as not being mass tourism. Under the alternative tourism concept we can find a series of classifications and types of tourism. What characterizes the concept of "Alternative" is the existence of small or medium companies, created by families or friends, where there is the possibility of more contact with the communities and where most of the times there is a respect for the environment. This concept is generally used by government institutions and academics, and very rarely a traveller will ask in an information center for places or activities of alternative tourism.

Some researchers have tried to define alternative tourism as a type of tourism that gives emphasis to the contact and understanding between the hosts and the tourist, as well as the environment and as a tourism that is consistent with the natural, social and community values and that allows a positive relationship among locals and tourists. Alternative tourism includes micro and small companies of local inhabitants' property. Other characteristics of alternative tourism are smaller impacts in the natural and social environments, links with other sectors (agriculture, craft) of the local economy and retention of earnings in the region. • There are other minor tourism such as Luxury, Slum, Culinary, Geo- and etc.

#### 2.4.1 The Destination Lifecycle

Biermann et al. (2003) explained the destination as a state, country or a region which markets by itself or being marketed for visitors and tourists. It is also a product that must be marketed like any other items for customers.

In its life cycle like other products, Butler proposed a model which is widely accepted as a tourist destination. The main idea of TALC or Tourism Area Life Cycle model is the destination in its primary form is unknown to visitors and at first tourists arrive in small numbers and groups without knowledge regarding their destination or the facilities it offers is defined as Exploration in Figure one (Miller & Gullucci, 2004).

With continuation of discoveries, word will spread and awareness about the destination will improve (Development). Visitors will began to arrive in large numbers and grow rapidly (Stagnation) and in return will increase and improve environmental and social limits of the destination leading to raise Exploration to Stagnation rapidly.

There are several possible outcomes after the stagnation in lines A to E in Figure one. A to B are the possible Rejuvenation which are technological advancements and developments or improvements of infrastructure leading to carrying capacity to increase. C and D are increasing in unsustainable development and congestion leads to corrupting resources which mainly lead the tourists to the destination or become extinct which in E follows a possible crisis or disaster in destination. The law of diminishing returns or LDR will cause a destination to follow the concepts of destination recovery and can be applied to destination recovering from a crisis or a disaster and will decline as a result.

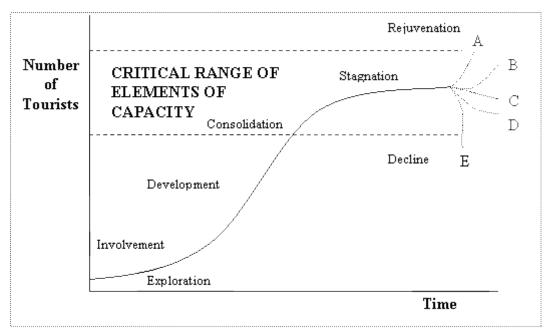


Figure 2.1. Evolution of a Tourist Area Source: (as cited in Miller and Gallucci, 2004)

Many other researchers acknowledging this concept along with Butler such as Stankey who has prepared a lifecycle in 1985 as recreational succession that explained the deterioration of a camping site continued with increasing visitors (Stankey & McCool, 1984).

# Chapter 3

# **DESTINATION BRANDING**

## Overview

The definition of destination is an area geographically considered with a vast array of services and facilities available to support tourists and tourism plans. These places act as attractions for tourists which include cultural sites, historical values or offering entertainments and unique opportunities (Beirman, 2003).

They are towns or a city that is act as a market earning revenues for tourism for itself. One of popular tourism destinations are island resorts which they depends on tourism as their sources of funds and profits. Islands have their natural beauty such as beaches and national parks, forests and mountains for hiking and camping are examples of common and traditional tourism destinations and attractions especially in summer vacation tours and trips.

According to Glover and Dalton (2005), tourism destinations break down into these types:

 Coastal and Beach Areas – destination that expanded along a coastline and includes specific or several popular resorts which are found mostly on islands.

- Towns and tourist cities mostly accepted tourism destinations are capital cities such as Rome or Paris and famous cities for their landmarks or natural sites.
- 3. Conference and Business Destinations described as cities and town which have a capacity for coping with business tourists, large conference halls and centers capable of holding much larger exhibitions. They have also good quality of transports, huge international airports and hotels usually close to airports and conference centers.
- Rural sites and areas these countryside areas are outside of cities and towns and include mostly natural resorts and sites such as forests, mountains or lakes.
- 5. Cultural Destinations Heritage specific towns or villages are known for their history and culture unique to that region and reflect their overall maintained historical view of that country.
- Tourism Purpose built sites these are specifically created for tourist attraction and include a large number of facilities built solely for tourists such as theme parks centers.

Ultimately market defines and influences the concept of destination plus cultural limits. Sometimes the entire country may identify as a destination or a single small park. The best framework for destination branding came from Aaker and Joachimsthaler (2000). Their theory explains that the brand's value is derived from

four main indicators: quality perception of the brand, brand loyalty, awareness and brand associations. This theory was named brand equity.

The strong brands distinguished from other standard brands as having the constant advertising and a unique brand message. Another theory comprised from brand networks from Hankinson (2004) shows brand role as perceptual entities, communicators, value enhancers and relationship.

The importance of destination branding is the benefits tourists receive from destination which are: quality's assurance, reduction of searching costs and differentiation of destinations.

#### **3.1 Destination Brand Image**

Term used for image in a variety of ways in tourism literature and many tourism promoters started to project destination images by holding stereotype image of destinations and followed by major studies in destination measurement of image (Echtner & Ritchie 1993). As many definitions are quit vague it is always shifting and changing in its meaning. Image refers to representation of something's visual where in other fields such as geography it is impression or knowledge and emotions. Many relate image to consumer behavior.

In tourism image is commonly mentioned and defined as sum of ideas and beliefs and impression of a tourist that he or she has from a destination (Crompton, 1979). Many individuals share this vision and knowledge by a group of people. In other words, expression of all impressions, objective knowledge, emotional thoughts and imaginations of a particular individual or a group from a specific place is called image of a destination. Because of its influence and effect on decision making behavior of people it is very important to study the destination image because it has a crucial vote in choosing the destination. Sometimes many perceptions from foreign destination are inaccurate and needs to be probed for more information as marketers are very interested to project a specific and unique image of destination to potential tourists. Incorporating such factors like images in tourism marketing planning can reincarnate the satisfaction and encourage the future repeated purchase of services (Selby et al,. 1996).

Each interpretation of image in a tourism mind is unique; they have their own memories and imagination associated to that particular destination (Jenkins, 1999). They are several factors which Stabler (1988) divides the influencing factors and consumer images into supply and demand factors. These factors are nearly corresponding with Gunn's organic image formation (See Figure 3).

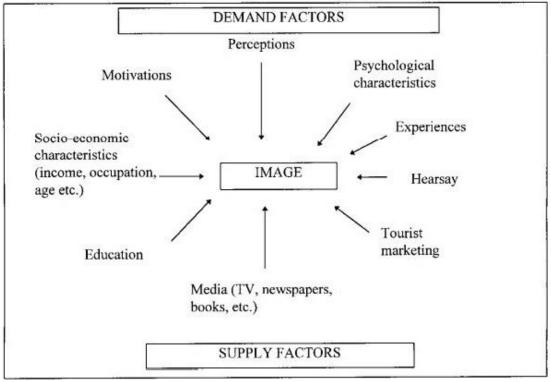
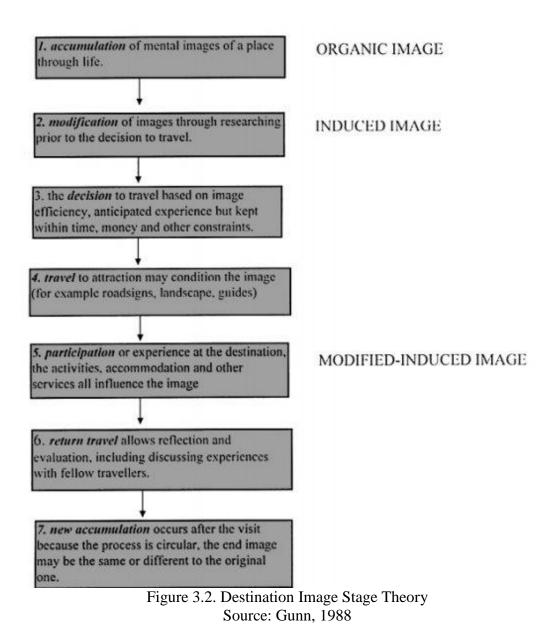


Figure 3.1. Influencing Factors Source: (Stabler, 1988)

Many studies such as Hunt (1975) showed the destination image is defined by the distance from the home destination as many people have visited destination near their living areas and followed the information from other people and media. It is concluded people have more realistic vision and idea from destination which are near to them rather to foreign destinations as the unknown consequences were derived from no attention to destinations image.

Stage theory from Gunn (1988) implies that potential visitors, returned tourists and non-visitor tourist held the image of destination. Many studies showed that image of destination are more realistic which are held by returning tourists and complex visitors become the important issues (Pearce, 1988). In seven stage theory of Gunn, constant building of images and modifying them are being made of non-tourist information or organic form either materials such as documents, books, internet or other Medias or from a relative or friends information and experience and induced images (See Figure 3.2).

This theory is pretty much useful for constructing the framework to promote and understand the destination image. Advice of relative or friends followed by prepared guide books or internet based information which is from promotional publications are rated the highest creditable source of information followed by government services.



Definition of brand is a symbol, design or maybe a term which identifies and distinguishes a product.

## **3.2 Destination Branding and Brand Image**

Destination branding is the process of regions and areas promoting their services to attract more tourists and gain additional revenues from their brand specialty the destination is presenting. These symbolic distinct characteristic is the image and brand of those communities that drives activities mostly undergoing by governments and tourism industry. Destination image is however defined by being a multidimensional and evaluative construct. Destination image and destination branding are two related items but are different in term of true building process of destination true character itself (Crockett & Wood, 1999). Also in evaluating destination image, researchers should take the tourists emotions into the process as strong attachments will make the evaluation vary from one visitor to the other.

The main relationship began as process of destination branding requires the evaluation of image of destination. These two factors have some common field but destination branding is representative of destination image. People may know that a destination have a name but not a brand name. Branded destination will establish an emotional link with tourists. Destination branding will be considered the second stage of creating the destination image.

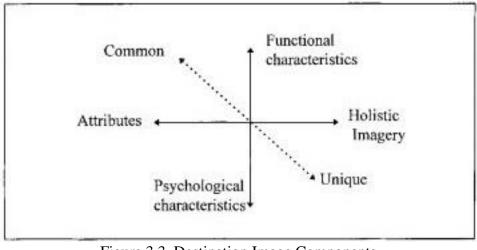


Figure 3.3. Destination Image Components Source: Echtner and Ritchtie, 1993

Hankinson (2007) defined the functions of destination branding:

- 1. Brands identifies as communicators which represents the ownership and product differentiation described in logos, names and trademarks.
- 2. Brands as perceptional entities, appealing to tourist senses and emotions.

- 3. Enhancing values
- 4. Relationship with tourists and consumers.

One of the important factors which differentiates the destination form each other is the image of destination which also plays and important part and it is the essential part of influencing the traveler's decision to choose destinations (Baloglu & Brinberg, 1997). Unlike other products, they cannot be tested or sampled before purchasing. Brand image has been known for perception of consumer's attached to specific brands. Also it has been defined as a personal entire perception and their whole set of impression about the destination. Brand image is considered as portrayal of destination.

There a several definitions about the destination brand image:

1. Total ideas and impression of traveler has in his/her mind of a destination (Crompton, 1979)

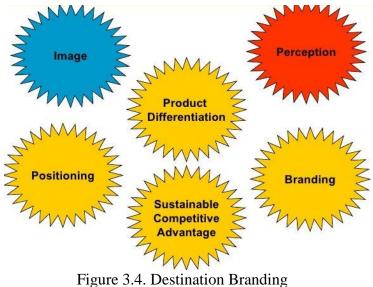
- Affections and set of impressions it has on tourists and individuals (Mazurksy & Jacoby, 1986)
- Both mental and visual affection and impression of a place to tourists and public (Milman & Pizam, 1995)

According to Gunn (2002), there are two components of destination branding:

- 1. Organic images created by public as created by their past experiences with those destinations and by using creditable sources of information such as news.
- Induced image formed by data and information acquired from externals sources such as destination promotions and advertising.

Destination branding process is used to develop a unique personality which is different from other destinations by using a brand element to identify that destination through showing a positive image (Cai, 2000). Destination branding is combining all items such as product, services from different industries, sports, investment and art with the place itself that in the end becomes one under one brand.

Main goal is to capture the main essence and image of that destination, in a manner that can be used and consumed at an experiential level.



Source: www.researchbydesign.com

Main elements of destination brand are:

- 1. A way to identify and relate a destination distinguished identity to tourists and public
- 2. Differentiate itself from other competitors
- 3. A combination of name, design and terms which is symbolic to destination.

## **3.3 Advantages of Destination Branding**

Tourists benefit from destination branding in different ways, such as Quality Assurance; like international famous and known hotels, tourists will expect a high quality of services and customer services and premium memberships will reduce risks. Search Cost's Reduction. High value destination brands with high awareness will provide high detail information about destination source for tourists and public. Differentiation of destination; variety of aspects of destination characteristics such as cultural, historical with believable, sustainable, and reliable attributes for attracting tourists.

## **3.4 Challenges of Destination Branding**

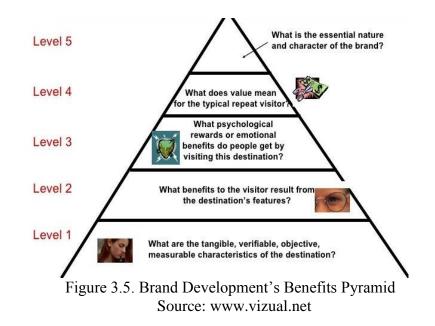
Destination branding is a function management which is crucial and vital many researchers' only focused on destination image which is itself a product of destination branding. Brands and products are very important for the success of destination and constants management of products by destination is crucial (Boo, et al., 2009). Therefore, many challenges existed destination need to overcome and they key to the success:

- 1. Destinations are composed of products and different services and components and are not a single product.
- 2. Markets of a destination have a little hold over the components that they are branding.
- 3. A diverse and wide range of corporations and organizations involved in creating the brand.
- 4. Sometimes lack of funding.
- 5. Destinations may face political influences.

For creating a powerful destination according to Morgan and Pritchard (2002) branding must build by following these means:

- 1. Credible for experiencing
- 2. Deliverable to public
- 3. Differentiate from competitors
- 4. Conveying new ideas
- 5. Reasonable for visitors and stakeholders

Also Morgan and Pritchard (2002) developed five phases for destination branding; the phase 1 is the analysis of recommendation and investigation of market. Phase 2 is development of brand identity. Phase 3 is introducing the brand and launching the brand. Phase 4 is the implementation of brand and final phase is reviewing and evaluating the brand. For developing the identity of the brand, planning a benefit pyramid is essential after that architectures and drivers of the brand.



## **3.4 Brand Loyalty and Destination Branding**

The main concept of brand loyalty is when a person use and consume products and items from the same manufacturer repeatedly more often than from other brands. Many marketing managers have found that loyalty is very useful in attracting new and keeping old consumers.

For the Destination brand loyalty concept it has been factor of success in tourism marketing (Sun et al., 2013). Researchers have implemented loyalty into analysis of tourism products, destinations (Lee & Shen, 2013). According to Sun (2013), it is hard for any brand to survive without loyalty. Loyalty is described as using a brand or service consistently both now and in future. Repeating these purchases and recommendations to other individuals referred to consumer loyalty and it is an indicator for measuring success of the tourism market (Yoon & Uysal, 2005). Loyalty means that having requirements to achieve the consumers' needs (Konecnik & Gartner, 2007).

Brand loyalty is an important factor in gaining profits and revenue by its capacity to keeping customers loyal and increase in brands' equity (Villarejo-Ramos & Sanchez-Franco, 2005). Enhancing consumer loyalty and developing brand added much needed profit for destination and loyal customers are having a high probability to pay more for premium memberships (Keller & Lehmann, 2006).

Destination choice in behavioral loyalty can be a result of tourism strategies. Oppermann (2000) hinted that destination loyalty should be thoroughly investigated and heavily relied on tourists repeating a certain destination. Investments on destination are implied to have a direct influence on the quality of destination brand. Repeat visitation is most argued phenomenon in recent years, repeat tourist account for a lot more than half the entire travelers arrivals at several destinations (Darnell & Johnson, 2001; Niininen et al., 2004; Wang et al., 2004). A wide range of researches investigated the factors leading tourists to constantly return to the same destination. The study of Gitelson and Crompton (1984) on repeat tourists reveals five factors:

- 1. Reduced risk
- 2. The assurance for the tourists which they will find "their kind of people"
- 3. Emotional and behavioral attachment to the destination
- 4. The desire to experience new ways and methods in the destination that were absent during previous trips

Recent studies found that tourists more often wants to return to a destination in order to gain strengthen and expand their relations with the local population, or with fellow travelers, therefore achieving meaning and a sense of accomplishment added to their experience (Wickens et al., 2004; Levy & Hassay, 2005; Kim & Jamal, 2007).

In various research authors discovered that satisfaction added with experiences in tourism resulted in more positive and acceptable behavioral activities to revisit destinations (Kozak, 2001; Petrick, 2004), business conferences, (Severt et al., 2007), or festivals events (Cole & Scott, 2004, Cole & Illum, 2006). Other researchers discovered loyalty does not relate or heavenly linked with levels of satisfaction (Oliva et al., 1992) also satisfaction does not mean that tourist will revisit the destination (Oppermann, 1999). In customer behavior, loyalty came from the brand concept and used to explain behind the customers repeated purchases.

Tourism research has focused on tourism destination loyalty and used familiarity with a destination, propensity to visit, and satisfaction as the core antecedents having the impact on individuals' revisit intention (Bowen & Shoemaker, 1998; Milman & Pizam, 1995; Petrick, 2004).

Nevertheless, several researchers claim that studying loyalty is more difficult in the tourism context (Gitelson & Crompton, 1984; Jago & Shaw, 2000; Oppermann, 1999). For example, satisfaction with one's experiences does not guarantee a return visit because seeking new experiences is a strong motivation for tourists, whereas loyalty focuses on reducing novelty (Gitelson & Crompton, 1984). Riley et al, (2001) also pointed out that because tourism decision making is affected by situational and external constraints such as weather, transportation, time, and companions, it is difficult to gain tourists' loyalty. Taking this into consideration, Morais et al, (2005) suggested a dynamic model including tangible (i.e., money) and intangible resources (i.e., 5 gratitude, social recognition, status, love, self-esteem, and symbolic interaction) as valuable assets to be mutually exchanged among people in order to increase loyalty in the tourism context.

# **3.5 Involvement in Destination Brand Loyalty**

Involvement has been described in the concept of marketing. Houston and Rothschild (1978) explained the notions of involvement, enduring and responsive. Finn (1983) discovered three aspects of involvement: response, subject and product. Park and Young (1986) placed involvement into cognitive and affective areas.

Laaksonen (1994) identify the three ways of creating involvement: individual state, cognitive, and response methods. There is no solitary definition; the general aspect of

involvement relates people's values to a challenge, activity or idea (Sherif & Cantril, 1947). Involvement is public's perceived relation with an object in concept of values (Zaichkowsky, 1985). Involvement in matter can influence public's behaviors (Slama & Tashchian, 1985). When population is drastically involved, they develop intense attitudes. These attitudes then have an impact on public's future behaviors (Sherif et al., 1973). In other hand, involvement simply does not mean participation, because of its' lasting effect on whoever involved (Houston & Rothschild, 1978).

Researches have studied several views of involvement by using various concepts. Gursoy and Gavcar's (2003) studied three topics of tourism involvement: Pleasure value of a trip, the probability of risk regarding a vacation, Importance of risks which are related to that vacation or trip. These three aspects have significant and great impacts on destination for tourists.

The researchers discovered that one aspect; importance of pleasure and emotions, had greatly related with gender, level of education and married couples. Another aspect; value of sign, was related to age. Zalatan (1998) researched wives' involvement in decision process in tourism destinations. Results showed that women are more involved than their husbands in decision making process for vacation, such as selecting the destination itself, restaurants and resorts, and budgeting for the entire trip. Some researchers used involvement portfolios to tourist groups (Gursoy & Gavcar, 2003; Cai et al, 2004), Gamblers and casino customers (Park & Young, 1986; Lee et al., 2009), and shoppers (Hu & Yu, 2007).

Many researchers discussed the link between involvement and several tourism challenges. Jamrozy et al. (1996) researched a segment of tourist group. They discovered that tourists who were more involved in process of tourism plans have more potential to have main say and opinion. They gained more travel data sources and used more nature-based routes. They were more inclined to share their experience after the travels. In tourism decision process, Clements and Josiam (1995) discovered that individuals were likely to travel more and choose broad destinations. In addition, Hwang et al. (2005) mentioned that tourists' perception about attachment to a certain places had greatly influenced the involvement of tourists.

Bird watching tourists developed a behavior to go bird watching more often, spent money on equipment and applied for premium memberships of bird organizations. Moreover, Park and Kim (2010) discovered that tourism-involved group of people which highly involved, preferred to acknowledge previous experience and recommendations of other tourists.

# **3.6 Customers Satisfaction and Destination Brand Loyalty**

Satisfaction is describes as the response of the consumer to performance of the item or product and perception after its usage and consumption. Higher results of satisfaction will increase in reputation and enhancing the revenue and added supports from government and political groups (Baker et al., 1994).

The relationship between satisfaction and behavior of consumer has been a major topic in tourism literature. Satisfaction has a substantial influence on intention and repeat tourist and recommendation to others (Lee et al., 2004). The satisfaction influenced behavioral intention and has strong relations between destination revisit, destination loyalty and destination image (Lee et al., 2004).

Satisfaction is an important part in tourism planning, tourism products and services. Tourist satisfaction is an essential factor to have successful marketing for destination because of influences on choosing the destination, consumption of items and services, decision to revisit the destination (Kozak & Rimmington, 2000).

Many authors have also investigated the comparison of services and factors used in their quality plus satisfaction and provided various measures of satisfaction and service quality (Ekinci et al., 2001). Understanding of customer satisfaction must be a primary factor used to measure the performance of destination services and products (Schofield, 2000).

Satisfaction is identified as one of the most important factors in the decision-making process (Crompton, 1979). Tourists who were more satisfied with their travel experiences were more likely to participate in trips or revisits again, or return to events and areas of that destination (Baker et al, 1994; Kozak, 2001; Yoon & Uysal, 2005). Cole and Illum (2006) discovered that satisfaction with a festival and exhibition has a great impact on people's behavioral desire to revisit the exhibition.

However, one of the major topics in evaluating and measuring satisfaction is considering satisfaction as an outcome of several judgments or as affective accomplishment. With more attention on tourism destinations, Yoon & Uysal (2005) focused the link between satisfaction, motivation, and destination loyalty. Satisfaction factors included with experience based on expectation of destinations, credible compared to time and effort invested for destination and the total status of satisfaction in the destination, and then they found a strong relationship between destination loyalty and satisfaction.

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The effective approach to topic of satisfaction performs either with automatic moodcentered or emotional judgments. Moods like being tense or relax are differentiated from emotions such as disappointment or liking (Petrick, 2004). Performing an activity in a good mood will increase response in emotions such as satisfaction from the event, but later then revisiting and attending the same activity in a bad mood is highly expected to result in the opposite outcome (Schwartz & Clore, 1983).

However, tourist used their emotions as a cue to get knowledge about satisfaction, has been stored in their memory both direct and indirect. When tourists were asked to remember their evaluations about a festival from their memory of that event, one said that "Since I enjoyed the entertainment events of the festival, I liked that festival", whereas other tourists would mentioned "It was acceptable". Moreover, the experience is too heavy to identify all the items associated with tourist satisfaction. Because tourism is an industry consist of far more complex interactions there are too many dynamic and unknowable situations to distinguish from.

# **3.7 Service Quality in Destination Brand Loyalty**

Customer loyalty reflects tourist's behavior and attitudes towards services and repeated usage by tourists and customers (Iwasaki & Havitz, 2004). It is essential for a destination to top the numbers of loyal consumers and tourists since it is easier and cheaper and profitable to retain current consumers and tourists rather than to attract new customers (Alexandris et al., 2002).

Iwasaki and Havitz (2004) also investigated the relationship between involvement and behavioral loyalty and discovered that commitment plays as a mediator in their relationship link. Social intermediates such as skill, motivation, support, and social norms are also important factors of involvement. Another factor that can predict customers' loyalty is the money they pay for a service. The results indicate that, in addition to service quality perceptions, transaction cost elements have a significant impact on service quality (Lee & Cunningham, 2001).

The satisfaction level plays an important role in determining future interaction of the tourists in the service destinations (Rundle-Thiele & Bennett, 2001). The discoveries suggest that service quality is a main part of satisfaction and it is a mediating role between service quality and behavioral interactions (Lee et al., 2004).

Loyalty in the tourism context and link to a destination is a more complicated matter. It is more difficult to discuss on loyalty to a destination than on loyalty to other products or services because of various elements that do not have link to customers' satisfaction and intentions in destination products.

Many authors argue about huge changes in people's lifestyle and changes in their behavior towards tourism. According to Poon (2003), old traditional tourists were interested in 'the sea and the sun and beaches' destinations and preferred group travels, while new tourists liked something unique and special, different, and individual matters. They were interested in destinations which from the cultural point of view liking to know and discover new cultures, new foods and local unique characteristics. In return, gaining new experiences plus the relaxation is the most important motivation of their travelling plans. Because of desires for new experiences and travels, some tourists decided not to visit the same destination even if they had gained high level of satisfaction by products and tourism services achieved at the destination (Oppermann, 1997). Unlike previous study which refers to destination loyalty mainly as repeat visitations, Chen et al (2001) did not consider it to be basic element of the customers loyalty because of the reasons described: tourists can wish for experiencing new destination even if they liked the same destination. moreover, according to Chen et al, (2001) as well as some other authors and researchers , destination loyalty should be counted in terms of wanting to recommend the destination products to others tourists and not just by customers behavior of buying the same item or buying more.

For many decades, researchers have introduced a service perspective (Ramsaran-Fowdar, 2007; Zeithaml et al., 2009). Chang et al (2008) explains the concept of service quality as should generally investigated from the customer's point of view because they may have different aspects and variables, different assessment methods, and circumstances. Parasuraman et al., (2002) describes that service quality is an attribution based on the customer's experience of the service that the customer went through the encounter of the service. According to Kumar et al (2008), service quality is involved in the final level creation of the service and product, but also involved in the production process and delivery of the product in destination, thus employee involvement in process and commitment is important to produce final tourism destination products or destination services.

Another research on service quality is by Grönroos (2007) who investigated a model which it compares between customer expectations and experience of the services they have encountered and received. The name of this model is "total perceived service quality". He emphasizes on customer intention is what really looking for and what they perceived, the service quality is based on two aspects. The first aspect is the technical quality and this one refers to the outcome of investigations, what product is delivered or what the customer gains and receives from the service.

Next aspect is the functional quality that points to method in which the service is presented or how it is delivered. In all aspects they affect the destination image and the perception of service quality in many ways. In accordance to total perceived service quality model, the perception of quality of a service is not only influenced by the experiences of dimensions of quality which customers used for evaluating quality and its perception as good quality, medium quality, or bad quality. It is al also influenced by the perception of quality of services as well as outcomes of the process of evaluation.

Chang et al. (2008) mentioned the earlier concept by Grönroos. Parasuraman et al. (2002) also created and developed "The Gap Analysis Model", a well-known model used in evaluating service quality. This model describes and investigates a view of the customer and company links and relationship. The main purpose of the model is aimed on the aspect that service quality is dependent on both the size and direction of the different five gaps.

1. Gap between expectations of customer/tourist and expectations of management board.

2. Gap between perception of management of customers' expectations and characterizes of service quality

3. Gap between specification of service quality and delivery of service

4. Gap between delivery of service and communication of external sources

5. Gap between service quality and differences with perception of services

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There have been different items in service quality that in this study will be measured in our model:

1. Viewpoint of transaction recognizing quality of the service by both managers and customers

2. Approach in product based view for having understand the quality as measurable variable, however this attributes only refers in production side of service and not the customer side

3. Definitions from customer views and measure their satisfaction and understand their different needs and wants.

4. Manufactured approach addressing the terms of price and values in manufacturing process.

# **Chapter 4**

# THE CASE OF NORTH CYPRUS

# **4.1 North Cyprus: Country Profile**

The required variables for this research have been explained in detail in literature review chapter, the overall case of this study is built upon the understanding of ongoing challenges in tourism destination branding with the involvements of satisfaction, motivations in addition of their motivation in repeating their behavior patterns regarding destination brand loyalty and ends in increasing the market profitability of destination. This study tries to cover the relationship between the effects of these unique characteristics of both tourist behavior and strategies already undergone by destination plus positive and negative effects on sustainability of tourism destination.

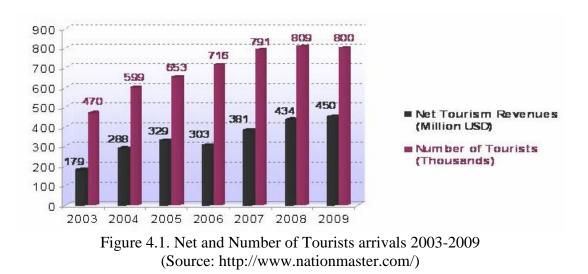
#### 4.1.1 North Cyprus Geographical Situation

Northern Cyprus or Turkish Republic of Northern Cyprus is the northern part of Cyprus Island which was declared independent due to high tensions between Turkey and Greece in 1974 (Hüssein, 2007). The North Cyprus is consists of 5 districts, Iskele, Gazimagusa, Lefkosa, Girne and Guzelyurt (Hüssein, 2007). The Island itself situated at 35 degree 11' North and 33 degree 22' East and 3355 Kilometer square land with 2.7% water and one of largest Islands in Mediterranean Sea (Hussein, 2007). The capital city of Nicoisia is in Lefkosa district and in a borderline with the southern part. There is a UN buffer zone exist between the north and south (Hüssein, 2007).

The weather is typical of a Mediterranean Island; in winter weather is cool and rainy, although there are no snows in times of winter in North Cyprus. Spring is very short and summer is dry and sometimes very hot (Hüssein, 2007). All of these unique characteristics of North Cyprus especially Hot water, weather, and Mediterranean Sea placed as the North Cyrus destination branding attracted large numbers of international tourists from all over the world.

#### 4.1.2 Political and Economic of North Cyprus

After the tensions between Turkey and Greece, North Cyprus depends heavily on Turkish economy and military support. All imports and exports take place via Turkey except for local goods and productions and mined materials which exported via one of their ports.



The Cyprus island divided in 1974, Turkish Cypriot declared independence and form TRNC, Turkish Republic of North Cyprus in November 15, 1983.

The economy is mostly dominated by tourism and service sector as in 2007 about 69% of GDP is from those sectors which includes tourism, public and trade sectors. Agriculture provides 9% GDP and light manufacture industry provides 22%

(Hussein, 2007). Economy is in state of a free-market with mostly funded administration by Turkey. Turkish Lira is the currency of TRNC and it is directly linked with Turkish economy. It is considered to be a small island with very limited resources and natural resources and external changes of economics has a great impact on TRNC's own economic.

# **4.2 Tourism in North Cyprus**

Tourism sector has played an important role in North Cyprus Economy throughout recent decade (Gilmore, 2007). After the independence of TRNC, the tourism sector faced many issues and difficulties as sanctions unbalanced the society and economic sectors and instability from political problems since 1974 made it hard for this industry to flourish. As a tourist destination, North Cyprus has many cultural, historical and natural attractions with many potential opportunities of international tourism. The main issue is establishing a marketing strategy for all these challenges the tourism industry faces every time (Gilmore, 2007).

Tourist activities in North Cyprus can break down in many different classifications such as enjoying water sport related activities in beach resorts, enjoying historical and cultural sites along with different monuments build in different eras and past civilizations. Main large cities in the north are Nicosia (Lefosa), Girne (Kyrenia), Famagusta, Morhpou, Karpaz and Iskele. The main attractions in the North Cyprus are beaches which are naturally beautiful and clean. Tourists whom value water sports, sun and nature lover will have a place in North Cyprus (Hüssein, 2007).



Figure 4.2. TRNC Geographical Map Source: http://www.amyvillas.co.uk/map.asp

#### 4.2.1 TRNC Tourism Attractions

There are many famous attraction and places to visit and rest in North Cyprus, along with its beautiful beaches old sites are available for tourists to visit:

Kyrenia Castle and Harbor, Kyrenia is famous for its ancient castle and harbor.
 Many colorful restaurants which was warehouses converted, yachts and docking boats are with the ancient castle is a sight to enjoy for many tourists.

2. Bellapais Monastery, build by King Hugh III in 1205 from France is house of traditional music festivals and is in Kyrenia coast.

St Hilarion Caste and Kyrenia Mountain Range with Sourp Magar Monastery
 Lala Mustafa Pasha Mosque or St Nicolas cathedral, the most iconic monument in Magusa belong to 1300 and reconstructed in 1923, crowning place of kings of Jerusalem. One the beautiful 14<sup>th</sup> century sites for many tourists to visit.

5. Salamis Ruins, founded by Tefkros is situated outside of Famagusta and built in 1184 BC is also include Roman Gymnasium and theatre built in the time of Augustus.

6. There is also St. Barnabas Monastery and Archaeology museum situated near city of Famagusta.

7. In Karpaz peninsula, along with villas and Golden beach is Apostolos Andreas Monastery which is a must see for tourists.

8. In Nicosia Great Inn or Buyuk Han is in the southwest of Asmaalti Square, the Lefkosa commercial center is built by khans who survive the Ottoman Empire and is one of the most visited places in Nicosia.

#### 4.2.1.1 Nicosia (Lefkosa)

Nicosia is the main capital city of Turkish North Cyprus and it is the largest city in the north. Nicosia is the main hub of cultural, diplomatic and business activities. Nicosia has its share of tourist attraction such as Museum of National Struggle, Arab Ahmet Mosque and Kyrenia gate.

#### 4.2.1.2 Girne (Kyrenia)

Kyrenia is port city founded in 10<sup>th</sup> BC. The old harbor of the city constructed by the British and acted as a place for naval captains and their families. The most important characteristics of this city are its beautiful boat docking, restaurants along the beach and historic places which attract many visitors from various places of the world. The main attractions are Kyrenia Castle, folk arts museum shipwreck and Castle of Saint Hilarion.

#### **4.2.1.3 Famagusta (Magusa)**

Famagusta along with Kyrenia is one of the most important harbors/cities in North Cyprus and it is situated beside the famous Salamis ruins. Famagusta housed the largest university in the whole island.

Beside the large number of ancient ruins and beach resorts for tourist attraction, is also a place of science and the cause of increasing number of visitors for academic activities. Lala Mustafa Pasha Mosque and Salamis Ruins are two most important and attractive ruins in or around the city. Eastern Mediterranean University is a major academic center in whole Island and stands as the most important and credible university in North Cyprus and Cyprus.

#### 4.2.1.4 Morphou

Morphou is located in the northwest part of North Cyprus and is the most important agricultural center for northern part. With its fertile areas it is the major producer of strawberries, tomatoes, cucumbers and beans. The Pigades Temple is one of tourist attraction s which is historical and ancient tourist lovers can enjoy visiting it.

#### 4.2.1.5 Iskele

Situated between Famagusta and Karpaz is the main touristic center which is the coastline in northern Cyprus. There are several hotels along with villas and restaurants and beach resorts along the coastline of Iskele and known and the entertainment center. The most famous sites and tourist attraction places are Kantara Castle and Bafra beach which is one of major tourist attraction in the Mediterranean Sea.

# Chapter 5

# METHODOLOGY AND HYPOTHESIS OF THE STUDY

## **Overview**

This chapter represents required information including sample, methodology and approaches types used to investigate the theoretical contribution of the study model statistically through using various reliable statistical methods.

# 5.1 Deductive Approach and Credibility and Reliability of the

## Research

This study used deductive (reasoning) approach defined as implying theory to test reliability and meaningfulness of the proposed relationship (Hyde, 2000). This approach assesses the construct of the study to analyze deductions. This study tested the effects of independent variable such as customer involvement, customer satisfaction, and service quality with brand image and destination brand loyalty on destination profitability as dependent variable with destination brand loyalty as the study theoretical framework.

Reliability is the consistency of study's measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. In short, it is the repeatability of your measurement. A measure is considered reliable if a person's score on the same test given twice is similar. It is important to remember that reliability is not measured, it is estimated.

Internal consistency estimates reliability by grouping questions in a questionnaire that measure the same concept. For example, you could write two sets of three questions that measure the same concept (say class participation) and after collecting the responses, run a correlation between those two groups of three questions to determine if your instrument is reliably measuring that concept.

One common way of computing correlation values among the questions on your instruments is by using Cronbach's Alpha. In short, Cronbach's alpha splits all the questions on your instrument every possible way and computes correlation values for them all (we use a computer program for this part). In the end, your computer output generates one number for Cronbach's alpha - and just like a correlation coefficient, the closer it is to one, the higher the reliability estimate of your instrument. Cronbach's alpha is a less conservative estimate of reliability than test/retest.

The primary difference between test/retest and internal consistency estimates of reliability is that test/retest involves two administrations of the measurement instrument, whereas the internal consistency method involves only one administration of that instrument.

## **5.2 Cross-Sectional Method**

This study distributed the data through using cross-sectional method. This method defined as distributing study variables including independent and dependent variables simultaneously over the short period of time. Cross sectional studies aimed to evaluate exact effects of each variable on another through the same time interval.

## **5.3 Definition of Case Study**

Case study research excels at bringing us to an understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. Researchers have used the case study research method for many years across a variety of disciplines. Social scientists, in particular, have made wide use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods. Researcher Robert K. Yin defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1984).

Critics of the case study method believe that the study of a small number of cases can offer no grounds for establishing reliability or generality of findings. Others feel that the intense exposure to study of the case biases the findings. Some dismiss case study research as useful only as an exploratory tool. Yet researchers continue to use the case study research method with success in carefully planned and crafted studies of real-life situations, issues, and problems. Reports on case studies from many disciplines are widely available in the literature.

The first step in case study research is to establish a firm research focus to which the researcher can refer over the course of study of a complex phenomenon or object. The researcher establishes the focus of the study by forming questions about the

situation or problem to be studied and determining a purpose for the study. The research object in a case study is often a program, an entity, a person, or a group of people. Each object is likely to be intricately connected to political, social, historical, and personal issues, providing wide ranging possibilities for questions and adding complexity to the case study. The researcher investigates the object of the case study in depth using a variety of data gathering methods to produce evidence that leads to understanding of the case and answers the research questions.

Case study research generally answers one or more questions which begin with "how" or "why." The questions are targeted to a limited number of events or conditions and their inter-relationships. To assist in targeting and formulating the questions, researchers conduct a literature review. This review establishes what research has been previously conducted and leads to refined, insightful questions about the problem. Careful definition of the questions at the start pinpoints where to look for evidence and helps determine the methods of analysis to be used in the study. The literature review, definition of the purpose of the case study, and early determination of the potential audience for the final report guide how the study will be designed, conducted, and publicly reported.

## **5.3 Sample of the Study**

This study collected its data among international tourist from all over the world from four and five star hotels located in North Cyprus via Mersin 10; Turkey serves as the setting of study. International tourists are mostly from Russia, Iran, United Kingdom, Italy and Lebanon. Research team got the permission in order to collect the data; data had been collected during nine days from international tourists mostly. 250 questionnaires which was derived from "Destination Culture and Its Influence on Tourist Motivation and Satisfaction" by Lai and Vinh (2013) distributed among so called sample and 220 questionnaires was collected which all of them was used to analyze the data so the response rate was 88% showed the high reliability of the data. Questionnaires distributed regardless of the respondent age, gender, Income, education and marital status to prevent any biased in the study results. Data analyzed through SPSS, ANOVA, and Pearson Correlation to examine the questionnaires information.

# **5.4 Conceptual Model of the Study**

The study offers the meaningful experience of destination brand through its measurement model such as image, loyalty, quality, value and awareness with relationship between them. This study tries to evaluate the effects of customer involvement, overall satisfaction, and service quality on two mediators namely Brand image and destination brand loyalty and finally on destination profitability. This thesis distributed data among four and five star hotels in North Cyprus.

Customers who are involved and satisfied with destination service quality will have positive destination brand image in their mind, in long run they will be loyal to branded destination. Loyalty in destination leads to increase in repeat purchase. Repeating purchase boost the destination profitability at the end (Figure 5.1). Hypothesis of this study is proposed and based on several other researches, surveys and observations. Hosany & Prayag (2011) had identified the significant relationship among tourist emotional and satisfaction on destination loyalty in the context of South East England. Sadeh et al, (2012) had identified the tourist loyalty model by using tourist satisfaction, destination image, perceived value and tourist satisfaction in the context of Iran. Coban (2012) had inspected the impact of destination image and tourist satisfaction on destination loyalty in the context of Cappadocia. Mohamad et al, (2012) had determined the perception of foreign tourists of Malaysia and the predicting that influence the formation of the tourists' future behavioral intentions.

Chi and Qu (2008) had investigated the difference between the first time and repeat visitors evaluation of destination image, tourist attribute, overall satisfaction and destination loyalty in the context of Eureka Spring resort. Prayag (2008) had developed theoretical model for loyalty by incorporating the construct of destination image, place attachment, personal involvement and satisfaction in the context of Mauritius. Osti et al, (2012) had investigated the effects of satisfaction and loyalty on destination profitability. Kim et al, (2013) had investigated and developed theoretical relationship among destination image, service quality and perceived value impact on tourist satisfaction involvement in the context of Orlando's future profits.

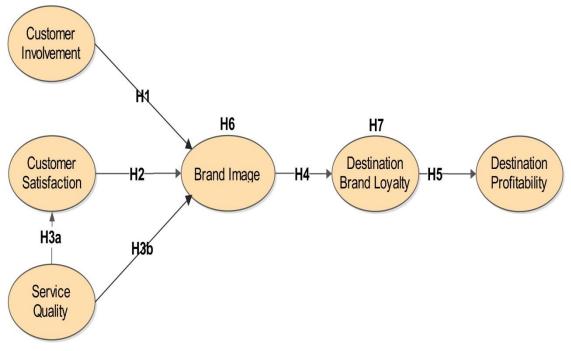


Figure 5.1. Hypothesized

# **5.5 Hypothesis Development**

#### 5.5.1 Customer Involvement and Brand Image

In Anderson, (2005) web-brand relationships and customer involvement model focused on identifying roles of buyer/customer relationship with product/service development and activities which then confirmed the past studies and further supported the relationship of increased loyalty and involvement through brand image. Forecasting PM from Grafe et al, (2013) and Soukhoroukova et al, (2007), surveyed the customer involvement and brand image through several rating scales and opinion towards that brand.

Kim et al, (2009) has taken the influences of involvement on destination brand effects and satisfaction through having considered the behavioral intention, and willingness of tourists in destinations to spending credits and currency. Following these researches this studies proposes the first hypothesis: H1: customer involvement has positive effects on brand image of destination.

#### 5.5.2 Customer Satisfaction and Brand Image

From Chen and Patton (2012) model for destination image and customer satisfaction and quality of services, the cognitive knowledge of constructs has been understood. Destination brand image consist of destination's knowledge and characteristics (as being exotic, expensive or etc.) followed Bagozzi's (1992) attitude reformation theory of destination. From his model direct effects of customer satisfaction and loyalty on brand's image confirmed and positive effects had been proven. Ogba and Tan (2009) discovered in their research that there positive influence of brand image on customer satisfaction and with the expansion of positive image of that destination the customer satisfaction increases. This study proposed the second hypothesis based on previous studies:

H2: High customer satisfaction increases the positive image of that brand destination.

#### 5.5.3 Service Quality and Brand Image

Later Gartner and Ruzzier (2011) published their study which includes a model with destination awareness, quality, image and loyalty as factors and identifying the repeated destination visits in Slovenia from views of European tourists. The research resulted in both quality and image has the most important factors on selecting the destination and difference in ideas of loyalty and awareness regardless of being a repeated visit or the first visits by tourists.

Grönroos (2007) proposed a research quality model and investigated a model which it compares between customer expectations and experience of the services they have encountered and received. He emphasizes on customer intention is what really looking for and what they perceived, the service quality is based on two aspects. The first aspect is the technical quality and this one refers to the outcome of investigations, what product is delivered or what the customer gains and receives from the service.

Next aspect is the functional quality that points to method in which the service is presented or how it is delivered. In all aspects they affect the destination image and the perception of service quality in many ways. In accordance to total perceived service quality model, the perception of quality of a service is not only influenced by the experiences of dimensions of quality which customers used for evaluating quality and its perception as good quality, medium quality, or bad quality.

A year later Pike et al, (2010) proposed another model called CBBE for deploying the four dimensions which are associations, quality, salience and resonance of brand. Main function was to measure the consumer based brand for a destination. Pike et al, (2010) presented a theoretical framework for destination which functions as adapt the consumer feedback in range of tourism views and applications.

According to these studies, hypotheses 3a and 3b proposed as follow:

H3a: Providing high qualified services has a direct positive effect on customer satisfaction directly.

H3b: Providing high qualified services to visitors improve the image of branded destination positively.

#### 5.5.4 Brand Image and Destination Brand Loyalty

In area of destination brand loyalty and destination image, Zhang and Lei (2012) proposed model based on brand image cognitive hypothesis (McDowall & Ma, 2010)

and effectiveness (Lee & Taylor, 2005). In proposed framework attitudes and overall behavioral of customers and destination measured and positive total effects on destination brand loyalty confirmed. Lee and Shen (2013) incorporated destination brand loyalty into mechanism of destination brand image expansion and analysis of repeated buying products and they confirmed the positive relationship between these two mediators in this thesis. Some scholars measured the destination brand loyalty scale with the status of brand image qualities as mediators for each other and with questionnaires of strongly agree and strongly disagree in his study. This thesis proposes the following next hypothesis:

H4: Positive image of branded destination improve loyalty degree of customers in branded destination.

#### 5.5.5 Destination Loyalty and Destination Profitability

Many researchers developed models for destination brand loyalty and equity. The relationship of destination awareness, destination brand loyalty and destination values tested. In the recent researches many factors dedicated to characteristics of destination and assessment from tourist's points of view and experiences. Another scholar measured the profitability in destination by identifying factors of destination loyalty via their customer feedback on services provided in that destination.

H5: High degree loyalty in branded destination leads to more spending in the destination with high repeated purchase rate so increase destination profitability.

#### 5.5.6 The Mediating Role of Destination Brand Image

Destination brand image has been a most researched mediator and topic as in Jalilvand et al (2011) research was the confirmed role to increase the brand loyalty. Hunt (1975) focused on identifying the role of mediating brand image in encouraging tourists and visitors in repeating the destination and become more loyal.

H6: Brand Image play mediating role in the relationship between customer involvement, customer satisfaction and service quality on Destination brand loyalty and destination profitability.

#### 5.5.7 The Mediating Role of Destination Brand Loyalty

In Valle et al, (2006)'s research about the role of destination brand loyalty, the mediating effect on gaining more profits in destination itself had been observed through the success of satisfying the customers. Mohamad et al, (2012) also used the destination brand loyalty as mediator into seeing more profits in having a loyalty based customers to reach the threshold of profits in industry and it was consistent with its all factors related to satisfaction. This study proposed final hypothesis of brand loyalty mediating role.

H7: Destination Brand loyalty play mediating role in the relationship between customer involvement, customer satisfaction, and service quality on brand image and finally on destination profitability.

#### 5.5.8 Control variables

Age, gender, education, marital status assign as control variable in examining hypothesized model to control the accuracy of the study results.

# **5.6 Description of the Data**

In this chapter, the data gathered through distributed questionnaire, will be described using descriptive statistics and inferential statistics. This chapter has two parts. In the first part of the research, descriptive statistics for demographic characteristics of the respondents evaluated.

The goal of data analysis is to understand the impact of destination brand loyalty on such as customer involvement, customer satisfaction, and service quality with brand image and destination brand loyalty on destination profitability. In this research, Pearson correlation, Partial correlation, One-way ANOVA and independent sample T-test used to test the hypothesized relationship.

# **5.7 Demographic Variables**

## 5.7.1 Sex of Respondents

Based on Table 4.1, out of 220 of the respondent, 100 were male and 120 were female with the percentage of 45.5% for first and 54.5 for latter. So data distributed approximately equally between two genders (Table 5.1).

## **5.7.2 Age of Respondents**

According to the above table, out of total number of 220 respondents, 49.1% of respondents were aged between "45-64" with having the highest frequency and "25-44" with 40.9 % located in the second frequent age average. The lowest rate was 10.0% of the respondents were aged between "18-24". Based on the data, most of the respondents aged between 25 up to 64 years old and adult (Table 5.1).

#### **5.7.3 Education of Respondents**

Education is considered as one of the controlling variables to test the accuracy of the result and study finding. Respondent education was calculated from high school up to Doctorate degree to examine whether education can be considered as one of the effecting variables (Table 5.1).

According to the above table, out of the total number of 220 respondents, 45% of respondents stated that their degree of education was Bachelor and they had the most frequency among the rest of respondents. The lowest frequency was 9.1 belong respondents with high school degree (Table 5.1).

#### **5.7.4 Marital Status of Respondents**

Marital status of the respondent also considered as one of the control variables to control the reliability of the result. Marital status examined through single and married factors (Table 5.1).

According to the above table and graph out of total number of 250 respondents, 51.8% of respondents were married and 48.2 percent were single. This result showed that most of the respondents were married couples; so this can meet the requirement of study hypothesis for understanding most of touristic destination aspects. Another meaning would be concluded that married individuals are more interested to understand about their entertainment and facilities rather than singles. So this data showed that research group targets the accurate respondent for analyzing the study hypothesis (Table 5.1).

## 5.7.5 Income of Respondent

Income of respondent evaluated as one of the control variables of the study. Income classified from less than \$1,000 per month up to 3,000\$. According to the average household income, the most frequent income average is "1,000\$-3,000\$" with 72.7%, and least frequent income average is for those less than \$1,000 with 10.9% (Table 5.1).

Valid		T.	D (	Valid	Cumulative
		Frequency	Percent	Percent	Percent
-	Male	100	45.5	45.5	45.5
Gender	Female	120	54.5	54.5	100.0
	Total	220	100.0	100.0	
	18-24	22	10.0	10.0	10.0
Age	25-44	90	40.9	40.9	50.9

Table 5.1. Control Variables

	45-64	108	49.1	49.1	100.0
	Total	220	100.0	100.0	
	High School	9	9.1	9.1	9.1
	Bachelor	100	45.5	45.5	54.5
Education	Master	79	35.9	35.9	90.5
	PhD	21	9.5	9.5	100.0
	Total	220	100.0	100.0	
Marital	Single	106	48.2	48.2	48.2
Status	Married	114	51.8	51.8	100.0
	Total	220	100.0	100.0	
	Less than \$1,000	24	10.9	10.9	10.9
Salary	\$1,000-\$3,000	160	72.7	72.7	83.6
	\$3,000 or more	36	16.4	16.4	100.0
	Total	220	100.0	100.0	

# **5.8 Test of the Model**

This study used path analysis to examine the relationship and connectivity of variables to each-other statistically. According to the significance of the Pearson correlation test between the main variables as prerequisite for regression testing, we assessed the path analysis to determine the effect of independent variables (Customer Satisfaction, Destination Brand loyalty, Service Quality of Destination, Brand Image, and Customer Involvement) on Destination Profitability of Inter linear regression method was used.

					Dest.	-	Service
		Brand	Cust.	Cust.	Brand	Dest.	Quality
		image	Invol	sat	Loy.		Questions
Brand	Pearson	1	.071	.756 <sup>**</sup>	.957***	.608**	.959**
image	Correlation						
	Sig. (2-tailed)		.293	.000	.000	.000	.000
	Ν	220	220	220	220	220	220

Table 5.2. Correlation of Model Variables

Custom	Pearson	.071	1	.082	.096	.017	.065
er	Correlation						
involve	Sig. (2-tailed)	.293		.224	.158	.800	.338
ment	Ν	220	220	220	220	220	220
Custome	Pearson	.756**	.082	1	.806**	.553**	.791**
r	Correlation						
Satisfact	Sig. (2-tailed)	.000	.224		.000	.000	.000
ion in	Ν	220	220	220	220	220	220
destinati							
on							
Destina	Pearson	.957**	.096	.806**	1	.561**	.964**
tion	Correlation						
Brand	Sig. (2-tailed)	.000	.158	.000		.000	.000
Loyalty	N	220	220	220	220	220	220
Destina	Pearson	.608**	.017	.553**	.561**	1	.618**
tion	Correlation						
Profita	Sig. (2-tailed)	.000	.800	.000	.000		.000
bility	Ν	220	220	220	220	220	220
Service	Pearson	.959**	.065	.791**	.964**	.618**	1
Quality	Correlation						
Questio	Sig. (2-tailed)	.000	.338	.000	.000	.000	
ns	N	220	220	220	220	220	220

\*\* Correlation is significant at the 0.01 level (2-tailed).

Base on the Table 5.2, 4.6% all of the model variables are related to each other. The positive statistical analysis confirms the construct of the study.

Table 5.2 shows the regression analysis between the model variables with high mean square of 33.828 and total sum square of 133.177 confirm the meaningfulness of the study model.

# **5.9** Test of the Hypothesis

In this section, hypothesized relationship evaluated and determined the accuracy of the data statistically.

#### **5.9.1 Brand Image and Independent Variables**

#### 5.9.1.1 Brand Image and Customer Involvement

First hypothesis try to question the relationship between brand image as the dependent variable and Customer involvement considered as the independent variables; so beta coefficients are calculated using the same method and the results of the regression are shown below. Direct effect of this variable on the dependent variable based on Beta coefficients obtained in the breakdown Table (5.3) is presented.

Direct effect of this variable on the dependent variable confirmed based on the amount of beta coefficients in Figure (5.9) is presented. Due to lowest meaningful of beta coefficient result of 0.071 which is lower than 0.5 so the relationship between customer involvement and brand image is not significant and the hypothesis is rejected.

#### 5.9.1.2 Brand Image and Customer Satisfaction

The relationship between Brand Image as the dependent variable and satisfaction of the customer from branded destination considered as independent variable interred and beta coefficients are calculated using the enter method and the results of the regression are shown below. Direct effect of this variable on the dependent variable based on Beta coefficients obtained in the breakdown diagram (5.10) is given.

According to beta coefficient of 0.756 which is higher than 0.5 with t-test of -5.214 the null hypothesis is rejected and the hypothesized relationship is accepted.

#### 5.9.1.3 Brand Image and Service Quality

Brand Image as the dependent variable and Service Quality as the independent variables considered in the regression beta coefficients using the enter method of calculation and the results are shown below. Direct effect of this variable on the dependent variable based on Beta coefficients obtained in separate graphs (5.11) is presented.

Direct effect of this variable on the dependent variable based on the amount of beta coefficients in the breakdown diagram (5.2) is presented. According to beta coefficients of 0.959 with t-test of -19.139 with is higher than 0.5 so the null hypothesis is rejected and hypothesized relationship is accepted.

#### **5.10 Brand Image and Dependent Variables**

Brand image as the dependent variable and the Brand Destination Loyalty considered as independent variables and regression beta coefficients using the same method of calculation and the results are shown above. Direct effect of this variable on the dependent variable based on Beta coefficients obtained in separate graphs (5.2) is presented. The relationship between brand image and destination brand loyalty is significant at sum of square of 1137.425.

According to beta coefficients of 0.957 with t-test of 11.288 with is higher than 0.5 so the null hypothesis is rejected and hypothesized relationship is accepted. F score shows the value of the relation is 2,379.370 is confirmed the positive relationship between brand image and destination brand loyalty.

#### 5.10.1 Mediating Role of Brand Image and Destination Brand Loyalty

According to the table 6.15, test of coefficient between the three independent variables and destination brand loyalty is reported. According to beta coefficient as the strong indicator of relation between variable three scores reported as follow 0.873, 0.113, and 0.030 with t-test of 30.832, 3.977, and 1.707 show that null

hypothesis is rejected and the proposed hypothesis which is the mediating role of destination brand loyalty and these three independent variables is supported.

#### 5.10.2 Independent Variables and Destination Profitability

Given the significance of the Pearson correlation test between the main variables is a prerequisite for regression testing, here are to determine the effect of independent variables (Customer Satisfaction, Destination Brand loyalty, Service Quality of Destination, Brand Image, Customer Involvement) on Destination Profitability of Inter linear regression method was used.

Based on the values obtained in the above calculations can be direct effects of independent variables on the dependent variable in a separate diagram (Table 4.15) to specify. So the relationship between all of the variables and destination brand loyalty is supported and significant.

#### **5.11 Destination profitability and Control Variables**

This study uses pool of control variables to control the accuracy of the study and avoid bias in the result of study. Control variables are age, gender, education, marital status, and income.

Based on table 4.17, the relationship between destination profitability as the dependent variable and marital status as the control variable is significant with mean of 12.5849 and 12.6754 out of 220 respondents.

Given the significant level .391 can be concluded that there is no difference between marital status and destination profitability. It can be concluded that the average benefit is the destination for couples and singles alike. In other words, both single and married couples have the same relationship with destination profitability.

Given the significant level 000, Can be concluded that there is a difference between gender and Destination Profitability. It can be concluded that the average Destination Profitability is not the same for men and women (Table 5.20).

Table 6.21, Pearson's test results show that there is a significant direct positive correlation between the two variables as age is greater than the significance level of 0.05 of destination profitability.

Given the significant level of equity, the null hypothesis can be rejected Destination Profitability in different studies. In other words, the null hypothesis that there is a difference between education destinations in terms of usefulness is rejected. The relationship between education and destination profitability is significant.

#### **5.12 Findings of the Study**

After finalizing the results, the customer involvement effects on brand image of destination is not supported and thus in tourists involvement in delivering and using of destination services has no positive effects on destination image. Following the footsteps of previous studies customer satisfaction has accepted as a positive influence on destination image.

The effects of service quality are like previous studies have positive effects on customer satisfaction but the results been as high as expected but nonetheless it was positive. Providing high level quality of services had positive impacts on destination image but again the quality of services were not high but tourists and visitors were satisfied.

The positive destination brand image supported the loyal customers as other studies intended. High levels of loyalty in visitors also increased the destination profitability like other researches before the loyalty makes repeated purchases at destination possible.

Brand Image play mediating role in the relationship between customer involvement, customer satisfaction and service quality on Destination brand loyalty and destination profitability by the results of previous studies supported and the mediating role has been positive. Destination Brand loyalty play mediating role in the relationship between customer involvement, customer satisfaction, and service quality on brand image and finally on destination profitability is supported.

Control variable have positive effects on hypothesized relationship in ages of 18 to 35 and mostly females, high levels of education with high income levels was supported and significant.

### Chapter 6

### **DISCUSSION AND CONCLUSION**

#### **Overview**

This chapter provides information about the findings construct of the study to the marketing literature. Moreover, this chapter represents information about conclusion, managerial implication, and limitation of the study.

#### **6.1 Discussion**

This study aimed to test a theoretical model of destination brand profitability. It was proposed that destination brand as a whole (Image, brand loyalty, and related factors such as Involvement) is a multi-dimensional construct and was tested on North Cyprus Hotels.

This study discovered that ongoing destination brand of North Cyprus is overall positive by many visitors and tourists' perspective with medium to low service quality in touristic resorts; tourists and visitors still interested in the destination brand. Destination image is positively existed in visitors' opinion. However the managers must consider the improvement of quality services.

According to Ogba and Tan (2009), Chen and Patton (2012) the finding are consistent as customer satisfaction has significant impact on brand image. In destination brand image, commitment plays as a mediator in their relationship link. Social intermediates such as skill, motivation, support, and social norms are also important factors of involvement. Another factor that predicted visitors' loyalty in North Cyprus is the money they pay for a service. The results indicate that, in addition to service quality perceptions, transaction cost elements have a significant impact on service quality (Lee & Cunningham, 2001).

The satisfaction level played an important role in determining future interaction of the tourists in the service destination of North Cyprus (Rundle-Thiele & Bennett, 2001). The discoveries suggest that service quality is a main part of satisfaction and it is a mediating role between service quality and behavioral interactions as supported in this research (Lee et al, 2004). Gartner and Ruzzier (2011) model for service quality and brand image have been different from this study due to lack of providing quality services in north Cyprus and was not consistent.

Zhang et al, (2012) and McDowall and Ma (2010), brand image and brand loyalty's factors are consistent with each other and in this study. It is safely to say the match with their finding on loyalty influenced heavily by brand image.

Finally, Boo et al, (2009) confirmed the mediating role of brand loyalty to increase of profitability of destination. In this research, significant role of loyalty and before that, brand image has been identified and is consistent with previous studies.

#### **6.2** Conclusion

In recent decades, researchers have introduced a service perspective (Ramsaran-Fowdar, 2007, Zeithaml et al, 2009,). Chang et al, (2008) explains the concept of service quality as should generally investigated from the customer's point of view because they may have different aspects and variables, different assessment methods, and circumstances. As in this thesis the major role has been confirmed. As in North Cyprus, service quality is an attribution based on the customer's experience of the service that the customer went through the encounter of the service. According to Kumar (2008), service quality is involved in the final level creation of the service and product, but also involved in the production process and delivery of the product in destination, thus employee involvement in process and commitment is important to produce final tourism destination products or destination services.

Like many studies before in North Cyprus showed that image of destination is more realistic which are held by returning tourists and complex (Pearce, 1988). In seven stage theory of Gunn, constant building of images and modifying them are being made of non-tourist information or organic form either materials such as documents, books, internet or other Medias or from a relative or friends information and experience and induced images.

High value destination brands with high awareness will provide high detail information about destination source for tourists and public. Differentiation of Destination; Variety of aspects of destination characteristics such as cultural, historical with believable sustainable and reliable attributes for attracting tourists (Morgan et al., 2002) as in case of North Cyprus, the awareness of tourists are also high and this lead to repeated visits by tourists.

Brand loyalty is an important factor in gaining profits and revenue to keeping customers loyal and increase in brands' equity (Villarejo-Ramos & Sanchez-Franco, 2005). Enhancing consumer loyalty and developing brand added much needed profit for destination and loyal customers are having a high probability to pay more for premium memberships (Keller & Lehmann, 2006). As in this case, the mediating role

of destination loyalty has been confirmed and understanding of high levels of brand image and loyalty of tourist can increase the profitability of destination and there is always a room for improvement.

The purpose of this study was to develop holistic theoretical model of destination profitability by using tourist participation, destination image, and tourist satisfaction and destination brand loyalty. Its effects and antecedents may serve as a theoretical background designing measurement instrument for destination managers. Analyzing the antecedents of tourist perception on involvement, destination image, tourist satisfaction and destination loyalty may provide insight in the process of creating destination loyalty at both construct and indicator level. This study developed a holistic model for destination profitability. The proposed study could be modified to allow the measurement of other tourism ancillary sector tourist loyalty.

#### **6.3 Managerial Implication**

This study provided invaluable implication for understanding the importance of brand image, customer brand loyalty as well as their importance in increasing profitability and revenues of destination in this case of North Cyprus. First, there is an utmost need of paying attention to tourists' service qualities presented at tourism resorts as in the case of North Cyprus the quality levels of services presented for tourists weren't high enough, however mixed views on this matter helped improving the expectation a little bit but it is still alarming. The customer involvement were however low and in contrast to previous studies which customer involvement was an important factor (Nambisan & Baron, 2009), the involvement were almost low that it didn't increase the importance of brand image. Managers must pay attention to

tourist involvement if they are in need of increasing their value of brand image (Edward et al., 2008).

The customer satisfaction is depends on quality of services at destination and in North Cyprus, tourism managers must pay attention to quality of those service if they want to have a repeated visits by tourists and improve their brand image and thus increasing the profitability and future revenues.

The primary purpose of measuring and explaining customer satisfaction is to understand how well suppliers at a particular destination recognize and respond to the needs of its visitors and which elements of a destination's offer need improvement. Tourists' comments, complaints and suggestions are a valuable source of ideas for improvements and innovations. Following matters are proposed for the managers: the interest and involvement of managers in "customer" issues, a comparison with competitive destinations, defining and monitoring critical issues and areas; allocating resources, assessment and improvement upon destination image.

#### 6.4 Limitation of the Study

This study has some limitations in field of measuring the customer's loyalty, service quality and tourism literature. First, this study focused on North Cyprus with its unique state of destination, this place isn't quit big and future studies can compare the situation of island to other destinations can provide more accurate results and help to understand of difference between managerial strategies for several destinations. The future researches can also compare between two countries and destination with different characteristics or even similar one to identify new methods and responses and learn from all ongoing situations existed in destinations. Also future studies can increase the questionnaire quantity or add more variables for acquiring more data and find new factors within the model to research more ways in increasing brand image, loyalty and profitability in destination.

Further research should concentrate on the measurement issues and take a step towards operationalization of the model. A questionnaire developed on this basis should be designed and implemented in such a way that allows different modes of data collection, including face-to-face interviews, telephone surveys, web surveys, as well as self-administered surveys.

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APPENDICES

### **Appendix A: Questionnaire**

#### **Demographic Questions (Control Variable)** □18-24 □ 25-44 □ 45-64 **1. Age**: □ 65 + 2. Gender: □ Male □ Female 3. Marital Status: □ Single $\square$ Married (Not significant) □ Bachelor □ High School □ Master 4. Education: $\Box$ PhD **5.** Average household income: (per month) $\Box$ Less than \$1,000 □ \$1,000-\$3,000 □ \$3,000 or more **SECTION I:**

Please tick one answer closely to relate to your opinion:

#### 1. How did you arrive to North Cyprus?

- a. Car
- b. Low-cost airline
- c. Major-cost airline
- d. Ship

#### 2. Where did you hear about this tourist destination?

- a. I already knew of it.
- b. The Internet.
- c. Friends and relatives.
- d. Media.
- e. Books and guides.
- f. Travel agency.
- g. Fairs and/or exhibitions.
- h. It was part of the travel package

#### 3. Is this your first visit to this tourist destination? (Mark the appropriate

answer)

1. No.  $\rightarrow$  How many times have you visited this tourist destination in the past?

2. Yes.

#### 4. What are the main reasons for your visit to this tourist destination? (Brand

#### image)

- 1. Rest and relaxation.
- 2. Visiting relatives and friends.
- 3. Business reasons.
- 4. Attending a conference, congress, seminar, and other forms of educations. 5.

Culture.

6. Fun.

- 7. Sports and recreation.
- 8. Health.
- 9. Religious reasons.

#### **SECTION III:**

#### (Destination Brand Image)

#### -Rate the North Cyprus

First on HOW IMPORTANT of these elements to you (1 unimportant to 5 Very

#### important) (out of 220)

N	Elements (Brand Image)	1	2	3	4	5
10	Personal safety and security					
11	The destination can be easily reached					
12	Overall cleanliness of the destination.					
13	Unspoiled nature.					
14	Climate conditions					
15	Diversity of cultural/historical attractions					
	(architecture, tradition and customs)					
16	The quality of the accommodation (hotel,					
	motel, apartment)					
17	Friendliness of the local people.					
18	Organization of the local transportation services.					
19	The offer of local cuisine					

20	Possibilities for shopping		
21	Night life and entertainment.		
22	Opportunity for rest.		
23	Availability of sport facilities and recreational activities.		
24	Offer of cultural and other events		
25	Wellness offer		
26	Casino and gambling offer		
27	Conference offer.		
28	When I am thinking about gambling this destination comes to my mind immediately		

## **SECTION IV:**

(Customer involvement) Please tick a mark for each future which is close to your view of your opinion

	opinion.					
	Features	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
29	I always Involve myself in several tourist oriented activities					
30	I am highly motivated to understand and know about the destination culture and history					
31	I give my feedback on service quality of hotels and restaurants					
32	I try to be friendly to and get close to all responsible in tours					
33	I feel positively great for knowing about the attributes of our trip/vacation					
34	I respect the destination's environment and caring towards it					
35	I like to present my opinion and idea about the destination and trip					

#### **SECTION V**

(Customer Satisfaction in destination)

Please tick a mark for each future which is close to your view of your opinion.

-	opinion.	T				
	Features	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
36	The qualities of tourism services are outstanding.					
37	The North Cyprus is much better than I expected					
38	The North Cyprus tourism services have more benefits than costs					
39	This destination has reasonable prices					
40	This destination is very famous					
41	I enjoy visiting this destination					
42	This destination has high quality infrastructure					
43	This destination has high levels of cleanliness					
44	This destination has high level of personal safety					
45	This destination has high quality accommodation					
46	This destination would be my preferred choice for a vacation					
47	This destination has a good name and reputation					

### **SECTION VI**

#### (Service Quality of Destination)

	opinion. Features					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
48	Scenery/natural attractions are beautiful.					
49	North Cyprus has modern looking equipment					
50	North Cyprus is visually appealing					
51	North Cyprus tourism agents appear neat					
52	Materials such as brochures are visually appealing					
53	North Cyprus performs services in a good manner					
54	The behavior of tourism employees instill confidence in me					
55	Tourism employees have the knowledge to answer my questions					
56	Employees keeps me informed about events in North Cyprus					
57	North Cyprus meet my special needs					
58	North Cyprus tourism services have good variety					

# Please tick a mark for each future which is close to your view of your opinion.

## **SECTION VII:**

# (Destination Brand Loyalty )

	opinion.					
	Features	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
59	Overall I am loyal to this destination					
60	Considering what I would pay for a trip I will get much more than my money's worth by visiting this destination					
61	This destination provide quality experiences					
62	The characteristic of this destination come to my mind quickly					
63	I like to share my experience of previous visits and travels with other tourists					
64	I would advise other people to visit this destination					
65	I intend to visit this destination in the future					

# Please tick a mark for each future which is close to your view of your opinion.

# **Destination Profitability**

66	I will spend more money in the destination			
67	I will not expect any discount from destination because of my past good experiences			
68	I will spend most of my saving in this destination during vacation			

# **Appendix B: Tables**

	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
	Male	100	45.5	45.5	45.5
Gender	Female	120	54.5	54.5	100.0
	Total	220	100.0	100.0	
	18-24	22	10.0	10.0	10.0
Age	25-44	90	40.9	40.9	50.9
	45-64	108	49.1	49.1	100.0
	Total	220	100.0	100.0	
	High School	9	9.1	9.1	9.1
	Bachelor	100	45.5	45.5	54.5
Education	Master	79	35.9	35.9	90.5
	PhD	21	9.5	9.5	100.0
	Total	220	100.0	100.0	
Marital	Single	106	48.2	48.2	48.2
Status	Married	114	51.8	51.8	100.0
	Total	220	100.0	100.0	
	Less than \$1,000	24	10.9	10.9	10.9
Salary	\$1,000-\$3,000	160	72.7	72.7	83.6
	\$3,000 or more	36	16.4	16.4	100.0
	Total	220	100.0	100.0	

Table 5.1 Control Variables

					Dest.		Service
		Brand	Cust.	Cust.	Brand	Dest.	Quality
		image	invol	sat	Loy.	Profit	Questions
Brand	Pearson	1	.071	.756***	.957***	.608**	.959**
image	Correlation						
	Sig. (2-tailed)		.293	.000	.000	.000	.000
	Ν	220	220	220	220	220	220
Customer	Pearson	.071	1	.082	.096	.017	.065
involvement	Correlation						
	Sig. (2-tailed)	.293		.224	.158	.800	.338
	Ν	220	220	220	220	220	220
Customer	Pearson	.756***	.082	1	.806***	.553**	.791**
Satisfaction	Correlation						
in	Sig. (2-tailed)	.000	.224		.000	.000	.000
destination	Ν	220	220	220	220	220	220
Destination	Pearson	.957**	.096	.806**	1	.561**	.964**
Brand	Correlation						
Loyalty	Sig. (2-tailed)	.000	.158	.000		.000	.000
	Ν	220	220	220	220	220	220
Destination	Pearson	.608**	.017	.553**	.561**	1	.618**
Profitability	Correlation						
	Sig. (2-tailed)	.000	.800	.000	.000		.000
	Ν	220	220	220	220	220	220
Service	Pearson	.959**	.065	.791**	.964**	.618**	1
Quality	Correlation						
Questions	Sig. (2-tailed)	.000	.338	.000	.000	.000	
	Ν	220	220	220	220	220	220

Table 5.2 Correlation of Model Variables

		100105	-		Dest.		Service
		Brand	Cust.	Cust.	Brand	Dest.	Quality
		image	invol	sat	Loy.	Profit	Questions
Brand	Pearson	1	.071	.756**	.957**	.608**	.959**
image	Correlation	1	.071	.750	.,,,,,	.000	.,,,,
iiiuge	Sig. (2-tailed)		.293	.000	.000	.000	.000
	N	220	220	220	220	220	220
Customer	Pearson	.071	220	.082	.096	.017	.065
involvement	Correlation	.071	1	.062	.090	.017	.005
mvorvement	Sig. (2-tailed)	.293		.224	.158	.800	.338
	N	.293	220	.224	220	.800	220
Customer	Pearson	.756**	.082	1	.806**	.553**	.791***
Satisfaction	Correlation	.730	.082	1	.800	.335	.791
in	Sig. (2-tailed)	.000	.224		.000	.000	.000
destination	N	.000	.224	220	.000	.000	.000
destination	11	220	220	220	220	220	220
Destination	Pearson	.957**	.096	.806**	1	.561**	.964**
Brand	Correlation				_		
Loyalty	Sig. (2-tailed)	.000	.158	.000		.000	.000
	N	220	220	220	220	220	220
Destination	Pearson	.608**	.017	.553**	.561**	1	.618**
Profitability	Correlation						
	Sig. (2-tailed)	.000	.800	.000	.000		.000
	N	220	220	220	220	220	220
Service	Pearson	.959**	.065	.791**	.964**	.618**	1
Quality	Correlation						
Questions	Sig. (2-tailed)	.000	.338	.000	.000	.000	
	N N	220	220	220	220	220	220

Table 5.2 Correlation of Model Variables

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Model	Sum of		Mean		
	Squares	Df	Square	F	Sig.
1 Regression	58.792	5	11.758	33.828	.000 <sup>a</sup>
Residual	74.385	214	.348		
Total	133.177	219			

a. Predictors: (Constant), Service Quality Questions , Customer involvement, Customer Satisfaction in destination , Brand image, Destination Brand Loyaltyb. Dependent Variable: Destination Profitability

#### Table 4.10. Coefficients

	Unstandardized	Standardized		Ē.
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Table 5.4 ANOVA<sup>b</sup>

	Sum of		Mean		
Model	Squares	df	Square	F	Sig.
1 Regression	57.080	1	57.080	1.113	.293 <sup>a</sup>
Residual	11177.665	218	51.274		
Total	11234.745	219			

a. Predictors: (Constant), Customer involvement

b. Dependent Variable: Brand image

Table 5.5 Coefficients

		Ur	nstandardized	Standardized		
			Coefficients	Coefficients		
	Model	В	Std. Error	Beta	t	Sig.
1	(Constant)	76.539	3.085		24.807	.000
	Customer	.144	.137	.071	1.055	.293
	involvement					

a. Dependent Variable: Brand image

Table 5.6 Coefficients

		Unstandardiz ed	Standard ized Coeffici			
	Model	Coefficients	ents	t	Sig.	Sig.
	В	Std. Error	Beta			.000 <sup>a</sup>
	(Constant)	-49.963	2.611		-19.139	.000
1	Service	2.401	.048	.959	49.758	.000
	Quality of					
	Destination					

Table 5.7 ANOVA<sup>b</sup>

	Sum of		Mean		
Model	Squares	Df	Square	F	Sig.
1 Regression	1161.306	3	387.102	1040.870	.000 <sup>a</sup>
Residual	80.331	216	.372		
Total	1241.636	219			

#### Table 5.8

	Unstandardiz	zed Coefficients	Standardized Coefficients		
Model	В	Std. Error	Beta	Т	Sig.
1 (Constant)	-14.135	.907		-15.592	.000
Service Quality of Destination	.727	.024	.873	30.832	.000
Customer Satisfaction in	.107	.027	.113	3.977	.000
destination Customer involvement	.020	.012	.030	1.707	.089

a. Dependent Variable: Destination Brand Loyalty

#### a. Predictors: (Constant), Brand image

b. Dependent Variable: Destination Brand Loyalty

#### Table 5.9 ANOVAb

	Sum of		Mean	-	
Model	Squares	df	Square	F	Sig.
1 Regression	58.792	5	11.758	33.828	.000 <sup>a</sup>
Residual	74.385	214	.348		
Total	133.177	219			

a. Predictors: (Constant), Service Quality Questionsinvolvement, Customer Satisfaction in destinationDestination Brand LoyaltyCustomer Satisfaction

b. Dependent Variable: Destination Profitability

Table 5.10 Independent Samples Test

		Le Test	vene's for							
		Equal	lity of							
		Var	iances					t-test for E	Equality of	Means
									95% Con	fidence
									Interval	of the
						Sig. (2-	Mean	Std. Error	Dif	ference
		F	Sig.	Т	DF	tailed)	Difference	Difference	Lower	Upper
DestinationEqual	variances	.550	.459	860	218	.391	09053	.10528	.29804	.11697
Profitability	assumed									
Equal	variances			859	215.	.391	09053	.10539	.29825	.11719
no	ot assumed				828					

Table 5.11 Group Statistics T-Test

Gender		N	Mean	Std. Deviation	Std. Error Mean
Destination	Male	100	12.1400	.55085	.05508
Profitability	Female	120	13.0417	.70289	.06416

Table 5.12. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.957 <sup>a</sup>	.916	.916	.69140

a. Predictors: (Constant), Brand image

a. Dependent Variable: Brand image

#### Table 5.13 Destination Loyalty

	Eq	e's Test fo uality of ariances	r		t-test	for Equality	of Means		
		0.	T	DE	Sig. (2-	Mean	Std. Error	95% Con Interval Differ	of the ence
	F	Sig.	T	DF	tailed)	Difference			Upper
Profitability varia assu Ec varian	ual 2.73 ances umed ual ces not umed	5 .100	-10.432	218 217.220	.000	90167 90167	.08643	-1.07202	

Table 5.14 Correlations

			Destination Profitability
Age	Pearson Correlation	1	.703**
	Sig. (2-tailed)		.000
	Ν	220	220
Destination	Pearson Correlation	.703**	1
Profitability	Sig. (2-tailed)	.000	
	N	220	220

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 5.15 Destination Profitability

				95% Confiden	ce Interval for		
					Mean		
N	Mean	Std. Deviation	Std. Error	Lower Bound	Upper Bound	Minimum	Maximum

High School	20	11.6000	.50262	.11239	11.3648	11.8352	11.00	12.00
Bachelor	100	12.3300	.55149	.05515	12.2206	12.4394	11.00	14.00
Master	79	13.2911	.53474	.06016	13.1714	13.4109	12.00	14.00
PhD	21	12.5714	.74642	.16288	12.2317	12.9112	12.00	15.00
Total	220	12.6318	.77982	.05258	12.5282	12.7354	11.00	15.00

Table 5.16 Destination Profitability- ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	64.821	3	21.607	68.275	.000
Within Groups	68.357	216	.316		
Total	133.177	219			