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COUNTRY IMAGE EFFECT ON CUSTOMER LOYALTY MODEL

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Abstract: Country image is viewed as the overall perception of consumers from a particular country, based on their prior perception of the country's production and marketing strengths and weaknesses and this image affect customer attitudes like customer loyalty. The purpose of our study was to develop and validate a customer loyalty model with country image effect in the context of Hot Springs. Based on marketing literature, a comprehensive set of constructs and hypotheses were compiled with a methodology for testing them. A questionnaire was constructed and data were collected from 295 customers of 14 most known Hot Springs in Turkey. Structural equation modeling techniques were applied to analyze the data. The results indicated that country image affect customer loyalty and customer loyalty's antecedent.

Keywords: Country Image, Customer Loyalty, Hot Springs.

INTRODUCTION

Country image is the consumers' perceptions of products or service from a specific country, based on their former sensations of the country's production and marketing strengths and weaknesses (Roth & Romeo, 1992). In appreciating a product or service, different information cues about a product are assumed important and are utilized. Consumers are thought to make meanings about the value of product information cues as a quality indicator and then assemble judgments of all the cues available in order to get an overall product appraisal. All product evaluation eventually finalized with customer loyalty. Loyalty leads to certain advantages, such as decreasing marketing costs, more new customers, and greater trade leverage. In increasingly competitive markets, being able to build consumer loyalty is seen as the key factor in winning market share and developing a sustainable competitive advantage. However, there is no research about country image effect on customer loyalty in the past research. This research is important to address this deficiency by investigating how country image affect country loyalty model in a structural frame.

Our article unfolds as follows. First of all, we offer a brief outline of Spas (Hot Springs) in Turkey. Then the constructs of country image, customer loyalty and customer loyalty's determinants are specified. Next, a model was introduced to investigate country image and customer loyalty model at the same time. After dealing with the model test, we will discuss the results of the empirical study that was undertaken to test our research hypotheses.

SPAS in TURKEY

Turkey is located on the Alpine-Himalayan orogenic belt, which have high geothermal potential. Nearly 50 years ago beginning of nineteen sixties, the technical personnel of Mineral Research and Exploration Institute of Turkey (MTA) after carrying out successful geological, hydrogeological, geophysical and geochemical studies came to the conclusion that in Turkey there are important geothermal areas. One of the first result was the discovery of the first steam in the

Turkey after drilling in 1963 at Izmir-Agatemnon. The continuation of the studies after 1963, Denizli (Kızıldere), Afyon, İzmir (Seferihisar), Nevşehir (Kozaklı), Çanakkale (Tuzla), Aydın (Germencik), Simav-Sındırgı and Ankara geothermal areas were identified.

During the same years importance of geothermal energy in many countries in the world such as Mexico, Italy, United States of America, Russia, New Zealand, Philippines, Indonesia, Japan, Iceland were increasing. Geological studies and drilling activities speeded up the discovery of geothermal fields, they started production and their commercial use was successful (Alpan, 2005).

Turkey is one of the rare countries, where combining sea/sun/cultural tourism with thermal tourism and balneological applications is possible. The main advantage of this combination is the increase of the variety and number of the tourists and the extension of the high tourism season to the whole year, instead of limiting it to 4-5 months which is mostly the case by the sea/sun/cultural tourism. This will bring an important economical development to these regions. Some of the regions that are suitable for sea and thermal tourism combination are; Bodrum, Kusadasi, Datca and Edremit cities which are located at the Aegean and Mediterranean Seas. In Cemse (district of Izmir City), thermal water is transported to the hotels for balneological utilization and this combination is applied there with a great success. A possible producible potential amount of geothermal flowrate (~40°C) that has been estimated for the balneological use in Turkey, is 50,000 l/sec.(Mertoğlu, 2005). The number annually expected local thermal curists is around 7 million and the number of the foreign thermal curists is around 10,000 in Turkey. The foreign curist target number is 1 million and the local curist target number is 30 million for the year 2020 (Şimşek, 2005). At the present the geothermal energy is used in some hot water spas for health treatment and tourism, but in Turkey there is no winter tourism (no all the year round tourism). Generally speaking in most of the places along Aegean and the Mediterranean hotels, restaurants, shopping centers are closed by the end of the October. Turkey needs all kinds of facilities for entertaining tourists all year round to maintain winter tourism, for which wider use of geothermal energy is essential. (Alpan, 2005).



Figure 1. Location of most known spas in Turkey.

The investments in the area of thermal tourism in Turkey, particularly the integration of thermal hotels and cure centres are regarded as profitable investments which can pay themselves back within 3-4 years. Providing viability all year round and with treatment periods of at least 2-3 weeks, and capability of integrating with other tourism types, thermal tourism provides the opportunity for creation of employment and equity between regions. Calculations based on the potential of Turkey's 40 major spas show that Turkey has an investment potential of over 450,000 beds. Thermal centres and mineral springs as natural therapy centres have a traditional importance in Turkey. Therefore, this tradition points to a great potential demand in the area of domestic tourism as well as foreign tourism. Despite the characteristics of the market, only 5% of Turkey's thermal

water potential is currently used. As a result, there is a significant gap between thermal water potential and the bed capacity. Local and foreign capital ventures for the construction of thermal facilities are supported with concessionary incentives (Topal, 2002).

Highly recommended for their thermal spring facilities are the following spas listed by province: Adana: Haruniye, Afyon: Omer Gecek (Sandikli), Ankara: Kizilcahamam, Ayas, Haymana, Balikesir: Gonen, Bingol: Kos, Bolu: Buyuk Kaplica, Bursa: Cekirge, Oylat, Canakkale: Kestanbol, Cankiri: Cavundur, Denizli: Pamukkale, Karahayit, Diyarbakir: Cermik, Erzurum: Pasinler, Izmir: Balcova, Cesme, Sifne, Konya: Ilgin, Kutahya: Yoncali, Harlek, Manisa: Salihli, Mugla: Sultaniye, Rize: Ayder, Sakarya: KuzuLuk, Samsun: Ladik, Havza, Siirt: Billoris, Sivas: Kangal, Van: Hasanabdal, Yalova: Yalova Termal, Armutlu. The location some of these spas are shown in Figure 1.

THEORETICAL BACKGROUND AND RESEARCH MODEL

Country image is a vague concept that is known as the impact which generalizations and perceptions about a country have on a people's appreciations of the country's products. Country image is described as the picture, the reputation, the stereotype that a person attaches to products of particular country. Country image is constituted by such variables as representative products, national attributes, economic and political background, history and traditions (Nagashima, 1970). Country image is expressed as the entire perception of consumers form of products from a specific country, based on their former sensation of the country's outputs and marketing strengths and weaknesses (Roth and Romeo, 1992).

In developing countries, consumers have lots of choices during selecting products. Some researchers (Samiee, 1994; Peterson and Jolibert, 1995, et.) has studied the impact of a country image on the consumers sensation of products. Researchers have exerted great endeavor to understand such perceptual decisions are framed by consumers better. Johansson et al. (1985) and Hong and Wyer (1990) reported that country image is seen by the consumers as an attribute to assess a country's products. According to Erickson et al., (1984) consumers' evaluation of other product dimensions may be affected by country image, which may create a halo effect. Country image may influence consumers' behaviours towards the brand of a country in stead of through attribute ratings directly and act as a source of country stereotyping (Wright, 1975).

Grönroos (1984) showed that perceived quality of service is connected on a comparison between expected and perceived service. In other words, perceived quality is the consequence of a comparative assesment process. Parasuraman et al. (1985) illustrated that service quality as the grade and way of contradiction between a customer's perceptions and expectations, however perceived service quality is the slackness between a customer's expectations and perceptions as a measurement of service quality. When the gap is smaller, then the quality of service and customer satisfaction is better. In respect of Gavin (1983) and Parasuraman et al. (1988), the real quality of service is difficult to define and measure. Anyhow, some researchers (i.e. Lewis and Booms, 1983; Grönroos, 1984; Parasuraman et al., 1988) have agreed that service quality should be defined and measured from the customer's perspective. The far-going putative definition of perceived service quality is that it symbolizes the variety between customers expectations and customers perceptions of the service performance. Customers sense higher value in the service when they comprehend the quality of service as greatly exceeding the costs they have devoted to get the service (Ravald and Grönroos, 1996). Brady and Robertson (1999) and Teas and Agarwal (2000) concluded that there is some empirical proof to encourage the regard that quality is positively related to perceived value. Considering Anderson and Sullivan (1993) and Ravald and Grönroos (1996) perceived service quality is an antecedent of customer satisfaction. On the other hand, Parasuraman et al. (1988), Bolton and Drew (1991) and Patterson and Johnson (1993) asserted that customer satisfaction precedes perceived service quality.

Cadotte et al (1987) asserted that the confirmation/disconfirmation theory is far-reaching acknowledged as a view of the process that consumers develop feelings of satisfaction or dissatisfaction. According to this view, customers check actual performance with some standard guiding

to a confirmation; positive disconfirmation or negative disconfirmation. A neutral feeling happens when the performance encounters the standard leading, positive feeling and satisfaction occur when the performance passes beyond the standard leading, and a negative disconfirmation in other words dissatisfaction occurs when the performance fails to meet the standard leading. Voss et al. (1998) stated that customer expectations can be used as standards against which performance is compared. The major focus of researches on satisfaction has been on the relationship between performance expectations and satisfaction. There are different expectations forms have been offered in the literature; ideal expectations (Tse and Wilton, 1988), desired expectations (Swan and Trawick, 1980), predicted expectations and normative expectations, customer expectations as predictions dominate (Zeithaml et al., 2002). Perceptions of company performance were found to exert a positive influence on perceived service quality, satisfaction and customer loyalty (Oh and Parks, 1997).

Perceived value is the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithaml, 1988). According to the means end model proposed by Zeithaml (1988), perceived value is a direct antecedent of a purchase decision. Dodds et al. (1991) described perceived value as a tradeoff between perceived quality and perceived psychological as well as monetary devotion. Their model also indicate that perceived value is a direct antecedent of consumer purchase intention. More recently, Woodruff (1997) laid out a perceived value hierarchy model in which perceived value was regarded as a hierarchically structured construct at the levels of consumption goals, results and attributes. According to Woodruff, perceived value resides in every stage of customers' expectancy disconfirmation process. Slater (1997) and Parasuraman (1997) provided support for the role of perceived value in understanding consumer behavior. According to Parasuraman and Grewal (2000), perceived value is a function of a get component and a give component. Prior studies explicitly reported that perceived performance or quality as a direct antecedent of value, which, in turn, directly drove repurchase intention. Also, cumulative insights from prior studies supported the idea that perceived value contributed to customer loyalty (Dodds et al, 1991; Grewal et al, 1998; Voss et al, 1998). Literature relating to service management has argued that customer satisfaction is the result of a customer's perception of value received (Hallowell, 1996).

Customer satisfaction has been a key concept in marketing literature for last decades. Investigations on consumer behaviour (i.e. Westbrook and Oliver, 1991; Oliver, 1997) stress customer satisfaction as the core of the postpurchase session. Since customer satisfaction presumably causes to repeat purchases and favourable word of mouth, the concept of customer satisfaction is essential to marketers. In saturated markets, customer satisfaction is thought to be one of the most valuable assets of a organizations. The exit voice theory that Hirschman's (1970) revealed asserted that weakly dissatisfied consumers will be radical importance to the firm. Strongly dissatisfied consumers generally choose to leave the firm, the weakly dissatisfied customers tend to stay loyal to the firm. According to Halstead and Page (1992) and Fornell (1992), sensible handling of customer complaints could provide that weakly dissatisfied consumers stay loyal, and this situation serve as an exit barrier. The impact of loyal customers is noteworthy, the profitability of a firm rises proportionally with the number of loyal customers and sales to new customers (up to 60%) can be attributed to word of mouth referrals (Reichheld and Sasser, 1990).

Consumer satisfaction has been the subject of much attention in the literature (Bitner and Hubbert, 1994; Cardozo, 1965; Oliver, 1977, 1980, 1981; Olshavsky and Miller, 1972; Olson and Dover, 1979; Rust and Oliver, 1994). There are lots of researches about potential influence of customer satisfaction on customer loyalty and customer retention (Anderson and Fornell, 1994; Anderson and Sullivan, 1993; Bolton and Drew, 1994; Cronin and Taylor, 1992; Fornell, 1992; Oliver, 1980; Oliver and Swan, 1989).

The development, maintenance, and extension of customer loyalty is a fundamental marketing strategy for sustaining competitive advantage (Gould, 1995; Kotler, 1988; Reichheld, 1993). In respect of Dick and Basu (1994), loyalty is a long term commitment to repurchase involving both repeated patronage and a favorable attitude. Loyalty has been defined as repeat purchase behavior led by positive behaviours or as a consistent purchase behavior resulting from the psychological decision making and evaluative course (Jacoby and Kyner, 1973). According to

Jacoby and Chestnut (1978), customer loyalty is generated through service quality, satisfaction. Loyalty could be achieved via customer satisfaction, based on the perceived performance of the service product; hence service quality and customer satisfaction are two prerequisites of loyalty (Cronin and Taylor, 1992; Bowen and Shoemaker, 1998; Shoemaker and Lewis, 1999).

Word of mouth (WOM) has been described as the exchange of positive and negative information between persons about a specific product or service. Negative WOM has been documented to stretch quicker than positive WOM (Helm, 2000). Grewal, Cline, and Davies (2003) describe it as the forms the basis of interpersonal communications and significantly influences product assessments and purchase decisions. Researches assert that WOM is more influential on behaviour than other marketing tools. Indeed, it has been observed that WOM can be more influential than neutral print sources such as consumer reports (Herr et al., 1991). WOM can influence a sort of conditions: awareness, expectations, perceptions, attitudes, behavioural intentions and behaviour. Day (1971) computed that WOM was nine times as powerful as advertising at converting unfavourable or neutral predispositions into positive attitudes. The influence of WOM on expectations has been reported by Webster (1991) and Zeithaml et al. (1993). WOM can influence decisions either positively (Engel et al., 1969) or negatively (Tybout et al., 1981). It does appear that negative WOM has a more powerful impact than positive WOM (Arndt, 1967).

In the light of stated knowledge in the theoretical background, the article hypothesis as shown below.

- H1.** Country image will have positive effect on perceived quality.
- H2.** Country image will have positive effect on customer expectation.
- H3.** Country image will have positive effect on perceived value.
- H4.** Country image will have positive effect on customer satisfaction.
- H5.** Country image will have positive effect on customer loyalty.
- H6.** Country image will have positive effect on word of mouth.

A conceptual path model is now presented as Fig.2.

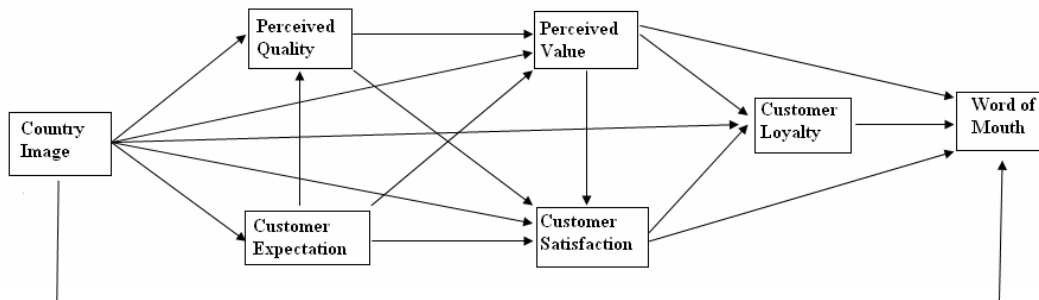


Figure 2. Research Model.

RESEARCH METHOD

Measurement of constructs

Perceived value is measured through three indicators 'good value for money', 'acceptable price' and 'to be a good buy' (Cronin et al, 2000). The latent variable customer satisfaction is measured through three indicators, 'overall satisfaction', 'to be fulfill expectations', 'to be perfect in all aspects' (Ryan et al., 1995). Another two indicators describe the latent variable customer loyalty: 'Resubscription intention' and 'New services subscription intention' (Juhl et al., 2002). Other constructs and constructs' items can be seen Appendix A.

Survey Method

A survey was conducted with customers of 14 most known spas in Turkey (Kizilcahamam, Haymana, Gönen, Büyük Kaplica, Oylat, Kestanbol, Pamukkale, Cermik, Pasinler, Çesme, Sifne, Yoncali, Salihli, Ayder) from January 19 to February 1, 2007. A self-administered questionnaire was distributed to these spas' foreign customers (tourists) who were asked to express his or her agreement with the items, based on a five-point Likert-type scale with anchors ranging from "strongly disagree (1)" to "strongly agree (5)". Respondents were asked to rate how much they agreed with each item on the scale (Appendix A). A total of 298 questionnaires were collected. Of these, 3 questionnaires were deleted due to unanswered items and 295 questionnaires were finally used in the analysis.

RESULTS

Measurement Model

The proposed research model in this study is composed of seven constructs with interrelated dependence relationships or causal paths among themselves, requiring a structural equation model (SEM) analysis (Bollen, 1989; Hair et al., 1998) which can estimate multiple causal relations simultaneously. SEM analysis usually requires that the constructs should first be assessed and measured rigorously by confirmatory factor analysis (CFA) (Fornell and Larcker, 1981; Hair et al., 1998; Segars and Grover, 1993). In order to generate statistically reliable estimates on causal paths among constructs, the minimum sample size for reliable SEM analysis ranges from 100 (Bollen, 1989) or 150 (Anderson and Gerbing, 1982) to 200 or more (Boomsma, 1982). Given that the research model is relatively simple with seven constructs, the sample size of 295 collected in this study is considered adequate. Seven common model-fit measures were used to assess the model's overall goodness of fit: the ratio $\chi^2/(d.f.)=2.129$, adjusted goodness-of-fit index (AGFI)=0.91, normalized fit index (NFI)=0.93, nonnormalized fit index (NNFI)=0.94, comparative fit index (CFI)=0.96, relative fit index (RFI)=0.96 and root mean square error of approximation (RMSEA)=0.072. All the model-fit indices exceeded the respective common acceptance levels suggested by previous research, demonstrating that the measurement model exhibited a good fit with the data collected. Therefore, we proceeded to evaluate the properties of the measurement model in terms of reliability, convergent validity.

Table 1 shows the results of CFA from undertaking by AMOS 5.0. As shown in Table 1, convergent validity of CFA results should be supported by item reliability, construct (composite) reliability and average variance extracted (Chau, 1996; Hair et al., 1998). Item reliability denotes the amount of variance in an item due to the underlying construct, t-values for all the standardized factor loadings of items were found significant ($p<0.01$), assuring item reliability. Hair et al. (1998) proposed construct reliability estimates as being greater than 0.70. In this study construct reliability estimates range from 0.910 to 0.994, which is satisfactory. The average variance extracted, which should be above 0.50, measures the amount of variance explained by the construct (Chau, 1996; Hair et al., 1998). Table 1 shows that the average variance extracted are between 0.926 and 0.997. These results indicate that the measurement items have high reliability and validity.

Table 1. Confirmatory Factor Analysis Results

| Constructs | Items | (MLE) | sd | t | Construct Reliability | Average Var. Extracted |
|-----------------------|--------------------------|-------|------|-------|-----------------------|------------------------|
| Country Image | Reputation | .871 | .171 | 5.09 | .910 | .926 |
| | Acceptability | .918 | .043 | 21.34 | | |
| | Citizens Characteristic | .802 | .087 | 9.21 | | |
| | General Prices | .967 | .198 | 4.88 | | |
| | Country Reliability | .921 | .073 | 12.61 | | |
| | Professionalism | .956 | .094 | 10.17 | | |
| Perceived Quality | Atmosphere | .882 | .051 | 17.29 | .933 | .936 |
| | Relationships | .879 | .098 | 8.96 | | |
| | Available Services | .861 | .019 | 45.31 | | |
| | Convenient Service | .907 | .176 | 5.15 | | |
| | Reliability | .745 | .025 | 29.80 | | |
| | Honesty | .823 | .079 | 10.41 | | |
| | Tellers | .890 | .106 | 8.39 | | |
| Expectation | Workers Required Skill | .904 | .041 | 22.04 | .949 | .961 |
| | Wor. Know. and Expe. | .973 | .089 | 10.93 | | |
| | Friendless | .986 | .205 | 4.80 | | |
| | Safety | .913 | .109 | 8.37 | | |
| | Understanding | .887 | .032 | 27.71 | | |
| | Customer Needs | .849 | .097 | 8.75 | | |
| | Listening To Customer | .952 | .054 | 17.62 | | |
| | Fast and Effic. Service | .817 | .089 | 9.17 | | |
| Word of Mouth | Intent to Recommend | .932 | .088 | 10.59 | .987 | .991 |
| Perceived Value | Good value for money. | .856 | .025 | 34.24 | .983 | .992 |
| | Acceptable price | .927 | .118 | 7.85 | | |
| | To be a good buy | .951 | .083 | 11.45 | | |
| Customer Loyalty | Resubscription Intention | .968 | .185 | 5.23 | .994 | .997 |
| | New services | .903 | .054 | 16.72 | | |
| | Subscripton Intention | | | | | |
| Customer Satisfaction | Generally satisfied | .832 | .091 | 9.14 | .931 | .958 |
| | Fulfill expectations | .896 | .029 | 30.89 | | |
| | Perfect in all aspects | .932 | .038 | 24.52 | | |

Structural model

A similar set of fit indices was used to examine the structural model. Comparison of all fit indices, with their corresponding recommended values, provided evidence of a good model fit ($X^2/d.f. = 3.18$, AGFI = 0.91, NFI = 0.96, NNFI = 0.93, CFI = 0.96, RFI = 0.97, RMSEA = 0.079). Thus, we could proceed to examine the path coefficients of the structural model. Table 2 and Figure 3 shows the parameter estimates of the structural equations.

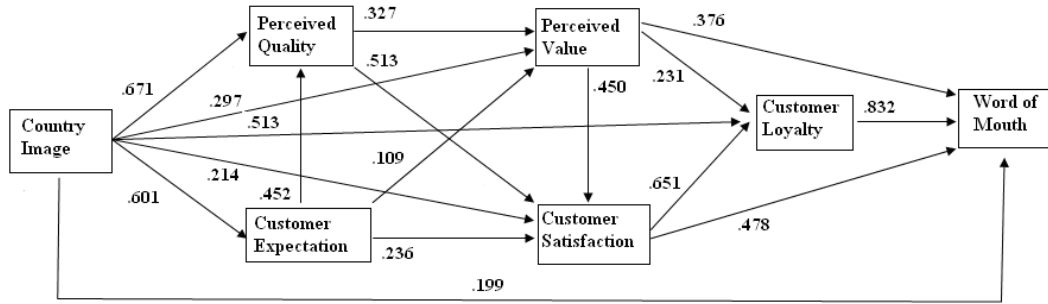


Figure 3. Hypotheses Testing Results

Table 2. The Estimated Path Coefficient of The Structural Equation Model

| From | To | Estimated Value (t-value) |
|-----------------------|-------------------------|---------------------------|
| Country Image | → Perceived Quality | .671 (12.435) |
| Country Image | → Customer Expectation | .601 (11.142) |
| Country Image | → Perceived Value | .297 (5.908) |
| Country Image | → Customer Satisfaction | .214 (4.571) |
| Country Image | → Customer Loyalty | .513 (9.715) |
| Country Image | → Word of Mouth | .199 (3.163) |
| Perceived Quality | → Perceived Value | .327 (6.334) |
| Perceived Quality | → Customer Satisfaction | .513 (8.519) |
| Customer Expectation | → Perceived Quality | .452 (7.790) |
| Customer Expectation | → Perceived Value | .109 (3.117) |
| Customer Expectation | → Customer Satisfaction | .236 (5.143) |
| Perceived Value | → Customer Satisfaction | .450 (6.868) |
| Perceived Value | → Word of Mouth | .376 (5.164) |
| Perceived Value | → Customer Loyalty | .231 (5.634) |
| Customer Satisfaction | → Customer Loyalty | .651 (10.934) |
| Customer Satisfaction | → Word of Mouth | .478 (7.171) |
| Customer Loyalty | → Word of Mouth | .832 (15.309) |

All the path coefficients significantly different from zero with respective t-values greater than 1.96. Country image was found to display a direct positive effect on perceived quality ($\gamma=0.671$, $p<0.05$), customer expectation ($\gamma=0.601$, $p<0.05$), perceived value ($\gamma=0.297$, $p<0.05$), customer satisfaction ($\gamma=0.214$, $p<0.05$), customer loyalty ($\gamma=0.513$, $p<0.05$) and word of mouth ($\gamma=0.199$, $p<0.05$). Perceived quality effects perceived value ($\beta=0.327$, $p<0.05$) and customer satisfaction ($\beta=0.513$, $p<0.05$) directly. Customer expectation was shown to have a positive direct effect on perceived quality ($\beta=0.452$, $p<0.05$), perceived value ($\beta=0.109$, $p<0.05$) and customer satisfaction ($\beta=0.236$, $p<0.05$). Perceived value was found a direct positive effect on customer satisfaction ($\beta=0.450$, $p<0.05$), word of mouth ($\beta=0.376$, $p<0.05$) and customer loyalty ($\beta=0.231$, $p<0.05$). As it can be seen from Figure 3 and Table 2, customer satisfaction effects word of mouth

($\beta=0.478$, $p<0.05$) and customer loyalty ($\beta=0.651$, $p<0.05$). Customer loyalty was found to display a direct positive effect on word of mouth ($\beta=0.832$, $p<0.05$).

Table 3. Direct, Indirect and Total Effect of Country Image on Other Constructs

| Path | | | Direct Effect | Indirect Effect | Total Effect |
|---------------|---|-----------------------|---------------|-----------------|--------------|
| Country Image | → | Perceived Quality | .671 | .271 | .942 |
| Country Image | → | Customer Expectation | .601 | - | .601 |
| Country Image | → | Perceived Value | .297 | .287 | .584 |
| Country Image | → | Customer Satisfaction | .214 | .340 | .554 |
| Country Image | → | Customer Loyalty | .513 | .345 | .858 |
| Country Image | → | Word of Mouth | .199 | .561 | .760 |

Table 3 shows all direct, indirect and total effect of country image construct on other research constructs. Other constructs' indirect and total effects weren't pointed out in Table 3. Because for our hypotheses these effects' value are adequate. As can be seen from Table 3 (total effect column) country image has strong positive effect on perceived quality and customer loyalty, intermediate positive effect on word of mouth, customer expectation, perceived value and customer satisfaction.

H1. Country image will have positive effect on perceived quality ($r=0.942$, **ACCEPTED**).

H2. Country image will have positive effect on customer expectation ($r=0.601$, **ACCEPTED**).

H3. Country image will have positive effect on perceived value ($r=0.584$, **ACCEPTED**).

H4. Country image will have positive effect on customer satisfaction ($r=0.554$, **ACCEPTED**).

H5. Country image will have positive effect on customer loyalty ($r=0.858$, **ACCEPTED**).

H6. Country image will have positive effect on word of mouth ($r=0.760$, **ACCEPTED**).

CONCLUSION

Country image can be defined as the consumers' perceptions of products/services from a specific country, based on former sensations of the country's production and marketing strengths and weaknesses. Country image is the vision that to attend as a cue from which consumers make deduces about products/services and product/services properties. The country image can be said to causes a global evaluation of quality, performance, or particular product/service attributes, customer satisfaction and customer loyalty.

Customer loyalty has been the important subject of marketing investigation during the last years. Loyal customers generally purchase from a supplier that bound up with or increase their quantity of purchases from that supplier. Loyal consumers also supply referrals of firms' business to suppliers or play a part in word of mouth communication. The cost of loyal customer is lower than other and It can be said that the cost of recruiting a new customer can be said to be five times more than the cost of holding up an existing customer. The expense of customer detention are in substance less than the notional costs of customer attainment. Mentioned above benefits of loyal customers, it may be said that many firms have fund huge amount of money for improving customer retention. In order for organizations to improve powerfull loyalty or customer retention strategies, they must know the particular antecedents of customer loyalty. However, there are no research into the determinants of spas customer loyalty. This paper addresses this gap in the literature through qualitative study that investigates the extent of, and the key determinants especially country image factor for customer loyalty within the spas in Turkey.

There is no past research (not only spas subject but all study area) about the effect of country image on customer loyalty. We empirically tested country image effect on customer loyalty model within the context of spas, investigating the direct and indirect effects of country image on perceived quality, customer expectation, perceived value, customer satisfaction, customer loyalty and word of mouth. With these point of view, and the empirical examination of the factors that build customer loyalty in health tourism, advanced our understanding of these constructs and their linkage to repeated spas purchase behavior. In our research, country image was found an important factor that determine customer loyalty ($r_{sum} = 858$) and word of mouth ($r_{sum} = 760$)

Customer satisfaction can be identified as a customer's complete authorities on disconfirmation between the expected and perceived service performances. If the perceived performance encounters or passes beyond the expectation, the customer can be satisfied; for the rest, dissatisfied. Simply stated, customer satisfaction is a customer's evaluation of their purchase and consumption experience with a product, service, brand, or company and determine customer loyalty. In our research, It is found that country image affect customer satisfaction ($r_{sum} = 554$) and customer expectation ($r_{sum} = 601$).

It is well known that just satisfying customers is not adequate to ensure customer loyalty. Investigations have shown that satisfied customers also disclose a inclination to switch to competitors. In the last decade, quality has been known as a strategic instrument to make strong a firm's competitive situation. Anyhow, when customers get more demanding, competition intensifies, and economic growth retardations, quality could not be an effectual resource of a competitive advantage. Customer value is the another pedestal source for competitive head start. Coherent with this view, customer value is the strategic source that differentiates a firm's products in the competitive market. Beside this, perceived quality and perceived value determine customer loyalty. In our research, we find that country image influence perceived quality ($r_{sum} = 942$) and perceived value ($r_{sum} = 584$).

Limitation

This research was done in only one country and only in tourism sector. The generalizability of this research should also be approved for other consumer parts, inclusive consumers in different countries and distinct sectors. Sample largeness was relatively small; anyhow, the consequences, in spite of the the sample size, were highly significant, so providing proof of high statistical power. The sample, herewith, is actually of an exploratory, and the results could not be generalizable to all Turkish firms or to firms originating from other countries.

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Appendix A. Survey constructs and items used in the study

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|--|---|
| <p>Country Image (Bradley, 2001)</p> <ul style="list-style-type: none"> - Reputation - Acceptability - Citizens Characteristic - General Prices - Reliability - Professionalism | <p>Perceived Quality (Stafford, 1996)</p> <ul style="list-style-type: none"> - Atmosphere - Relationships - Available Services - Convenient Service - Reliability - Honesty - Tellers |
| <p>Expectation (Ehigie, 2006)</p> <ul style="list-style-type: none"> - Workers Required Skill - Workers Knowledge And Experience - Friendless - Safety - Understanding Customer Needs - Listening To Customer - Fast And Efficient Service | <p>Perceived value (Cronin et al, 2000)</p> <ul style="list-style-type: none"> - Good Value for Money. - Acceptable Price - To be a Good Buy. <p>Word of Mouth</p> <ul style="list-style-type: none"> - Intent to Recommend |
| <p>Customer Satisfaction (Ryan et al., 1995)</p> <ul style="list-style-type: none"> - Generally Satisfied - Fulfill Expectations - Perfect in All Aspects | <p>Customer Loyalty (Juhl et al., 2002)</p> <ul style="list-style-type: none"> - Resubscription Intention - New Services Subscription Intention |