

Role of the Brand Image of Boutique Hotel for Customers Choosing Accommodation, “LE CHATEAU LAMBOUSA” Case Study, North Cyprus

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Abstract

The main purpose of the research is to examine guests' satisfaction and guests' loyalty for guests seeking Boutique Hotels in North Cyprus hotels through making new combination between some factors and see its effect on the guests' satisfaction and loyalty such as destination image, political stability of the country, employees' performance and hotels' image. Additionally, brand on the hotel is to determine the influence of the destination. The guests of the Boutique hotel (Le Chateau Lambousa) was investigated by age, gender, level of income and the reason of choosing North Cyprus as their destination.

Data was gathered at North Cyprus specifically at the city of Lapta at Le Chateau Lambousa Hotel using a sample of 343 guests. Results of the data analysis indicates a significant positive Pearson correlation between the sub-scales destination image, political stability of the country, employees' performance and hotels' image with guests' satisfaction, there is a direct positive, moderate correlation or the sub-scales destination image, political stability of the country, employees' performance and hotels' image with guests' loyalty. Finally, there is a direct positive, moderate correlation between Destination image and hotel image.

Overall guests' level of satisfaction for the visits of Turkish Republic of North Cyprus and its hotels reflects that the guests were satisfied and willing to be loyal guests. Recommendations for future research and managerial implication were provided.

Keywords: Destination image; Hotel image; Political effects; Guests' satisfaction; Guests' loyalty; Employees' performance

Introduction

Tourism is an essential source of foreign currency for Turkish Cyprus; as such, Turkish Cypriots go to great lengths to keep their visitors happy. Cyprus, the third largest Mediterranean Sea Island after Sicily and Sardinia, has a wide range of destinations that attract visitors from all over the world. However, the Turkish Republic of Northern Cyprus (TRNC) occupies an area of 3,355 KM²; thus, covering approximately a third of the island [1]. Its geographical location gives the island vital political importance in the region. Even though the country has rich natural and geographical resources, the leadership is yet to utilize them to create a competitive advantage in the tourism market and rival other popular destinations [2]. However, foreigners view the island as a favorable destination because humans are yet to interfere with most of its natural resources. The leading tourist attraction in North Cyprus is sex tourism. Nevertheless, visitors travel to the island for other activities, which include gambling, visiting relatives, and higher education.

In addition, the leading tourist attraction in North Cyprus the island's natural resources, which include lonely beaches, sand dunes, and Kyrenia Mountain Range. At the same time, the island offers other attractions, which include Kyrenia Castle, which the Byzantines built in the seventh century. The castle hosts the Shipwreck Museum, which holds the oldest shipwreck believed to have been constructed in 300 B.C. Notably, the island has several ancient cities, which have survived the times probably because of reduced human activity, given that the island is isolated. These sites offer visitors a wide range of activities to choose once they arrive in the Isle.

Literature Review

Hotel branding

In the contemporary and highly competitive business environment

where the hotel industry is dealing with similar though differentiated products and services, it is the responsibility of hoteliers to identify ways and means of setting their products and services apart. Various hoteliers have resulted to branding as a strategic way of differentiating their products and services. In addition, to earn a competitive advantage, branding has been considered as one of the dominant strategies adopted in the current global hotel industry. A strong brand for a hotel industry is considered essential since it creates and offers value to both the customer as well as the firm. Considering the value of branding from a hotel's perspective, a strong and competitive brand enhances the financial performance, property's market value as well as other fundamental indicators like occupancy, pricing, revenue and return on industry investment [3].

The Boutique hotel industry-definition and characteristics

The Boutique hotel industry are generally associated with small, elegant and design oriented hotels which generally do not have more than 100 rooms. These hotels are associated with provision of services with a very unique experience of trendy standards to the upscale level. The boutique hotels have evolved over time to be associated with the world lifestyle across the world. However, lifestyle hotels as well provides trendy and cool environment of all hotel services although they operate on a largescale capacity of 100 rooms upwards. The term

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Received October 06, 2016; Accepted October 24, 2016; Published November 02, 2016

Citation: Qawasmeh R (2016) Role of the Brand Image of Boutique Hotel for Customers Choosing Accommodation, “LE CHATEAU LAMBOUSA” Case Study, North Cyprus. J Hotel Bus Manage 5: 147. doi: [10.4172/2169-0286.1000147](https://doi.org/10.4172/2169-0286.1000147)

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has become commonly used when chains of hotels have been in the market [4].

Over the last decade, boutique hotels have evolved in their operations and have adopted a more robust and modern approach to their services. Just like they have developed various changes and dynamics in their guest rooms, they have replicated the same in the food section areas. This has been necessitated by the urge and drives to match the design and creativity they have introduced in other departments of their operations. The changes that have come to be synonymous with modern boutique hotels have witnessed various changes with customers referring to the food and drinks spaces as restaurant and bars. In these arrangements, hotel owners realized the high value potential that is achieved through the formation of designation bars and restaurants and have quickly adopted to such arrangements. In addition, such arrangements have been receiving good publicity especially in international conferences and media outlets. The service brand for boutique hotels has been growing by the day and various outlets have not come to embrace the idea. To identify boutique hotels, they possess distinct and unique characteristics which are easy to identify [4].

Guests' satisfaction

There have been debates and discussions related to defining guests' satisfaction in terms of service quality. Researchers argue that defining service quality is not easy as the concept is very subjective and personal and the perceptions and expectations of guests constitute a key element of its conceptualization. The most applicable definition of service quality relies on the consumer judgment of the superiority of the service by integrating guests' expectations of the service and perceptions of the company providing the service. Gupta, et al. [5] mentioned that guests' satisfaction is rather a modern approach to assess quality in various organizations in different industries and explained it as a difference between guests' perception of service received and guests' expectation of the service. Keeping in view this definition, it will be easier to generalize that a guests' satisfaction will be positive if their perception of the service received has surpassed the expectations. On the other hand, it may lead to dissatisfaction if the perception of the service received is less than the level of expectation. Gupta, et al. [5] also mentioned the framework for confirmation/disconfirmation while elaborating on the issues of guests' satisfaction. This framework explains that consumers have a set of established criterion in their minds and when purchase a product or service; they tend to compare it with their criterion. Therefore, the level of satisfaction or dissatisfaction is a result of this comparison, if it matches the established criterion this will result in guests' satisfaction or vice versa. Ahmed, et al. maintained the validity of two factor theory while explaining guests' satisfaction, the theory explains the possibility of occurrence of guests' satisfaction or dissatisfaction at the same time with a particular product or service [6]. As dissatisfaction and satisfaction would be about different aspects of the same service or product, they will rather be unrelated.

Hotel's image affect guests' satisfaction

The concept of hotel image has been regarded as one of the most significant factors and determinants in developing a marketing strategy for hospitality business, whereas customer satisfaction is considered a major success factor in maintaining and expanding hotel customer base. Guest satisfaction can be defined as the extent to which a service or a product meets the customer's expectations. It indicates the extent to which hotel guests are happy with the services and products offered. Guests may be satisfied with an experience, a service or a product, or

with employee's performance. During a stay at a particular hotel, guests formulate their experiences in terms of their satisfaction from the whole hotel image dimension. This implies that guests' satisfaction is influenced by the physical environment of the hotel, the processes followed, and their contact with employees and the hotel's products and services (quality, variety, and pricing) [7]. Guests evaluate the entire hotel by taking the dimensions of variety, quality, and pricing into account in order to determine the level of satisfaction [8]. Guests' patronage behavior toward a particular hotel is determined by the image of that particular hotel. The more positive the image, the higher the satisfaction the guests receives from the hotel. Therefore, we hypothesize that hotel image affects guests' satisfaction.

Employees' performance affects guests' satisfaction

Businesses in the hospitality industry rely on their employees to deliver quality service. For many hotel businesses, enhancing customer service levels is as important as providing good food. Empirical research demonstrates that there is a direct relationship between employees' performance and guests' satisfaction. There are different ways through which employee performance influences guests' satisfaction. Firstly, the support that employees provide to guests is significantly important. Hotel employees have a significant influence on the guests' feeling of comfort. Guests are always happy when they have knowledgeable, friendly, and helpful employees whom they can comfortably address. Secondly, guest satisfaction also increases when they know that they can trust the employees with their messages, safety, wake-up calls, and belongings. Many guests feel comforted when employees approach them in a responsive, enthusiastic, and attentive attitude. Efforts made by employees to personalize guests' service contribute significantly to their satisfaction. The impact of employee performance on guest satisfaction begins from the time the guest arrives. Accommodating and respectful employees are an important component for a comfortable guest arrival. When employees make use of courteous words, repeat the guests' name and treat them warmly, the guests feel at home. Offering them complimentary gifts, beverages, and food on arrival, can enhance guests' feeling of comfort, leading to increased satisfaction. All these cannot be achieved if employees do not effectively perform their roles.

The relationship between employee performance and guest satisfaction is emphasized in a number of empirical studies. In a study conducted by Kenexa Institute, the findings indicate that there is a strong and positive correlation employee performance and customer satisfaction [9]. This is primary because employee performance is a direct consequence of their actions in the delivery of hotel services. Knowledge of customers' expectations is the first and perhaps most important step in delivering effective employee performance [9].

Destination image and its effect on guests' satisfaction

A destination's image comprises of numerous characteristics that influence guest satisfaction. Some of these characteristics can be controlled, such as place, price, destination product, and promotion. On the other hand, other attributes are not controllable (the characteristics of the destination [10]. Managers in the tourism industry make use of these attributes to enhance positive perception of their respective destinations [11]. Nonetheless, it is critical to understand potential guests' expectations in relation to the destination because it helps in the formulation of positioning strategies used in modifying a destination's image [12].

A destination's image affects guests in the process of choosing which destination to visit and in preparing for their future visits. It

also has a positive effect on quality and guest satisfaction. When a destination has a positive image, it attracts more visitors, leading to greater guest satisfaction [13]. Guest satisfaction remarkably improves if the destination's image is positive.

Political stability and its effect on guests' satisfaction

Tourists are often viewed as people who long for a relaxing and undisturbed holidaymaking, and as a result, they are very sensitive to violent events in holiday destinations. Tourists can only travel to a particular destination in large numbers if their journey and stay are safe and safeguarded from events that may threaten their blissful holiday experience. Confronted with political instability in a particular country, potential tourists may fear for their lives, and as a result, they may opt for an alternative destination with identical characteristics but in a more politically stable environment. Because of these, we hypothesize that political instability has a negative effect on guest satisfaction.

Political instability can be defined as the existence of riots, wars, strikes, coups, social unrest, and terrorism. Politically stable destinations have an added advantage in terms of guest satisfaction because of positive image and a large number of visitors [14]. On the other hand, guest satisfaction in politically unstable destinations is low because such destinations have a negative image and attract few visitors. Therefore, guest satisfaction is largely determined by guests' perception of the stability of a particular destination. In politically unstable destinations, guests perceive insecurity, uncertainty, and risk to be higher, and this has a negative effect on their satisfaction.

Overview of the guest loyalty programs

Hotel guest loyalty is an essential element in the modern hospitality environment. Hotels want to gain customer loyalty in order to boost their market share and dominance. The hotel industry has evolved over the years to match the dynamic needs of the customers. The hotels have sought different strategies entailing incredible perquisites that lure their most loyal customers [15]. These loyalty programs differ depending on the creativity and resources of varied hotels. In some hotels such as Hilton, customers are able to earn points when they visit the hotel in different countries. Customers are being rewarded by choosing a specific hotel when they travel. The customers that subscribe to the loyalty program expect to receive free room upgrades, subsidized spa treatments, free dining experiences, free WI-FI, vacation discounts, and special surprises [16]. Despite the effort in developing the loyalty programs, they are not unique because customers find it hard to distinguish one from another. Nevertheless, the customers are not the only ones that benefit from such programs. For the hotels, the loyalty programs add both costs of operation and value to their revenue base [17]. It has become increasingly important for hotels to segment their clientele in order to provide relevant customer loyalty programs. For instance, millennial would prefer digital and mobile treats such as free WI-FI rather than spa treatments while the baby boomers would be inclined to comfortable treatments. Therefore, in order to create an ideal loyalty customer, hotels have to customize their services in relation to customer needs.

Hotel's image affects guests' loyalty

Boutique hotels are facing intense competition, and the related challenge of consistent growth in a competitive business environment. Additionally, it has become very difficult for boutique hotels to maintain a loyal customer base, which explains why these hotels have to formulate proactive strategies to gain guests' loyalty. The intangible nature of the services offered by Boutique hotels compels guests to base

their decision to become loyal on relatively more dependable signals such as image. In this regard, we hypothesize that positive boutique hotel's image has a positive effect on guests' loyalty.

A loyal customer can be defined as a customer who makes repeat purchases from the same service provider when possible, and who continues to maintain or recommend a positive attitude toward the service provider. Image is regarded as an important factor in influencing marketing initiatives for any business organization, not just boutique hotels, because it has the ability to influence the guests' perception of the products and services offered [18]. Consequently, image directly affects guests' purchasing behavior, and this highlights the significance of maintaining a favorable image. Scholars have identified numerous factors that influence image. These include guests' actual experiences with products and services, advertising, physical image, and public relations [19]. From these factors, guests' actual experiences with goods and services are regarded as the most significant factor in developing image.

Employees' performance affect guests' loyalty

Employee performance refers to workers' behavior and activities that are appropriate to organizational goals and that are under the control of individual workers. In service organizations such as hotel settings, guest opinions are an important factor in determining how worker performance is defined. The guests' perception of the quality of service of a hotel is largely dependent on the activities and behavior of employees. Consequently, in this section we argue that employee performance affects guests' loyalty.

For the hospitality industry, employee performance is significantly important in guest satisfaction because unlike other service organizations, hotel workers often interact directly with guests and their roles are not only critical but equally delicate because of guests' demands [20]. Consequently, the quality of their performance is a major factor that determines how customers respond in terms of trust and loyalty to the business. The employee performance of a hotel requires both emotional and functional dimensions, whereby the employees provide professional and friendly service. Hotel employees are expected to demonstrate positive attitude and behave in a manner that builds trust, exhibit reliability, and also provide a sense of personal attention. Guest loyalty is a favorable perception that the guests express over time with respect to a specific hotel. It is a profoundly held commitment to re-patronize a preferred hotel. Guest loyalty is important for a hotel because it has various positive effects that include increased customer retention and positive word of mouth [20]. Loyal guests tend to be less concerned about competitor brands and advertising, are less sensitive to price, and promote positive word of mouth.

Political stability and its effect on guests' loyalty

Political stability affects guests' loyalty. Loyal customers are those who make a decision to repurchase a brand, they consider only that particular brand, and do not engage in brand-related information seeking. Political stability or instability increases the guests' perceived risk and this negatively affects their satisfaction, which ultimately influences their decision not to patronize a particular brand. The modern tourist is concerned about his or her safety. Tourists choose destinations that are politically stable and abandon destinations that are politically unstable [21]. Tourists are not only sensitive to their personal security, but also the safety of the country they are visiting [22]. The worst events that negatively affect guest loyalty are often manmade and they include violence, wars, and political turmoil [23].

Available evidence suggests that the lack of political stability has a negative impact on guest loyalty regardless of whether the country is developed or developing. The number of guests travelling to a particular destination politically often declines significantly once threatening events happen. This was witnessed in the United States following the September 11 terrorist attacks in New York, in Angola during the civil war that lasted until 2004, in Thailand over the period 2008-2010 because of political turmoil, and in Kenya following the contested 2007 general elections [22]. Countries facing political instability often implement new laws such as imposing curfews as they attempt to contain and manage the situation. However, such measures often discourage the inflow of guests regardless of how attractive the destination may be. Tourism marketers in such countries are often faced with hurdles in marketing their offerings.

Destination image and its effect on guests' loyalty

For decades, image has been studied in fields such as marketing and consumer behavior [24]. There are numerous definitions of image in literature. Del, et al. define image as the result of the perceptions that guests have on a company [25]. This implies that a company's image is made up of beliefs, feelings, and beliefs an individual has toward a particular company. Destination image plays a significant role not only in the marketing of the destination, but also in the destination being accepted by the target customers, making the destination well-known name in the target markets, creating a long marketing life and enhancing the destination's market share [26]. A destination's image includes two elements: affective image and cognitive image. Cognitive image captures the beliefs or the information an individual has about a particular destination. On the other hand, affective image exhibits the feelings or emotions of an individual about a given destination. The cognitive aspect arises as a result of an evaluation of the physical characteristics of the destination, the communities living there, and the events that took place. The affective element arises from the evaluation of emotions that have been inspired by the destination and its people [27]. On the other hand, guest loyalty refers to an honest commitment on the part of the consumer to continue purchasing his/her preferred service [28].

Destination Image and Its Effect Hotel Image

Tourism is the experience of travelling to a place other than an individual's residence as a consumer and for temporary accommodation. In the tourism industry, consumers have high expectations in terms of service, and this is the major factor they look out for. As a result, there is need for hotels to constantly innovate to meet the customers' expectations. A positive hotel image and attitude will occur in the guests' mind for the hotel where they received the desired level of service. Other customer potential will equally be influenced by this image. On the other hand, a tourist destination offers multiple service products (service bundle or package). Destination image is determined by the perceived quality of its service package. Similarly, the quality of the service bundle depends on a complex structure of local service providers. Every experienced service in a destination influences the destination's image and ultimately the perceived service quality of the destination [29]. A village, a country, a region, and even a continent can be a tourist destination [30]. Consequently, the primary components of a tourist destination include the destination's culture, climate, ecology, and traditional architecture. However, tourist destinations also have secondary features, which include its hotels, entertainment, and food among others. Collectively, the quality of its primary and secondary features influence the destination's image. Because a hotel is one of

the secondary features of a destination, it follows that a positive hotel image has a positive effect on destination image and a negative hotel image has a negative effect on destination image.

According to Hosany, et al. [31] notes that destination image is an attitudinal concept that consists of the collective ideas, beliefs, and impressions that tourists/guests hold about a particular destination. Even though a destination's holistic image is important, the individual components such as hotel image that make up the holistic image play a significant role in helping tourists form a positive destination image [32]. In fact hotels make up a destination's tourist infrastructure as it provides numerous tourist amenities including but not limited to entertainment, accommodation, food and beverage [33]. Several research studies have demonstrated the importance of hotel image toward a destination through various hotel services such as food. Food which is part of the services provided in a hotel is a critical component of destination image. Shahrin, [34] in his study found that hotel food is ranked as the fourth most significant characteristic of destination attractiveness after climate, scenery, and accommodation. The food provided in hotels is a significant motivator for tourists' travel decisions and one of the major attributes of a destination because it offers pleasurable sensory experience. As a result, food moderates the relationship between hotel image and destination image. According to a study conducted by Bessière, [35] hotel food is considered a component of inter-culture exchange that not only helps in the construction of social identities, but is also considered as an important resource in a hotel's promotion strategy. Similarly, Timothy, et al. [36] in their study demonstrates that on the critical relationship between destination image and hotel image, food plays the role of an image-enhancer or image-maker for tourist destinations. Food is an important component of a hotel branding, and consequently plays a significant role in destination branding across the globe [37]. Food as a component of hotel image also influences destination image through initiatives such as food-based tourism that can improve and strengthen a destination's image. For instance, traditional cuisine can support the tourist competitiveness of a destination to attract more visitors. Ethnic hotels/restaurants in a tourist destination can help guests see their dining experiences as authentic, and this can lead to increased desire among guests to visit these destinations in order to enjoy their preferred ethnic dish [36].

Methods and Results

Research design

As it aimed to determine opinions and thoughts of tourists staying in the TRNC concerning the factors that influence their loyalty and satisfaction, a descriptive survey model was used in the research.

Data collection tools

In this study, a questionnaire has been used as a data collection tool. The questionnaire consists of 3 parts with personal information, SCALE 1 and Loyalty and Satisfaction.

Satisfaction and Loyalty Scale

The scale designed by the researcher by making literature review and receiving expert opinions, includes a set of 25 items. Responses to scale items are rated on 5-point Likert scale.

Kaiser-Meyer-Olkin and Barlett Sphericity tests were performed for the purpose of testing the suitability of the sampling size for applying exploratory factor analysis in order to test the validity of the scale to

perform exploratory factor analysis; it was found to be a significant the value of Kaiser-Meyer-Olkin test result 0.96 and Barlett's Sphericity test result ($P < 0.05$). Accordingly, it was found that the data set is suitable for exploratory factor analysis. Exploratory factor analysis and internal consistency test for the scale are provided in Table 1.

Results of reliability analysis for the scale

As a result of the reliability analysis using Cronbach's alpha performed to test the internal consistency of the measurement revealed that Cronbach's alpha coefficient is 0.80 in terms of overall scale. In addition, as a result of analysis using Spearman Brown and Guttman Split-Half techniques, both tests revealed that Guttman Split-Half coefficient is 0.69 and Spearman Brown coefficient in conjunction with reliability is 0.71. In addition to methods of split-half and Cronbach Alpha, as a result of the adequacy and significance of total item correlation, the scale has been found to be reliable and no any item was removed from the scale.

Data analysis

An editing process was applied after computerizing the data which obtained through surveys. No any missing value has been found out after debugging the statistical analysis of data was performed by using Statistical Package for the Social Sciences (SPSS) 21.0 ve AMOS 21.0.

Frequency tables and descriptive statistics were used in determining the demographic characteristics (gender, age group, etc.) of the participants involved in the study through the responses to scale 1.

Explanatory Factor Analysis and Confirmatory Factor Analysis were employed for the validity of the scale. Cronbach's alpha, split half and item-total correlations were used for the reliability of the scale.

In order to determine hypothesis testing to be used in statistical analyzes, Kolmogorov-Smirnov (K-S) test that is the most common testing for normality was performed to examine whether the data set shows a normal distribution.

As a result of Kolmogorov-Smirnov test, it has been found out that the participants' scores on the scale 1 indicated a normal distribution and parametric hypothesis tests were used in analyzes. If there are two independent variables; (one of Student t tests) parametric hypothesis tests were used for the comparison of independent variables and dependent variables. Analysis of variance (Anova) was used in the case of more than two independent variables. As a result of analysis of variance, post hoc Tukey test was used as an advanced statistical test in the case of a significant difference between independent variables and dependent variables.

Pearson correlation test was used in determining the relationship

		Destination Image	Political Factors	Hotel Image	Employees Performance
1.	I am very Familiar of North Cyprus	0.66			
2.	Overall Image of North Cyprus as a tourist destination is positive	0.51			
3.	The General Image of Products From North Cyprus are positive	0.55			
4.	I visited North Cyprus because of Its Natural Beauties	0.60			
5.	I visited North Cyprus because of its interesting Historical Places	0.58			
6.	I visited North Cyprus because it's have entertainment activities	0.46			
7.	I visited North Cyprus because of the existence of Casinos	0.57			
8.	I visited North Cyprus because of its Local Cuisine and beverage	0.65			
9.	I Prefer Not to visit a country that is not recognized as a sovereign state		0.55		
10.	A Country that have right attraction not worth to visit if it has unstable political conditions		0.50		
11.	Political affiliations is one of the key factors that determine tourist satisfaction in a destination		0.48		
12.	A country that is politically stable is more satisfying to tourists than one that is politically unstable.		0.65		
13.	I prefer to visit a country that have Direct Flights (No Transit).		0.40		
14.	The performance of the hotel's Reception Department was good			0.50	
15.	The performance of the hotel's Restaurant Department was good			0.76	
16.	The performance of the hotel's bar was good			0.79	
17.	The performance of the hotel's Housekeeping was good			0.80	
18.	The performance of the hotel's Technic Service was good			0.80	
19.	The staff tells you exactly when services will be provided				0.65
20.	The staffs are willing to help you e.g. guiding you a hotel direction.				0.81
21.	Hotel gives special care to special Guests.				0.84
22.	The staffs have product knowledge of hotel information e.g. describing all room types and the restaurants.				0.75
23.	The staff possesses the required skill to perform service.				0.83
24.	The staffs speaks with you by using an appropriately address forms.				0.68
25.	The staff makes you feel safe when staying at the hotel.				0.52

Table 1: Exploratory factor analysis results for satisfaction and loyalty scale.

between the participants' loyalty and satisfaction with lower sizes involved in the scale 1.

Finally, a linear regression model was created in order to determine factors which influence the participants' loyalty and satisfaction according to the scale1 and estimators involved in the model have been determined.

Research hypothesis

H0₁: Destination Image does not affect guests' satisfaction in North Cyprus.

H1₁: Destination Image affects guests' satisfaction in North Cyprus.

H0₂: Political factors do not affect guests' satisfaction in North Cyprus.

H1₂: Political factors affect guests' satisfaction in North Cyprus.

H0₃: Hotel Image does not affect guests' satisfaction in North Cyprus.

H1₃: Hotel Image affects guests' satisfaction in North Cyprus.

H0₄: Employees' Performance does not affect guests' satisfaction in North Cyprus.

H1₄: Employees' Performance affects guests' satisfaction in North Cyprus.

H0₅: Destination Image does not affect guests' Loyalty in North Cyprus.

H1₅: Destination Image affects guests' Loyalty in North Cyprus.

H0₆: Political factors do not affect guests' Loyalty in North Cyprus.

H1₆: Political factors affect guests' Loyalty in North Cyprus.

H0₇: Hotel Image does not affect guests' Loyalty for choosing Boutique Hotel.

H1₇: Hotel Image affects guests' Loyalty for choosing Boutique Hotel.

H0₈: Employees' Performance does not affect guests' Loyalty for choosing Boutique Hotel.

H1₈: Employees' Performance affects guests' Loyalty for choosing Boutique Hotel.

H0₉: Destination Image does not affect Hotel Image.

H1₉: Destination Image Affects Hotel Image.

Research frame work

The correlation among the participants' scores concerning Destination Image, Political Factors, Hotel Image and Employee's Performance (Figure 1 and Tables 1-4).

When Table 4 is examined, statistically significant positive correlation has been observed between the participants' scores concerning Destination Image, Political Factors, Hotel Image and Employee's Performance (P<0.05). The participants' scores in conjunction with Political Factors, Hotel Image and Employees' Performance also increase as long as Destination Image scores increases.

A significant correlation statistically has been found among Hotel Image scores and Employees' Performance scores of the tourists

	Frequency (n)	Percent (%)
Sex		
Male	174	50.73
Female	169	49.27
Age Group		
18-25 years	39	11.37
26-40 years	119	34.69
Above 40 years	185	53.94
Annual Income		
Less than 20,000\$	83	24.20
20,000\$-35,000\$	78	22.74
35,001\$-50,000\$	106	30.90
50,001\$-75,000\$	46	13.41
Country of Residence		
Turkey	107	31.20
England	104	30.32
Germany	50	14.58
Poland	24	7.00
Holland	22	6.41
Czech Republic	21	6.12
Croatia	15	4.37

Table 2: Respondents' demographic profiles.

involved in the study (P<0.05). These correlations are positive, and the participants' Employees Performance scores also increase as long as Hotel Image score increases. Besides that, a correlation between the participants' Political Factors scores and Employee's Performance scores was found not to be statistically significant (P>0.05).

A correlation between the participants' Hotel Image scores and Employee's Performance scores was found to be statistically significant (P>0.05). These correlations are positive, and the participants' Employees Performance scores also increase as long as Hotel Image score increases.

A correlation between Hotel Image and Destination Image scores was found to be statistically significant (P>0.05). These correlations are positive the hotel image increased as long as the destination image increased,

According to "H0₉: Destination does not affect Image Hotel Image." The hypothesis is rejected and it can be said that the Destination Image, being positively effective on the Hotel Image and found to be statistically significant. If Destination Image scores of participants increases, the hotel image is also increasing (Table 5).

As shown in Table 6, Regression model that has emerged when results of regression analysis concerning factors effective on the loyalty of the respondents, were examined;

$$Y_i = 0.35X_{(\text{Destination Image})} + 0.16X_{(\text{Political Factors})} + 0.53X_{(\text{Hotel Image})} + 0.18X_{(\text{Employees' Performance})} + e_i$$

As shown in Table 6, Destination is effective on the loyalty of the respondents according to regression analysis results. Accordingly, "H0₅: Destination Image does not affect Loyalty in North Cyprus." Accordingly, "H0₅: Destination Image does not affect Loyalty in North Cyprus" is rejected and it can be said that Destination Image being effective on the loyalty of the respondents is positively found to be statistically significant.

Political Factors statistically has a positive effect on the loyalty of the respondents. Accordingly, "H0₆: Political factor does not affect Loyalty in North Cyprus" is rejected and it can be said that Political

	Destination Image	Strongly Disagree		Disagree		Undecided		Agree		Strongly Agree	
		n	%	n	%	n	%	n	%	n	%
1.	I am very Familiar of North Cyprus	19	5.54	20	5.83	34	9.91	95	27.70	175	51.02
2.	Overall Image of North Cyprus as a tourist destination is positive	9	2.62	52	15.16	77	22.45	134	39.07	71	20.70
3.	The General Image of Products From North Cyprus are positive	9	2.62	25	7.29	92	26.82	170	49.56	47	13.70
4.	I visited North Cyprus because of Its Natural Beauties	0	0.00	11	3.21	62	18.08	103	30.03	167	48.69
5.	I visited North Cyprus because of its interesting Historical Places	0	0.00	11	3.21	76	22.16	124	36.15	132	38.48
6.	I visited North Cyprus because it's have entertainment activities	17	4.96	84	24.49	72	20.99	61	17.78	109	31.78
7.	I visited North Cyprus because of the existence of Casinos	0	0.00	4	1.17	120	34.99	88	25.66	131	38.19
8.	I visited North Cyprus because of its Local Cuisine and beverage	0	0.00	69	20.12	46	13.41	113	32.94	115	33.53
Political Factors											
9.	I Prefer Not to visit a country that is not recognized as a sovereign state	161	46.94	83	24.20	41	11.95	11	3.21	47	13.70
10.	A Country that have right attraction not worth to visit if it has unstable political conditions	68	19.83	87	25.36	87	25.36	66	19.24	35	10.20
11.	Political affiliations is one of the key factors that determine tourist satisfaction in a destination	31	9.04	59	17.20	83	24.20	75	21.87	95	27.70
12.	A country that is politically stable is more satisfying to tourists than one that is politically unstable.	12	3.50	9	2.62	38	11.08	137	39.94	147	42.86
13.	I prefer to visit a country's that have Direct Flights (No Transit).	14	4.08	74	21.57	16	4.66	84	24.49	155	45.19
Undecided											
14.	I Usually choose Boutique hotel as my accommodation	32	9.33	92	26.82	39	11.37	27	7.87	153	44.61
15.	I choose this Hotel as my Accommodation in North Cyprus because I prefer to stay in Boutique hotels with special designs and Authenticity	12	3.50	67	19.53	21	6.12	43	12.54	200	58.31
16.	When room price difference in not significant. I prefer a boutique hotel.	5	1.46	69	20.12	6	1.75	106	30.90	157	45.77
17.	The hotel image plays important role for me	0	0.00	0	0.00	17	4.96	68	19.83	258	75.22
18.	Usually I choose my accommodation according to brand of the hotel. even if the prices are higher than in un-recognized one	38	11.08	58	16.91	0	0.00	117	34.11	130	37.90
Hotel Image											
19.	The performance of the hotel's Reception Department was good	18	5.25	63	18.37	37	10.79	206	60.06	19	5.54
20.	The performance of the hotel's Restaurant Department was good	20	5.83	48	13.99	61	17.78	198	57.73	16	4.66
21.	The performance of the hotel's bar was good	6	1.75	48	13.99	36	10.50	184	53.64	69	20.12
22.	The performance of the hotel's Housekeeping was good	28	8.16	71	20.70	16	4.66	212	61.81	16	4.66
23.	The performance of the hotel's Technic Service was good	9	2.62	80	23.32	46	13.41	188	54.81	20	5.83
Employees Performance											
24.	The staff will tell you exactly when services will be provided.	31	9.04	27	7.87	24	7.00	120	34.99	141	41.11
25.	The staffs are willing to help you e.g. guiding you a hotel direction.	13	3.79	14	4.08	21	6.12	143	41.69	152	44.31
26.	Hotel gives special care to special Guests.	14	4.08	17	4.96	123	35.86	89	25.95	100	29.15
27.	The staffs have product knowledge of hotel information e.g. describing all room types and the restaurants.	16	4.66	5	1.46	96	27.99	126	36.73	100	29.15
28.	The staff possesses all the required skill to perform service.	18	5.25	11	3.21	45	13.12	127	37.03	142	41.40
29.	The staffs speaks with you by using an appropriately address forms (for example, hello, May I help you Sir/Madam?)	12	3.50	11	3.21	25	7.29	104	30.32	191	55.69
30.	The staff makes you feel safe when staying at the hotel	3	0.87	3	0.87	57	16.62	95	27.70	185	53.94
Guests' satisfaction											
31.	Your reservation were handle very Good	0	0.00	5	1.46	30	8.75	147	42.86	161	46.94
32.	You were provided with good welcome and quick check- in handling service.	2	0.58	12	3.50	17	4.96	141	41.11	171	49.85
33.	The staff in the hotel are friendly.	2	0.58	14	4.08	15	4.37	78	22.74	234	68.22
34.	Your overall satisfaction with your visit to this hotel were Excellent	2	0.58	0	0.00	59	17.20	102	29.74	180	52.48
35.	During your stay in North Cyprus you Felt Safe and secure	0	0.00	7	2.04	18	5.25	87	25.36	231	67.35
36.	Political condition of North Cyprus didn't affect your stay duration in any way	16	4.66	3	0.87	4	1.17	89	25.95	231	67.35
37.	I found staying in North Cyprus is not Costly.	23	6.71	4	1.17	30	8.75	153	44.61	133	38.78
38.	Your overall, satisfaction with your visit to North Cyprus were excellent.	2	0.58	15	4.37	10	2.92	137	39.94	179	52.19

Table 3: Questionnaire items and responses.

being effective on the loyalty of the respondents is positively found to be statistically significant.

Hotel Image Political Factors statistically has a positive effect on the loyalty of the respondents. Accordingly, "H₀: Political factors do not affect Loyalty in North Cyprus" is rejected and it can be said that politically being effective on the loyalty of the respondents is positively found to be statistically significant. Accordingly, "H₀: Hotel

Image does not affect guests' Loyalty in North Cyprus." is rejected and responsiveness being effective on the loyalty of the respondents is positively found to be statistically significant.

Employee's Performance statistically has a positive effect on the loyalty of the respondents. Accordingly, H₀: Employees' Performance does not affect guests' Loyalty in North Cyprus." is rejected and it can

		Destination Image	Political Factors	Hotel Image	Employees' Performance
Destination Image	r	1.00			
	p				
Political Factors	r	0.22	1.00		
	p	0.00*			
Hotel Image	r	0.39	0.23	1.00	
	p	0.00*	0.00*		
Employees' Performance	r	0.18	0.09	0.25	1.00
	p	0.00*	0.08	0.00*	

Table 4: Correlation among the participants' scores concerning Destination Image, Political Factors, Hotel Image and Employee's Performance.

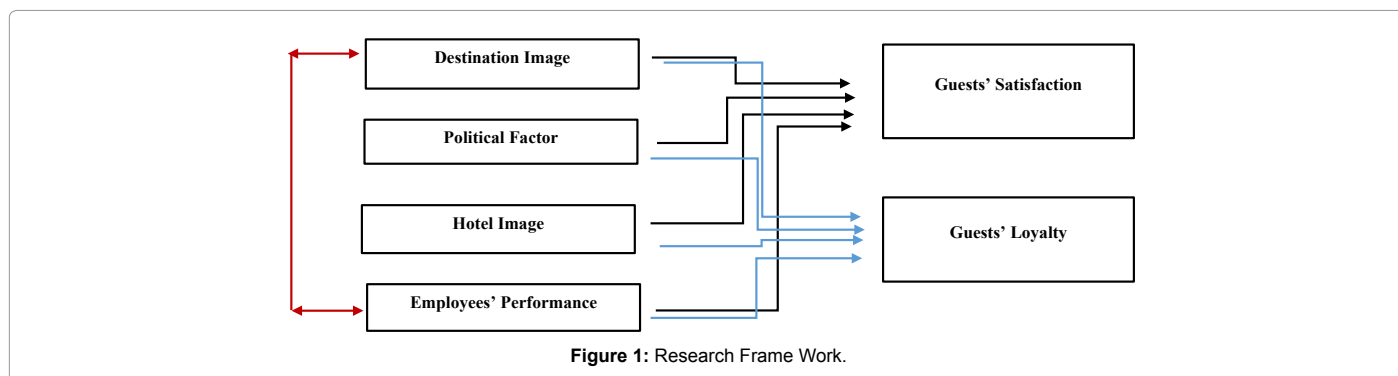


Figure 1: Research Frame Work.

		Loyalty
Destination Image	r	0.27
	p	0.00*
Political Factors	r	0.26
	p	0.00*
Hotel Image	r	0.51
	p	0.00*
Employees' Performance	r	0.14
	p	0.01*

*p<0.05

Table 5: Correlation among the participants' scores concerning Destination Image, Political Factors, Hotel Image and Employee's Performance and with Loyalty scores.

		Guests' Satisfaction
Destination Image	r	0.14
	p	0.04*
Political Factors	r	0.32
	p	0.00*
Hotel Image	r	0.48
	p	0.00*
Employees' Performance	r	0.62
	p	0.00*

*p<0.05

Table 7: Correlations among the participants' scores concerning Destination Image, Political Factors, Hotel Image and Employee's Performance and with Hotel's Guest Satisfaction scores.

	Unstandardized Coefficients		Standardized Coefficients	t	p
	B	Std. Error	Beta		
(Constant)	0.12	0.39		-.29	0.77
Destination Image	0.35	0.08	0.21	5.54	0.00*
Political Factors	0.16	0.06	0.12	2.69	0.04*
Hotel Image	0.53	0.05	0.46	9.94	0.00*
Employees' Performance	0.18	0.06	0.71	2.82	0.00*
R	0.75				
R Square	0.64				
Adjusted R Square	0.63				
F Ratio	171.06				
P	0.00*				

*P<0.05

Table 6: Impact of Destination Image, Political Factors, Hotel Image, Employees' Performance on Guests' Loyalty.

be said that Employee's Performance being effective on the loyalty of the respondents is positively found to be statistically significant (Table 7).

As shown in Table 8 regression model which has emerged when results of regression analysis concerning factors effective on the respondents' satisfaction, were examined;

	Unstandardized Coefficients		Standardized Coefficients	t	p
	B	Std. Error	Beta		
(Constant)	0.32	0.15		22.11	0.00*
Destination Image	0.21	0.03	0.21	13.32	0.00*
Political Factors	0.17	0.02	0.38	11.67	0.00*
Hotel Image	0.33	0.02	0.46	19.76	0.00*
Employees' Performance	0.50	0.02	0.75	23.64	0.00*
R	0.82				
R Square	0.67				
Adjusted R Square	0.66				
F Ratio	171.06				
P	0.00*				

*p<0.05

Table 8: Impact of Destination Image, Political Factors, Hotel Image, Employees' Performance on Guests' Satisfaction.

$$Y_i = 0.32 + 0.21X_{\text{Destination Image}} + 0.17X_{\text{Political Factor}} + 0.14X_{\text{Hotel Image}} + 0.50X_{\text{Employees' Performance}} + e_i$$

As shown in Table 8, Destination image is effective on the satisfaction of the respondents according to regression analysis results.

Accordingly, "H₀: Destination Image does not affect guests' satisfaction in North Cyprus" is rejected and it can be said that Destination Image being effective on the loyalty of the respondents is positively found to be statistically significant.

Political Factors effective on the satisfaction of the respondents have been statistically found to be significant. Accordingly, "H₀: Political Factors do not affect guests' satisfaction in North Cyprus" is rejected and it can be said that: Political Factors being effective on the satisfaction of the respondents is positively found to be statistically significant.

Hotel Image factors effective on the satisfaction of the respondents have been statistically found to be significant. Accordingly, "H₀: Hotel Image does not affect guests' satisfaction in North Cyprus" is rejected and it can be said that Hotel Image being effective on the satisfaction of the respondents is positively found to be statistically significant.

Employees' Performance factors effective on the satisfaction of the respondents have been statistically found to be significant. Accordingly, "H₀: Employees' Performance does not affect guests' satisfaction in North Cyprus" is rejected and it can be said that Employees' Performance being effective on the satisfaction of the respondents is positively found to be statistically significant.

Conclusion

1. Turkish Republic of North Cyprus is an attractive tourist destination especially for Turkish and British as the majority of the respondents were from there.
2. The Boutique Hotel at the Turkish Republic of North Cyprus is considered to be an affordable Hotel as most of the respondents were having average income of 35,001\$-50,000\$ a year by 30.90 percent, while the second largest group were their average income Less than 20,000\$ a year by 24.20 Percent.
3. Turkish Republic of North Cyprus is considered to be an affordable country Also the majority agreed with the statement in question number 37 "I found staying in North Cyprus is Not Costly" by 4.07.
4. Turkish Republic of North Cyprus is considered to be a Safe and secure country as most of the respondents agreed with the statement in question number 35 and 36 "During your stay in North Cyprus you Felt Safe and secure; Political condition of North Cyprus didn't affect your stay duration in any way" by 4.58 and 4.5 respectively.
5. The main reason of tourist visiting boutique hotels is Relaxation as 67.9 Percent of respondent said that.
6. Hotels' guests perceived employees' performance as the highest effective sub-scale of Guests' satisfaction. This means that the employees' performance factor is the most affective Sub-scale in the Guests' satisfaction and guests' level of satisfaction got affected highly from employees' performance while, it got the least effective from political stability sub-scale.
7. Hotels' guests perceived Hotel's Image as the highest effective Sub-scale of Guests' Loyalty. This means that the Hotel's Image factor is the most affective Sub-scale in the guests' loyalty and guests' level of loyalty got affected highly from Hotel's Image while, it got the least effective from political stability sub-scale.
8. There is a correlation between the points of participants taken

from Destination Image, political stability, hotel image and employees' Performance sub-scales and guests' satisfaction were positive, which leads that the mentioned sun-scales are qualified to assess guests' satisfaction.

9. There is a correlation between the points of participants taken from Destination Image, political stability, hotel image and employees' Performance sub-scales and guests' loyalty were positive, which leads that the mentioned sun-scales are qualified to assess guests' loyalty.
10. Overall guests' level of satisfaction for the visits of Turkish Republic of North Cyprus and its hotels were 4.39 which reflect that the guests were satisfied.
11. The correlation between the points of participants taken from Destination Image and hotel image points is statistically significant, these correlations are positive which leads that hotel image increased as long as the destination image increased and the vice versa.
12. Destination image scored higher than the hotel image as its scores were 3.87 and 3.46 respectively but, guests were had the same level of satisfaction for the country and the hotel itself while scored 3.99 for the loyalty.
13. By testing the validity and reliability of the new scale (Guests' Satisfaction and Loyalty Scale) we found that the scale is valid and reliable which means we have new combination of sub-scales in order to test the guests' satisfaction and loyalty at boutique hotels and the combination is between (Destination image, political stability, hotel image and employees' performance).

Recommendation

7. The Model utilized in this study can be applied in other countries to assess tourists' satisfaction and loyalty about the accommodation and the country itself.
8. The Model utilized in this study can be applied in other hotels to assess tourists' satisfaction and loyalty about the accommodation and the country itself.
9. The used model proved its validity and can be applied in any other country to assess the external and internal factors that affects the guests' satisfaction and loyalty at boutique hotels.
10. The used Model utilized in this study can be used to compare the guests' satisfaction and loyalty in different countries or different hotels and compare results.
11. The Turkish Republic of North Cyprus considered being cheap and affordable destination, they must use this strength to compete other destinations and may make some Ads abroad to attract new markets.
12. The Turkish Republic of North Cyprus considered being safe and secure destination, they must use this as strength to compete other destination, and The Government of North Cyprus must intact and sustain the feeling of safety for the guests.
13. External satisfaction and loyalty sub-scales such as Destination image or political factor have not less importance than the internal sub-scales and very important to assess guests' satisfaction and loyalty.

14. Employees of Hotels of North Cyprus are very important based on the findings it shows that the employees performance have a high effect over the guests' satisfaction, hotels should always appreciate and encourage their employees to give better outcome to maintain their guests' satisfaction level.
15. Hotel's Image of North Cyprus are very important based on the findings it shows that the Hotel's Image have a high effect over the guests' loyalty, hotels should always keep a good image in front of their guests to maintain their guests' Loyal level.

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