INTERNATIONAL TOURISTS' SATISFACTION AND LOYALTY TO BHUTAN

Karma Lhendup Lhendup* & Bhagirathi Panda**

Abstract: This study aimed to explore the antecedents of international tourists' loyalty to Bhutan, taking notorious advantage of primary data generated through 'Visitors' Exit Survey 2017 by the Tourism Council of Bhutan, employing a modified integrated model posited by Chi and Qu (2008). According to the Tourism Council of Bhutan, the inbound international tourists to Bhutan for the past one decade had been skyrocketing with steady annual growth. However, there is dearth of study conducted whether this trend would continue in the years to come. A cross-sectional survey was carried out at the four tourist exit points in Bhutan covering different seasons. A sum of 1,528 international tourists departing from these aforementioned exit points was surveyed with a structured questionnaire. The data were analyzed using a structural equation model (SEM) approach. Findings of this study revealed GNH as a direct antecedent of destination image and destination image did not directly influenced destination loyalty, it directly and significantly affected overall satisfaction of the international tourists visiting Bhutan. This paper also discussed implications for Bhutanese destination marketers and managers.

Key words: International tourist. Destination image. Destination loyalty. Revisit intention. Bhutan.

SATISFAÇÃO E LEALDADE DOS TURISTAS INTERNACIONAIS AO BUTAN

Resumo: Este estudo teve como objetivo explorar os antecedentes da lealdade dos turistas internacionais ao Butão, baseando-se em dados primários gerados através da "Pesquisa de Saída de Visitantes" do Conselho de Turismo do Butão de 2017, utilizando um modelo integrado modificado proposto por Chi e Qu (2008). De acordo com o Conselho de Turismo do Butão, os turistas internacionais que chegam ao Butão na última década dispararam com um crescimento anual constante. Entretanto, há poucos estudos sobre se esta tendência continuaria nos próximos anos. Uma pesquisa transversal foi realizada nos quatro pontos de turismo do Butão, cobrindo diferentes estações do ano. Um total de 1.528 turistas internacionais que partiram desses pontos de venda foram entrevistados por meio de um questionário estruturado. Os dados foram analisados utilizando uma abordagem de modelo de equação estrutural (SEM). Os resultados deste estudo revelaram que a GNH foi um antecedente direto à imagem do destino e que a imagem do destino não influenciou diretamente a fidelidade ao destino, mas afetou direta e significativamente a satisfação geral dos turistas internacionais que visitam o Butão. Este documento também discutiu as implicações para os vendedores e gerentes de destino do Butão.

Palavras-chave: Turista internacional. Imagem de destino. Destino lealtad. Revisar la intención. Bután.

SATISFACTION ET FIDÉLITÉ DES TOURISTES INTERNATIONAUX AU BHOUTAN

Resumé: Cette étude visait à explorer les antécédents de la fidélité des touristes internationaux au Bhoutan, en tirant un avantage notoire des données primaires générées par l'enquête sur les sorties des visiteurs 2017 du Tourism Council of Bhutan, en utilisant un modèle intégré modifié proposé par Chi et Qu (2008). Selon le Conseil du tourisme du Bhoutan, les touristes internationaux entrants au Bhoutan depuis une décennie ont grimpé en flèche avec une croissance annuelle régulière. Cependant, il y a peu d'études menées pour savoir si cette tendance se poursuivra dans les années à venir. Une enquête transversale a été réalisée aux quatre points de sortie touristiques du Bhoutan couvrant différentes saisons. Une somme de 1 528 touristes internationaux au départ de ces points de sortie susmentionnés a été interrogée à l'aide d'un questionnaire structuré. Les données ont été analysées à l'aide d'une approche par modèle d'équation structurelle (SEM). Les résultats de cette étude ont révélé que le GNH était un antécédent direct de l'image de destination et que l'image de destination n'a pas influencé directement la fidélité à la destination, elle a affecté directement et de manière significative la satisfaction globale des touristes internationaux visitant le Bhoutan. Ce document a également discuté des implications pour les spécialistes du marketing et les gestionnaires de destinations bhoutanaises.

Mots clés: touriste international. Image de destination. Fidélité à la destination. Revoir l'intention. Bhoutan.

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1. INTRODUCTION

Travel destinations are fiercely competitive with one another with greater customer demand for service qualities and tourists becoming more information driven (Hui, Wan, & Ho, 2007) and sustainability plays a vital role in fostering tourism destination competeiveness (Goffi, Cucculelli, & Masiero, 2019).

Bhutan's tourism business is a second sector next to hydropower that generates substantial revenue and employment and had been growing continuously over the past decades despite its late embarkation to this industry in 1974. Smith (1981) has found that Bhutan coinciding with coronation of 4th King in 1974 marked the onset of tourism sector with an arrival of thirty tourists in that year.

Since then the arrivals of tourists increased every year and according to the Bhutan Tourism Monitor (BTM) Report 2018, the total tourist arrivals today stand at 274,097. The industry has been growing steadily over the years with a significant contribution to country's socio-economic development and revenue generation, especially the foreign exchange earnings. Therefore, the understanding of tourists' perception of Bhutan as a travel destination would enable the Royal Government of Bhutan (RGoB) to formulate sound marketing strategies and position itself as a choice destination. Bhutan is positively positioned destination buffering two highly populace countries viz. India and China, which are the potential source markets.

The Tourism Council of Bhutan (TCB) has categorized two types of arrivals viz. international and regional. The regional arrivals comprise of those inbound tourists from India, Bangladesh and Myanmar and the rest are considered as international visitors. Bhutan of late has started gaining impetus in the international tourism community as a developing tourism destination with ever increasing arrivals both from the international and regional source markets (BTM, 2018).

Research done by Som and Badarneh (2011) found that tourism well planned generated benefits at the destination by increasing tourist receipts, government revenues, and employment. The study conducted by Ribeiro, Silva, Andrade, and De Souza (2017) found that tourist expenditure in the northeastern state of Brazil was responsible for a 3.9 percent increase in the gross domestic product (GDP) of that state.

By the same token, the growth in the arrivals of tourists has led Bhutan foreign exchange earnings and employment generations (BTM, 2018); it still needs to inculcate proper visitor management and related interventions to foster better drawcards.

Besides this, Bhutan as of now is plagued with numerous challenges such as insufficient product diversification that has put a big dent to attract tourists during lean season, lack of marketing strategies as a result of lack of substantive tourism research base especially in terms of the tourist satisfaction that connotes both tourists' expectations and perceptions (Dorji, 2015).

On the other hand, a few studies have concluded that familiarity with destination enables tourists to form positive or negative perceptions of a destination and in turn helps determine a destination's attractiveness (Horng, Liu, Chou, & Tsai, 2012; Maestro, Gallego, & Requejo, 2007). Eusebio and Vieira (as cited in Armstrong, 1996) states that "tourism exists because of attractions and it is anticipated and mentally visualized by a potential traveler that provides him the motivation and magnetism for moving from one point to another."

The study conducted by Verissimo, M.T.B. Tiago, F.G. Tiango and Jardim (2017) had revealed that factors such as awareness, image, perceived quality, and loyalty are all relevant to destination brand equity. Of late, Bhutan has gained popularity across the globe owing to its development philosophical concept of 'Gross National Happiness (GNH),' which had been capitalized up until now as a selling preposition to lure foreign tourists to Bhutan.

The RGoB's tagline of 'GNH' or 'Bhutan: Happiness is a place' well defines the essence of Bhutan's unique culture and tradition, sustainable socio-economy, good governance and preservation of environment officially accounted as pillars of GNH. Hence, this study aims to utilize 'GNH' as n2ator2dentent to destination image formation (Sun et al., 2013). Prentice (2004) argues that impact and importance of familiarity on destination image and destination loyalty formation have been somewhat overlooked in tourism studies, which is why this study included this particula2ator2dentct an2ator2dentedent to destination image.

Nonetheless, elements of attractions are not the sole p2atorctor for attracting tourists to a destination. To recommend the destination for others to revisit is crucial to attract tourists for successful tourism development (Chen & Tsai, 2007). According to Eusebio

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and Vieira (2011), success of tourism destination marketing and development strategies is realized through rigorous analysis of visitors' overall satisfaction and its nexus with the intention to revisit and recommend the destination (destination loyalty).

A plethora of marketing literatures has concluded that tourist satisfaction as good predictor of customers' revisit intention and willingness to recommend the product through word of mouth to other people (Cronin and Taylor, 1992; Kozak and Rimmington, 2000; Yoon and Uysal, 2005). Taylor (as cited in Chi & Qu, 2008) pinned down "overall satisfaction" itself as an element of a Customer Loyalty Index (CLI).

Therefore, it is quite imperative for Bhutan to explore antecedents of tourist satisfaction, which in turn leads to favourable outcomes such as loyalty formation. Guzman-Parra, Vila-Oblitas and Maqueda-Lafuente (2016) perceived destination image and its relationships with tourist satisfaction and tourist loyalty to destination as crucial in concerning the implementation of the tourist destination management. It had been also found that increases in the competition among the marketplace had led to focusing on different elements of the brands to overcome the competition (Kaushik & Rahman, 2017).

This study was conducted in Bhutan across four tourist exit points from March to December 2017 covering all seasons and examines the comprehensive antecedents of destination loyalty formation. Previous research conducted by: Dorji (2000); Smith (1981) Reinfield (2003); and Nyaupannet et al. (2000) had simply focused on the descriptive and qualitative analysis and no such study were done at a representative scale using quantitative technique in Bhutan.

Eventually, this study focuses on the destination loyalty formation using destination image and overall satisfaction as antecedents, which in turn is expected to lead to destination loyalty formation in light of the earlier models of Chi & Qu (2008); Sun et al., (2013).

2. THEORETICAL REVIEW

Destination loyalty or behavioral intentions is a form of attitudinal measurement such as repeat purchase intentions and WOM (word of mouth) recommendations usually used in the market space to deduce consumer loyalty and these two attitudes are found to be the most pertinent measures of consumer loyalty (Best & Coney, 1989; Jones & Sasser, 1995). Han

and Kim (2010) further validates the definition of intention to revisit a tourism destination as an individual's readiness or willingness to revisit the same destination with clear prediction of a decision to revisit such as purchase of a vacation package to the same destination.

Oh (2000) and Oh & Parks (1997) have found a positive correlation between consumers' repurchase intentions and positive WOM referrals. This was validated by the studies carried out by Taylor in 1998 on assessing tourist destination loyalty. The study conducted by Jang and Feng (2007) on temporal destination revisit intention and the effects of novelty seeking and satisfaction has revealed that destination revisit intention is considered crucial research topic both in academic and the tourism research.

Further their study has found that satisfaction derived by the tourists was direct antecedent of short-term revisit intention. Repurchase is one of the widely accepted variables and considered as the most important in almost all the contemporary marketing. The studies carried out by Reichhel and Sasser (1990) has revealed various interesting facts about repeat repurchase viz. it is more cost-effective to retain old customers than attracting new ones, just 5% increase in retaining old customers raised profit a whopping margin between 25-85%, and retaining old customers yielded positive WOM referral. In the tourism studies conducted by Darnell and Johnson (2001), the repeat visitors are the highly relied phenomenon by many travel destinations and also been accepted as one of the most important phenomena at the level of the economy on the whole and for the individual level attraction.

Chen and Tsai (2007) and Oppermann (2000) have highlighted the tourists' behavioral intention concept as the judgment about the tourists' likeness to revisit the same destination and the willingness to recommend the destination to others through word of mouth. Nonetheless, there are several other factors that contribute to the process of deciding to revisit a destination, even when it has achieved a positive image (Agapito, Valle &Mendes, 2011).

2.1 Gross National Happiness

Almost all the nations across the globe use Gross Domestic Product (GDP) as an economic measure. But for Bhutan, the 4th King introduced in the late 1970s an alternative to the GDP as GNH (Gross National Happiness) that measures the economic and moral

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progress taking into account an evolving mix of quality-of-life factors (Kagan, 2019).

Verma (2017) defined GNH as an alternative that challenges the logic of GDP metrics with societal happiness as the primary lens for viewing human progress within planetary limits, which GNH places socio-cultural, spiritual, political, economic and ecological wellbeing at the centre of national development efforts and policies.

Frey (2008) and Easterlin (2001) state that terminologies, such as life satisfaction, happiness and wellbeing are used quite commonly in the literature. Couple of previous studies has defined happiness or subjective well-being as cognitive life satisfaction and affective emotions (Easterlin, 2001; Diener, 2000; Nawijin, 2011). Cristou (2011) found that in tourism, the emotional element is a more reliable indicator of visitor loyalty than the cognitive element.

There are various studies conducted to establish a link between tourism services, travel activities and tourist happiness (Diener, 2000; Fritz and Sonnentag, 2006; Gillet et al., 2016; Kler and Tribe, 2012; Knobloch, Robertson, and Aitken, 2017; Matteucci and Filep, 2017). However, no previous studies prevail exploring the GNH as antecedent for familiarization of destination.

This study, therefore, aims to examine how GNH interrelates with destination image. According to Ura et al. (2012), GNH is defined by its four pillars viz. good governance, sustainable socio-economic development, preservation & promotion of culture and environment conservation. The concept of GNH is in its infant stage and still is an emerging one. Particularly, here we attempt to newly test GNH as a measure of the latent construct, 'destination image.' The variables used to measure the construct, GNH in this study are 'GNH philosophy as attraction', and 'the self-rated statement, 'Bhutan is known for its Gross National Happiness philosophy.' EREN (2019) suggested that destinations could use different strategies such as promoting new attractions and enriching touristic experiences to increase the number of visitors and tourism revenue. Therefore, the following hypothesis is posited:

H₁: There is a positive and direct relationship between GNH and destination image.

2.2 Destination Image

"Nowadays, tourist destination image is presented as a precondition tool for competing in an increasingly international and sophisticated market; this image is understood as the sum of the overall product on offer, plus the set of communicative actions of the destination" (Matovelle & Pillajo, 2018).

Many authors show different definitions for the destination image and tourists perceive destination differently through different kinds of experiences tourists derived at different destinations (Sing & Mehraj, 2019). Baloglu and Brinberg (1997) have defined destination image as 'the sum of beliefs, ideas, and impressions that people have of a place or destination.'

Garner (1986) assumed that consumers evaluate a destination on the basis of attributes and activities. Deffner and Metaxas (2005) found that over the last few decades, the marketing of places has received increased interest and in turn became more complicated. It is believed that destination with positive images (Chi & Qu, 2008) influences revisit intention (Zhang, Wu & Buhalis, 2018).

Sun et al. (2013) found that destination image plays significant roles in destination choice, decision-making process and in the selection of many on-site activities. Sing and Mehraj (2018) found that destination is always driven by the desire to lure more tourists and ultimately help in the upliftment of the economic status of that place.

Destination image is also found to have cascading effect to post trip assessment such as satisfaction and future behavioural intentions (Chen & Tsai, 2007). Hussein (2018) found the indirect effect of brand experience on brand loyalty and customer satisfaction plays an important role in mediating the effect of brand experience on brand loyalty.

In line with the suggestion of Chi (2012) and Echtner & Ritchie (1991), a multi-attribute approach is used to evaluate destination image through both post and pre destination image items. A 5-points Likert scale was used and the overall image is obtained by taking mean of the attribute scores (Bigné, Sanchez, & Sanchez, 2001).

Though the destination image construct is difficult to measure, yet there is no accepted theory to replace the multi-attribute models (Pike, 2002). Chen & Tsai (2007) further authenticates the fact that consumers' overall perceptions of a destination being, either favourable or unfavourable, it still influences tourists' decision making and satisfaction with a destination.

Bigné et al. (2001) posited that destination image is a direct antecedent of satisfaction, willingness to recommend the destination and an intention to revisit.

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Kozak and Rimmington (2000) concluded that satisfaction with various components of the destination leads to overall satisfation. Tourists experience a variety of service attributes such as hotels, restaurants, shops, drawcards, guide, transport, etc., which they had evaluated each service element independently.

These particular characteristics of tourism have notable effect on tourist satisfaction according to Seaton and Bennet (1996). In a study that examined the structural relationships among destination image, tourist satisfaction and destination loyalty, Chi & Qu (2008) concluded that destination image directly influenced tourist satisfaction. It has been also found that the construction of an appropriate image for a destination will determine its capacity to attract and retain tourists (Río, Pérez-Gálvez, Orgaz-Agüera, Navajas-Romero, & López-Guzmán, 2018). Therefore, based on the preceding literature review, the following hypotheses are posited:

H₂: Destination image portrayed to international tourists positively and significantly influences tourist satisfaction;

H₃: Destination image portrayed to international tourists directly and significantly influences destination loyalty.

2.3 Tourist Satisfaction

Satisfaction in this study is conceptualized as culmination of 'attribute satisfaction' derived from the six attributes (value of money, services and facilities, accommodation, transport system, accessibility to services, safety, attractions, and guide services) and 'overall satisfaction.'

2.3.1 Attribute satisfaction

According to Oliver (1980), 5onstru the researches pertaining to satisfaction of customers in the contemporary 5onstr space were carried out at global level until such time as researchers started paying attention at 5onstruc level of conceptualization as factors of satisfaction. He also found the nexus between overall satisfaction and the 5onstruc satisfaction as related 5onstructo although the two entities are distinct.

This is supplemented by Bolton and Drew (1991) who found that attribute satisfaction having positive and direct relationship with the overall satisfaction. It has been also found that attribute satisfaction captured a significant variation in overall satisfaction. Attributes

are defined by their corresponding items, which are observable through 5-Points Likert Scale.

Danaher and Arweiler (1996) studied the customer satisfaction in the tourist industry of New Zealand and found the same fact as Bolton and Drew (1991) that tourists' satisfaction with individual component of the destination had led to their satisfaction with the overall destination. Seaton and Bennett (1996) in their 'concepts on the marketing of tourism product,' have mentioned that it is of paramount importance to differentiate overall satisfaction from satisfaction measured through an individual attribute since particular characteristics of tourism have a notable effect on tourist satisfaction.

Eboli and Mazzulla (2009) have reported that the more accurate the selection of the attributes, the more accurate the measure of the overall satisfaction. Therefore, it is quite imperative that the selected attributes should describe the service aspects exhaustively.

However, on the contrary, they argued that not all the 5ervisse5 are 5ervisse5e for the user in the same way. This has been confirmed by the study conducted by Vareiro, Remoaldo and Riberiro (2017) as the quality of the product or 5ervisse supplied does have a direct influence on satisfaction and in the intention to repeat the visit but there is no guarantee to it.

Most of the previous studies have estimated the customer satisfaction with a single item that measured the overall satisfaction (Bigné et al., 2001; Spreng & Mackoy, 1996; Fornell, 1992). However, Mai and Ness (2006) had suggested the degree of satisfaction to be evaluated through specific service attributes. They had also confirmed the existence of positive and significant relationship between attribute satisfaction and destination loyalty. This idea is reinforced as the present-day's visitors' demand for high-quality service and standardized product offers to satisfy their expectations besides destination typology (Moreira and Burns, 2017; Lee and Thapa, 2017), whereby a serious identification of the core product and service elements from visitors' perspectives must be given due attention by the players in the tourism sector (Bhat, 2012; Tsegaw, 2017).

Bogale and Wondirad (2019) evidenced a discernible relationship between the various destination attributes and overall tourist satisfaction. The different attributes had been also found to be important determinants of the overall satisfaction and tourist's intention to return (Alegra and Garau, 2010).

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2.3.2 Overall satisfaction

According to Eboli and Mazzulla (2007), companies over the last few years have focused on service quality and customer satisfaction that proved to be profitable for both the entities. It has been a well-established literature in tourism that overall tourist satisfaction and a tourist's intention to revisit are partially determined by the visitor's assessment of the various attributes of the destination under consideration (Garau, 2009).

There are many concepts of measuring customer satisfaction introduced in 6ervis research to measure perceived 6ervisse quality. The most popular and widely applied technique is the one named, ServQual method propounded by Parasuraman et al. (1985). This method underscored customer satisfaction as a function of customer expectations and perceptions. By customer expectation is meant what customers expect from the services at their disposal and what customer actually receives (perception).
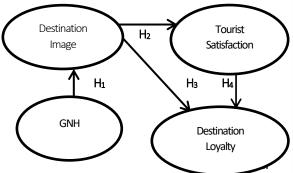
Satisfaction in this study is conceptualized as an *overall satisfaction* used as a summative overall measure of satisfaction. This has been used similarly by Bloemer and Ruyter (1998); Fornell et al. (1996) in their customer satisfaction studies. Khuong and Ha (2014) revealed the nexus between tourists' satisfaction levels and destination loyalty as extremely crucial and necessary in tourism destination management. Mohamad, Ghani and Nasir (2019) found that overall tourist satisfaction had a full mediating effect on the relationship between service quality and destination loyalty. So, the following hypothesis is proposed based on the prior mainstream literature:

H₄: Tourists satisfaction positively and significantly influences destination loyalty.

2.3.3 Proposed model

The research model (Fig 1) is a proposition of a theoretical destination loyalty formation that is vested on previous findings by Chi & Qu (2008) and Sun et al. (2013) through integration of GNH into the model that is likely to influence the tourists' overall familiarity of destination. The model is tested among the international tourists. Figure 1 depicts the proposition that the GNH serves as a construct that aids to international tourists' level of familiarity with the destination, which in turn is likely to have significant impacts on their destination image formation and the cascading effect to tourist satisfaction leading to destination loyalty.

Figure 1: Hypotheses model.

Source: proper elaboration.

3 METHODOLOGY

3.1 Survey instrument

This study employed a cross-sectional sample survey. The survey questionnaire had been designed by group of tourism experts of TCB and the international consultants since early 2000s till date with constant update of item pool that measured each construct.

The tourist exit survey is an annual event of the TCB. The survey questionnaire covered five major sections spanning from basic profile of the respondents to questions that measured latent constructs viz. GNH, tourist attribute satisfaction, general images, overall satisfaction, destination loyalty and importance rating of the 8-travel attributes. The questionnaire was piloted to check the user-friendliness and the skip patterns to avoid ambiguity and other related issues that were expected during the actual field survey.

The first section captured the socio-demographic characteristics of the respondents such as gender, age, education level, employment status, and country of origin to profile the respondents. The second section covered general information about the respondents such as port of entry, frequency of previous visits, reason for visitation, source of information about Bhutan, travel companions, out of pocket expenses, mode of travel arrangements, and activities undertaken during the enrtire visits. The third section comprised service attributes: value of money; services and facilities; accommodation; transport system; accessibility to services; safety; attractions; and guide services. About 43 attribute items were rated by the respondents with a minimum of five items defining each attribute. Fourth section entailed the importance ratings of all those aforementioned eight service attributes. Finally, the fifth section comprised the

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construct, 'destination image.' All the measured variables or statements corresponding to each construct are entailed in table 2.

3.2 Sampling plan and data collection

The target population was all the international tourists visiting Bhutan across all the 20 districts. A sample frame maintained by the Tourism Council of Bhutan had been used for sampling 1,528 international tourists as suggested by the confidence interval approach sample size determination formula for obtaining 95% precision (Burns and Bush, 1995) as follows:

$$n = \frac{\left(Z_{\alpha/2}\right)^2 pq}{\varepsilon^2} = \frac{1.96^2(0.5 \times 0.5)}{0.05^2} = 384 ,$$

Where $\left(Z_{\alpha/2}\right)^2$ is the squared standard error associated with chosen level of confidence (95%); p the estimated variability in the population (50%); $q=1-p$; and ε^2 squared acceptable error $\pm 5\%$ (desired accuracy 95%). Like in the national opinion polls in the USA, the amount of variability in the population is estimated to be 50%. However, to minimize the width of confidence interval so as not to misguide the probability of lying the true answers in that wide margin of error, finite *population correcton (fpc)* is computed as below.

$$n_1 = \frac{n}{1 + \frac{n-1}{N}} = \frac{384}{1 + \frac{384 - 1}{71,417}} = 382,$$

where n_1 is the new sample size and N = total population of tourists. The domain of the report was aimed across all the four tourist exit points; the sample was eventually computed as 382x4=1,528.

As a rule of thumb, a factor analysis sample of 50 is considered as very poor, 100 as poor, 200 as fair, 300 as good, 500 as very good, and 1,000 as excellent (Comrey & Lee, 1992; Comrey, Backer, & Glaser, 1973). Kline (2016) has suggested a minimum sample size in SEM studies as 200.

Table 1: Sampling plan for international tourists

Exit points	Frequency	Sampled Tourists	Sampling fraction	Base weight
Gelegphu	74	2	0.0270	37.00
Paro	58,236	1,454	0.0250	40.05
Phuntsholing	1,354	34	0.0251	39.82
S/Jongkhar	1,529	38	0.0249	40.24
Total	61,194	1,528	0.0250	40.05

Source: proper elaboration.

Precisely, a single-stage sampling approach was adopted namely proportionate stratified sampling for deciding on the strata (four tourists exit points) sample size.

Based on the suggestion of Gursoy and Kendal (2006), the survey enumerators were instructed to approach every tenth person at the waiting lounge for boarding in the case of Paro International Airport and to follow the same at the immigration check points of the remaining three exit points.

The response rate achieved was 100% in a total of 6 months interview spread over 11 months (February to December 2017) covering both peak and lean tourist seasons. The data collection domains were spread across four tourist exit points.

The four exit points were Paro International Airport, Phuntsholing Immigration Check Post, Samdrubjongkhar Immigration Check Post and Gelegphu Immigration Check Post. A sum of 1,528 international tourists samples were obtained from all the four exit points. Majority (95.2%) of them were covered in the Departure lounge of Paro International Airport.

3.3 Data analysis

The analysis involved in this study comprised Exploratory Factor Analysis (EFA) to factor out the underlying dimensions of those latent constructs viz. GNH, destination image, tourist satisfaction and destination loyalty followed by Confirmatory Factor Analysis (CFA) and Structural Equation Model (SEM) to test the conceptual model besides some descriptive analysis. The SEM was employed to test the proposed model using Amos 22 with Maximum Likelihood (ML) estimation method.

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A two-stage method namely testing of confirmatory measurement model and examining the structural model were used. The former specifies the posited relations of the observed variables to the underlying constructs, with the construct allowed to intercorrelate freely (Sun et al., 2013) and the latter allows for testing of multiple equations with multiple dependent variables (Hair, Anderson, Tatham, & Black, 1998).

Table 2 depicts the inputs for the proposed model viz. latent construct, measurement items with their corresponding questions and scale employed to measure each observed variable. The measures of the attribute satisfaction construct were identified from in-depth discussions with the research officers and their managers of the TCB.

Table 2: Latent constructs, measurement items/questions, scales and sources.

Latent Constructs	Measurement items	Questions	Scale	Sources
Gross National Happiness (GNH)	GNH philosophy, and self-rated statement (Bhutan is known for its GNH philosophy)	2 items: 1. GNH philosophy: community based activities, village tours, and homestay visit; and 2. Bhutan is known for its GNH philosophy.	5-Strongly agree 4-Agree 3-Don't know 2-Disagree 1-Strongly disagree	Bhutan (2016), Ura and Galay (2004), Ura, Alkire, Zangmo, and Wangdi (2012)
Destination image	General image of Bhutan	7 items: 1.Bhutan is a safe tourist destination. 2. Bhutan has a unique destination image in the region. 3. Bhutan's pristine environment is an attraction. 4. Bhutan's people and culture is a tourist attraction. 5. Bhutan offers wide range of visitors' products & services. 6. Bhutan offers affordable travel destination. 7. The tourist hotspots had disable-friendly services	5-Strongly agree 4-Agree 3-Don't know 2-Disagree 1-Strongly disagree	Bhutan (2016), Tasci and Gartner (2007), Alcañiz, García, and Blas (2009)
Tourist Satisfaction	Overall Satisfaction	What is your *overall satisfaction* in this visit?	5-Completely satisfied 4-Satisfied 3-Don't know 2-Not satisfied 1-Not at all satisfied	Bhutan (2016), Bloemer and Ruyeter (1998), Stepurko, Pavlova, and Groot (2016)
	Attribute Satisfaction (*)	Please rate your *satisfaction* with your visit to Bhutan with the following attributes*: Services & facilities, Accommodation, Transport system, Accessibility to services, Safety,* and *Guide services*	5-Completely satisfied 4-Satisfied 3-Don't know 2-Not satisfied 1-Not at all satisfied	Bhutan (2016), Chi and Qu (2008), Ebola and Mazzulla (2009), Do Valle, Silva, Mendes, and Guerreiro (2006)
Destination loyalty	Revisit Intention	Would you visit Bhutan again?	5-Very likely 4-Likely 3-Undecided 2-Unlikely 1-Very unlikely	Bhutan (2016), Do Valle, Silva, Mendes, and Guerreiro (2006), Best and Coney (1989), Jang and Feng (2007)
	Willingness to recommend	Would you recommend Bhutan to your friends/relatives?	5-Yes, definitely 4-Yes, probably 3-Possibly 2-No, probably not 1-No, definitely not	Bhutan (2016), Reichhel and Sasser (1990), Chi and Qu (2008), Filieri, Alguezaui, and McLeay (2015)

Source: proper elaboration. *(*) Mean of satisfaction level of each attribute*

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4 ANALYSIS AND DISCUSSION

4.1 The profile of respondents

Table 3 shows the socio-demographic characteristics of the international tourists to Bhutan. It reveals that 53.4 percent of the visitors comprised females. The analysis has also revealed that about 45.5 percent of the visitors are aged 53 and older. In terms of educational background, a little more than half (50.2%) of the visitors possessed masters degree and above.

Table 3: Demographic characteristics of respondents.

Characteristics		Frequency	Percent (N=1,528）
Gender	Male	712	46.6
	Female	816	53.4
Age	<= 14	5	0.3
	15 - 22	54	3.5
	23 - 29	109	7.1
	30 - 37	233	15.2
	38 - 45	188	12.3
	46 - 52	249	16.3
	53+	690	45.5
Education	High School	176	11.5
	Bachelors degree	529	34.6
	Masters and above	767	50.2
	Others	56	3.7
Employment status	Employed	658	43.1
	Self-employed	367	24
	Unemployed	37	2.4
	Retired	369	24.1
	Students	81	5.3
	Others	16	1
Visitors by region	Europe	514	33.6
	Asia-Pacific	483	31.6
	North America	451	29.5
	South America & Caribbean	52	3.4
	Africa	5	0.3
	Middle East	6	0.4
	Others	17	1.1

Source: proper elaboration.

The study further revealed that most of the employed (43.1%) international visitors visited Bhutan. Interestingly, almost equal proportions of visitors were self-employed (24%) and retired (24.1%). Students comprised about 5.3 percent of the visitors. The majority of the respondents were from Europe (33.6%), followed by Asia-Pacific (31.6%), North America (29.5%) and South America & Caribbean (3.4%). The rest were from Africa, Middle East and others.

4.2 Travel composition and primary source of information about Bhutan

A little more than nine out of every ten (91.6%) of the respondents were first-time visitors to Bhutan and one-third (33%) of them were travelling with family members and friends followed by another one-third (33.2%) in group tour. Internet (32.3%) and WOM (29.3%) were two major sources of information about Bhutan to most of the respondents. A little more than two-thirds (66.8%) of the respondents had quoted holidays/leisure as the major purpose of their visit. Culture and tradition (68.2%) and nature and ecology (8.8%) were cited by the respondents as two major drawcards to Bhutan.

4.3 Revisit intention and recommendation through WOM

The destination loyalty in this study is measured by two variables namely revisit intention and willingness to recommend through WOM. The descriptive analysis had revealed that a little more than eight out of every ten (80.2%) international visitors expressed their intention to revisit Bhutan. Similarly, close to three-quarters (71%) of them have agreed to recommend Bhutan to their friends and relatives.

4.4 Descriptive Analysis

The mean value ($\overline{X}$) and standard deviation (σ) for all items corresponding to latent constructs: GNH, destination image, attribute satisfaction, overall satisfaction, perceived value of money, and destination loyalty was computed. The mean values for all the items were above the mid-scale point of 3 (on a scale of 5). The construct, GNH has a composite mean score of 4.37 and standard deviation, 0.83 on a 5-point scale. Taking into account the composite mean score, the items corresponding to attribute satisfaction indicated that the international tourists were satisfied with Bhutan ($\overline{X}$ =4.02; σ =1.19) and somewhat loyal to the destination ($\overline{X}$ of WOM recommendation=4.05 and $\overline{X}$ of revisit intention =4.24). Concerning the latent

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construct, destination image ($\bar{X}$ =4.24; σ =0.92), the composite mean value indicated that Bhutan has a good image to the international tourists. In the like manner, the overall satisfaction ($\bar{X}$ =4.14; σ =0.78) score indicated that the international tourists to Bhutan are satisfied.

4.5 Reliability analysis and underlying dimensions of attribute satisfaction and destination image

Prior to carrying out EFA, the reliability of the measurement items describing corresponding constructs was testified using the Cronbach's α for internal consistency. A multi-attribute approach was utilized to measure 'attribute satisfaction'. The method of extraction adopted was Principal Component Analysis with varimax rotation. Eight underlying dimensions of attribute satisfaction and one for destination image were identified and all the items

whose absolute value below 0.5 was suppressed (refer table 4a and 4b).

Hair, Black, Babin and Anderson (2010) stated that 'when there are variables that do not load on any factor or whose commonalities are deemed too low, each can be evaluated for possible deletion.' Following the cutoff criteria propounded by Hair et al. (2010) viz. eigenvalues greater than one, scree plot, percentage of variance, factor loadings and item communalities, nine factors were identified that collectively accounted for 47.97 percent of the total variance (*KMO=0.96; Bartlett's Test of Sphericity:* χ^2 *=52806.247, p=0.00)*.The Bartlett's test of sphericity was significant implying the existence of nonzero correlation and KMO value of 0.96 indicated the sampling adequacy that is above the minimum threshold of 0.5 (Hair et al., 2010). The Cronbach's α for nine factors ranged from 0.83-0.99, well above the lower limit of 0.70 for research at exploratory stage according to Nunnally and Bernstein (1994).

Table 4: EFA Results of Attributes Satisfaction and Destination Image.

Factors and items	Factor Loading	Eigenvalue	Variance explained (%)	Cronbach's α
Guide Services		16.79	47.97	0.99
Guide services quality (professionalism)	.832			
Knowledge content of the guide of Bhutan	.854			
Trust worthiness of the guide	.853			
Guides' behavior and presentation	.869			
Guides' communication skills	.862			
Client care knowledge and skills	.845			
Accommodation		3.24	9.26	0.90
Quality of accommodation	.718			
Quality of food & beverages	.767			
Offer and availability of local cuisine	.712			
Quality of hotel services by the staff	.667			
Quality of other services (entertainment, wellness, sports, fitness, etc.)	.516			
Transport System		1.81	5.18	0.89
Organization of local transport services	.728			
Safety & comfort of the local transport services	.779			
Road and trail safety	.574			
Driver's professionalism	.643			
Road worthiness of vehicle	.667			
Destination image		1.59	4.55	0.93
Bhutan is a safe tourist destination	.815			
Bhutan has a unique destination image in the region	.835			
Bhutan's pristine environment is an attraction	.826			
Bhutan's people and culture is a tourist attraction	.833			
Attractions		1.25	3.57	0.91
Culture & traditions: Festival, sightseeing, visiting monuments, textiles	.509			
Adventure: trekking, kayaking, rafting, motorcycling, biking, fishing	.747			

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Nature & Ecology: botanical tours, zoological tours, bird watching	.812			
Spiritual: meditation, religion, retreat, pilgrimage	.763			
Hobbies: photography, filming, travel writing	.689			
Value of money		1.09	3.10	0.90
The minimum daily tariff rate is worth the whole visit experience	.755			
The local transport is worth the payments you made	.723			
The accommodation provided is worth the payments you made	.654			
The food & beverages served is worth the payments you made	.624			
Avoided out of pocket expenses has to be made during the visit	.636			
Accessibility to services		1.03	2.95	0.83
Banking system (money exchange, point of sale & ATM services)	.762			
Communication (internet & telephone)	.778			
Shopping	.572			
Taxi services	.667			

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 7 iterations.
Source: proper elaboration.

4.6 Measurement model fit

Anderson and Gerbing (1982) suggested that a proper evaluation of the measurement model is must for evaluating the structural model. Therefore, the measurement model was estimated with the CFA and prior to estimating the model, the convergent validity of the measurement scale was examined through various tests as follows.

The t-value for each standardized loading of the items was found significant at the 0.01 level as illustrated in table 5 confirming the posited relationships among indicators and constructs.

Table 5: Results of CFA for measurement model.

Constructs	Standardized estimate	t-value	SMC	AVE	CR	Label
GNH (Gross National Happiness)				0.58	0.73	GNH
Bhutan is known for its Gross National Happiness philosophy	0.86	21.5	0.74			Q21C
GNH philosophy: community-based activities, village tours, homestay visit	0.65	16.25	0.42			Q197E
Destination image (DI)				0.74	0.92	
Bhutan is a safe tourist destination	0.86	41.14	0.75			Q21A
Bhutan has a unique destination image in the region	0.88	42.10	0.78			Q21B
Bhutan's pristine environment is an attraction	0.82	39.14	0.68			Q21D
Bhutan's people and culture is a tourist attraction	0.86	40.95	0.74			Q21E
Tourist satisfaction(TS)				0.57	0.87	
Overall satisfaction (squared)	0.74	17.69	0.55			OSs
Attribute satisfaction (guide services)	0.85	24.37	0.73			AS1
Attribute satisfaction (accommodation)	0.69	22.26	0.48			AS2
Attribute satisfaction (transport system)	0.69	22.16	0.47			AS3
Attribute satisfaction (attractions)	0.80	25.65	0.63			AS4
Destination loyalty (DL)				0.59	0.75	
Word of Mouth recommendation to friends and relatives	0.76	42.44	0.58			WOM
Revisit intention	0.78	43.22	0.61			RI

Source: proper elaboration.

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As expected, all the composite reliabilities lied within the range of 0.73 to 0.94 surpassing the minimum hurdle of 0.7, which is in accordance with Hair et al. (2010) indicating the internal consistency of the latent constructs engaged in the proposed model. Similarly, all average variance extracted (AVE) values as well surpassed the minimum threshold of 0.5 suggesting the indicators were representative of the latent constructs.

The discriminant validity of the measurement model were also examined by comparing the AVE values to the squared correlations between the corresponding constructs as suggested by Fornell and Larcker (1981), and none of the squared correlations surpassed the AVE.

All the aforementioned tests suggested that the measurement items were reliable in representing each latent construct. Through CFA, the three underlying dimensions of destination loyalty were identified as depicted in table 5. Therefore, the construct can be used by tourism marketers and researchers in the Bhutanese context for studying the destination loyalty formation.

As presented in table 6, all indices met the cutoff values suggested by Hu and Bentler (1999) and Sivo et al. (2006), the overall fit of this measurement model was found acceptable: Model χ^2=335.643 (p=0.00); Normed χ^2=5.00; GFI=0.97; AGFI=0.95; PGFI=0.62; NFI=0.98; NNFI=0.98; CFI=0.98; RMSEA=0.05; RMR=0.07.

4.7 Structural Equation Model

A structural model with four latent constructs was estimated using MLE (Maximum Likelihood Estimation) to test all the proposed hypotheses with one exogenous construct (GNH) and three endogenous constructs (destination image, tourist satisfaction, and destination loyalty). The proposed theoretical model mostly fulfilled the cutoff criteria for goodness-of-fit indexes thereby indicating the proposed model best-fit the data (Model χ^2=331.937 (p=0.00); Normed χ^2=4.88; GFI=0.97; AGFI=0.95; PGFI=0.63; NFI=0.98; NNFI=0.98; CFI=0.99; RMSEA=0.07; RMR=0.05).

Table 6: Goodness-of-fit indexes for measurement and structural models.

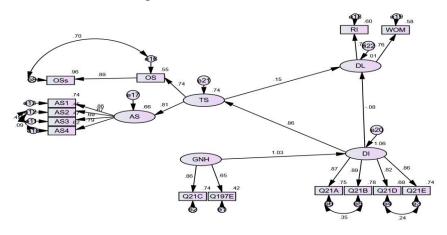|	Cutoff value	Indicators	
		Measurement model	Structural model
Model χ^2	p>0.05	335.643	331.937
p-value	>0.05	0.00	0.00
Normed χ^2	1.0-5.0	5.00	4.88
Fit indices			
GFI	>0.90	0.97	0.97
AGFI	>0.8	0.95	0.95
PGFI	>0.5	0.62	0.63
NFI	>0.91	0.98	0.98
NNFI	>0.92	0.98	0.98
Alternative indices			
CFI	>0.95	0.98	0.99
RMSEA	<0.05: good fit 0.05-0.08: mediocre fit	0.05	0.05
RMR	<0.08	0.07	0.07

Source: proper elaboration.

4.8 Findings of the Structural Relationships

The results pertaining to the hypothesis testing are reported in table 7. The estimated standardized path coefficients for the hypothesized model had revealed that all of the hypothesized paths in the model were significant at 0.01 probability level, except for destination loyalty i.e., two out of four hypotheses (paths) were found to be significant. As revealed by table 7, GNH is found to have portrayed direct and positive effect on the destination image (β=1.03, t-value=21.94, p=0.01). The result revealed that a 1σ increase in the construct, GNH is associated by a 1.03σ increase in destination image. Similarly, destination image was found to have a significant positive impact on tourist satisfaction (β=0.86, t-value=37.43, p=0.01). The coefficient revealed that a 1σ increase in the construct, 'destination image' is associated by a 0.86σ increase in tourist satisfaction.

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Figure 2: Results of structural model.

Where: *Q197E & Q21C; GNH philosophy: community-based activities, village tours, homestay visit; and Bhutan is known for its Gross National Happiness philosophy; *Q21A, Q21B, Q21D & Q21E; Bhutan is a safe tourist destination, Bhutan has unique destination image in the region, Bhutan's pristine environment is an attraction, & Bhutan's people and culture is a tourist attraction; and *OS & OSs are 'overall satisfaction' & squared 'overall satisfaction'; and WOM & RI are respectively the word of mouth recommendation and revisit intention.

Source: proper elaboration.

Table 7: Results of the structural equation modeling for structural model

Variables	Path		Standardized estimate	t-value	Hypothesis
DI	<---	GNH	1.03	21.94***	Supported
TS	<---	DI	0.86	37.43***	Supported
DL	<---	DI	-0.08	-0.89	Not supported
DL	<---	TS	0.15	1.23	Not supported

Source: proper elaboration.

5 FINAL CONSIDERATIONS

Bhutanese tourism industry up until now had enjoyed the credit of being the second placeholder concerning revenue generation to nation ever since its onset in 1974. It has steadily grown over the past two decades and for the past six straight years from 2013-2018; the inbound tourists have skyrocketed with an annual average growth of 17.6 percent (BTM, 2018). To sustain this trend, Bhutan needs to gain proper insights through facts and figures regarding tourists' satisfaction from the users' point of view.

This study enriches the literature by exploring the antecedents of a destination loyalty. The comment's column in this study's questionnaire had also revealed that many tourists have complaints with the facilities and professionalism of hoteliers and other tourist related matters. The previous study had revealed beyond doubt that destinations today are facing steep competitions, and the challenges that are mounting high (Chi & Qu, 2008), whereby every nation, especially for those banking majority of their revenue shares on tourism, is quite imperative to gain better understanding of why travelers are loyal to a destination, and what drives the loyalty. To this end, this study developed and tested destination loyalty formation model taking notorious advantage of the primary data gathered from representative sample of 1,528 international tourists at the four exit points.

The foremost findings of this study through exploratory and confirmatory factor analyses revealed that destination image comprised four latent dimensions (two predestination images & two

post-destination images) and attribute satisfaction revealed consisting of four underlying factors. These results will enable the destination marketers to gain better understanding of the underlying factors contributing to tourists' satisfaction and their propensity to revisit.

Bhutan Tourism Monitor Report 2018 had revealed that close to half (45.2%) of the international visitors have visited Bhutan twice followed by 33.7 percent of them between three to four times. This indicates that the tourism sector in Bhutan needs to sustain this enviable figure through comprehension of underlying factors that leads to tourist satisfaction. On other hand, the SEM findings revealed GNH as a direct antecedent of destination image. Precisely, the empirical results revealed that a 1σ increase in the construct, GNH is associated by a 1.03σ increase in destination image.

This finding reinforces the fruition of the Royal Government of Bhutan's decades of GNH promotion globally. Similarly, the destination image has been revealed as direct antecedent of overall tourist satisfaction. The path coefficient between the latent construct, 'destination mage' and 'tourist satisfaction' revealed that a 1σ increase in the construct, 'destination image' is associated by a 0.86σ increase in tourist satisfaction. Thus, destination managers and the tourism policy-makers in Bhutan need to strive to improve the image international tourists hold about Bhutan for sustainability of successful destination.

The descriptive analysis part of this study had revealed that about 62.7 percent of the international visitors have expressed their intention to revisit Bhutan. By the same token, about 88.2 percent of them as well had agreed to recommend Bhutan to their friends and relatives. The word to mouth communication through their perception of destination after the trip will induce the past visitors and the first-time visitors, the revisit intention.

Notwithstanding the fact that WOM recommendation and revisit intention are elements that cannot be controlled, however, the salient factors, which indirectly contribute to destination loyalty, the destination marketers need to take into account seriously viz. promotion, advertisements, services and products. Findings further revealed that although, GNH and destination image did not directly impact the destination loyalty, it significantly affected

the international tourist satisfaction as a sub-antecedent to destination loyalty.

Nonetheless, this study found that the overall tourist satisfaction did not lead to destination loyalty and there is no direct and significant relationship of GNH and destination image with the destination loyalty. This contradicts with the previous findings by Chi and Qu (2008) and Sun et al. (2013); and Chain & Tsai (2007). The findings of this study indicate there could be other lurking variables between overall tourist satisfaction and destination loyalty. However, Lee, Jeon, and Kim (2011) in their studies that looked into Chinese outbound tourists, the link between tourist satisfaction and loyalty was found to be insignificant as in this study. Baker and Crompton (2000) stated that despite the relevance of the concept of satisfaction in tourism and its crucial role in tourism marketing research, the literature continues to be somewhat ambiguous on its nature and definition.

Thus, different tourists must have perceived different destinations with different degrees of outlook leading to difference in findings despite employing the same conceptual model. These hiccups had been further authenticated by Eusébio & Vieira (2013) stating that despite growing body of work published in the last decades, there still remains some degree of ambiguity in the literature on the relationship between satisfaction and loyalty in tourism. Undeniably, several studies revealed that the nexus between these constructs are complex, diverse, and dynamic (Bigné et al., 2001). Although the GNH and destination image did not directly affect destination loyalty, they significantly affected overall tourist satisfaction, which were antecedents to destination loyalty.

Finally, this study could contribute significantly to destination managers and in particular, the Tourism Council of Bhutan, which is apex body of tourism organization in the kingdom concerning development, growth, and regulation of tourism in a sustainable manner through the implementation of tourism policies. Also, no similar studies have been conducted before in Bhutan and this study is expected to contribute significantly to the enrichment of literature pertaining to Bhutan's tourism industry.

As usual, this study is not devoid of limitations. This study pertains only to the international visitors

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and excluded regional travellers to Bhutan. According to the definition of the Tourism Council of Bhutan, regional tourists comprise of those nationals of India, Bangladesh and Maldives and all the rest are considered as international tourists. Therefore, findings reported here reflect only the perceptions of the international tourists, which comprised of only 26.2 percent of the total arrivals (BTM, 2018).

Secondly, this study took into account 'GNH' and 'destination image' as antecedents to 'overall tourist satisfaction' intended to lead to 'destination loyalty.' There could be other factors that might explain the 'destination loyalty' well, which this study must have missed out. Therefore, the future similar studies are suggested to augment some more suitable factors to be included into this current model.

Finally, as suggested in the previous studies conducted by Sun et al. (2013), an extra care needs to be taken while interpreting the direction of the causality since this study too used a cross-sectional survey.

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