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The Role of Risk, Image and Satisfaction on Destination Loyalty: Perspectives from International Medical Tourists toward Thailand as a Medical Tourism Destination

Introduction

The global growth of people travelling to other countries in order to obtain a medical treatment as well as to travel tourist attractions of that destination, medical tourism is becoming increasingly important in the international market place. According to advisory group Patients Without Borders, 8 million people travel abroad for medical and dental treatment each year, and the industry is worth as much as \$55 billion annually (Woodward, 2015), with an average annual growth rate of 20% (Reuter, 2013). A 2013 Medical Tourism Association Survey indicates that nearly 80% of the demand for medical travel is driven by cost savings and also about 50% of medical tourists would be interested in engaging in medical tourism again at some point in the future. The number of international medical tourists has increased considerably in the recent years because of several reasons, but medical insurance issues, the rising cost and long waiting list of medical treatments in developed countries are considered key factors stimulating the popularity in medical tourism. Unsurprisingly, Asian medical tourism has emerged as one of the fastest growing segments in world tourism market with five major medical tourist destinations in the region namely: Thailand, Singapore, India, Malaysia and the Philippines.

There have been a number of published papers analyzing the loyalty of the consumers in the context of tourism industry, however limited studies have attempted to focus on what factors explaining destination loyalty from the perspective of medical tourists. Loyalty plays an important role in building successful medical tourism destination in the long term. It has to be understood that customer loyalty is a key determinant to re-patronize a destination resulting in revisit, as suggested by Oliver (1999). Due to the limited literature and empirical evidence on the topic, this study aims to develop and evaluate a framework for establishing a medical tourist's loyalty by using three main factors, namely risk, image, quality and satisfaction affecting medical tourists' intention to revisit the destination as well as intention to recommend the destination to others.

Literature Review

There are numerous definitions and perspectives of loyalty in previous studies. The present study focuses on two important dimensions of loyalty: behavioral and attitudinal. Behavioral loyalty focuses on past action reflecting in repeat purchase while attitudinal loyalty includes recommending the product/ destination to other consumers (Dimitriadis, 2006). Based on earlier research, various types of factors explaining consumers' loyalty have been identified, but this study has posited three main assets of medical tourists' loyalty: risk, image and satisfaction.

First, the study highlights the relationship between medical tourists' perceived risk and perceived image. Risk is defined as the degree to which a person expresses uncertainty about a service or product (Bauer, 1960) and particularly in medical tourism destinations. This study has focused on three aspects of image: cognitive, affective and overall image of medical tourism destination. The cognitive component relates to the individual's beliefs and knowledge and how individual

perceived about the attributes of the destination while affective image refers to the evaluation stage, concerning the feelings that the individual associates with the place of visit (Beerli and Martín 2004; Lepp, 2011). Finally, overall image can be defined mental pictures a person holds about characteristics of the destination including tourism infrastructure to cultural, natural and social attributes (Coshall 2000; Beerli and Martin, 2004). The importance of destination image is a close representation of the actual product (MacKay and Fessenmaier, 1997). Tasci and Gartner (2007) indicate that destination image is key factor in conveying the destination's physical attributes to tourists. Destination image positively perceived by tourists play an important role in competing against other destinations. Therefore, there is a need to understand the relationship between perceived risk and destination image and most importantly no studies in medical tourism focus on this relationship. The literature states that the lower the perceived risk by tourists the more the destination will be perceived as familiar and attractive by tourists (San Martin and del Bosque 2008). Some scholars also asserted that insecurity and perceived risk directly affect destination image (Georges 2010; Sönmez and Graefe 1998; Qi, Gibson and Zhang 2009). Other studies attempted to investigate the multi-dimension of perceived risk (e.g. disaster risk, socio-psychological risk) affecting both cognitive and affective image. For example, Hsu and Lin (2006) indicated that physical risk perceived by tourists during their travelling can significantly influence tourists' subjective perception of the destination leading to confer higher overall perceived risk. In addition, it has for a long time been supported that cognitive and affective image are strongly associated in forming the overall image of the destination (Baloglu and McCleary 1999; Beerli and Martin 2004; Hosany, Ekinici and Uysal 2006; Philips and Jang 2008). Therefore, this study proposes the following hypotheses:

Hypothesis 1: There is a negative relationship between perceived risk and cognitive image of medical tourism destination

Hypothesis 2: There is a negative relationship between perceived risk and affective image of medical tourism destination

Hypothesis 3: There is a positive relationship between cognitive image and overall image of medical tourism destination

Hypothesis 4: There is a positive relationship between affective image and overall image of medical tourism destination

Another relationship of this study attempts to investigate the role of overall destination image and customer satisfaction on medical tourists' loyalty. Satisfaction is defined as customers' overall evaluation about products and service fulfillment (Oliver 1997; Chen and Tsai 2007). The literature indicates that satisfaction is an important variable that positively and negatively influences destination-marketing success including the choice of destination as well as the decision to revisit (Yoon and Uysal 2005). In the field of tourism, past studies have provided some evidence that customer satisfaction has a positive influence on tourists' intentions to revisit and to recommend the destination (Baker and Crompton 2000; Chen and Tsai 2007; Chi and Qu 2008; Prayag and Ryan 2012). Moreover, destination image is considered one of the key elements of marketing activities, particularly in loyalty. Several studies have asserted for the significant role of destination image in forming customers' satisfaction as well as their loyalty (Ramseook-Munhurrana and Naidoo 2015; Chen and Tsai 2007; Prayag and Ryan 2012). This

states that a desirable medical tourism destination image leads to medical tourists satisfaction which in turn generates to their loyalty for a particular destination. Thus, this study proposes the following hypotheses:

Hypothesis 5: There is a positive relationship between overall image of medical tourism destination and medical tourists' satisfaction

Hypothesis 6: There is a positive relationship between overall image of medical tourism destination and medical tourists' loyalty

Hypothesis 7: There is a positive relationship between medical tourists' satisfaction and medical tourists' loyalty

The final relationship of the study tends to investigate the moderating role of medical tourists' perceived risk on the relationship between overall image of medical tourism destination and satisfaction as well as the relationship between medical tourists' satisfaction and loyalty. This study keeps to the idea that when the level of medical tourists' perceived risk is high, their predictive power of satisfaction on loyalty decreases considerably with less stability, as supported by Oliver (1999) and Tuu, Olsen and Linh (2011). Similarly, it is reasonable to anticipate that highly perceived risk may cause consumers' negative destination image and their satisfaction (Tavitiyaman and Qu 2013). Therefore, the following hypotheses are formulated to test the moderating impact of perceived risk.

Hypothesis 8: Medical tourists' perceived risk negatively moderates in the relationship between overall of medical tourism destination and medical tourists' satisfaction

Hypothesis 9: Medical tourists' perceived risk negatively moderates in the relationship between medical tourists' satisfaction and loyalty

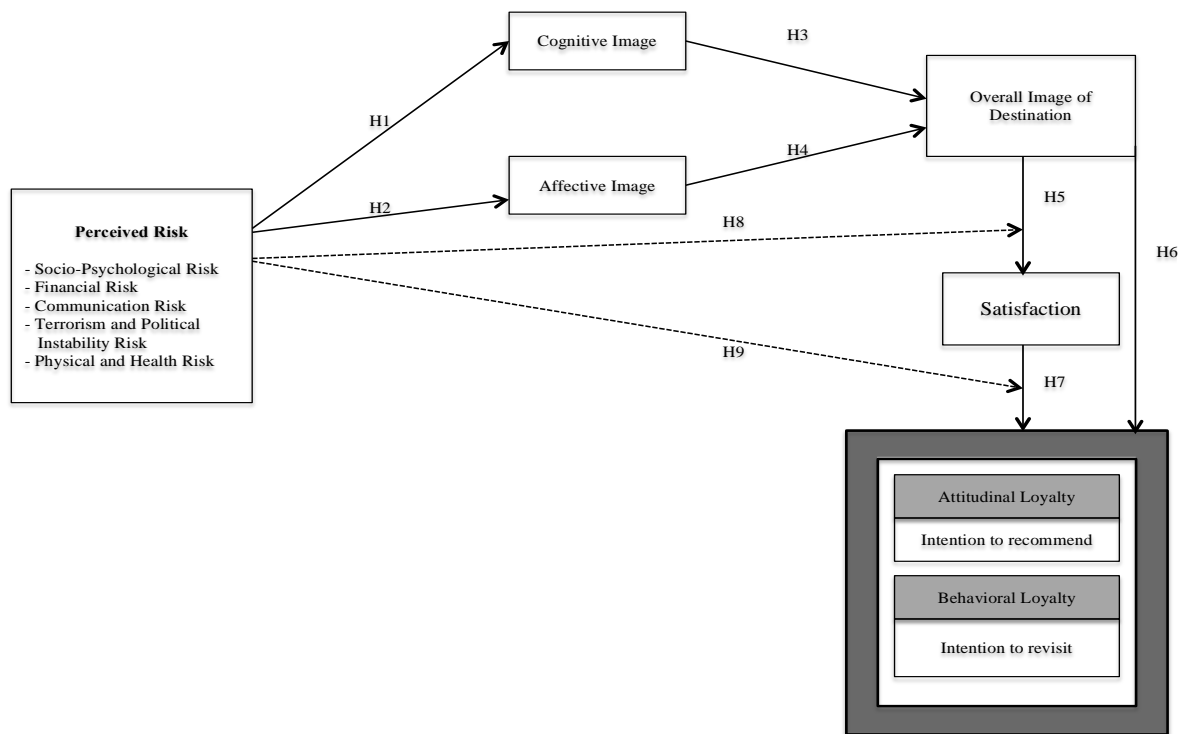


Figure 1. Research model

Methodology

A quantitative approach will be used to develop and assess the proposed model. International medical tourists who have traveled primarily to receive medical treatment in Thailand will be selected as the target sample setting for this study. A survey will be designed and administered to hospitals and clinics in Thailand that specialize in health care for international visitors. Using existing literature, validated measurement items for the main study constructs will be adopted and included in the questionnaire. A 5-point Likert scale (1= Strongly disagree to 5=Strongly agree) will be used to measure the survey items associated with perceived risk, image including cognitive, affective and overall image, perceived quality, satisfaction and loyalty in terms of intention to revisit and recommend the destination to others.

Data analysis will be conducted using a two-step procedure recommended by Anderson and Gerbing (1988), to estimate a measurement model prior to testing the study's research hypotheses in the structure model. Specifically, confirmatory factor analysis (CFA) will be used to examine a measurement model in order to assess its adequacy followed by the structural model for statistical acceptability. The fitness of the model will be assessed based on various fit indices, namely goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), comparative fit index (CFI), root mean square error of approximation (RMSEA) and chi-square statistic.

Expected Results and Discussion

With the expansion of the global tourism industry, medical tourism destinations are competing in the international market place. The purpose of this study was to develop a conceptual model for destination loyalty and validate its structure in the context of medical tourism industry. The expected outcomes of this study will provide strong evidence to support the relationships among three main constructs, namely risk, image and satisfaction in explaining medical tourists' loyalty in terms of intention to revisit and recommend the destination to others, as mentioned in the literature. The findings of the study, therefore, can be a valuable contribution and add to the existing body of literature on medical tourism destination loyalty. In addition, the outcome of

this study could be recommendations for marketers and stakeholders in sustaining their business in the long term. Finally, the findings will provide a strategic marketing approach in attracting and retaining medical tourists in this intense competition.

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