

Empirical Investigation of Relationship Among Destination Brand Equity Dimensions: A Mediation Analysis Approach

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ABSTRACT

The concept of destination brand equity remains an intriguing area for scholars and practitioners, yet an empirical investigation of its structural composition and interrelationship among its constituent dimensions remains inadequate. This study proposes a theoretical model where in addition to assessing a model adequacy, mediation analysis has been carried out with the help of structure equation modelling. Specifically, it investigates the interplay among five crucial dimensions of destination brand equity: destination brand awareness, destination image, perceived quality, perceived value, and tourist loyalty. A structural model with mediating role of perceived value dimension has been empirically verified for an Indian tourism destination. The results indicate that perceived value is central to the realisation of impacts of destination image and perceived quality on loyalty shown by the tourists toward the destination. Drawing on the results of the analyses several implications have been put forward.

KEYWORDS

Destination Brand Awareness, Destination Image, Interrelationship, Model, Perceived Quality, Perceived Value, Structure Equation Modelling, Tourist Loyalty

INTRODUCTION

A destination is a “geographic competitive region, which attempts to create value for guests. It is based on a bundle of services and products created by a variety of different businesses” (Wagner & Peters, 2009, p. 55). Branding a destination is conceptualised as “selecting a consistent element mix to identify and distinguish it through positive image building” (Cai, 2002, p. 722). A much inclusive and intriguing concept in destination branding studies remains that of destination brand equity. Brand equity has drawn considerable attention from scholars and practitioners, yet chiefly remains vague and subjective (Broyles, Schumann & Leingpibul, 2009). Brand equity, when seen in tourism frame of reference is often referred to as destination brand equity and is defined as “the combination of key factors that can be described as the overall utility that tourists place in the destination brand when compared to its competitors” (Ferns & Walls, 2012, p. 27). Brand equity for a destination is based on the visitors’ perceptions and results in loyalty behaviour of tourists (Liu & Chou, 2016) and an ideal way to measure brand equity can be the examination of its individual dimensions (Aaker, 1991).

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It has been argued that brand equity's constituting dimensions cannot be ranked according to their importance (Gartner & Ruzzier, 2011), however, their interplay can reveal important aspects of its structure. This remains the primary aim of this study and an attempt has been made to realise the structural composition of brand equity for a tourism destination. This study essentially focuses on the interrelationships among the destination brand equity dimensions viz. destination brand awareness, destination image, perceived quality, perceived value and tourist loyalty. More importantly mediation analysis of one of the crucial dimensions i.e. perceived value has been carried out with the help path analysis.

The brand equity research in marketing got vital impetus after the seminal works of Aaker (1991, 1996) and Keller (1993). Ensuing progress in the knowledge domain of marketing was palpable, however the industry that significantly gained or at least have attempted to gain from such development was leisure and tourism. It may not be incorrect to say that leisure studies have remained sluggish in incorporating and adapting models of brand equity in tourism studies. For instance, Aaker's (1991) contribution to realising the structure of brand equity as a combination of set of brand assets was much recently assumed in its entirety by Kladou and Kehagias (2014) in destination branding research, which evidences slackness in the integration of concepts and theories in leisure scholarship. It may also be attributed to the fact that this line of enquiry is predominantly affected by epistemic dynamism in tourism, which pervades and renders most of the assumptions open to criticism and scepticism.

LITERATURE REVIEW

Destination Image

Destination image is argued to have an impact on the selection and evaluation of touristic places (Ruzzier, 2010). Despite decades of studies and attempts to comprehend its structure, myriad views and conceptions exist, so much so that Ruzzier (2010) go on to emphasise on the lack of consensus over the term's unanimous empirical and theoretical conceptualisation. Konecnik and Gartner (2007) cautions about viewing destination image as a standalone explanatory factor in gauging tourists assessment of a destination, instead this dimension should be realised in the presence of several other factors or dimensions of destination brand equity. Destination image remains a frequently revisited concept in leisure marketing (Crompton, 1979; Gartner & Hunt, 1987; Goodrich, 1978) and has been regarded among the most critical dimensions of destination brand equity. The other developments, however, have been related to the inclusion of more constructs that aid in the overall comprehension of the brand equity structure in tourism. On the relationship among the dimensions, Fuchs, Chekalina and Lexhagen (2012) argue that brand equity dimensions collectively contribute toward the realisation of value by the visitors.

Destination Brand Awareness

In usual marketing conception brand awareness relates to the strength or extent to which a brand is existent in consumers' mind (Aaker, 1996). Destination brand awareness indicates that destination image is present in the cognitive spaces of the visitors or potential visitors (Horng, Liu, Chou & Tsai, 2012). Authors (Fuchs et al., 2012) opine that awareness of destination brand is engendered by the host of agents including promotional literature, media, friends, families, travel agencies, and also the past visitations. They also argue about the relevance of awareness factor to be more for first time visitors. Various studies have treated brand awareness as an essential factor in gaining customer loyalty (Lim & Weaver, 2014), realising better value for the prices paid (Horng et al., 2012; Oh, 2000), brand image (Manthiou, Kang & Schrier, 2014; Liu et al., 2013), and perceived quality (Yoo & Donthu, 2001; Manthiou et al., 2014).

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