Customer Based Brand Equity for Tourism Destination

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Abstract: Brand equity is a concept born in 1980s. It plays a significant role in creating added value for the destination through gaining the competitive advantage. To promote a destination it should be meaningful enough to the customer and also to attract and retain the customer are important. Because unlike most other products and services, there is no urgency or emergency about a holiday and it is an infrequent purchasing decision, which occurs once a year or less, especially when it comes to an international trip. Hence, when taking strategic marketing decisions, policy makers need to consider what travelers expect from the destination in order to satisfy them and attract new tourists to the destination. Therefore brand equity is regarded as a very important concept in business practice as well as in academic researches because marketers can gain advantages through a strong brand. Marketers and researchers use various perspectives to study brand equity. Customer based approaches view it from the perspective of the consumer—either an individual or an organization. This paper will only study the customer based equity which refers to tourism destination. There are different theoretical approaches have been developed by different researchers and these theories and empirical evidences have been discussed throughout this paper with related to the destination marketing. The aim of the study is to review the dimensions of customer based brand equity from various literatures and empirical studies made within the area of customer based brand equity for a tourism destination branding in order to provide more integrative conceptualization of brand equity to develop conceptual framework for further studies.

Keywords: Brand equity, Destination marketing, Brand Resonance, Brand awareness, Brand performance, Brand imagery, Brand Judgments, Brand feelings

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I. INTRODUCTION

The study of brand equity is becoming increasingly popular since some researchers have concluded that brands are one of the most valuable assets to the organization. The concept of brand equity began to be used widely in the 1980s by advertising practitioners (Barwise 1993). Important academic contributors throughout the 1990s were Aaker (1991), Srivastava and Shockler (1991), Kapferer (1992), and Keller (1993, 1998). High brand equity levels are known to lead to higher consumer preferences and purchase intentions (Cobb-Walgren et al. 1995) as well as higher stock returns (Aaker and Jacobson, 1994).

Tourist destinations also benefit from concerted branding strategies (Kemp et al., 2012). In today’s global world of tourism, traveling to distant vacation destinations is increasingly popular. As a result, the competition between destinations to attract more tourists is intensifying. In order to enhance their tourism revenues, destinations must develop effective destination branding strategies to stand out in potential tourists’ minds as viable choice possibilities. Because of the competition among tourism industry branding has become an important element of tourism management. Since the 1990s there has been a growing interest in the concept of customer-based brand equity (CBBE) for firms (Aaker, 1991). Based on the CBBE model of firms, Konecnik and Gartner (2007) have investigated the different dimensions of customer-based brand equity for a tourism destination (CBBED). Within the tourism literature, academicians and scholars have considered there have been very few studies on CBBED. This paper review the definitions and dimensions of customer based brand equity by drawing together strands from various literature and empirical studies specially this study based on Keller (2001) brand equity model which includes six factors of brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance view point of the customer effect on destination branding.

Destination Marketing

The product as the first and most important element in the marketing mix can be defined as “anything that can be offered to a market to satisfy a want or need including physical goods, services, experiences, events, persons, places, properties, organizations, information and ideas.” (Kotler et al., 2012). Therefore, the
tourism product, which is commonly referred to as the destination, is “anything a tourist consumes”, (Kastenholz, 2010, p. 314) and are places that attract visitors for a temporary stay, which range from continents, countries, states, provinces, cities, villages and to purposely built resort areas (Ispas, 2008, quoted Pike 2004). Rather than a single product, a destination is blend of products “which range over a wide variety of commercial offerings (accommodation, food and beverage, recreation, sports, animation, etc.) and „price-less goods” (such as natural and cultural heritage, landscape, hospitality, etc.)” (Kastenholz, 2010). Different destinations have different attractions and more importantly a different level of competitive ability. Attractions of destinations are different from each other due to factors such as the size of the location, climate of the destination, cultural heritage and natural beauty and resource availability. This diversity presents advantageous marketing challenge to a particular destination. Thus, it is not a simple task for any destination which has the desire to become a recognized destination, with the objective of attracting tourists for economic and other benefits. When it come to destination marketing, “Marketing is a societal process by which individuals obtain what they need and want through creating, offering, and freely exchanging products and services of value with others” (Kotler et al., 2012). 

Stressing the concept of value as a central concept of marketing, marketing management can be defined as “art and science of choosing target markets, and getting, keeping and growing customersthrough creating delivering and communicating superior customer value” (Kotler et al., 2012). In this context, tourist Destination Marketing has been defined as “the management process through which the National Tourist Organizations and/or tourist enterprises identify their selected tourists, actual and potential, communicate with them to ascertain and influence their wishes, needs, motivations, likes and dislikes, on local, regional, national and international levels, and to formulate and adapt their tourist products accordingly in view of achieving optimal tourist satisfaction there by fulfilling their objectives” (Ispas 2008).

Brand/ Branding

Branding has the propensity to distinguish one product from another by creating different brand elements, “name, logo, symbol, and package design” and it can create value for a firm resulting in financial profit (Keller, 1998). The American Marketing Association (2008) defined “a brand as name, term, sign, or combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition.” A brand for a new product is shaped by creating a new name, logo, or symbol and as a result of this it receives “awareness, reputation, and prominence in the marketplace” (Keller, 2002). Aaker’s (1991) widely accepted definition of a brand is “to identify the goods or services of whether one seller or a group of sellers, and to differentiate those goods or services from those of competitors.” A traditional definition of a brand was: “the name, associated with one or more items in the product line that is used to identify the source of the item” (Kotler 2000, p. 396). Within this view, as Keller (2003a) says, “technically speaking, then, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand” (p. 3). He recognizes, however, that brandstoday are much more than that. As can be seen, according to these definitions brands had a simple and clear function as identifiers.

A branding concept incorporating visitor experience into the process of branding is supported within a tourist destination context (Blain et al., 2005). Ritchie and Ritchie(1998) defined a destination brand as “a name, symbol, logo and word mark or other graphic that both identifies and differentiates the destination; furthermore, it conveys the promise of a memorable travel experience that is uniquely associated with the destination; it also serves to consolidate and reinforce the recollection of pleasurable memories of the destination experience. Cai (2002) stated that “destination branding is a strategic combination of a consistent mix of brand elements to identify and distinguish a destination through positive image building and unlike typical goods and services, the name of a destination brand is relatively fixed by the actual geographical name of the place”. Research on destination branding began to emerge after the first journal article on this subject was published in 1998 (Gnoth, 1998). The first book was published in 2002 (Pike, 2007). Even though many destinations have adopted branding strategies for marketing their products and services, there is no clear conceptualization on branding a destination (Gnoth et al., 2007). Tasci and Kozak (2006) discussed the concepts ‘brand’ and ‘image’. They concluded that these are related concepts and brand is referred to as “a product of marketing activities of destination authorities” while image is considered as “more of a product of consumer perception” as it plays the role of a sub-concept of a destination brand. In other words, if the image of a destination is positive, the brand would be more effective in the market. The brand would influence awareness, choice, satisfaction, recommendation and loyalty. Many destination organizations use destination branding as their main strategy because strong brand creates value added to the seller and buyer as it builds strong brand equity (Cai, 2002). Morgan et al. (2004) discussed many successful destination branding initiatives and suggested destinations can become brands which have “celebrity value” and “emotional appeal.”
Brand Equity

In the last two decades, brand equity has become the most interesting research topic in marketing for both academics and practitioners. Despite the fact that brand equity is a potentially important marketing concept, it is not without controversy (Taylor et al., 2005). It is because brand equity is defined in different ways for different purposes (Keller, 1998). Brand equity is the most common tool used to represent brand performance (Pike, 2010, p.124) as it represents the added or subtracted value a brand gives to products or services (Aaker, 1996, p.7-8) and such brand equity should reflect “the way customers think, feel, and act with respect to the brand” (Kotler and Keller, 2011, p.243). Brand equity is defined as the differential positive (or negative) effect on a brand based on the recognition the brand has earned over a certain period of time. This then transfers into higher sales and higher profit margins compared to rival brands (Business Dictionary.com, 2009). Smothers finds this to explain why some brands have a very loyal customer base. It is simply because the customers feel attracted to the brand’s personality and charisma (Aaker et al., 1993). The results of this study are strengthened by a previously performed study which shows that brands with high brand equity needs less frequent promotion than brands with low brand equity (Jagmohan, 1990).

The importance of developing a strong brand and relevant brand performance tools, as mentioned above, is even more paramount for destinations as the broadening of tourist opportunities is resulting in a lack of differentiation between destinations (Pike, 2005). Furthermore, the literature search made by Pike (2009, p.858-861) suggests that the field of destination branding is not only poor, but there is also a lack of research in the area of brand performance measurement, which is defined above as brand equity. Despite the fact that the importance of customer-based brand equity for destinations is being acknowledged, there is very few research made in this field of study. The research made by Konecnik and Gartner (2007) of customer-based brand equity for Slovenia is often being mentioned in current literature as one of the few research made regarding destination brand equity (Imet et al., 2012, p. 385; Boo et al., 2009, p.219). The research made by Boo et al. (2009) of customer-based brand equity for gambling destinations and the research made by Pike et al. (2010) and Pikeand Bianchi (2013) regarding customer-based brand equity for Australia and long and short haul markets are other examples of research in the field of destination brand equity.

Customer Based Brand Equity

However, in a general sense, the literature suggests that there have been two primary perspectives relating to studying brand equity (Keller, 1993; Taylor et al., 2005; Kapferer, 2008). The first approach is motivated by financial outcome for the firms. With this perspective, the brand is evaluated financially for accounting purpose and is usually manifested in the balance sheet. The second approach is based on the customer-brand relationship. There have been also debates on the importance of brand equity for products and services. Some researchers argue that branding (and thereby brand equity) is more important for services due to the intangible nature and the so-called ‘credence’ attributes of services, which makes it difficult for customers to examine the content and quality of a service before, during and even after the consumption of the service (Krishnan and Hartline, 2001). However, the findings of Krishnan & Hartline (2001) do not support the contention that brand equity is more important in services than for products. Aaker (1991) defined “brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers.” His approach to brand equity is viewed as a managerial and corporate strategy perspective. He stated that the assets and liabilities linked to a brand’s name or symbol can be grouped into five dimensions: brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets. He suggested that we can generate brand equity by strengthening those dimensions.

Today, the CBBE model is a well-established marketing concept (Aaker, 1991, 1996; Keller, 1993, 2001). Keller (2008, 2009) extends the CBBE model in order to also address the consumer knowledge structure behind the brand development and to reflect the relationship building process between customers and the brand. Specifically, the model reflects the CBBE pyramid (i.e. hierarchy) consisting of six brand building blocks corresponding to four stages of brand development. Keller (1998), who approached the concept of brand equity from the perspective of the consumer, defined “customer-based brand equity as the differential effect that brand knowledge has on the consumer or how customers respond to the marketing of that brand.” He also suggested that as customers respond more favorably to a product whose brand is identified, the brand has a positive customer-based brand equity and it exists when the consumer has a high level of awareness and familiarity and strong, favorable, and unique brand associations in their memory (Keller, 2001). The brand is established through the proper identity, the appropriate brand meaning, the right brand responses, and the appropriate brand relationships with customers by establishing six core brand values: brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance (Keller, 2001). The strongest brands do extremely well in all six of these areas and therefore achieve all four of the steps concerning building a brand. The top of the pyramid, consumer brand resonance, is considered the most valuable building block. This can
only occur when all the other blocks are synchronized to fit the customers’ needs and desires. A high consumer brand resonance means customers feel a loyalty towards the brand and continuously seek opportunities to interact with the brand and share this with others (Keller, 2001).

The basic idea of the CBBE-model is that the measure of the strength of a brand depends on how consumers feel, think, and act with respect to that brand. To achieve consumer brand resonance a brand first needs to elicit the proper emotional reactions from consumers and to elicit the proper emotional reactions there must be an appropriate brand identity and the right meaning. The right meaning and identity can make the customers consider this product as relevant and their kind of product. The strongest brands make consumers feel so attached to the brand that they in fact become “spokesmen” for the brand (Keller, 2001). Further this model describes that a brand’s power and value to the corporation is determined by the customers. Through deeper learning and experiences with a brand the customers end up thinking and acting in a way that allows the corporation to obtain the advantages of brand equity. The model states that even though marketers play a huge part and need to design the most effective brand-building programs possible, the success of those marketing efforts ultimately depends on customers’ responses. The different stages and blocks of the model will be further explained below (Keller, 2001).

Brand Identity: “Who are you?”

Brand identity can be reached only through the creation of brand salience which is a consequence of brand awareness. In fact a highly salient brand is a brand that owns high levels of brand awareness both in terms of depth, easiness with which consumers recall and recognize the brand, and breadth, how many purchases and consumption situations the brand comes to the consumer mind. Awareness is a key determinant identified in almost all brand equity models (Aaker 1991, Kapferer 1991, Keller 1992, Agarwal and Rao 1996, Krishnan 1996, Na, Marshall and Keller 1999, Mackay 2001). Keller (2003, p.76) defines awareness as “the customers’ ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory”. Aaker (1996) identifies other higher levels of awareness besides recognition and recall (Aaker 1991). He includes top-of-mind, brand dominance, brand knowledge and brand opinion.

Brand Meaning “What are you”

Brand meaning is based on brand image and it can be created both directly from the personal experience of the consumer or indirectly through advertisement or other communication tools. Brand Image is defined as “Perceptions about a brand as reflected by the brand associations held in consumer memory” (Keller, 1993). From Keller’s definition it can be understood that in order to create brand image, brand associations are fundamental. Aaker states that associations are “anything “linked” in memory to a brand” (Aaker, 1991). According to the Keller Associations can be divided into three main categories (Keller, 1993): 1) Attributes which are “descriptive features that characterize a product or service” (Keller, 1993) and can be product-related or non-product related; 2) Benefits which are “personal values consumers attach to the product” (Keller, 1993) and can be divided into functional, experiential, and symbolic; 3) Attitudes that are “consumers’ overall evaluations of a brand” (Keller, 1993). As brand meaning can exist only if brand image is formed, the latter can exist only if associations are strong, favorable and unique. This can drive the consumer’s purchase decision and make him choose the brand over another one. Strength, favorability, and uniqueness have to be reached in this order to create the brand image. There are two different types of brand image: Brand performance and Brand imagery (Keller, 2001). Brand performance focuses on the product and its different abilities to satisfy customer needs such as financial needs and functional needs. When discussing Brand performance there are five different attributes and benefits connected to brand performance, Primary characteristics and secondary features is one sub-dimension in brand performance and refer to the fact that customers expect a certain level of characteristics in the product which need to be met. Sometimes the customers also expect special functions besides the primary ones, called secondary features. Another sub-dimension is Product reliability, durability and serviceability. Reliability concerns the product stability in performance. Durability is the time the product is expected to last. Serviceability explains how easy it is to repair the product when possible errors occur. Serviceeffectiveness, efficiency and empathy explains to which extent the brand offers therequired services for their efficiency. Empathy concerns the speed and the responsiveness of the service while empathy explains the attitude of the service provider. Another sub-dimension is Style and design which focuses on the aesthetic attributes of the product. The final sub-dimension of brand performance is Price and it refers to the price strategy of a brand. It sends signals to the customers how to categorize the brand (Keller, 2001).

Brand Imagery is the other type of Brand image and focuses on the intangible attributes of the product. This part concerns emotions and thoughts customers have towards a brand instead of the physical benefits. In this area there are four main categories, the first sub-dimension of Brand Imagery is User profiles which describes the person or the company that uses a specific product. These descriptions involve the basic
segmentation variables. Another sub-dimension is Purchase and usage situations. Purchase describes the different channels, types of stores and how easy it is to purchase the product. Usage explains under which circumstances the usage of the product comes into mind. The next sub-dimension is Personality and values which discusses how brands can take different personalities. These personalities can include a number of different characteristics such as sincerity, excitement, competence, sophistication and ruggedness. The final sub-dimension is History, heritage and experience. The history of a brand is connected with past personal experience and it can create association. Since these associations are mainly based on personal experiences they are often individual. However, sometimes there are connections between different people to be found in these associations (Keller, 2001).

Brand response: “What about you? What do I think or feel about you?”

The third layer is called Brand responses and shows how customers respond to the brand, different thoughts and feelings that customers may have. These feelings can come from both head and heart, the main criteria is of course that they are positive. Responses are divided into consumer judgments and consumer feelings. Consumer judgments focus upon customer’s personal opinions and evaluations with regard to the brand. Brand judgments involve how customer put together all the different performance and imagery associations for the brand to different kinds of opinions (Keller, 2001). Brand judgment is further divided into four subcategories (Keller, 2001). Brand quality dimension can be related to perceived quality, which is related to the idea that the consumer has about the product. Therefore it is even more powerful than the realistic values influencing purchase decisions and creating loyalty. Perceived quality is particularly relevant dimension since it justifies the premium price and constitutes the base of brand extensions, and is hence considered by Aaker (1991) one of the key components of the equity. Brand credibility; it contains also the company behind the brand and therefore its expertise, trustworthiness and likeability. Brand consideration is the probability of the brand to be included in the set of usable or buyable brands. Going further than awareness, brand consideration can be seen as a direct consequence of strength, favorability and uniqueness of the brand. Brand superiority is defined as the advantage that only that particular brand can bring to the consumer. Consumer feelings explain exactly what it sounds like, the feelings that customers have towards a brand. It can be emotional reactions or influence on part of customers’ lives, for example the brand can affect customers’ feelings about themselves or others. Consumer feelings are generally divided into six different categories of Warmth makes the customer feel peaceful or calm while Fun refers to if the customers are amused by the brand. Another sub-dimension is Excitement which makes the customers see the brand as something special. Security refers to the fact that the customers feel safe and comfortable. The brand removes certain worries that customers may have. The next sub-dimension is Social approval which is when the customers feel that others respond more positively to them because of the brand. The final sub-dimension is Self-respect. It describes how customers feel better about themselves because of the brand. They may feel a sense of pride or success (Keller, 2001).

Brand Relationships: “What about you and me? What kind of association and how much of a connection would I like to have with you?”

This stage is linked to Brand Resonance, which can be described by the kind of bond the costumer has with the brand and his level of engagement. Therefore it can be associated to Aaker’s brand loyalty dimension that is defined as the level of consumer’s affection to the brand. Four are the categories in which brand resonance can be divided: Behavioral loyalty; it can be measured by the amount and frequency with which consumers buy the particular product. Attitudinal attachment is the attachment refers to the deepness of feelings the consumer has to the brand. Attachment exists when “love” replaces “like”. Sense of community, it refers to the identification with a brand community. Active engagement occurs when costumers become ambassadors of the brand when “Customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption of the brand.” (Keller, 2001).

II. CONCLUSION

According to the literatures it stress out the importance of marketing the destination with proper marketing strategies in order to capitalize the potential towards the well recognized tourism destination. Keller’s customer brand equity model identifies six components including brand salience, brand performances, brand imagery, brand feelings, brand judgments and brand resonances. The process of building a brand requires following above mentioned four consecutive steps. Therefore this study critically reviewed and identified the dimension of Keller’s brand equity model from academic literatures and provides the necessary depth and breadth of understating of brand equity and its measures for practically applying for destination branding. When summarizes the literatures findings of the Keller’s CBBE model indicators and casual relationships between various dimensions of the brand equity pyramid, this concept could be used for developing strong brand equity from the perspective of customer to empower tourism destination as practical approach for the marketers and policy makers. To build brand equity for a tourism destination cannot be done within short period of time. Since

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It needs well designed practical marketing approach. Therefore more empirical studies need to be done on the dimensions of the customer based brand equity for a tourism destination. A brand equity measure on the basis of the framework developed will be established as to capitalize the full range of all the different kinds of information involved on these dimensions. Although it is yet a challenge to develop holistic perspectives toward brand equity that will encompass the full range of all the information involved.

REFERENCE