EXPLORING FACTORS THAT AFFECT THE DESTINATION BRAND IN TOURISM INDUSTRY

By

Choi, Yura

THESIS

Submitted to

KDI School of Public Policy and Management

in partial fulfillment of the requirements

for the degree of

MASTER OF PUBLIC POLICY

2016
EXPLORING FACTORS THAT AFFECT THE DESTINATION BRAND IN TOURISM INDUSTRY

By

Choi, Yura

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

MASTER OF PUBLIC POLICY

2016
Professor Yoon Cheong CHO
EXPLORING FACTORS THAT AFFECT THE DESTINATION BRAND IN TOURISM INDUSTRY

By

Choi, Yura

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfilment of the requirements
for the degree of

MASTER OF PUBLIC POLICY

Committee in charge:

Professor Yoon Cheong, CHO, Supervisor

Professor Junesoo, LEE

Professor Kwon, JUNG

Approval as of July, 2016
# TABLE OF CONTENTS

LIST OF TABLES ........................................................................................................................................ iii

LIST OF FIGURES .......................................................................................................................................... iv

I. INTRODUCTION ......................................................................................................................................... 1

II. Literature Review ...................................................................................................................................... 3

  2.1 Functional, Experiential, and Symbolic Perception ........................................................................... 3

  2.2 Destination Image ............................................................................................................................... 6

  2.3 Attitude ................................................................................................................................................ 7

  2.4 Intention to Visit, Satisfaction, and Loyalty ..................................................................................... 8

  2.5 Destination Brand ............................................................................................................................. 10

III. Theoretical Background ........................................................................................................................ 12

  3.1 Theory of Reasoned Action .............................................................................................................. 12

  3.2 Theory of Planned Behavior ............................................................................................................ 13

  3.3 Dual Component Model of Brand Attitudes ...................................................................................... 14

  3.4 Satisfaction Theory ............................................................................................................................ 15

    3.4.1 Contrast Theory ....................................................................................................................... 15

    3.4.2 Assimilation-Contrast Theory ............................................................................................... 15

    3.4.3 Cognitive Dissonance Theory .............................................................................................. 15

IV. Hypothesis Development ....................................................................................................................... 16

  4.1 Effects of Functional, Experiential and Symbolic Perceptions on Attitude ................................. 16
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2. Effects of Attitude on Satisfaction</td>
<td>18</td>
</tr>
<tr>
<td>4.3 Effects of Satisfaction on Loyalty</td>
<td>19</td>
</tr>
<tr>
<td>4.4 Effects of loyalty on Destination Brand Equity</td>
<td>20</td>
</tr>
<tr>
<td>4.5 Effects of Attitude on Intention to Visit</td>
<td>23</td>
</tr>
<tr>
<td>4.6 Effects of Intention to Visit on Destination Brand Equity</td>
<td>24</td>
</tr>
<tr>
<td>V. Methodology</td>
<td>26</td>
</tr>
<tr>
<td>5.1 Data Collection</td>
<td>26</td>
</tr>
<tr>
<td>5.2 Development of Research Question</td>
<td>27</td>
</tr>
<tr>
<td>VI. Data Analysis</td>
<td>28</td>
</tr>
<tr>
<td>6.1 Demographics</td>
<td>28</td>
</tr>
<tr>
<td>6.2 Hypothesis Testing</td>
<td>29</td>
</tr>
<tr>
<td>VII. Conclusion</td>
<td>33</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>38</td>
</tr>
<tr>
<td>APPENDICES</td>
<td>47</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1. Component Matrix: Functional, Experiential and Symbolic Perception ....... 30
Table 2. Effects of Three Perception Dimension on Attitude .................................. 30
Table 3. Effects of Traveler’s Attitude and Intention to Visit on Satisfaction level ..... 31
Table 4. Effects of Satisfaction of travelers on Loyalty ......................................... 31
Table 5. Effects of Loyalty and Intention to Visit on Destination Brand Equity ........ 32
LIST OF FIGURES

Figure 1. Theory of planned behavior (Source: Ajzen, 1991) .......................... 14

Figure 2. Effects of visual and verbal components of advertisement on brand attitudes
(Source: Mitchell, 1986) .................................................................................. 14

Figure 3. Proposed Model of the Study ................................................................. 16

Figure 4. Research framework (Source: Chen & Peng, 2014) .............................. 17

Figure 5. The Relationship between Satisfaction and Buying Behavior (Source: Davis-
Sramek, Mentzer & Stank, 2008) ....................................................................... 20

Figure 6. A Service-Branding Model (Source: Berry 2000) ................................. 22

Figure 7. Conceptual Model of the Effect of Food Image (Source: You, 2011) ....... 25
ABSTRACT

EXPLORING FACTORS THAT AFFECT THE DESTINATION BRAND IN TOURISM INDUSTRY

Around the world, tourism industry influenced the economic development greatly (Milne and Ateljevic, 2001). Tourism industry gained more attention by reasons of being most feasible and sustainable economic development advantage, and also earnings of foreign currency (UNWTO, 2016). ‘Destination brand’ as national identity has received attention with a strategy of building a unique identity of destination which makes differentiation (Morrison & Anderson, 2002). The purpose of study is to explore the effects of different perceptions, intention, satisfaction, loyalty, and brand equity in tourism industry. In particular, this study measures the relationships of i) functional, experiential, and symbolic perception on attitude, ii) travelers’ attitude on satisfaction and intention to visit, iii) satisfaction level of travelers’ on loyalty, iv) loyalty on destination brand equity, and v) intention to visit on destination brand equity. This collects data via online survey and in order to prove the hypotheses, this study applied statistical analysis such as factor analysis, Analysis of Variance (ANOVA) and regression analyses. This study provides both theoretical and managerial implication to the public policy.
I. INTRODUCTION

Tourism industry has exerted great impacts on the global economy and the development of each nation (Milne and Ateljevic, 2001). Nowadays, many countries, instead of producing or manufacturing products, have increasingly embarked on a trend toward service industries such as business consulting, technologies, banking, cooking, cleaning, advertising, accounting, education, and tourism. Among these services, tourism industry is getting the spotlight in the international market. Tourism industry itself is a service industry, but it also includes other sectors, such as hotels, restaurants, and entertainments, and contributes to the growth and expansion of labor markets. According to the World Tourism Organization (UNWTO, 2015), “global spread of tourism in industrialized and developed states has produced economic and employment benefits in many related sectors.” Some countries recognized such importance of tourism industry and initiated it as the main source of their income and economic growth. A few countries has already changed their business to tourism industry through attracting many foreign investors for Foreign Direct Investment (FDI), on top of forming a committee for real estate, holding business conventions, and building shopping centers and luxurious hotels. Countries such as Dubai, changed its source of income from oil to tourism industry, branded itself as the ‘Las Vegas of the Middle East’. This initiative resulted to an increase the number of inbound tourists for both business and leisure. Similar cases have been witnessed in Asia, such as Japan, China, Korea, and Vietnam. This trend explains that many countries increasingly perceive the great impact of tourism, and are considering this industry as one of the important sectors contributing to their Gross Domestic Product (GDP).

With globalization, many people have more freedom and means to easily visit different sides of the world than ever. Hence, UNWTO predicted that the number of tourists would keep
growing, and thus, the tourism market would be very competitive. However, there are hundreds of countries around the world that can be recognized by people as tourism destinations including islands. That being said, in order to be significantly identified by travelers, each country needs good strategies and marketing tactics. Among these strategies and tactics, ‘destination brand’ (also national identity in similar term) must be paid attention. Destination branding, according to Morrison and Anderson (2002) allows a country to have an unique identity compare to other destinations. This term is a relatively new concept in tourism studies and has different meanings compared to that of a product branding (Echtner and Ritchie, 1991). The goal of destination branding is to reinforce the value of nation in a world where boundaries and borders are increasingly disappearing (Schaar, 2013). Also, according to Gnoth (2002) studied on a hypothetical and useful model of how the advancement of a nation as a tourism destination brand generates a leverage for its product and services in export markets, to effectively utilize the leverage, it is better to identify tourism industries as a network of interacting service providers instead of channel of distribution. This notion guides the management of interactions between tourists and the destination’s products and services that influence the development and accomplishment of the brand in leveraging export products (Gnoth, 2002).

Based on these considerations, the purpose of study is to explore the effects of different perceptions, intention, satisfaction, loyalty, and brand equity in tourism industry. By classifying different perception in functional, experiential, and symbolic, this study investigated how those variables affects the attitude of travelers. In particular, this study measures the relationships of i) functional, experiential, and symbolic perception on attitude, ii) travelers’ attitude on satisfaction and intention to visit, iii) satisfaction level of travelers’ on loyalty, iv) loyalty on destination brand equity, and v) intention to visit on destination brand equity.
II. Literature Review

Tourism industry has become an important sector that exerts great effects on the economic development of the nation (Milne and Ateljevic, 2001). Since the 1960s, the tourism industry has grown significantly, and a revolution in tourism during the second half of the 20th century has continuously brought considerable benefits to the economy (Andre, 2011). Over the past few decades, tourism services have required a high level of maturity. This trend coincided with important global chances related to both demand and destinations experienced since the second half of the 1900s (UNWTO).

Tourism has become one of the most important sectors to all economies around the world. According to the World Tourism Organization (UNWTO), in 2014 alone, the arrival of international visitors grew by 4.3% (1.133 billion), and the international tourism generated $1.5 trillion in export earnings. World Tourism Organization (UNWTO) projects the growth of international tourists arrivals to be between 3~4% by 2015.

Andre (2011) emphasized that to compete in a global market, countries must, first and foremost, study their domestic market and find their own uniqueness which other nations do not have, so tourism activity does not represent destination/host country but the nation itself becomes a brand of tourism industry. The concept of destination branding is a new marketing concept in a tourism industry and to academic research, and such branding is different from product branding (Cai, 2002). The goal of destination branding is to reinforce the value of nation in a world where boundaries and borders are increasingly disappearing (Dinnie, 2010).

2.1 Functional, Experiential, and Symbolic Perception

Gnoth (2002) illustrated peculiar importance to ‘functional’, ‘experiential’, and ‘symbolic’ levels and these three levels could be considered as characteristics for a destination or nation...
brand. According to Gnoth (2002) i) functional level is identified with the central attributes of a product or services, such as instrumentality or utility, ii) an experiential level, also known as a hedonic dimension, means the positive perspective of an experience; iii) a symbolic dimension applies to tourists’ expectations; the symbolism also includes level of engagement of visitors. According to Park, Jaworski, and MacInnis (1986), consumer needs are the factor that influences the selection of a brand, and this factor could be divided into three concepts: “i) functional need concept is defined as one designed to solve externally generated consumption needs, and ii) symbolic needs are defined as desires for products that fulfill internally generated needs of self-enhancement, role position, group membership, or ego-identification; a brand with a symbolic concept is one designed to associate the individual with a desire group, role, or self-image and iii) experiential needs are defined as desires for products that provide sensory pleasure, variety, and/or cognitive stimulation; a brand with an experiential concept is designed to fulfill these internally generated needs for stimulation and/or variety.” Orth and Marchi (2007) definitions on i) Functional benefits “the more intrinsic advantages of product consumption and usually correspond to product attributes and these benefits often are linked to basic motivations, such as wellbeing and health. ii) Experiential benefits related to what it feels like to use the product and also usually correspond to product attributes and these benefits satisfy experiential needs such as sensory pleasure cognitive stimulation. iii) Symbolic benefits are the more extrinsic advantages of product consumption, they usually correspond to non-product-related attributes and related to underlying needs for social approval, personal expression, and outer-directed self-esteem.”

According to Gnoth (2002), “as tourism destinations develop, the first level to evolve is the functional one relating to essential service provision. Gradually, existing services production processes are adjusted to accommodate tourists. With an increase of the operation’s commitment
to tourism, successful businesses become aware of the tourists’ symbolic involvement and begin
to satisfy tourists’ wants at that level, too.” Gnoth (2002) added “while the functional level is the
easiest to copy by competitors, the experiential and symbolic levels offer opportunities for
diversification and uniqueness.” “At each stage of the development, brand dilution can occur due
to increasing commoditization of the product. Strong and determined branding activity can
therefore assist in protecting the original brand values of the attraction (Gnoth, 2002).”

Not only tourism, but functional, experiential, and symbolic concepts are also important
in marketing or in product branding. Many brands provide a set of benefits that are functional,
experiential and symbolic (Keller, 1993). The brand concept, guiding a decision on its
positioning, determines the set of competing brands (Park, Jaworski, & MacInnis, 1986). Orth
and Marchi (2007) argued that the uniformity of functional symbolic and experiential brand
images can extend branding, advertising-trial interaction, and schema congruity, in terms of
evoked beliefs and purchase intentions. branding, advertising-trial interaction, and schema
congruity literature are extended by focusing on the uniformity of functional, symbolic, and
experiential brand beliefs in affecting evoked beliefs and purchase intention. Park, Jaworski, and
MacInnis (1986) mentioned that the image, a perception created by marketers’ management of
the brand, can be referred to as functional, symbolic or experiential, and can position a product
accordingly.

Many studies requiring more attention on a symbolic perception than other perceptions
were have been conducted. In this regard, Mazodier and Merunka (2014) claimed that marketers
should select their partners for symbolic co-branding strategies on the basis of the congruence of
targets between them and the potential secondary brands as well as their perceived fit, moreover,
they argued that managers should use symbolic co-branding strategies to target highly engaged
consumers who show positive attitudes toward branding and uniqueness, since the purpose of symbolic co-branding is to transfer positive qualities from the secondary brand to the co-branded product.

2.2 Destination Image

Lopes (2011) summarized that the overall image of a destination is constituted by cognitive and affective components, and the tourists’ actual experience of visiting a destination on the occasion of vacation has a considerable effect on the destination image in terms of a cognitive and emotional point of view; for the perceptual and cognitive components, the weight of importance and value is placed on each attribute of tourist destinations. Echtner and Brent (1991) addressed that “image of destinations can be ranged from those based on ‘common’ functional and psychological traits to those based on more ‘unique’ features, events, feelings or auras”. Bigne, Sanchez, and Sanchez (2001) conceptualized a destination image as “the subjective interpretation of reality made by the tourists” because the image that tourists project onto a destination is largely based on the destinations they have either visited or heard of. According to Park, Jaworski and MacInnis, (1986) “conveying a brand image to a target market is a fundamental marketing activity” and have further stated that “a brand image has both a direct effect on sales and a moderating effect on the relationship between product life cycle (PLC) strategies and sales.”

Echtner and Brent (1991) believed that on one side of the spectrum, a common group of traits for rating and comparing all destinations can shape the image of a destination, and such traits can be divided into functional and psychological ones. Bigne, Sanchez, and Sanchez (2001) primarily conducted a study on ways in which the destination images influences visitors’ behavior; in this regard, the most recent ground rule for tourism marketing concedes that the
improvement of image that visitors have of a destination depends on the customer’s rationality and emotionality. While Lopes (2011) believed in the importance of destination image of a country because it affects the market and influences tourist’s choice of a destination.

Park, Jaworski and Maclnnis (1986) believed that a brand image or perception is not just created by a firm’s communication activities but rather by a mixture of such activities and consumers’ corresponding response and perception; therefore, the implementation of product life cycle (PLC) strategies, if brand images are not considered, could cause a decline in long-run market performance.

2.3 Attitude

Attitude, try to predict consumer choice behavior, is most popularly and frequently used in consumer behavior field in marketing (Um & Crompton, 1990). Consumers’ attitude toward a particular brand influences their decision on purchase intention (Bagozzi & Dholakia, 1999). According to Allport (1935), “an attitude is a mental and neural state of readiness, organized through experience, exerting directive or dynamic influence upon an individual’s response to all objects and situations with which it is related”. Definition of attitude by Thurstone (1928) is “the sum total of man’s inclination and feelings, prejudice and bias, preconceived notions, ideas, fears, threats and convictions about any specified topic”. Thurstone (1931) extended the definition to “the affect for or against a psychological object”. While Osgood, Suci and Tannenbaum (1957) defined it as “they are predispositions to respond, but are distinguished from other such states of readiness in that they predispose toward an evaluative response”. Krech, Crutchfield and Ballachey (1962) stated that “attitudes are enduring systems of positive or negative evaluations, emotional feelings and pre-action tendencies with respect to social objects”.
“Beliefs about destination attributes are formed by being exposed to the external stimuli display, but the nature of those beliefs will vary according to the potential traveler’s sociopsychological set” (Um & Crompton, 1990). Lancaster (1966) argued, “since goods are simply what consumers would like more of; and we must be neutral with respect to difference in consumer tastes (some consumers might like more of something that other consumers do not want), that the ultimate proposition is that goods are what are thought of as goods”. In relation to destination, it could mean that tourist does not necessarily choose his/her own destination to go, but the image of a destination actually attracts the individual that it gives perception to the traveler that he or she would gain more utility by choosing a specific destination. “Attitude towards destination attributes were evaluated as either perceived facilitators or perceived inhibitors in terms of accommodating situational constraints as well as satisfying specific motives for pleasure travel” (Um & Crompton, 1990).

2.4 Intention to Visit, Satisfaction, and Loyalty

In the tourism industry, visitors’ intention to visit directly affects the number of tourists’ visit records. In this regard, Ajzen (1985) defined intention as “Intention is thus assumed to be the immediate antecedent of behavior.” Tor and Bodil (1998) supported that “when services are difficult to evaluate, corporate image is believed to be an important factor influencing the perception of quality, customer’s evaluation of satisfaction with the service, and customer loyalty”. “Intention is defined as a cognitive state that reflects the buyer’s plan to buy units of a particular brand in some specified time period” (Howard & Sheth, 1969). Furthermore, intention to visit a country, satisfaction, and loyalty are very closely related to each other, constituting (Cronin, Brady & Tomas, 2000). Ajzen (2006) explained such actual performance by using its target, action, context, and time elements. Ajzen (2006) believed in a tourism industry, the
intention of travelers to visit directly affects their behavior (shown as the number of inbound), and this intention can be explained by using the aforementioned elements; due to the close relationship between intention and behavior, similar elements can be deployed in defining both intention and behavior; for example, when a tourist’s visit to a country to see an event is considered as a target and a context, such visit, given that a tourist’s behavior is performed, becomes a time element. Shen (2009) believed the right amount of time period would be 12 months. Therefore, Shen (2009) believed that the right definition of intention would mean tourists’ desire to travel visiting sites within the next 12 months.

Customer Satisfaction is defined in various genres, in terms of economics, psychology, consumer research, welfare-economics, and marketing (Tor & Bodil, 1998). Oliver (1980) defined satisfaction as “as a function of the expectation (adaptation) level and perceptions of disconfirmation,” while Fornell and Robinson (1983) similarly defined satisfaction as “a perception on the part of consumers that is based on their own subjective evaluation.” Oliver (1981) also defined customer satisfaction in terms of marketing, he framing satisfaction as “an evaluation of the surprise inherent in a product acquisition and/or consumption experience.” In other words, consumer’s prior feelings about the consumption experience result in a psychological state where the surprise or excitement of the corresponding evaluation, after a certain period of time, formulates the overall attitude toward purchasing products, and such overall psychological state is called consumer satisfaction (Oliver, 1981). Furthermore, according to Anderson (1973), consumer satisfaction is influenced by consumers’ experience with the services and their perception on the quality and value of the services. Yi (1990) cited that “consumer satisfaction (CS) is a central concept in modern marketing thought and practice. The marketing concept emphasizes delivering satisfaction (not just products) to consumers and
obtaining profit in return. As a result, overall quality of life is expected to be enhanced. Thus, consumer satisfaction is crucial to meeting various needs to consumers, business, and society.” More studies have defined satisfaction as “the buyer’s cognitive state of being adequately or inadequately rewarded in a buying situation for the sacrifices he has undergone” (Howard & Sheth, 1969).

Customer loyalty, framed by Oliver (1980), indicated repurchase intentions, and willingness to provide positive word-of-mouth. According to the author, customer loyalty is “a function of customer satisfaction, which again is a function of a cognitive comparison of expectations prior to consumption and actual experience”. Oliver (1980) proposed that customers’ expectation of services first becomes satisfaction, and eventually turns into customer loyalty. Similar to Oliver (1980), Hallowell (1996), argued that customers’ expectation of receiving more quantity of value from one supplier than the others often generates loyalty behavior expressed through relationship continuance, increased scale or scope of relationship, and recommendation (word of mouth advertising). Furthermore, Hirschman (1970) argued that loyalty leads to an intended behavior related to the service or the company, and that such loyalty can be expressed through the likelihood of renewing the service contracts, of changing patronage, spreading positive word-of-mouth, and providing voice; however, if real alternatives exist or switching barriers are low, managers cannot easily satisfy customers via two feedback mechanisms, such as exist and voice.

2.5 Destination Brand

According to Kotler (2000), “a brand is name, term, sign, symbol, or design, or combination of them, intended to identify the goods or services of one seller or group of sellers
and to differentiate them from those competitors.” Few years ago, a new term, “brand identity”, was developed for a country/nation (Cai, 2002). As tourism industry become one of the key factors that contribute greatly to a country’s GDP (Milne & Ateljevic, 2001). Nowadays, many countries around the world are willing to ‘sell’ their tourism industry and turn its nation into a ‘brand’ so as to advertise themselves to travelers in an easier manner. There are several people who have defined the meaning of destination branding. According to Morrison and Anderson (2002) “destination branding is a process used to develop a unique identity and personality that is different from all competitive destinations.” Cai (2002) also explained national branding as “selecting a consistent brand element mix to identify and distinguish a destination through positive image building.” Andre (2011) explained that destination brand needs attention because national branding/destination branding is an act of establishing a country's identity.

Gnoth (2002) believed that when a nation is branded as a tourism destination, the corresponding properties of national branding must be consistent inside and crosswise over three dimensions; i) the tourism industry has to ensure that tourism operators construct and manage agreed-upon brand attributes horizontally across individual industry sectors, ii) vertical consistency needs to be established within various sectors within the industry and iii) every operation must deal with these attributes at the functional, experiential and symbolic levels simultaneously, so that the experience and meaning of tourists would turn out to be inseparably interwoven. In this regard, Aronczyk (2013) argued that national branding took its initial form after the Second World War, as corporate and state leaders began to perceive the nation as a source of economic value, since then, national culture and territory gradually became marketable and monetizable entities that are managed like other profitable assets of economy.
However, unlike other resources, to manage well, national branding requires particular information, knowledge and good strategies (Keller, 2003). In this regard, the Aronczyk (2008) believed that i) there is differentiation between product branding and destination branding; ii) distinction of national branding from the branding of political parties, campaigns, or politicians; iii) distinction between nation branding and branding at other spatial scales, with a consideration that difference between urban, regional, national and supranational branding is somewhat unclear.

III. Theoretical Background

There have been many theories and models in marketing area covering tourism industry.

3.1 Theory of Reasoned Action

Ajzen and Fishbein (1980) conducted studied on consumer’s behavior in decision making titled “A theory of reasoned action”. According to Ajzen and Fishbein (1980), this concept is “the theory that is based on the assumption that human beings are usually quite rational and make systematic use of the information available to them.” Ajzen and Fishbein (1980) called it as a “theory of reasoned action” because people will visualize the consequences of their action after identifying the given behavior. The “theory of reasoned action” determinates individual’s intention into two different functions; i) personal in nature factor (also termed attitude toward the behavior), judgments on performance behavior into positive (good) or negative (bad); ii) intention of a person in other reflected by society that should an individual to perform or not to perform the behavior by the social influence, since it is arranged by perceived prescriptions (also termed subjective norm) (Ajzen & Fishbein, 1980).
3.2 Theory of Planned Behavior

The theory of planned behavior is an extension of the ‘theory of reasoned action’ (Ajzen, 1991). The theory of planned behavior may be divided into three consideration form of human behavior argued (Ajzen, 1985). Ajzen (1985) addressed that these behaviors i) Behavioral beliefs: “beliefs about the likely consequences or other attributes of the behavior”, ii) Normative beliefs: “beliefs about the normative expectations of other people” iii) Control beliefs: “beliefs about the presence of factors that may further or hinder performance of the behavior”.

“In their respective aggregates, behavioral beliefs produce a favorable or unfavorable attitude toward the behavior; normative beliefs result in perceived social pressure or subjective norm; and control beliefs give rise to perceived behavioral control, the perceived ease or difficulty of performing the behavior (Ajzen, 1991).” In addition to the different types of planned behavior individuals’ intention plays an integral role which may skewed thus person's behavior in a particular direction (Ajzen, 1991). Ajzen (1991) mentioned that “intentions are assumed to capture the motivational factors that influence behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert in order to perform a particular behavior”.
“As a general rule, the stronger the intention to engage in a behavior, the more likely should be its performance. It should be clear, however, that a behavioral intention can find expression in behavior only if the behavior in question is under volitional control, i.e., if the person can decide at will to perform or not perform the behavior” (Ajzen, 1991).

3.3 Dual Component Model of Brand Attitudes

Dual Component Model could be explained by visual and verbal components (Mitchell, 1986). “Brand attitudes formed through advertising are based on two determinants; i) the product attribute beliefs that are formed, while ii) the attitude toward the advertisement; thus, according
to dual component model, if the verbal and visual information in advertisements create the same product attribute beliefs, the visual component may create different attitudes if the visual component is positively or negatively evaluated” (Mitchell, 1986).

3.4 Satisfaction Theory

3.4.1 Contrast Theory

According to Anderson (1973), customer will magnify the difference between the product received and the product expected i.e., “if the objective performance of the product fails to meet expectations, the customer will evaluate the product less favorable than if he had no prior expectations for it”. Yi (1989) supported this contrast theory claim by mentioning that “According to this theory, an understatement of product performance will lead to a perceived performance higher than an actual performance, whereas overstatement will lead to perceived performance lower than an objective performance”.

3.4.2 Assimilation-Contrast Theory

Anderson (1973) explained that “Assimilation-contrast theory suggests that promotional messages should create expectations for the product as high as possible without creating a level of disparity between expectations and objective performance which falls outside the consumer’s range of acceptance.” Yi (1989) further stated that “according to this theory, promotional messages need to overstate product performance slightly within the range of acceptance, but not so much as to induce a contrast effect; in sum, the effect of a disconfirmed expectancy on product rating caries as a function of the magnitude of disconfirmation.”

3.4.3 Cognitive Dissonance Theory

“Cognitive dissonance can be seen as an antecedent condition which leads to activity oriented toward dissonance reduction just as hunger leads to activity oriented toward
hunger reduction” (Festinger, 1957). Yi (1989) discussed that “if a disparity exists between product expectations and product performance, consumers may have psychological tension and try to reduce it by changing their perception of the product.” Because cognitive dissonance is psychologically uncomfortable, the individual changes the dissonant cognitive element to reduce the dissonance. “Dissonance theory posits that the users of a particular product make some kind of cognitive comparison between expectations about the product and the perceived product performance” (Aigbavboa & Wellington, 2013).

IV. Hypothesis Development

In recognition of the overall importance of destination brand in the tourism sector, it is necessary to understand different variables that affects destination brand. Based on the literature review and research question, hypotheses are developed.

![Proposed Model of the Study](image)

**Figure 3. Proposed Model of the Study**

4.1 Effects of Functional, Experiential and Symbolic Perceptions on Attitude

Functional, experiential and symbolic variables are often used in marketing fields, Gnoth (2002), deriving his study from the previous research, has well-defined the meaning of functional,
experiential, and symbolic perceptions in tourism industry. According to Gnoth (2002) “the functional level relates to the core characteristics of a product or service; the experiential relates to the sensual aspects of an experience, whereas the symbolic dimension refers to what it all means to the tourists.” Many studies were conducted on “attitudes” in different fields of studies, and among those researches, Allport (1935) mentioned that an attitude, formulated through past experience, indicates a mental and neutral state of readiness directly or dynamically affecting one’s response to objects and situations.

Figure 4. Research framework (Source: Chen & Peng, 2014)

In the hospitality industry, the relationship between three perceptions (functional, experiential and symbolic) and attitude has been studied in the past. In particular, some of those studies conducted observations on functional, experiential, and symbolic perceptions and their impact on lodgers’ attitude toward luxury hotels (Chen & Peng, 2014). In this regard, according to Berthon, pitt, parent and Berthon (2009), “having identified the three dimensions of luxury brands, we can conceptualize a luxury brand as a differentiated offering that delivers high level of symbolic, experiential and functional value at the extreme luxury end of the utilitarian-luxury continuum.” Vigneron and Johnson (2004) believed customers would likely to have more
favorable attitudes on their buying behavior when the function (quality) of luxury hotel is good. Berthon, pitt, parent and Berthon (2009) also indicated that “functional and experiential uniqueness of the luxury brand tends to be diluted in the homogenization process that inevitably accompanies commoditization.” Furthermore, Holbrook and Hirschman (1982) said “experiential perspective is phenomenological in spirit and regards consumption as a primarily subjective state of consciousness with a variety of symbolic meanings, hedonic responses, and esthetic criteria.” Vigneron and Johnson (2004) mentioned buyer’s experiential perception (uniqueness) contributes positively to his/her attitude in purchase behavior. Also, Holbrook and Hirschman (1982) believed experiential perception affects consumers’ purchase behavior. Further studies were made on symbolic perceptions, and Han, Nunes and Dreze (2013) strongly suggested that more purchase of luxury goods would be made when goods has a symbolic meaning.

*H1a: Functional, perception significantly affects Attitude.*

*H1b: Experiential perception significantly affects Attitude.*

*H1c: Symbolic perception significantly affects attitude.*

### 4.2. Effects of Attitude on Satisfaction.

Both attitude and satisfaction are terms often discussed in different fields of studies, and thus, have various meanings. In this regard, Krech, Crutchfield and Ballachey (1962) stated that “attitudes are enduring systems of positive or negative evaluations, emotional feelings and pre-action tendencies with respect to social objects”. In the meantime, Fornell and Robinson (1983) defined satisfaction as “a perception on the part of consumers that is based on their own subjective evaluation.”

The customer satisfaction depends on the prior or concurrent attitudes of service quality (Bolton & Drew, 1994). In this regard, further studies conducted by Lee, Tsao, and Chang (2015)...
on mobile application service, found that attitude of application users exert positive influences on customer satisfaction. More studies proved that in an online system, there is a positive correlation between attitude and consumer satisfaction (Lee, 2009; Chang, 2002).

H2: There is positive affection between attitude and satisfaction for travelers who already have been to the destination.

4.3 Effects of Satisfaction on Loyalty

Many of authors noticed the importance of customer loyalty because this variable heavily influences the present and the future formation of customers’ positive buying behavior (Ouhna & Mekkaoui, 2013). Although satisfaction and loyalty are closely related, these two variables are not interchangeable (Korostoff, 2015). Satisfaction defined by Oliver (1999) is equivalent to “consumer senses that consumption fulfills some need, desire, goal, or so forth and that this fulfillment is pleasurable.” Satisfaction is a subjective attitude that is how an individual feels (aytm.com). On the other hand, loyalty, defined by Oliver (1999), is “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.” Unlike satisfaction, loyalty describes a behavior of one individual, which could be acted or expressed in different ways (Korostoff, 2015).
This figure explains the relationship between customer satisfaction and customer loyalty. When satisfaction reaches a level above the trust zone, a buying behavior increases rapidly. In contrast, a buying behavior remains constant in the consideration zone, and even decreases in the defection zone (Shahin, Abandi, & Javadi, 2011). According to Kandampully and Suhartanto (2000), the customer satisfaction and loyalty have a positive relationship in market-oriented firms (especially in service industries such as hotels, health-care, dry-cleaning, etc).

*H3: Visitors’ satisfaction has a positive effect on loyalty*

### 4.4 Effects of loyalty on Destination Brand Equity

Loyalty is one of the important terms studied under various sectors. According to Oliver (1980), customer loyalty is “a function of customer satisfaction, which again is a function of a cognitive comparison of expectations prior to consumption and actual experience”. In the marketing field, ‘brand’ was widely studied. In particular, Cai (2002) conducted a study on the concept of ‘destination brand’ which is a relatively new term yet considered as an interesting
topic in the tourism sector. Cai (2002) defined destination branding as a “selection of a consistent mix of brand elements to identify and distinguish a destination through positive image building.” Ritchie and Ritchie (1998) mentioned that it is also “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.”

In tourism industry, relationship between loyalty and destination image has been identified as a new trend (Rajesh, 2013). Destination brand could be measured in terms of awareness, image, quality and loyalty (Hsu & Cai, 2009; Lim and Weaver, 2014). Li, Petrick and Zhou (2008) believed that visitors’ loyalty could positively affect the brand awareness and brand equity assets. In this regard, Hus and Cai (2009) studied the impact of destination branding approach on both tourists and a destination. They suggested that for tourists, when they choose a destination (brand) to visit, loyalty (trust) matters, and that for a destination, branding is important because a trusted brand gives visitors loyalty. When the trust relationship is built between a destination and tourists, it would increase the tourists’ intention to revisit the destination and motivation to recommend the destination to others by a word of mouth promotion (Rajesh, 2013).

Berry (2000) believes that branding plays important role in service industries because not only a strong brand increases the trust of customers but also it enables consumers to understand the products in better terms.
Brand equity is consists of four dimensions which are loyalty, perceived quality, associations, and awareness. (Aaker, 1996). Aaker (1996) believed among four dimensions, loyalty is core and comes first because compare to other three factors it has stronger impact. “A loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor innovations, and a bulwark against deleterious price competition.” Berry (2000) mentioned “a strong service brand is essentially a promise of future satisfaction.” Aaker (1996) further stated the importance of brand equity because it helps managers (government or organization in this case) develop valid instruments for individual brands, and it also measures to evaluate the brand-building activities. “Positive brand equity is the marketing advantage that accrues to a company from the synergy of brand awareness and brand meaning; strong brands increase customers’ trust of invisible products while helping them to better understand and visualize what they are buying.” (Berry, 2000)

*H4: The loyalty of visitors would increase the positive image of destination brand equity.*
4.5 Effects of Attitude on Intention to Visit

Aside from the aforementioned definitions on attitude, Thurstone (1928) also defined attitude as “the sum total of man’s inclination and feelings, prejudice and bias, preconceived notions, ideas, fears, threats and convictions about any specific topic,” while Lam and Hsu (2006) conceptualized attitude as a “predisposition, created by learning and experienced, to respond in a consistent way toward an object, such as a product.” Howard and Sheth (1969), in terms of marketing field, framed attitude as “a cognitive state that reflects the buyer’s plan to buy units of a particular brand in some specific time period.” In the same vein, Ajzen (2002) suggested that intention is an immediate antecedent of behavior.

There is study about a link between attitude and intention to visit spa. Spa is a service industry which could also be part of tourism industry. Kim, Kim, Huh and Knutson (2010) conducted a study on the relationship between these two industries and argued that “spa-goers seem to have hedonic benefits due to spa being a unique product and providing unique service.” This particular argument is directly related to the proposition of Ajzen and Fishbein (1980) which frames attitude as an individual’s positive or negative feelings. Kim, Kim, Huh and Knutson (2010) also collected data, and tested their model; the corresponding result showed that the coefficients supported the hypothesis, proving the existence of positive relationship between attitude and intention to visit spa. In addition, further studies have been conducted on the positive effect of attitude on repurchase intention (Sivadas & Baker-Prewitt, 2000). In the meantime, Lam and Hsu (2006) suggested that people need to have motives to push (going away from their home) and pull (attractiveness of a destination) factors, which was Crompton’s (1979) idea. These push and pull factors guide tourists’ attitude on their intentions to travel to specific destinations (Lam & Hsu, 2006). Further studies conducted by Lam and Hsu (2004) on Hong Kong as the final
travel destination concluded that attitude and intention of choosing destinations are related together.

\textit{H5: Tourist attitude on destination has positive impact on intention to visit.}

4.6 Effects of Intention to Visit on Destination Brand

Regarding intention, Tor and Bodil (1998) argued that “when services are difficult to evaluate, corporate image is believed to be an important factor influencing the perception of quality, customer’s evaluation of satisfaction with the service, and customer loyalty.” In the same vein, Swan and Trawick (1981) defined intention as one’s expected behavior in the future. According to Lam and Hsu (2004), intention “is regarded as the motivation necessary to engage in a particular behavior.” In tourism industry, because of high competition between nations, a strategy of branding the destination is becoming popular in the market (Lim & Weaver, 2014). More attention on destination brand should be given to the tourism industry because it is considered as an act of establishing a country’s identity (Andre, 2011). Given that destination brand affects local residents, potential travelers, and other related stakeholders, it can be considered as an ‘umbrella brand’ (Lim & Weaver, 2014).

As competition intensified among nations, government officials and the related organizations have been increasingly focusing on branding the destination through building good image of themselves (You, 2011). Gras (2009) conducted studies on the relationship of brand image and its components with intention to visit, and the author (Gras, 2009) found a positive relationship between these two variables.
As shown in Figure 7, You (2011) presented that the country’s food image could also be considered as part of the destination brand. According to You (2011), the Korean government has spent some budget to promote its food, and identified the attributes of Korean food image and its impacts on potential tourists’ attitudes and intentions when they visit Korea; food as a part of destination brand reflects not only people of the country but also its culture, history, and natural resources. Korean food image exerts an impact on potential tourists’ attitude and intentions when they visit Korea (You, 2011). Lim and Weaver (2014) also conducted studies, and believed that the purchase intention of customers would increase when they are greatly familiar with the brand.

**H6: The more favorable intention to visit, the more positive effect on destination brand. If tourists’ intention to visit is more favorable, the corresponding destination brand would be more positively affected.**
V. Methodology

This study examined the effects of different variables on branding the destination. For this study, ‘Qualtrics’- an online survey website is used to conduct the research. The question is divided into three parts, which are the main portion of the question asking about the eight different variables, warm-up question to give brief idea of the survey and demographic factors such as ethnicity, gender, age, and education background, working area, incomes and more to identify the basic information about the respondent. To measure each questionnaire item, this study used multi-item scales which it employed a 5 point Likert scale where 1 = strongly disagree and 5 = strongly agree, the higher the number the more satisfied the respondents are. Respondents were randomly chosen all over the world, basically who are interested in traveling and also have experience in travel (Cho, 2015).

The questions for survey were developed based on the previous studies. Particularly, the concept of functional perception questionnaires were taken from measuring tourism locally by White (2010), experience questions were taken from Canada Tourism Department (www23.statcan.gc.ca, 1999), attitude questions were referenced from survey of Gallup organization (2010) and Yun and Cho (2014), questions on satisfactions were developed based on the visitors’ satisfaction (Wiberg, 2009; Deng, 2007), and tourist destination questions were taken from Republic of Slovenia Ministry of Economic Development and Technology (www.mgert.gov.si, 2015).

5.1 Data Collection

Respondents received online link to answer the questionnaire, and it was sent through personal emails and social network service messages. The survey designed only in English because it is subjected to all travelers around the world, which English is commonly considered
as a global language. The respondent rate is 75%, which the survey link was distributed to 200 people and total of 150 responses were collected.

5.2 Development of Research Question

The questionnaire of the survey is constructed based on the research model of this study. In this model, there are eight different variables to ask about the travelers’ evaluation according to perception process. Eight variables are composed of i) functional perception, ii) experience perception, iii) symbolic perception, iv) evaluation on traveler’s attitude, v) satisfaction of travelers, vi) loyalty vii) intention to visit and lastly, viii) brand equity question. Not only that, but, also at the beginning of the survey, there are some warm-up questions and demographic questions before and after the main part of the questionnaire.

Cronbach’s alpha was calculated for each major construct to test the construct reliability for each multi-item scale (Cho, 2015). Cronbach’s alpha values were 0.78 for functional perception, 0.76 for experiential perception, 0.67 for symbolic perception, 0.78 for attitude, 0.89 for satisfaction, 0.74 for loyalty, and 0.71 for visit intention. Finally the Cronbach’s alpha value for brand equity was 0.8.
VI. Data Analysis

The survey questionnaire was distributed to people all around the world through online survey program ‘Qualtrics’ and total of 150 people have answered survey. The survey - online link was distributed to 200 people all over the world through their personal emails and social network service messages, and a total of 150 data was gathered which was equivalent to 75% respondent rate, and everyone completely answered the survey.

6.1 Demographics

Total of 150 respondents, among them the female were 44%, while men were 56%. The age range was from below 20 to over 50s, age group 20 to 29 was 59%, age group 30 to 39 was 32%, age group 40 to 49 was 5%, age group more than 50 was 3%, and no response rate for age below 20 group. Approximately, in marital status, single was 74%, and while married was 26%. Among the respondents, 76% had no child at all, and 13% had only one child, 6% had two children and 5% had more than three children. In regard to highest education level, 3% had a high school level, 1% had an associate degree, 26% had a bachelor degree, and 70% had a graduate degree. In terms of ethnicity, Asian had a greatest number of percentages which was 73%, the next highest rate was American which 15% was, African was 7%, and followed by European which was 5%. In terms of income, 33% of respondents had an annual household income of less than $10,000, 22% had annual incomes between $10,001 to 20,000, 14% had annual incomes between $20,001 to 30,000, and for house income group $30,000 to 40,000 and $40,001 to 50,000 had same rate which was equivalent to 9%, 5% had annual income of $50,001 to 60,000 and lastly, 7% had annual household income more than $60,000. For the occupation of the respondents, 22% were students, and on the other hand 78% were actually working in different fields of job like government officers, banker, teachers/professors, businessmen or
entrepreneurs, accountant, NGO and other more. In warm-up question the questions were asked to know the general idea on respondents’ travel propensity, so questions such as how often they travel, whom they travel with, how long they travel, and primary reason for traveling were asked.

6.2 Hypothesis Testing

In this study, to test the hypothesis, the regression and factor analysis was used. The factor analysis was used to identify the factors that positively influence the destination brand equity. This study applied factor analysis to check the validity of different variables. Using Varimax rotation method with Kaiser Normalization and applying principal components analyses with the extraction method, the most relevant data are derived (Cho, 2015). The outcome of factor analyses positively appeared as the major model with Eigenvalues greater than 1.00. Table 1 shows the result of component matrix of three perceptions.

<table>
<thead>
<tr>
<th>Items</th>
<th>Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factors</td>
<td>Scale Items</td>
</tr>
<tr>
<td>FUNCTIONAL PERCEPTION 5</td>
<td>I would like to have good accommodation facilities</td>
</tr>
<tr>
<td>FUNCTIONAL PERCEPTION 6</td>
<td>I would like to have political stability in destination</td>
</tr>
<tr>
<td>FUNCTIONAL PERCEPTION 4</td>
<td>I would like to have safe environment</td>
</tr>
<tr>
<td>FUNCTIONAL PERCEPTION 9</td>
<td>I would like to have better information on hotels/restaurants</td>
</tr>
<tr>
<td>FUNCTIONAL PERCEPTION 2</td>
<td>I would like to have easier access to the travel area</td>
</tr>
<tr>
<td>EXPERIENTIAL PERCEPTION 5</td>
<td>I would like to experience different cultures and ways of life</td>
</tr>
<tr>
<td>EXPERIENTIAL PERCEPTION 3</td>
<td>I would like to have good scenery/natural wonders</td>
</tr>
<tr>
<td>EXPERIENTIAL PERCEPTION 4</td>
<td>I would like to meet friendly local people</td>
</tr>
<tr>
<td>EXPERIENTIAL PERCEPTION 7</td>
<td>I would like to experience adventures and excitement</td>
</tr>
<tr>
<td>SYMBOLIC PERCEPTION 2</td>
<td>I expect that state/theme parks well represents the destination</td>
</tr>
</tbody>
</table>
In this study the regression analysis was applied to test the various hypotheses using the factor scores. Table 2, provides the results of multiple regression analysis for the effects of three perceptions which are functional, experiential and symbolic on attitude of travelers. Comprehensively, the results of the ANOVA demonstrated that the models were significant at the 0.01 level with $F=16.697$ ($r$-square $= 0.266$). On the basis of the results, hypotheses 1a, 1b, and 1c are accepted. This indicates that the higher the functional and symbolic perceptions and lower the experiential perception, the attitude of travelers’ becomes more favorable.

Table 1. Component Matrix: Functional, Experiential and Symbolic Perception

<table>
<thead>
<tr>
<th>SYMBOLIC PERCEPTION1</th>
<th>I expect that local cuisine well represents the destination</th>
<th>.701</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYMBOLIC PERCEPTION5</td>
<td>I expect that there is at least one symbolic thing that replace the destination</td>
<td>.633</td>
</tr>
<tr>
<td>SYMBOLIC PERCEPTION4</td>
<td>I expect to have a good shopping facilities</td>
<td>.626</td>
</tr>
<tr>
<td>SYMBOLIC PERCEPTION3</td>
<td>I expect that weather could be associate with the relent image of the destination</td>
<td>.587</td>
</tr>
</tbody>
</table>

Table 2. Effects of Three Perception Dimension on Attitude

<table>
<thead>
<tr>
<th>Variable (Independent $\rightarrow$ dependent)</th>
<th>Standardized Coefficient ($t$-value-Sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Perception $\rightarrow$ Attitude (H1a)</td>
<td>0.191 (2.314**)</td>
</tr>
<tr>
<td>Experiential Perception $\rightarrow$ Attitude (H1b)</td>
<td>-0.281 (-3.160**)</td>
</tr>
<tr>
<td>Symbolic Perception $\rightarrow$ Attitude (H1c)</td>
<td>0.512 (5.501***)</td>
</tr>
</tbody>
</table>

***Significant at 0.01 level (2-tailed) ; ** Significant at 0.05 level (2-tailed)

Table 3 displays the regression analysis on satisfaction for travelers’ attitude and intention to visit. The ANOVA result found that the models were significant at the 0.01 level with $F=13.629$ ($r$-square $= 0.089$) and $F = 9.814$ ($r$-square $= 0.066$). Based on these findings,
hypotheses H2 and H5 are accepted. Accordingly, when the attitudes of travelers are favorable, the intention to visit the country and satisfaction level would increase.

<table>
<thead>
<tr>
<th>Variable (Independent → dependent)</th>
<th>Standardized Coefficient (t-value-Sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude → Satisfaction (H2)</td>
<td>0.298 (3.692***)</td>
</tr>
<tr>
<td>Attitude → Intention to Visit (H5)</td>
<td>0.256 (3.133**)</td>
</tr>
</tbody>
</table>

***Significant at 0.01 level (2-tailed) ; ** Significant at 0.05 level (2-tailed)

Table 3. Effects of Traveler’s Attitude and Intention to Visit on Satisfaction level

This paper also studied on the effects of traveler’s satisfaction on loyalty. In Table 4, the results of ANOVA indicated that the models were significant at the 0.01 level with $F = 45.399$ ($r$-square = 0.245). Based on these findings, hypothesis 3 is accepted. In other words, the higher the satisfaction of travelers, the more loyal to destination.

<table>
<thead>
<tr>
<th>Variable (Independent → dependent)</th>
<th>Standardized Coefficient (t-value-Sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction → Loyalty (H3)</td>
<td>0.495 (6.738***)</td>
</tr>
</tbody>
</table>

***Significant at 0.01 level (2-tailed) ; ** Significant at 0.05 level (2-tailed)

Table 4. Effects of Satisfaction of travelers on Loyalty

This study also examined the effects of the traveler’s intention to visit and loyalty on Destination Brand Equity. Table 5 shows the results of regression analyses. Overall, the results of the ANOVA find the models significant at the 0.01 level with $F= 17.945$ ($r$-square = 0.114) and with $F= 29.373$ ($r$-square = 0.173). In other words, hypotheses 4 and 6 are accepted. In other words, the higher the intention of travelers to visit the country, the more positive effects on
destination brand equity. Also it works same way when the higher the loyalty, the more favorable effects on destination brand equity.

<table>
<thead>
<tr>
<th>Variable (Independent → dependent)</th>
<th>Standardized Coefficient (t-value-Sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty → Destination Brand Equity (H4)</td>
<td>0.416 (5.420***)</td>
</tr>
<tr>
<td>Intention to Visit → Destination Brand Equity (H6)</td>
<td>0.337 (4.236***)</td>
</tr>
</tbody>
</table>

***Significant at 0.01 level (2-tailed) ; ** Significant at 0.05 level (2-tailed)

Table 5. Effects of Loyalty and Intention to Visit on Destination Brand Equity
VII. Conclusion

Summary of Results

Tourism, one of the biggest service industries, influences greatly on the nation’s Gross Domestic Product (GDP), the labor market expansion and other related sectors. Accordingly, tourism industry gradually has become the important source of country’s income, and this study explores how the relationships among the different variables in the tourism industry affect on destination brand.

First, the result of this study finds the effects of functional, experiential, and symbolic perceptions on the attitude of the travelers. These three perceptions are considered as the characteristics of destination (Gnoth, 2002), and they influence on the consumer’s decision in selecting the brand (Park, Jaworski, & Maclnnis, 1986). This study draws results that higher the functional and the symbolic perceptions, the attitude of the travelers are more positive. On the other hand, the attitude of the travelers becomes more positive when the experiential perception becomes lower. It interprets that if a traveler has little experience in traveling, he feels more excitement and expectation, and it promotes more positive attitude about traveling.

Second, by dividing visitors into the potential visitors and the re-visitors, the result of this study finds the traveler’s attitude on their satisfaction in case of the re-visitors. Attitude influences consumers’ purchase intention (Bagozzi & Dholakia, 1999) and also predicts choice behavior (Um & Crompton, 1990). This study also finds the effects of the traveler’s attitude on the intention to visit the destination in case of the potential visitors. Attitude is an important variable since not only it is affected by the three perceptions, but also does influence the satisfaction of tourists and the intention to visit the destination. In the result, when the attitudes
of the travelers are positive, the satisfaction level and the intention to visit the destination also become positive.

Third, the result of this study finds the effect of the satisfaction level on loyalty. Many researches already dealt with the relationship between satisfaction and loyalty, and they proved that there is a positive relationship in these two variables. Satisfaction is formed when the actual experience of service or product meets the expectation of the consumer, and it affects loyalty to be established with repurchase intention as a function of satisfaction (Oliver, 1980). Expectably, the result in the study also indicates that when the satisfaction level of traveler is high, the loyalty of the destination also becomes high.

Fourth, the result of this study finds the effect of the loyalty and the intention to visit on the destination brand equity. Brand equity is more than just a brand image. Combining the brand image, awareness and meaning, brand equity draws a large marketing advantage and it is considered an important asset of nation (Berry, 2000). The concept of the destination brand equity plays a great role in this study since all the variables boil down to this concept in the end. The results of the study show that when the effects of the loyalty and the intention to visit the country are high, the destination brand equity also becomes high. The results from the proposed models in this study are all statistically significant.

Theoretical Contribution

Noticing the importance of the tourism industry, some countries especially endeavor to expand the industry to boost their economies. According to the World Tourism Organization (UNWTO), the numbers of inbound and outbound of the tourists significantly have increased in the recent years and it would continue increasing (UNWTO, 2015). Thus, settling a destination
as a brand will be an important strategic marketing tool to enhance the affirmative image of the country toward the tourists. Destination brand as a national identity will distinguish the nations with their own positive images (Cai, 2002). However, destination brand is relatively new term in the tourism industry and it is slightly different from product branding (Echtner & Ritchie, 1991). This study considers destination as a brand because many nations need to establish their unique images in the industry in order to attract the travelers.

Managerial Implication

Most importantly, when a nation tries to start tourism business as her main source of income, the government or the project manager needs to be aware of different brand elements. Forming tourism committee, holding business conventions, and opening the markets to the foreign investors could be the first step to start the business. This study also provides managerial implications by providing three perceptions in relation to destination brand. For functional perception, accessibility of destination information is important. Offering the online service provides good information of tourist attractions, hotels, restaurants, and other facilities of the destination. Moreover, improving infrastructures would be another way to provide a pleasant environment to travel around. In the case of experiential perception, foreigners would like to experience what local people usually do. For example, when visiting Taiwan, many travelers would like to have a night market tour to try the local foods and enjoy the unique culture. While in case of re-visiters’ attention, introducing new travel packages are necessary. Symbolic perception has already proved its great contribution to tourism industry. Many countries such as Japan, Thailand, France, USA, and Dubai have witnessed it. Transforming a destination into a good ‘brand’ is a required tactic to their success. The countries mentioned above have at least
one symbolic representation that people can image instantly when they hear the names of the countries. For instance, when people hear ‘cherry blossom’, they come up with Japan and ‘Scuba divers’ heaven’ for Thailand, and ‘Las Vegas of Middle East’ for Dubai. In order to be competitive in the tourism market, nations should have their unique identities for their destination brand differentiation (Morrison & Anderson, 2002).

**Policy**

There are some policy recommendations to build an effective ‘brand’ for a destination. The following points are central to destination management (branding the destination) that nations could implement. First, this paper suggests establishing a partnership; Ministry of tourism department could benefit more from the partnerships with other organizations such as private travel agencies, tour guides, outlets and hotels. Then, it would be easier for government to gather information and statistical data on inbound tourists. Second, this paper suggests to improve government owned tourism website; Ministry of tourism could facilitate an official website to attract the foreigners by providing an easy access to the destination information and to interact with the travelers more conveniently. The website would play an important bridge role for the tourists. In addition, aggressive online marketing through website is also practicable. Third, this paper suggests to set a better slogan of the destination brand; countries mentioned above such as Dubai, Laos and Thailand made their own good slogans which could be easily noticed by the tourists. Lastly, this paper suggests to find a ‘symbol’ of a destination; countries succeeded in tourism industry like France, Japan, USA, Italy, China, and UK have their unique symbols. When people think about France, they immediately recall Eiffel tower, Japan for cherry blossom festival, USA for Hollywood, Italy for Leaning Tower of Pisa, China for Great
Wall, and UK for Buckingham Palace. Composing a special symbol of the nation helps destination to be recognized as a competitive brand.

Even after the study, there are some limitations. First, the sample size of the study was small. Secondly, the study only focused on the relationships of the variables and did not conduct a relevant causal analysis. Lastly, since destination brand is relatively a new term, it was difficult to find related researches for the deeper study. For the future research, many of the subjects, case studies, and issues would be studied more and increase the number of sample size.
Bibliography


Alastair, Morrison M., and Anderson J. Donald. (2002), Destination Branding. PPT. Purdue University.


**Online Citation**


World Tourism Organization UNWTO. "Why Tourism?" World Tourism Organization UNWTO. Accessed August 05, 2015. [http://www2.unwto.org/content/why-tourism](http://www2.unwto.org/content/why-tourism).
Appendix

Survey Questionnaire

Destination Survey

Please take 20 minutes of your time to answer the following questions. Your responses to this survey are strictly confidential and will not be revealed to anyone other than researchers. Since this survey is not a test, so there is no right or wrong answer. The intent of this work is academic research purposes only. No individual or organization will be identified in any analysis or reports connected to the survey data. The samples will be selected from any age group who have experienced in travel. For better survey, your sincere responses shall be highly appreciated. Your contribution is very important to explore variables that affects the branding the destination. Thank you!

Warm-up Questions

Q1. I usually travel around the world
   □ Very Rarely (1)
   □ Rarely (2)
   □ Neutral (3)
   □ Sometimes (4)
   □ Very Often (5)
Q2. I usually travel with

- Alone (1)
- With Partner (2)
- With Family (3)
- With Friends (4)

Q3. My primary reason for visiting another country is

- Leisure (1)
- Business (2)
- Visiting friends or relatives (3)
- Education (less than 1 year) (4)
- Volunteerism (less than 1 year) (5)

Q4. I usually travel for

- 1-2 days (1)
- 3-5 days (2)
- A week (3)
- Two to three weeks (4)
- A month (5)
- More than a month (6)
Q5. Approximately, I travel abroad ____________ in a year

□ Once a year (1)
□ Twice a year (2)
□ Three times a year (3)
□ More than four times a year (4)

Functional Questions

Q6. I would like to have good infrastructure in destination (such as driveway, roads)

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Q7. I would like to have more access to travel information

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)
Q8. I would like to have easier access to the travel area

☐ Strongly Disagree (1)

☐ Disagree (2)

☐ Neither Agree nor Disagree (3)

☐ Agree (4)

☐ Strongly Agree (5)

Q9. I would like to have safe environment

☐ Strongly Disagree (1)

☐ Disagree (2)

☐ Neither Agree nor Disagree (3)

☐ Agree (4)

☐ Strongly Agree (5)

Q10. I would like to have good accommodation facilities

☐ Strongly Disagree (1)

☐ Disagree (2)

☐ Neither Agree nor Disagree (3)

☐ Agree (4)

☐ Strongly Agree (5)
Q11. I would like to have political stability in destination

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q12. I would like to have more sports facilities

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q13. I would like to have more historical sites/museums

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)
Q14. I would like to have better information on hotels/restaurants

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Experience Questions

Q15. I would like to have good nightlife (such as pub, clubs)

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q16. I would like to have a wide opportunity for variety of outdoor activities

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)
Q17. I would like to have good scenery/natural wonders

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q18. I would like to meet friendly local people

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q19. I would like to experience different cultures and ways of life

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)
Q20. I would like to experience the good life with cuisine, good wine, being pampered

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Q21. I would like to experience adventures and excitement

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Q22 I would like to experience city life

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)
Q23. I would like to experience spiritual experience

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Symbolic Questions

Q24. I expect that local cuisine well represents the destination

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Q25. I expect that state/theme parks well represents the destination

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)
Q26. I expect that weather could be associated with the relevant image of the destination

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q27. I expect to have a good shopping facilities

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q28. I expect that there is at least one symbolic thing that replace the destination (e.g. place, building, status or etc.)

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)
Evaluation on traveler’s Attitude

Q29. It is important that the travel destination meets my expectation
   □ Strongly Disagree (1)
   □ Disagree (2)
   □ Neither Agree nor Disagree (3)
   □ Agree (4)
   □ Strongly Agree (5)

Q30. I believe that my expectations were usually met after visiting the destination
   □ Strongly Disagree (1)
   □ Disagree (2)
   □ Neither Agree nor Disagree (3)
   □ Agree (4)
   □ Strongly Agree (5)

Q31. I tend to evaluate the destination as ‘brand’
   □ Strongly Disagree (1)
   □ Disagree (2)
   □ Neither Agree nor Disagree (3)
   □ Agree (4)
   □ Strongly Agree (5)
Q32. I have positive attitude toward the message of destination brand

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q33. I think the message of destination brand are believable

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q34. I believe that the destination brands are pleasant/ favorable

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)
Satisfaction Questions

Q35. I am satisfied with the quality of experiences in destination

- Very Dissatisfied (1)
- Dissatisfied (2)
- Neutral (3)
- Satisfied (4)
- Very Satisfied (5)

Q36. I am satisfied with the touristic attractions of the destination

- Very Dissatisfied (1)
- Dissatisfied (2)
- Neutral (3)
- Satisfied (4)
- Very Satisfied (5)

Q37. I am satisfied with the infrastructure of the destination

- Very Dissatisfied (1)
- Dissatisfied (2)
- Neutral (3)
- Satisfied (4)
- Very Satisfied (5)
Q38. I am satisfied with entertainment/ outdoor activities of the destination

☐ Very Dissatisfied (1)
☐ Dissatisfied (2)
☐ Neutral (3)
☐ Satisfied (4)
☐ Very Satisfied (5)

Q39. I am satisfied with the culture/traditions of the destination

☐ Very Dissatisfied (1)
☐ Dissatisfied (2)
☐ Neutral (3)
☐ Satisfied (4)
☐ Very Satisfied (5)

Q40. I am satisfied with the natural environment/ native of the destination

☐ Very Dissatisfied (1)
☐ Dissatisfied (2)
☐ Neutral (3)
☐ Satisfied (4)
☐ Very Satisfied (5)
Q41. I am satisfied with my travel to destination, it was quite excited

□ Very Dissatisfied (1)
□ Dissatisfied (2)
□ Neutral (3)
□ Satisfied (4)
□ Very Satisfied (5)

Q42. Overall, I am satisfied with the destination as a whole

□ Very Dissatisfied (1)
□ Dissatisfied (2)
□ Neutral (3)
□ Satisfied (4)
□ Very Satisfied (5)

Loyalty Questions

Q43. I would like to revisit the same destination in the future

□ Never (1)
□ Rarely (2)
□ Sometimes (3)
□ Most of the Time (4)
□ Always (5)
Q44. After visit the country, I think destination brand get good word of mouth publicity

☐ Never (1)
☐ Rarely (2)
☐ Sometimes (3)
☐ Most of the Time (4)
☐ Always (5)

Q45. After visit the country, I would like to recommend it to people around me for visit

☐ Never (1)
☐ Rarely (2)
☐ Sometimes (3)
☐ Most of the Time (4)
☐ Always (5)

Intention Questions

Q46. I am willing to travel around the world

☐ Strongly Disagree (1)
☐ Disagree (2)
☐ Neither Agree nor Disagree (3)
☐ Agree (4)
☐ Strongly Agree (5)
Q47. I tend to visit new countries
   □ Strongly Disagree (1)
   □ Disagree (2)
   □ Neither Agree nor Disagree (3)
   □ Agree (4)
   □ Strongly Agree (5)

Q48. Sometimes, destination brand (message) gives me motivation to visit the country
   □ Strongly Disagree (1)
   □ Disagree (2)
   □ Neither Agree nor Disagree (3)
   □ Agree (4)
   □ Strongly Agree (5)

Q49. I intend to travel as many as I could
   □ Strongly Disagree (1)
   □ Disagree (2)
   □ Neither Agree nor Disagree (3)
   □ Agree (4)
   □ Strongly Agree (5)
Brand Equity Question

Q50. There is destination comes up first in my mind when I need to make decision to travel

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Q51. I could recognize one particular destination among other countries

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)

Q52. I believe each destination needs to have slogan

□ Strongly Disagree (1)
□ Disagree (2)
□ Neither Agree nor Disagree (3)
□ Agree (4)
□ Strongly Agree (5)
Q53. I could quickly recall the slogan of the destination

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q54. Usually after the travel, I am happy that I re-visited the destination

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)

Q55. Even other destinations have same features, I would still visit well-branded (marketed) destination

- Strongly Disagree (1)
- Disagree (2)
- Neither Agree nor Disagree (3)
- Agree (4)
- Strongly Agree (5)
Demographic Questions

Q56. What is your gender?

☐ Male (1)

☐ Female (2)

Q57. What is your ethnicity?

☐ Asian (1)

☐ American (2)

☐ European (3)

☐ Oceania (4)

☐ African (5)

Q58. What is your nationality?

______________________________

Q59. What is your current age?

☐ Below 20 (1)

☐ 20-29 (2)

☐ 30-39 (3)

☐ 40-49 (4)

☐ More than 50 (5)
Q60. What is your current or final education background?

- High School (1)
- Associate Degree (2)
- Bachelor Degree (3)
- Graduate (4)

Q61. What is your current occupation?

- Student (1)
- Accountant (2)
- Teacher/ Professor (3)
- Government Officer (4)
- Journalist (5)
- Business man/ Entrepreneur (6)
- Medical Doctor (7)
- Banker (8)
- Lawyer (9)
- Others (10) ____________________
Q62. What is your annual household income? (optional)

- $10,000 or less (1)
- $10,001~20,000 (2)
- $20,001~30,000 (3)
- $30,001~40,000 (4)
- $40,001~50,000 (5)
- $50,001~60,000 (6)
- More than $60,001 (7)
- Not Applicable (8)

Q63. What is your current marital status?

- Single (1)
- Married (2)

Q64. How many child do you have?

- None (1)
- One (2)
- Two (3)
- More than three (4)
Q65. How many countries have you visited?

☐ One (1)

☐ Two (2)

☐ Three (3)

☐ Four (4)

☐ More than five (5)

----------------------------------------------------------------------------------------------------------------------------------

Thank you for answering this questionnaire :)