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Brand equity in a tourism destination: a case study of domestic tourists in Hoi An city, Vietnam

Vinh Trung Tran, Nguyen Phuc Nguyen, Phuong Thi Kim Tran, Tuan Nien Tran and Thuan Thi Phuong Huynh

Abstract

Purpose – This paper aims to propose and investigate the relationships among the components of brand equity, and examining the effects of these components on overall destination brand equity in Hoi An tourism destination, Vietnam, from the perspective of domestic tourists.

Design/methodology/approach – Questionnaire data were collected from 319 domestic tourists who have visited Hoi An city. The results of empirical tests using a structural equation model support the research hypotheses.

Findings – The results indicate that destination brand awareness has significant, positive effects on destination brand image and destination perceived quality; destination brand image has positive influences on destination perceived quality and destination brand loyalty; destination perceived quality has significant, positive impacts on destination brand loyalty; except for destination brand image, the remaining dimensions have positive and direct impacts on overall destination brand equity.

Originality/value – An integrated model of destination brand equity dimensions and overall destination brand equity was tested in a tourism city in the context of a developing economy. Moreover, relevant implications are provided for destination marketers as to how to improve destination brand equity in the tourism industry.

Keywords Brand equity, Destination, SEM, Domestic tourists, Hoi An

Paper type Research paper

1. Introduction

Customer-based brand equity (also called brand equity) is a topic that has garnered much attention and research among marketing academicians and practitioners (Tong and Hawley, 2009). According to Aaker (1991, 1996), brand equity is an asset of four main dimensions: brand awareness, brand associations, perceived quality and brand loyalty. It implies that strong brand equity means customers have high brand name awareness, maintain a favorable brand image, perceive that the brand is of high quality and are loyal to the brand. However, depending on each brand, industry, target market and situation, the contribution of each dimension to overall brand equity can differ. Moreover, a specific brand may have varying brand values in different countries, as market environments may differ from country to country (Kim et al., 2015). Hence, scholars have empirically tested Aaker’s model to measure the contribution of each component on overall brand equity in a particular context (Yoo et al., 2000; Tong and Hawley, 2009). Furthermore, others scholars have postulated the existence of a hierarchy and relationships among brand equity dimensions (Mackay, 2001; Yoo and Donthu, 2001; Keller and Lehmann, 2003, 2006). As such, they have suggested an integrated model to test the relationships among the dimensions of brand equity, investigating their effects on overall brand equity (Buil et al., 2013a, 2013b).
Brand equity has been studied not only for products and services but also for travel destinations that combine many products (services) from numerous providers; these are affected by many factors such as accommodation, food, tourist attractions and tourism policy, etc. However, compared to the research on brand equity for products, that in relation to destinations is much younger and less abundant, and the first study of destination brand equity was only done by Konecnik and Gartner in 2007. Still, it has been a growing number of studies on destination brand equity in recent years (Konecnik and Gartner, 2007; Boo et al., 2009; Pike et al., 2010; Myagmarsuren and Chen, 2011; Pike and Bianchi, 2013; Tran et al., 2017), most of which apply the brand equity model from Aaker (1991) to investigate the causal relationships among the components of destination brand equity. In contrast, few studies have simultaneously examined the causal relationships among these components and their effects on overall destination brand equity. Finally, there are some limitations to those few studies that do combine these approaches. For example, some works do not refer to perceived quality, which is one of the most important dimensions of brand equity (Kashif et al., 2015), while others do not examine the effects of all the dimensions (except for brand loyalty) on overall destination brand equity (Srihadi et al., 2015). As competition among tourism industry branding has become an important element of tourism management, destination marketers strongly need to focus on all dimensions of destination brand equity to enhance the overall brand equity of a destination brand (Kashif et al., 2015). However, it differs exactly how each dimension influences overall destination brand equity due to differences among destination brands and kinds of tourist. Therefore, it is necessary to measure the influence of each component on overall brand equity on a particular destination. Overall destination brand equity can be enriched and more easily managed if destination marketers and decision makers understand thoroughly these dimensions and to what extent these dimensions contribute in general. There is accordingly a knowledge gap that this study plans to fill by suggesting an integrated model to investigate the relationships among the various destination brand equity dimensions and their effects on overall destination brand equity. Moreover, another purpose of this study is to test Boo’s destination brand image scale (as a gambling destination) in a context on a sample tourism destination. Many studies in the tourism literature focus on the cognitive and affective components of destination image (Baloğlu and McCleary, 1999; Baloğlu and Mangaloglu, 2001; Wang and Hsu, 2010; Tran and Tran, 2017). In this study, the destination brand image scale focuses itself on social image and the self-image of brand personality.

To this end, this study applies Aaker’s model to test the relations among the focal dimensions and their effects on overall destination brand equity, in particular for domestic tourists travelling to Hoi An City, Vietnam. The reason for choosing Hoi An city as the destination is that it was recognized as a UNESCO World Heritage Site in 1999. Hoi An still preserves almost intact a complex of ancient architectural monuments while also retaining a significant intangible cultural foundation. Hoi An is a unique case in Vietnam, and also rare in the world, and this means that the city is an increasingly attractive destination for visitors. Readers of the popular travel magazine Wanderlust even voted Hoi An as one of the top 10 most visited tourist cities in the world (Center for Culture and Information Hoi An City, 2016). The number of visitors to Hoi An has grown quickly, ay 1.6 million, 1.7 million and 2.2 million in 2013, 2014 and 2015, respectively. Since international tourists can bring many benefits to Hoi An, there has been a greater concentration of resources to serve such visitors in recent years. However, it is also important to pay attention to domestic tourists, as the number of such tourists arrivals to Hoi An still uses a large proportion of the tourist infrastructure (in 2015, the number of domestic tourist arrivals reached 1.126 million, accounting for 52 per cent of the total) (Khánh, 2016). On the other hand, domestic tourists are also very important to Hoi An in, the low season for international visitors. In particular, since Danang and other travel destinations close to Hoi An have some competitive advantages in attracting domestic visitors, Hoi An needs to become more competitive in this local market. As such, there is a need for a study on the brand equity of Hoi An as a destination for domestic
travelers. The results of this study will help destination marketers to get some basic information about the relationships among the components of a destination, and their effect on total destination brand equity. This work should thus be considered as a reference resource for the strategic planning of tourism development for this destination. Another reason Hoi An city is chosen is due to the fact that for most domestic tourists, Hoi An is in central area of Vietnam and is the destination that is most often considered. Beside the attractions above, the costs of travelling and staying there are lower than for other destinations in Vietnam. Hence, the data collection puts forth a diverse range of customer evaluations covering various incomes, regions of origin, backgrounds etc.

2. Literature review

2.1 Brand, brand equity and its application to destination

Brand is a term that has been mentioned more regularly and continuously than ever in both academia and practice. Different brands have differing impact of power and value in the marketplace. According to Kotler (1991), brand is as “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.” These individual components of brand are here called “brand identities” and their totality “the brand.” Some basic memory principles can be used to understand knowledge about the brand and how it relates to brand equity (Keller, 1993).

In recent years, brand equity has become one of the major areas of attention to managers and marketing researchers owing to its major role as a significant intangible firm asset (Keller and Lehmann, 2006). Although brand equity has been seen in a variety of ways by researchers, there are two main perspectives: financial and customer (Keller, 1993; Chaudhuri, 1996; Chang et al., 2008). The financial perspective stresses the financial asset value created for the firm by the brand (Simon and Sullivan, 1993; Chang and Liu, 2009). In contrast, the consumer perspective is based on the evaluation of consumer responses to a brand name. Proponents oppose that for a brand to have value, it must be valued by the customer (Tong and Hawley, 2009). None of the other definitions are meaningful if the brand has no meaning to its customer (Keller, 1993; Cobb-Walgren et al., 1995). Therefore, we focus on consumer perspective in this study. The most prominent and well-recognized studies on customer-based brand equity are Aaker (1991) and Keller (1993), who argued that brand equity refers to the value of a product attached to a specific name, and explained its importance by noting that strong brands have strong brand equity. Aaker (1991) conceptualizes brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to firm’s customers.” Aaker (1991) claims that brand equity has four main dimensions: brand awareness, perceived quality, brand association and brand loyalty. According to Keller (1993), brand equity can be defined as “the differential effect of brand knowledge on consumer response to the marketing of the brand.” Keller (1993) grouped the components of brand equity into two classes: brand awareness and brand image. Lassar et al. (1995) then proposes performance-giving, perceived value, image, trust worthiness and a feeling of commitment as the main dimensions of brand equity. Similarly, Berry (2000) categorizes brand equity into two broad categories: brand awareness and brand meaning. Although there are many definitions of brand equity and its components that have been proposed by other researchers, they all share similar dimensions, such as brand association, brand awareness, brand loyalty and perceived quality, as proposed by Aaker (1991) (Chang and Liu, 2009). Moreover, the dimensions constructed by Aaker (1991) are the most commonly cited and applied in the literature (Tong and Hawley, 2009).

Although destination remains largely defined, it can however be delineated into two main viewpoints: traditional and current. From a traditional perspective, destinations are considered as well-defined geographical areas, such as a country, an island or a town (Hall, 2000). On the other hand, destination can also be a perceptual concept, interpreted...
subjectively by consumers, depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience (Buhalis, 2000). In this study, we pursue the definition which combines the two perspectives. Destination is considered to be a geographical region which is recognized by its tourists as a unique entity, with a political and legislative frame for tourism marketing (Buhalis, 2000).

Destination brand is very different from product brand in a number of significant ways (Gartner, 2014). Unlike products, destination branding is very varied, as there are a lot of attributes to a destination for branding given the economic, social, cultural, political and technological issues associated with destinations as products (Kashif, et al., 2015; Yousaf et al., 2017). Moreover, management of tourism destinations has become increasingly complicated, as they have complex relationships involving their various public and private stakeholders (Mistilis et al., 2014). Therefore, the question is whether a brand equity methodology traditionally developed for brands can be applied to destinations (Konecnik and Gartner, 2007). There has been growing interest from researchers to applying brand equity models to different tourism destinations, with most (Boo et al., 2009; Pike et al., 2010; Bianchi and Pike, 2011; Myagmarsuren and Chen, 2011; Pike and Bianchi, 2013) adapting the brand equity model of Aaker (1991). The model has then been applied to tourism destinations using four components: destination brand awareness, destination perceived quality, destination brand image and destination brand loyalty. In comparison to the original model from Aaker (1991), there is a little adaptation in the aforementioned studies in a tourism destination context as dimension brand association is replaced by brand image. Aaker (1991) defines brand associations as “anything linked in memory to a brand,” and strong brand associations can form a specific brand image (Yoo et al., 2000). In other words, brand image acts as a set of brand associations, usually in some meaningful way, and brand image, in accordance with the associative network memory model, is anything linked to a brand in the consumer’s memory (Aaker, 1991). As such, brand image directly relates to and covers brand associations. Therefore, in this study, we categorize destination awareness, destination image, perceived quality as perceptual equity, also treating destination loyalty as one of the consequences of perceptual equity.

2.2 Research concepts

2.2.1 Destination brand awareness. Brand awareness is defined as “the ability of the potential buyer recognizes and recalls that a brand is a member of a certain product category” (Aaker, 1991). Brand awareness is of great importance, since without it there would be no communication and no transactions with customers (Rossiter and Percy, 1987). Brand awareness refers to the strength of a brand’s presence in consumers’ minds, and it has been considered as the first and foremost component for building the brand equity of a product (Aaker, 1991; Keller, 2001). The same idea has been applied to tourism destinations, and thus destination brand awareness implies that an image of the destination exists in the minds of potential travelers (Gartner, 1993). In other tourism and hospitality studies, destination brand salience is indicative of destination brand awareness (Pike et al., 2010; Bianchi and Pike, 2011; Pike and Bianchi, 2013), and thus these two terms have been used almost interchangeably. Brand awareness plays an important role in choosing a destination (Kashif et al., 2015). In recent years, with the diffusion of the Internet, technological advancement and the global media, destination marketing has shifted to active promotion from passive, to interactive marketing from one-way, and to user-generated contents from collateral material (Frias et al., 2012; Mistilis et al., 2014). In particular, recent developments in information and communication technologies (ICTs), initiating smartness and smart places have been recognized as prompting a paradigm shift within the tourism industry (Buhalis and Foerste, 2015). Therefore, for a tourist destination to be successful, it at least must be known to potential tourists, in some context, before it can even be considered as a destination.

2.2.2 Destination brand image. Brand image is defined as the “perceptions about a brand as reflected by the brand associations held in consumer memory” (Keller, 1993). Brand
associations are informational nodes that link to the brand nodes and contain the meaning of the brand in consumers’ minds (Keller, 1998). In other words, brand image refers to the set of unique connections related to the brand that remains in the customers’ memories. In tourism and hospitality, destination brand image (also called destination image) has been widely researched and attracted growing attention with regard to building the tourist destination brand (Gartner and Konecnik, 2011; Salehzadeh et al., 2016).

There are many definitions of destination image, with some well-known ones being: “the sum of beliefs, ideas, and impressions that a person has of a destination” (Crompton, 1979); “the perceptions of individual destination attributes and the holistic impression made by the destination” (Echtner and Ritchie, 2003); and “an interactive system of thoughts, opinions, feelings, visualizations, and intentions toward a destination” (Tasci et al., 2007). In short, scholars generally approve that destination image is comprised of cognitive, affective and total image; however, most destination image research mainly focuses on cognitive image in that the measurement items are mainly related to tourist activities and needs, such as tourist attractions, transportation, accommodation, food, service and travel cost (Zhang et al., 2018). However, we realized that the attribute image and functional image of the destination are closely linked to the perceived quality of a destination. Therefore, in this study, we limit the destination brand image to the social image and self-image of brand personality, as suggested by Boo et al., 2009. Brand image has been importantly connected to customers’ self-concepts (Aaker, 1996), support the view that branding is the process of building a brand image that engages the hearts and minds of customers (Boo et al., 2009). In many studies, there are evidences that destination image is a significant dimension in destination brand equity (Cai, 2002; Boo et al., 2009; Pike et al., 2010; Bianchi and Pike, 2011; Tran et al., 2017). Overall, if a tourist destination has a favorable image then tourists are more likely to want to visit it (Lin et al., 2007).

2.2.3 Destination perceived quality. Perceived quality is another key dimension of brand equity (Aaker, 1991), and it has been used interchangeably with brand quality (Zeithaml, 1988; Aaker, 1991). Perceived quality is defined as a “customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose relative to alternatives” (Aaker, 1991). In tourism and hospitality, destination brand quality is a core dimension of brand equity when applied to a tourism destination (Boo et al., 2009; Pike et al., 2010; Bianchi and Pike, 2011; Myagmarsuren and Chen, 2011, Yuwo et al., 2013; Tran et al., 2017). According to Konecnik and Gartner (2007), destination perceived quality can be defined as the perceptions of tourists toward a destination with regard to its capability to fulfill their travel-related expectations and demands. Similarly, Pike et al. (2010) consider destination perceived quality as tourists’ opinions related to the quality of a destination’s infrastructure, hospitality services and amenities, such as accommodation.

2.2.4 Destination brand loyalty. The brand loyalty of the customer base is the key to a brand’s equity (Aaker, 1991; Oliver, 1999) and has been considered as either an attitude or behavior (Chaudhuri and Holbrook, 2001; Chi et al., 2009). Behavioral loyalty refers to the frequency of repeat purchases or the relative volume of the same brand purchase (Tellis, 1988). On the other hand, in terms of attitudinal loyalty, brand loyalty is defined as “the tendency to be loyal to a focal brand demonstrated by the intention to buy it as a primary choice” (Oliver, 1997). In tourism and hospitality, the attitude approach is more appropriate than the behavioral one when it comes to studying traveler loyalty, as travelers can be loyal to a destination even when they do not visit the place (Chen and Gursoy, 2001). In this research, we focus on loyalty in attitudes, as destination brand loyalty is defined in the tourism literature as an intention of tourists to return to a destination and willingness to recommend it to others (Baker and Crompton, 2000; Myagmarsuren and Chen, 2011; Nam et al., 2011; Pike and Bianchi, 2013). Indeed, destination brand loyalty is vital for achieving repeat visits and positive word of mouth among visitors (Gartner and Hunt, 1987; Li and Petrick, 2008).
2.3 Relationships among research concepts

2.3.1 The influence of destination brand awareness on destination brand image, destination perceived quality and destination brand loyalty. Brand awareness has been cited as the main component for building the brand equity of a product or service (Keller, 2001). According to Aaker (1991), consumers must first be aware of the brand to have a set of brand associations. Brand awareness affects the formation and strength of brand associations and perceived quality (Keller, 1993; Aaker, 1996; Keller and Lehmann, 2003). In other words, the brand awareness of consumers leads to attitudes such as brand associations and perceived quality, which in turn will influence attitudinal brand loyalty (Konecnik and Gartner, 2007). Brand awareness has been shown to be an important antecedent of customer value and is thus considered one of the basic perceptual indicators of tourist behavior in the tourism and hospitality literature (Oh, 2000; Kwun and Oh, 2004). Previous studies demonstrate that destination brand awareness and brand image have a positive relationship (Pike et al., 2010; Myagmarsuren and Chen, 2011; Tran et al., 2015). Similarly, an empirical study (Pike et al., 2010) found that destination brand awareness has a positive influence on destination perceived quality. As a result of these earlier findings, the following hypothesis is presented:

H1. Destination brand awareness has a positive and significant influence on destination brand image.

H2. Destination brand awareness has a positive and significant influence on destination perceived quality.

2.3.2 The influence of destination brand image on destination perceived quality and destination brand loyalty. Brand image refers to the brand perception in the customers’ minds. In the marketing literature, and according to Keller (1993), customers’ associations (in accordance with brand image in this study) lead their perceptions of the quality of the brand. In a tourism context, a positive relationship between destination brand image and destination perceived quality has been found (Myagmarsuren and Chen, 2011; Aliman et al., 2014; Tran et al., 2017). Moreover, destination brand image has also been identified as a main component of destination loyalty (Hosany et al., 2006); and a positive brand image provides benefits such as high brand loyalty to destination brands (Cai, 2002). According to Chang and Shin (2004), the impact of image is not only confined to the phase of choosing the destination but also the destination’s effect on the tourist. Previous studies of destination brand equity demonstrate that there is a positive relationship between destination brand image and destination brand loyalty (Boo et al., 2009; Pike et al., 2010; Bianchi and Pike, 2011; Pike and Bianchi, 2013; Aliman et al., 2014; Kashif et al., 2015). As a result of these earlier works, the following hypotheses are proposed:

H3. Destination brand image has a positive and significant influence on destination perceived quality.

H4. Destination brand image has a positive and significant influence on destination brand loyalty.

2.3.3 The influence of destination perceived quality on destination brand loyalty. Perceived quality is a significant element of brand equity for product manufacturers and service providers (Aaker, 1996; Keller, 2003). In the marketing literature, Keller and Lehmann (2003) point out that perceived quality is one step leading to brand loyalty. In hospitality and tourism, Konecnik and Gartner (2007) state that the brand quality of a tourism destination is an effective and strong dimension of its brand equity. Previous research in this field (Boo et al., 2009; Pike et al., 2010; Tran et al., 2017) reports that destination perceived quality has a positive effect on destination brand loyalty, as summarized in the following hypothesis:

H5. Destination perceived quality has a positive and significant influence on destination brand loyalty.
2.3.4 The influence of the components of destination brand equity on overall destination brand equity. There are many studies that have applied Aaker’s model to empirically test several product (service) brands in a number of contexts (Yoo et al., 2000; Tong and Hawley, 2009; Buil et al., 2013a, 2013b; Tran, 2017). By contrast, there are few studies exploring the effects of the components of destination brand equity on overall destination brand equity. According to Yoo et al. (2000), strengthening the dimensions of brand equity can effectively generate brand equity. Brand awareness can be a sign of quality and commitment, helping customers become familiar with a brand and giving it consideration at the point of purchase (Aaker, 1991). The previous study demonstrates that brand awareness has a positive effect on overall brand equity (Tran, 2017). Similarly, a positive brand image offers benefits to destination brands in the view of marketers who highlight the critical role of brand image on destination brand equity (Cai, 2002). Previous research in this field (Kashif et al., 2015), reports that destination brand image has a positive effect on destination brand equity. Moreover, high perceived quality would drive a customer to select the brand rather than other competitors. In other words, the higher the brand perception, the more overall brand equity will increase (Yoo et al., 2000). Previous studies demonstrate that there is a positive relationship between perceived quality and brand equity (Yoo et al., 2000; Buil et al., 2013b; Tran, 2017). Finally, the value of brand equity is largely generated by brand loyalty (Yasin et al., 2007). Loyal consumers show more favorable responses to a brand; as such, brand loyalty will stimulate growth of brand equity (Buil et al., 2013b). Previous studies regarding destination brands (Kashif et al., 2015; Srihadi et al., 2015) show that destination brand loyalty has a positive effect on overall destination brand equity. In the present work, after reviewing the literature and results from previous studies, we suggested that the dimensions of destination brand equity increase overall destination brand equity, because each of them is positively related to overall destination brand equity. This discussion leads to the following hypotheses:

H6. Destination brand awareness has a positive and significant influence on overall destination brand equity.

H7. Destination brand image has a positive and significant influence on overall destination brand equity.

H8. Destination perceived quality has a positive and significant influence on overall destination brand equity.

H9. Destination brand loyalty has a positive and significant influence on overall destination brand equity.

Based on the theoretical discussions set out above, the conceptual framework of the present study is demonstrated in Figure 1. This model shows the causal relations among the various components of destination brand equity, and their effects on overall destination brand equity.

3. Methodology

3.1 Research instrument

The questionnaire used in this study was originally drafted in English, translated into Vietnamese and then translated back into English to ensure that the items were the same as in the original. The measurement constructs include five factors, and each is measured with multiple items. The items for the destination brand awareness (DBA, four items), destination brand image (DBI, four items) and destination perceived quality (DPQ, four items) scales were adapted from Boo et al. (2009). Similarly, three items were borrowed from Kashif et al. (2015) and used to capture destination brand loyalty. Finally, a measure for overall destination brand equity (ODBE, three items) was adopted from Tong and Hawley (2009) and Kashif et al. (2015). These measurements used a five-point Likert scale ranging from 1 to 5 to present strongly disagree, disagree, no opinion, agree and strongly agree.
3.2 Sample and data collection

The target population for the study was domestic travelers who have travelled to Hoi An. The study was conducted via an online survey (using Google Docs) that was sent directly to the participants and posted on Facebook. Therefore, a convenience sampling method was used to select the participants. The data collection was undertaken from April to August 2016. The researchers gathered around 319 responses for data analysis, and the sample profile is presented in Table I.

3.3 Data analysis

The data analysis used SPSS 19.0 for Windows and AMOS 21 and was carried out in three steps. As a first step, exploratory factor analysis (EFA) is used to determine the appropriate number of factors to be used in the analysis, while Cronbach's alpha is applied to measure the reliability coefficients for the items of each construct. In the second step, confirmatory factor analysis (CFA) is applied to the model to test the adequacy of the measurement models using maximum likelihood estimation. Finally, structural equation modeling (SEM) is used to examine the hypothesized relationships among the constructs.

4. Results

4.1 Exploratory factor analysis and Cronbach’s alpha analysis

In exploratory factor analysis, we use the principal components analysis (PCA) method to extract the main factors. As shown in Table II, the results indicate that five factors were extracted with a cumulative explained variance of 68.645 per cent (>50 per cent), while the Eigenvalue was 1.387, KMO = 0.792 (> 0.50) and Sig = 0.000 (<0.05) (Table II). All the items were significant with factor loadings higher than 0.5 and were thus retained for the

<table>
<thead>
<tr>
<th>Table I</th>
<th>Sample profile</th>
</tr>
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<tr>
<td>Area</td>
<td>Sex</td>
</tr>
<tr>
<td>North of Vietnam</td>
<td>Center of Vietnam</td>
</tr>
<tr>
<td>87</td>
<td>108</td>
</tr>
</tbody>
</table>

Figure 1 Proposed hypothetical model

![Proposed hypothetical model](image-url)
next round of analysis, except for item DBI2 (My friends would think highly of me if I visited Hoi An), which had a factor loading of 0.431 (< 0.5) and was therefore eliminated.

Cronbach’s alpha and the item-total correlations for all scales were used to assess the initial reliability of the measures. As shown in Table II, the Cronbach’s alphas for all the constructs were above 0.70 (Nunnally and Bernstein, 1994). Moreover, the item-to-total correlations were all above the threshold of 0.30 (Hair et al., 1998).

### 4.2 Confirmatory factor analysis

This study conducted CFA to estimate the measurement model by verifying the underlying structure of the constructs and checking the composite reliability (CR), average variance extracted (AVE) and discriminant validity. First, the goodness-of-fit statistics indicate that all criteria met the recommended values in the measurement model (using the model fit criteria suggested by Hu and Bentler, 1999): $\chi^2$/df = 1.554 (< 2); $p < 0.01$; CFI = 0.957 (> 0.9); GFI = 0.929 (> 0.9); AGFI = 0.901 (> 0.8); RMR = 0.34 (< 0.08); RMSEA = 0.054 (< 0.08). In addition, the composite reliability (CR) for all constructs fell between 0.801 and 0.884, passing the threshold of 0.7 for good reliability. Moreover, the average variance extracted (AVE) varied from 0.503 to 0.615, thus satisfying the criteria of 0.50 (Bagozzi and Yi, 1988).

Composite reliability and average variance extracted:

**Destination brand awareness (DBA) (CR = 0.840; AVE = 0.572)**

- DBA1: Hoi An has a good name and reputation;
- DBA2: Hoi An is very famous;
- DBA3: The characteristics of Hoi An come to my mind quickly; and
- DBA4: When I am thinking about a destination, Hoi An comes to my mind immediately.

**Destination brand image (DBI) (CR = 0.816; AVE = 0.595)**
DBI1: Hoi An fits my personality;
DBI3: The image of Hoi An is consistent with my own self-image; and
DBI4: Visiting Hoi An reflects who I am.

Destination perceived quality (DPQ) \((CR = 0.801; AVE = 0.503)\)

- DPQ1: Hoi An provides tourism offerings of consistent quality;
- DPQ2: Hoi An provides quality experiences;
- DPQ3: From Hoi An’s offerings, I can expect superior performance; and
- DPQ4: Hoi An performs better than other similar destinations in Vietnam.

Destination brand loyalty \((CR = 0.884; AVE = 0.717)\)

- DBL1: Hoi An would be my first choice for a vacation;
- DBL2: I intend to visit Hoi An; and
- DBL3: I would advise other people to visit Hoi An.

Overall destination brand equity \((ODBE) \(CR = 0.827; AVE = 0.615\)\)

- ODBE1: I would prefer to visit Hoi An;
- ODBE2: Given the other destinations in Vietnam, I think visiting Hoi An is a smart move; and
- ODBE3: Hoi An is more than a destination to me.

CR: Composite reliability; AVE: Average variance extracted.

After checking the convergent validity to see if the items within each construct converged, discriminant validity was assessed to make sure there was enough discrimination between constructs. The results showed that discriminant validity between these constructs was achieved. First, none of the confidence intervals around the correlation estimate between any two factors included one. Second, the square correlation estimate was less than the average variance extracted for any two constructs (Table III) (Fornell and Larcker, 1981).

### 4.3 Structural model testing

SEM tested the validity of the model and hypotheses. The estimation produced an appropriate normal chi-square and goodness-of-fit indices: \(\chi^2/df = 1.926 \ (< 2); p < 0.01;\) CFI = 0.956; GFI = 0.928 \((\geq 0.9);\) AGFI = 0.900 \((> 0.8);\) RMR = 0.035; RMSEA = 0.054 \((< 0.08).\) The model’s fit criteria were suggested by Hu and Bentler (1999) (Figure 2), and since these were met it was used for the hypotheses testing.

As shown in Table IV, results indicate that destination brand awareness has direct and positive impacts on destination brand image \((Ses = 0.216, p = 0.001)\) and destination perceived

<table>
<thead>
<tr>
<th>Table III</th>
<th>Discriminant validity of the measurement model</th>
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<tbody>
<tr>
<td>AVER^2</td>
<td>DBA</td>
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<td>-----------</td>
<td>-------</td>
</tr>
<tr>
<td>DBA</td>
<td>0.572</td>
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<tr>
<td>DBI</td>
<td>0.045</td>
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<tr>
<td>DPQ</td>
<td>0.069</td>
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<tr>
<td>DBL</td>
<td>0.030</td>
</tr>
<tr>
<td>DBE</td>
<td>0.086</td>
</tr>
</tbody>
</table>

Note: Values formatted in italic are AVE of factors
quality (SEs = 0.208, p = 0.002), supporting H1 and H2. Similarly, destination brand image has direct, significant impacts on destination perceived quality (SEs = 0.266; p = 0.000) and destination brand loyalty (SEs = 0.216; p = 0.002), which means H3 and H4 are supported. The findings also show that destination perceived quality positively impacts destination brand loyalty (SEs = 0.151; p = 0.030). Finally, destination brand awareness (SEs = 0.161; p = 0.011), destination perceived quality (SEs = 0.246; p = 0.000) and destination brand loyalty (SEs = 0.299; p = 0.000) are found to have positive and significant impacts on overall destination brand equity, supporting H6, H8 and H9, respectively. Contrary to expectations, destination brand image (SEs = 0.095; p = 0.158) has an insignificant impact on overall destination brand equity, which means H7 is unsupported.

5. Conclusion and implications

Our purpose in this study is to examine the relationships among the components of brand equity, and the effects of these on overall brand equity in a destination context. Based on a review of the literature, we proposed and tested a model which examines the causal relationships among the destination brand equity dimensions and the effects of these on overall destination brand equity for Hoi An city.

Table IV Results of hypotheses testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized estimate (SEs)</th>
<th>t value</th>
<th>p</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBI ← DBA (H1)</td>
<td>0.216</td>
<td>3.214</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>DPQ ← DBA (H2)</td>
<td>0.208</td>
<td>3.047</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>DPQ ← DBI (H3)</td>
<td>0.266</td>
<td>3.735</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>DBL ← DBI (H4)</td>
<td>0.216</td>
<td>3.099</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>DBL ← DPQ (H5)</td>
<td>0.151</td>
<td>2.166</td>
<td>0.030</td>
<td>Supported</td>
</tr>
<tr>
<td>ODBE ← DBA (H6)</td>
<td>0.161</td>
<td>2.550</td>
<td>0.011</td>
<td>Supported</td>
</tr>
<tr>
<td>ODBE ← DBI (H7)</td>
<td>0.095</td>
<td>1.412</td>
<td>0.158</td>
<td>Unsupported</td>
</tr>
<tr>
<td>ODBE ← DPQ (H8)</td>
<td>0.246</td>
<td>3.488</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>ODBE ← DBL (H9)</td>
<td>0.299</td>
<td>4.710</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Notes: Chi-square = 211.814; DF = 110; p = 0.000; chi-square/df = 1.926 CFI = 0.956; AGFI = 0.900; GFI = 0.928; RMR = 0.035; RMSEA = 0.054; * p < 0.05, ** p < 0.01, *** p < 0.001
5.1 Theoretical implications

The first theoretical contribution of this paper is to confirm the destination brand image scale suggested by Boo et al., 2009. Except for deleting one item, the destination brand image scale is supported through exploratory factor analysis, Cronbach’s alpha analysis and confirmatory factor analysis in the context of domestic tourists visiting Hoi An city. The construct of destination image is reflected by social image and self-image, rather than cognitive and affective images. It extends our understanding toward the concept of tourism destination image. Moreover, Boo et al., 2009 suggested this scale in the context of a gambling destination. This study therefore broadens the scope by testing the scale using data from a sample in a tourism destination. Only one difference was observed, as this study deletes one item (My friends would think highly of me if I visited Hoi An). This can be allied to the research context of a tourism destination. Hoi An is just a domestic destination, a similar characteristic of Hoi An to other destinations in Vietnam. Moreover, Hoi An is in the center of Vietnam, so the distance between Hoi An and the places where visitors they live is so far, so they can easily visit there. In addition, most Vietnamese have traveled to Hoi An many times, and do not have to spend a lot money to visit there. Therefore, it may not be a high commendation from their friends for tourists who have visited Hoi An. Although deleting one item, the concurrence between scales of gambling destination image and tourist destination image were similar.

The second theoretical contribution of this paper is to suggest and test an integrated model to investigate the relationships among the various destination brand equity dimensions and their effects on overall destination brand equity. Some studies suggest a hierarchy in terms of the importance of destination brand equity dimensions and potential causal relationships. However, few researches have empirically examined how brand equity dimensions interrelate and the effects of all these dimensions on overall destination brand equity (Kashif et al., 2015; Srihadi et al., 2015). In analyzing all these sides, current work advances knowledge by offering more insight into the evolving theory of destination brand equity. The results indicate a good fit for the proposed structural model. All causal relationships are supported. Similarly, this study finds that there are significant direct effects of all destination brand equity dimensions (except for destination brand image) on overall destination brand equity. Destination brand image is not positively associated with overall destination brand equity; this may be related to the research context. The sample of the current study is domestic tourists. Most of them are repeat tourists and Hoi An city has a similar image to other domestic destinations in Vietnam. Therefore, uniqueness and novelty are not enough to encourage visitors’ self-image. Even though destination brand image does not affect overall destination brand equity, the structural model testing still confirmed it is a component of the model and it has relationships with other components of destination brand equity.

5.2 Managerial implications

The results of this work show the positive influences of destination brand awareness on destination brand image (0.216) and destination perceived quality (0.208). This indicates that the more successful Hoi An is in building its brand presence in customers’ minds, the more positive and impressive the associations of superior quality will be with Hoi An among domestic tourists. Therefore, different marketing methods should be used to promote Hoi An to this target market, such as making use of TV channels, travel magazines and events.

The results also find positive impacts of destination brand image on destination perceived quality (0.266) and destination brand loyalty (0.216). It is necessary to note that, along with building brand awareness, a tourism destination should build an image that is impressive and unique, complementing the personalities of domestic tourists. Therefore, in all stages of the process, such as marketing and providing the product (service), marketers should deeply consider the beliefs, ideas, styles, personalities and needs to which a destination can appeal in order to satisfy its tourists (Tran et al., 2015; Tran et al., 2017).
The results also reveal that destination perceived quality has a significant, positive influence on destination brand loyalty (0.151). It is thus essential to consider quality in the tourism industry, as the more customers see service providers as doing high quality work, the more loyal they feel to a destination. Tourism service providers (e.g. the local government, businesses and citizens) in Hoi An should thus cooperate to improve the products (services) offered, such as infrastructure, accommodations, food and beverages and so on.

Finally, this study finds that there are significant direct effects of destination brand awareness (0.161), destination perceived quality (0.246) and destination perceived quality (0.299) on overall destination brand equity. This reconfirms the importance of maintaining and developing the dimensions of a destination to develop overall destination brand equity in the tourism industry. Contrary to expectations, this study found that destination brand image does not have a positive influence on overall destination brand equity ($p = 0.158 > 0.1$). This can be explained in that Hoi An is a domestic destination; hence, most travelers have come to Hoi An many times and find it easy to visit this destination. Moreover, as with other destinations in Vietnam, Hoi An may be not special and unique enough to differentiate this destination from others. Therefore, the image of Hoi An maybe not consistent with visitor expectations about their own self-image and personalities. In addition, there are large proportion of young-aged tourists (less than 40 years old) in the sample, who tend to like a dynamic and modern image, while Hoi An is an ancient city which may not reflect their modern trends. However, this finding does not mean that the destination brand association does not positively affect overall destination brand equity; it only reflects that this is not reliable enough to confirm this effect. Moreover, the correlations found in the confirmatory factor analysis between destination brand image and destination brand awareness, destination perceived quality, and destination brand loyalty were 0.212, 0.311 and 0.260, respectively. As such, destination brand image can indirectly influence overall destination brand equity through other components. This result implies that while marketers spend much of their organizations’ resources on developing destination brand awareness, destination perceived quality and destination brand loyalty, they should not neglect destination brand association.

5.3 Limitations and directions for future research

The limitations of this study arise from the fact that the research focused on one destination, Hoi An city, Vietnam, which means that its generalization to other destinations is limited. Therefore, comparative studies of other tourism destinations are potential areas of future research. Moreover, only domestic tourists were asked to complete the questionnaires in this work. Therefore, the study results cannot be generalized beyond this group. As such, future research needs to examine other tourists, such as international visitors, where attitudes and behaviors can be different, in order to get more general results. Finally, this research considers that the components of destination brand equity are the primary drivers of overall destination brand equity. It is recommended that future studies work to determine which marketing activities would help enhance the various dimensions of destination brand equity and overall destination brand equity.

References


Further reading


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