Examining the Impact of Brand Equity and Value Proposition of Ecological Destination on Eco-tourists’ Loyalty

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Abstract The importance of brand equity and value proposition has long been acknowledged by both academic scholars and marketing practitioners. Considerable researches in consumer products have supported brand equity and value proposition as the major predictors of loyalty. Despite the widespread recognition that the associations between brand equity, value proposition and loyalty are well documented, little understanding of how they influences loyalty in the eco-tourism context. Thus, this research was aimed to explore the impact of brand equity and value proposition of ecological destination on eco-tourists’ loyalty towards Kaeng Krachan National Park. This study employed the questionnaires as the means in collecting data with the prospect samples of 419 Thai tourists. The samples were recruited by purposive sampling and quota sampling by specifying two destinations of Kaeng Krachan National Park including Kaeng Krachan dam and Praneun Trung hill. The eco-tourists’ attitudes towards brand equity (brand awareness and brand image of ecological destination) and value proposition (functional, emotional and self-expressive benefits) as well as the impact of these mentioned variables on loyalty were investigated. The empirical findings supported brand image, brand awareness, functional benefits and emotional benefits as the determinants of future revisit intention as hypothesized. Furthermore, brand awareness, functional value and emotional benefits were found to be the prerequisite of word of mouth recommendation. Discussions of the findings are also included.

Keywords Ecological Destination, Brand Equity, Value Proposition, Loyalty

1. Introduction

Kaeng Krachan National Park is regarded as the largest national park in Thailand covering an area of 2915 square kilometers with a huge number of species of birds and Asia's rarest mammals. Moreover, this national park is famous for being the Thailand's top forest bird and butterfly-watching locations with over 420 species of birds. Besides bird and butterfly-watching activities, this national park also offers a wide array of popular activities e.g., trekking, mountain trails and rafting that attract many tourists for ecotourism. According to the notion of Dwyer et al. [20], natural or endowed resources are considered as the primary motivation for tourists to visit ecological destinations [15]. Consequently, these natural resources are core resources creating the attractiveness of destination which result to intention to visit. They also influence tourist experiences and perceived value of the trip [47]. Therefore, tourism destination strives to appropriately manage the natural resources and environment with an aim to differentiate and sustain its competitiveness [30,42]. Besides the natural resources, destination branding is also an approach to differentiate and promote tourism destination. To date, most of branding studies have been extensively investigated in reference to package goods and retail businesses. However, the application of branding theories to service and tourism context is relatively new and rare [29]. Thus, this study was aimed to investigate the impact of tourists’ attitudes in terms of brand equity (brand awareness and brand image) and value proposition (functional, emotional and self-expressive benefits) towards Kaeng Krachan National Park on tourists’ future revisit intentions and word-of-mouth recommendation.

2. Research Objectives

The objectives of this research are as follows:

• To examine the effects of brand equity and value proposition of Kaeng Krachan National Park on tourists’ future revisit intentions.
• To examine the effects of brand equity and value...
Customer-based brand equity (CBBE) [35].

3. Literature Review and Hypotheses Development

Customer Loyalty

Future Revisit Intention

Behavioral intention of customers was defined as their willingness to repurchase products or services of the particular company [64]. Consistently, Garbarino and Johnson [23] defined future intentions as a customers’ likelihood to continue with or discontinue patronage of a company. Moreover, Zeithaml, Berry and Parasuraman [63] described that future or behavioral intentions included loyalty, switching intentions and willingness to pay more. Empirically, Ozdemir and Hewett [51] have conceptualized behavioral intention as a higher-order construct consisting of positive word of mouth, willingness to recommend and intention to continue buying from a particular service provider.

In general, the purchase of a tourism product is a rare purchase [50] and it does not occur on a continuous basis but rather infrequently [31]. Thus, committed behavior was regarded as the measure of loyalty that is manifested by propensity to revisit in the future [32]. Hence, this study conceptualized behavioral intention as tourists’ intention to revisit tourism destinations [10] or propensity to participate in a particular recreation service [5] and their recommendations to others [49,62]. Based on Jones and Sasser’s findings [32], intent to revisit was a very strong indicator of future behavior.

Word-of-Mouth Recommendation

According to Dick and Basu [18], word-of-mouth recommendation was defined as the “volitional post-purchase communications by consumers” addressing favorable attitudes towards a particular product or service. When customers hold favorable feelings or attitudes toward a particular product or service, they will positively recommend their preference to others. Besides intention to revisit, considerable tourism researches also acknowledged tourists’ recommendation to others as a measure of attitudinal loyalty [13,49]. Considerable research findings supported that loyal customers were most likely to recommend the company and its products through positive word-of-mouth and exhibited a desire to maintain the relationship with their preferred company and product [27].

Brand Equity

Earlier researches suggested that brand equity consisting of two different perspectives including financial brand equity [55] and customer-based brand equity (CBBE) [35]. Customer-based brand equity was defined as the differential effect of brand knowledge on consumer response to the marketing of the brand [35]. Aaker [1] conceptualized brand equity into four components including brand loyalty, brand awareness, perceived quality and brand image. Consistent with the notion of Aaker [1], Kim and Kim [38] categorized CBBE into two groups including consumer perception equity (brand awareness, brand image, perceived quality) and consumer behavior equity (brand loyalty). In contrary, Keller [35] proposed a brand knowledge model to explain how consumers evaluated and responded to brands in terms of brand awareness and brand image. In this study, the framework of Keller [35] was used to conceptualize customer-based brand equity in the tourism context including brand awareness and brand image.

Previous researches suggested that brand equity brought about favorable consequences to firms in terms of increasing marketing efficiency, building brand loyalty and achieving distinctiveness over the competition. These favorable consequences lead to lower operating costs and increasing profits to firms [37]. Moreover, consumers who held positive brand equity towards a particular brand were more likely to accept a new brand extension, to pay a premium price and be less sensitive to price increases [3]. Regarding the CBBE researches in the tourism context, positive brand equity was found to influence tourists’ intention to revisit and willingness to provide positive recommendation [53].

Brand Awareness

Brand awareness was defined as the strength of the brand node in memory, as reflected by consumers’ ability to identify the brand under different conditions [35]. Brand awareness consists of two components. First, brand recognition reflected the ability of consumers to confirm prior exposure to the brand or correctly discriminate a brand when exposed to a brand second time. Second, brand recall reflected the ability of consumers to retrieve a particular brand of the product category or correctly generate the brand from memory [36]. According to Keller [35], brand equity was proposed to result in biased processing of information, persistent attitudes or beliefs, resistance to change and behaviors which were influenced by those beliefs. Based on the findings of Milman and Pizam [43], the favorable brand awareness of tourism destination was found to be the necessary indicator of repeat purchase. Thus, tourists who are well aware of Kaeng Krachan National Park are more likely to exhibit high intentions to revisit and recommend others about this national park. As a result, we hypothesize that

H1: Brand awareness towards Kaeng Krachan National Park is positively related with tourists’ future revisit intentions.

H2: Brand awareness towards Kaeng Krachan National Park is positively related with tourists’ word-of-mouth recommendation.
Brand Image

Brand image was defined as consumer perceptions of a brand as reflected by the brand associations held in consumers’ memory [36]. Based on the definition of Crompton [14], brand image of the tourism destination was defined as tourists’ sum of beliefs, ideas and impressions towards a destination. Empirically, considerable researches supported brand image of tourism destinations consisted of two components of cognitive and affective components [29]. The cognitive component reflected the degree to the beliefs and knowledge about physical attributes of a destination, while the affective component referred to the feelings towards the attributes and environments [7].

Past researches have suggested that positive images of destination were regarded as the predictor of destination loyalty and intention to revisit [24,28,34]. Furthermore, the image of a country was found to influence favorable preference and behavior towards the product originating in that country [24,28]. Consistently, previous research revealed that the image of tourism destination influenced tourists’ decision-making process and choice [8]. Moreover, destination image was found to positively influence tourists’ behavior of loyalty [12]. As a result, tourists who hold positive images towards Kaeng Krachan National Park are more likely to display loyalty and positively recommend this national park to others. As a consequence, we hypothesize that

H3: Brand image towards Kaeng Krachan National Park is positively related with tourists’ future revisit intentions.

H4: Brand image towards Kaeng Krachan National Park is positively related with tourists’ word-of-mouth recommendation.

Value Proposition

In general, firms broadly focus on product attributes, product performance, service and store ambience which are regarded as the functional benefits [33]. Customers evaluate the functional benefits of a brand against their own requirement in the rational manner and evaluate the value and meanings implied in a brand in the emotional manner [40]. Besides the functional aspects of products, the emotional aspects associating with specific values and impacting on brand image should be taken into account to assess the degrees of emotional relevance [59]. Moreover, firms need to build and relate brand identity with customers’ personality in order to differentiate the brand from competitors and associate the brand with customers’ self image [2]. Consequently, brands need to deliver value and establish a relationship with customers by generating a value proposition including functional benefits, emotional benefits, and self-expressive benefits [1]. Previous researches revealed that effective value proposition lead to a brand customer relationship and drive purchase decisions. According to Aaker’s brand identity planning model [1], the value proposition was defined as the statement of the functional, emotional and self-expressive benefits delivered by the brand that provides value to the target customer.

Functional Benefits

Based on the notion of Delassus and Descotes [17], functional benefits were referred to the product attribute or brand performance of products or services that provided functional utility to satisfy customers’ functional needs. In general, functional values are physically presented, experienced, or measured in some kind of process [44]. Furthermore, functional values were directly related to the functions or utilities performed by the product or service which are evaluated against the customer’s requirement in a rational manner [19]. These functional values involved product attributes with functional utility including superior performance, lower cost, quality or price of the product or service, etc. [19]. Empirical findings supported that functional value influenced purchasing decisions which are mainly rational [19,46]. Moreover, it also influenced purchasing decisions when the product’s functional quality creates reliability [40]. As a result, the hypotheses are formulated as follows:

H5: Functional benefits of Kaeng Krachan National Park are positively related with tourists’ future revisit intentions.

H6: Functional benefits of Kaeng Krachan National Park are positively related with tourists’ word-of-mouth recommendation.

Emotional Benefits

Emotional benefits were defined as the intangible purchase motivator that aroused positive feelings about the brand and product [9,39]. In general, emotional benefits were related to the intangible aspects of product or service which were more elusive or visionary and contain an emotional element [44]. Consistently, Thompson et al., [56] argued that the value of the brand was linked to the intensity of the feelings aroused by the brand. Customers were more likely to evaluate both functional and emotional values of products or services when making purchasing decisions [40]. Based on the notion of Leek and Christodoulides [39]; Doyle and Stern [19] and Bendixen et al. [9], both functional and emotional values contributed to the success of a brand since emotional values mutually supported the rational attributes or functional values of products. Consistently, de Chernatony et al. [16] suggested that firms could not succeed or gain sustainable competitive advantages only based on functional values but also on brand-aroused feelings [25]. Thus, we hypothesize that

H7: Emotional benefits of Kaeng Krachan National Park are positively related with tourists’ future revisit intentions.

H8: Emotional benefits of Kaeng Krachan National Park are positively related with tourists’ word-of-mouth recommendation.

Self-Expressive Benefits

Brands and products can become symbols of a person’s self-concept. The self-expressive benefits provide an
opportunity for an individual to communicate his or her self image. The purchase of products or brands is regarded as the way to fulfill customers’ need of self-expression [1]. In addition, an individual’s identity was argued to be influenced by the symbolic meanings of his or her own material possessions, and the way in which s/he relates to those possessions [58]. Self-expressive benefits heighten the connection between the brand and the customer by focusing on something linked to his or her personality. Self-expressive benefits focused on the act of using the product, while the emotional benefits were associated with the result of using the product. Customers will assess the products or brands based on the congruence between self-expressive benefits and customers’ overall self-concept [21,58]. As a result, we hypothesize that

**H9**: Self-Expressive benefits of Kaeng Krachan National Park are positively related with tourists’ future revisit intentions.

**H10**: Self-Expressive benefits of Kaeng Krachan National Park are positively related with word-of-mouth recommendation.

### 3. Research Methodology

This quantitative research employed the questionnaires to collect data with the prospect samples including 419 Thai tourists. The purposive sampling was employed by specifying the two tourist attractions of Kaeng Krachan National Park including Kaeng Krachan dam and Praneun Trung hill. Then, the convenience sampling was used to recruit respondents by distributing the questionnaires to 419 Thai tourists in these two predetermined destinations by specifying 209-210 tourists per destination. Regarding the pretesting of the questionnaire, the reliability coefficients of the measurement scales demonstrated high internal consistency with reliability coefficients exceeding the threshold level of 0.70 [48].

**Measures**

The self-administered questionnaires were given to respondents to complete concerning their attitudes towards Kaeng Krachan National Park. With regards to future revisit intentions, the four-item scale developed by Pritchard et al. [54] was employed in this study. This scale demonstrated substantial internal consistency with reliability estimates of 0.91 in the previous study of Pritchard et al. [54]. Word-of-mouth recommendation was operationalized using a three-item scale adapted from previous studies by Zeithaml et al. [64].

To measure brand equity of Kaeng Krachan National Park comprising two components (brand awareness and image), the four-item measurement scale developed by Yoo et al. [61] was applied to measure brand awareness towards this tourism destination. This four-item measurement scale of brand awareness was developed to assess brand recognition and brand recall performance of this national park. Each item was assessed using a 7-point Likert scale ranging from strongly agree to strongly disagree (1 = strongly disagree and 7 = strongly agree). With regards to brand image, the attribute-based component of brand image was assessed by employing the semantic differential scale. Regarding the value proposition, the eleven-item scale asked questions about tourists’ attitudes towards functional, emotional and self-expressive benefits of Kaeng Krachan National Park. This eleven-item scale with 7-point Likert scale (1 = strongly disagree and 7 = strongly agree) was adapted from the study of Aaker [1]. All measurement scale demonstrated substantial internal consistency with high reliability estimates in the previous study.

### 4. Results

**Respondent profile**

Total number of valid questionnaires obtained was 419. The respondent profile is shown as the following details. Most of them are female (54.18%) and 25-34 years old (43.68%). The majority of them are single (51.07%) and hold at least a bachelor’s degree (59.90%). Moreover, they are mostly students (22.67%), have an income level between 450-900 US$ (26.73%) and live in Bangkok (61.81%).

**Scale purification**

The reliability analysis revealed that the measurement scales of all constructs had acceptable internal consistency, which was evidenced by high Cronbach’s alpha ranging from 0.81 - 0.92 which exceeded the threshold value of 0.70 [48]. In addition, the exploratory factor analysis (EFA) using principal component analysis with varimax rotation was employed to identify the purification and dimensionality of the measurement scales. The findings of exploratory factor analysis revealed that only one factor was extracted as expected, which explained approximately 64- 85 percent of the total variance as summarized in Table 1. The findings indicated that all constructs satisfied the criteria of unidimensionality and high internal consistency.
Prior to testing the hypothesized conceptual model, the correlation problem or multicollinearity among independent variables was highly recommended [26]. Theoretically, the correlation values between constructs exceeding 0.90 can be indicative of multicollinearity [26]. The findings revealed that the correlation coefficients between the predictor variables were less than 0.90, indicating little or no problem of multicollinearity. Table 2 reports the correlation coefficients among the variables hypothesized to be related to future revisit intentions and word-of-mouth recommendation, along with means and standard deviation of each variable.

Table 1. Variance Explained and Reliability Results

<table>
<thead>
<tr>
<th>Construct</th>
<th>No. of factors</th>
<th>Variance explained</th>
<th>Eigenvalue</th>
<th>Reliability coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Revisit Intentions</td>
<td>1</td>
<td>78.85%</td>
<td>2.37</td>
<td>0.86</td>
</tr>
<tr>
<td>Word-of-Mouth Recommendation</td>
<td>1</td>
<td>85.21%</td>
<td>2.56</td>
<td>0.91</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>1</td>
<td>64.55%</td>
<td>2.58</td>
<td>0.81</td>
</tr>
<tr>
<td>Brand Image</td>
<td>1</td>
<td>75.46%</td>
<td>3.01</td>
<td>0.89</td>
</tr>
<tr>
<td>Functional Benefits</td>
<td>1</td>
<td>72.12%</td>
<td>2.88</td>
<td>0.87</td>
</tr>
<tr>
<td>Emotional Benefits</td>
<td>1</td>
<td>78.50%</td>
<td>2.35</td>
<td>0.86</td>
</tr>
<tr>
<td>Self-expressive Benefits</td>
<td>1</td>
<td>81.06%</td>
<td>3.24</td>
<td>0.92</td>
</tr>
</tbody>
</table>

Table 2. Means, Standard Deviations and Intercorrelations among Constructs

<table>
<thead>
<tr>
<th></th>
<th>Means</th>
<th>SD.</th>
<th>Y1</th>
<th>Y2</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Revisit Intentions (Y1)</td>
<td>5.64</td>
<td>1.045</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WOM Recommendation (Y2)</td>
<td>5.76</td>
<td>1.044</td>
<td>.742**</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Awareness (X1)</td>
<td>5.13</td>
<td>1.109</td>
<td>.574**</td>
<td>.514**</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image (X2)</td>
<td>5.49</td>
<td>.857</td>
<td>.427**</td>
<td>.360**</td>
<td>.443**</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional Benefits (X3)</td>
<td>5.22</td>
<td>.916</td>
<td>.601**</td>
<td>.560**</td>
<td>.587**</td>
<td>.384**</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional Benefits (X4)</td>
<td>5.68</td>
<td>.942</td>
<td>.593**</td>
<td>.600**</td>
<td>.577**</td>
<td>.428**</td>
<td>.681**</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Self-expressive Benefits (X5)</td>
<td>5.09</td>
<td>1.141</td>
<td>.533**</td>
<td>.493**</td>
<td>.649**</td>
<td>.405**</td>
<td>.625**</td>
<td>.672**</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Note: **Correlation is significant at the 0.01 level (2-tailed), **Significant at p < .01
*Correlation is significant at the 0.05 level (2-tailed), *Significant at p < .05
**Hypotheses Testing**

The relationships hypothesized in H1 to H10 were tested by using multiple regression analysis with tourists’ future revisit intentions and word-of-mouth recommendation as the dependent variables. Hypotheses H1 and H2 predicted the positive relationships between brand awareness towards Kaeng Krachan National Park and future intentions and word-of-mouth recommendation. The multiple regression results revealed that brand awareness, as hypothesized, was found to significantly influence future revisit intentions ($\beta = .224, p < 0.001$) and word-of-mouth recommendation ($\beta = .172, p < 0.001$).

Hypotheses H3 and H4 stated that brand image towards Kaeng Krachan National Park was positively associated with future revisit intentions and word-of-mouth recommendation. The regression results showed that the beta coefficients of the relationship between brand image and future revisit intentions was statistically significant ($\beta = .124, p < 0.01$). It should be noted that counter to the author’s predictions, the relationship between brand image and word-of-mouth recommendation ($\beta = .061, p > .05$) was statistically insignificant. Hence, no support was found for the hypotheses H4.

Hypotheses H5 and H6 predicted a positive relationship between functional benefits and future revisit intentions and word-of-mouth recommendation, respectively. The results were consistent with this prediction as evidenced by positive and significant path coefficients towards future revisit intentions ($\beta = .254, p < 0.001$) and word-of-mouth recommendation ($\beta = .209, p < 0.001$). Thus, this result was supportive of only H5.

Hypotheses H7 and H8 proposed a positive relationship between emotional benefits and future revisit intentions and word-of-mouth recommendation. The finding revealed that emotional benefits were found to significantly affect future revisit intentions ($\beta = .224, p < 0.001$) and word-of-mouth recommendation ($\beta = .329, p < 0.001$), providing support for H7 and H8.

Hypotheses H9 and H10 stated that self-expressive benefits predicted future revisit intentions and word-of-mouth recommendation. The finding revealed that self-expressive benefits were found to insignificantly affect future revisit intentions ($\beta = .035, p > .05$) and word-of-mouth recommendation ($\beta = .005, p > .05$), providing no support for H9 and H10. Results of the hypotheses testing are demonstrated in Table 3.

In summary, the most powerful predictor of future revisit intentions was functional benefits ($\beta = .254$), followed by brand awareness ($\beta = .224$), emotional benefits ($\beta = .224$) and brand image ($\beta = .124$), respectively. In addition, the most powerful predictor of word-of-mouth recommendation was emotional benefits ($\beta = .329$), followed by functional benefits ($\beta = .209$) and brand awareness ($\beta = .172$), respectively. Contrary to our expectation, self-expressive benefit insignificantly influenced future revisit intentions and word-of-mouth recommendation, while brand image was not related with only word-of-mouth recommendation. Figure 1 depicts the conceptual model which presented a summary of all the hypothesized relationships.

### Table 3. Summary of Hypotheses Testing Results

<table>
<thead>
<tr>
<th></th>
<th>Future Revisit Intention</th>
<th></th>
<th>Word-of-Mouth Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standardized Coefficients (Beta)</td>
<td>t</td>
<td>Sig.</td>
</tr>
<tr>
<td><strong>Brand Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>.224***</td>
<td>4.404</td>
<td>.000</td>
</tr>
<tr>
<td>Brand Image</td>
<td>.124**</td>
<td>3.025</td>
<td>.003</td>
</tr>
<tr>
<td><strong>Value Proposition</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functional Benefits</td>
<td>.254***</td>
<td>4.827</td>
<td>.000</td>
</tr>
<tr>
<td>Emotional Benefits</td>
<td>.224***</td>
<td>4.404</td>
<td>.000</td>
</tr>
<tr>
<td>Self-expressive Benefits</td>
<td>.035</td>
<td>.642</td>
<td>.521</td>
</tr>
<tr>
<td>R2</td>
<td>.480</td>
<td></td>
<td></td>
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<tr>
<td>Adj.R2</td>
<td>.473</td>
<td></td>
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<tr>
<td>F-value</td>
<td>75.22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: *p < 0.05; **p < 0.01; ***p < 0.001
5. Discussion

As hypothesized, the findings indicated that brand awareness influenced both future revisit intentions and word-of-mouth recommendation. This finding was consistent with Milman and Pizam [43] supporting the notion that brand awareness was the determinant of tourists’ loyalty. In addition, this finding was consistent with the notion of the Theory of Reasoned Action [4] and earlier researches that attitude is regarded as essential precursors of behavior [22,52,57]. Contrary to expectations, brand image was positively related to only future revisit intentions but exerted no effect on word-of-mouth recommendation. This finding was partly in line with past researches that suggested positive destination images as the predictor of destination loyalty [24,34,28]. Regarding the relationship between value proposition and tourists’ loyalty, the findings revealed that functional and emotional benefits were found to be the predictors of future revisit intentions and word-of-mouth recommendation. Consistent with previous studies [19,46,16], these findings supported the idea that functional and emotional benefits influenced tourists’ loyalty. In contrary, the self-expressive benefits were not significantly related to tourists’ loyalty.

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