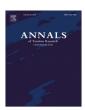
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The effect of Cultural Intelligence on consumer-based destination brand equity



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ABSTRACT

Achieving destination appeal and competitiveness is a major priority of tourist destination managers. They must implement new strategies that are distinct from those of their competitors and that influence tourists' perceptions, attitudes and behaviors and reinforce the brand equity of the destination. The present work focuses on Cultural Intelligence (CQ). CQ increasingly features in business strategy due to the effect of cultural differences and diversity on tourist behavior. The aim is to propose and validate a model that captures the effect of tourists' CQ on their evaluation of the destination. Using a sample of 503 tourists visiting Spain, the study demonstrates that a tourist's CQ influences their assessment of destination brand equity and that this relationship is moderated by tourism type. The paper presents a series of implications of interest both to scholars and professionals in the tourism sector.

Introduction

Intense competition between tourist destinations requires the relevant organizations to cultivate the resources necessary to generate competitive advantage (Pike & Page, 2014). One of the key resources in this regard is that of destination branding. Branding is the process by which a unique proposition for a brand is created through various marketing activities that serve both consumers and firms, based on establishing goods and services that can be differentiated from those of competitors (Gnoth, 2002).

The brand management concept emerged as a core element of the marketing mix in the 20th Century (Bastos & Levy, 2012). However, it was not until the late 1990s that research relating to tourist destination branding began to be published (for example, Dosen, Vranesevic, & Prebezac, 1998). According to Pike and Bianchi, "the model of consumer-based brand equity (CBBE), developed by Aaker (1991, 1996) and Keller (1993, 2003), offers destination marketers a performance instrument with which to evaluate and measure consumer perceptions of a destination brand" (Pike & Bianchi, 2013, p. 4).

However, growth in the tourism sector at international level has given rise to the need to interact effectively with people from different national cultures. The sector is therefore faced not only with the challenge of how to manage brands internationally, but also how to offer a cross-cultural service and evaluate its performance accordingly, on the basis of the expectations of clients, employees and providers (Mohsin, 2006). Within this context, knowledge of the variations that can arise as a result of cultural difference helps provide a detailed understanding of the needs of consumers and satisfy their cultural expectations (Harris, 2004).

Previous studies establish that "culture is pervasive in all aspects of consumption and consumer behavior and ... it should be

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integrated into all elements of consumer behavior theory" (Mooij, 2011, p. 2). Since the 1980s, a number of researchers have debated the most appropriate choice of dimensions to conceptualize culture (Hofstede, 1980, 1991; Keillor & Hult, 1999; Steenkamp, 2001, for instance). However, it is the framework developed by Hofstede (1980, 2010) that has become established as the most widely accepted and influential approach to measuring cultural differences (Sivakumar & Nakata, 2001; Steenkamp, 2001).

According to Hofstede (1991, 2005), people who grow up in different countries with different cultural norms will inevitably develop different ways of thinking and behaving. Therefore, if cultural norms develop differently in different parts of the world, this can naturally become problematic when members of different cultures interact to exchange knowledge (Adair, Tinsley, & Taylor, 2006)

This scenario calls for research into how individuals adapt to different cultures (Balogh, Gaál, & Szabó, 2011), and recent years have seen progress in the study of cross-cultural phenomena, including the key concept of Cultural Intelligence (CQ) (Earley, 2002; Earley & Ang, 2003). The CQ construct refers to "a person's capacity to adapt to new cultural settings based on multiple facets including cognitive, motivational and behavioral features (Earley, 2002, p. 271).

Studies on CQ have mainly focused on examining the importance of this concept and the usefulness of some of its components (Ljubica & Dulcic, 2012; Rohmetra & Arora, 2012), or on analyzing the influence of these components on individuals' capacity to adapt to different settings (known as cultural adjustment) (Ang, Van Dyne, Koh, & Ng, 2004; Ang et al., 2007; Lee & Sukoco, 2010). However, despite the relevance of this topic, there are very few studies examining the influence of culture on service perceptions (Malhotra, Ugaldo, Agarwal, & Baalbaki, 1994) and even fewer concentrating on the tourism sector. The works to date on tourism focus on analyzing the influence of the service provider's level of CQ on consumer satisfaction (Rohmetra & Arora, 2012), and do not investigate how consumers' CQ influences their evaluation of the services they have consumed. This question is of great interest, given that tourism is a sector in which the level of cultural diversity among consumers is extremely high. Destinations therefore need to determine the extent to which CQ affects consumer behavior so that this may be anticipated and actions and strategies developed accordingly.

The aim of the present work is thus to build on the existing literature dealing with the antecedents of brand equity. More specifically, it aims to propose and validate a model that captures the effect of tourists' CQ on their evaluation of a tourist destination they have just visited. The work analyzes how the greater or lesser extent of tourist CQ influences the brand equity of a tourist destination (based on tourist perceptions). The study also examines whether there are significant differences in the relationship between CQ and brand equity depending on the type of tourism being undertaken, distinguishing between, on the one hand, mass tourism and, on the other, more sustainable tourism types.

Literature review

Consumer-based destination brand equity

Brand equity is the most widely-used indicator of brand performance and can appear on a company's balance sheet as a financial value alongside other corporate assets. For destination marketing organizations seeking to measure brand effectiveness, the concept of CBBE created by Aaker (1991, 1996) and Keller (1993, 2003) also offers a viable alternative: "CBBE measurement is based on the premise of developing an understanding of how marketing initiatives are impacting consumer learning and recall of brand information" (Pike, 2010, p. 125). Keller (1993) asserts that CBBE can be defined as "... the differential effect of brand awareness on consumer response to the marketing of the brand" (p. 2). Most research on CBBE measurement identifies the following dimensions: (a) brand image; (b) brand quality; (c) brand awareness; and (d) brand loyalty; and (in some studies) perceived value (Bianchi, Pike, & Lings, 2014; Boo, Busser, & Baloglu, 2009; Pike & Bianchi, 2013).

Of all the dimensions explored in the academic literature, brand image is the most extensively studied (Gartner & Konečnik-Ruzzier, 2011). Brand image has also been identified as an important source of brand equity (Keller, 2003; Lassar, Mittal, & Sharma, 1995) and has been defined as the set of reasoned or emotional perceptions consumers attach to specific brands (Dobni & Zinkhan, 1990; Keller, 2003). Destination brand image is considered an important dimension of destination brand equity (see Appendix 1).

Meanwhile, brand quality has been used interchangeably with consumer perceived quality (Aaker, 1991; Zeithaml, 1988). Perceived quality is defined as the "perception of the overall quality or superiority of a product or service relative to relevant alternatives and with respect to its intended purpose" (Keller, 2003, p. 238). Perceived quality is another important dimension of brand equity (Aaker, 1991; Pappu, Quester, & Cooksey, 2005). In conceptualizing a destination brand equity model, perceived quality is one of the constructs frequently used by tourism researchers (see Appendix 1).

Brand awareness is a reflection of the extent of the brand's presence in the mind of the target audience, along a continuum (Aaker, 1996). Awareness is a key element of brand equity, as, without it, brand value cannot be generated or increased (Gartner & Konečnik-Ruzzier, 2011). In the tourism context, consumers must first know of a place, in some context, before they can begin to think of it as a potential destination (Gartner & Konečnik-Ruzzier, 2011). Awareness thus plays an important role in the traveler's destination choice (Chon, 1992; Um & Crompton, 1990) and is an important dimension of consumer-based destination brand equity (CBDBE) (see Appendix 1).

Aaker defines brand loyalty as "the attachment a customer has to a brand" (Pike & Bianchi, 2013). At the heart of brand management is the ability to create customer loyalty (Boo et al., 2009). While it is essential to attract new customers, retaining existing customers is also a fundamental goal of brand management – as well as being less costly than expanding the customer base (Reichheld, Markey, & Hopton, 2000). Both Keller (2003) and Aaker (1991) positioned brand loyalty as the core dimension of CBBE.

A number of studies have taken brand loyalty as a dimension of destination brand equity (see Appendix 1). Yet despite the fact

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