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## Brand equity of tourism destinations: The influence of country image and regional image

### ABSTRACT

This paper focuses on the customer-based brand equity for a regional tourist destination, and develops a theoretical model including the causal relationships between the dimensions of brand equity (awareness, image, perceived quality and loyalty). Accordingly, the loyalty of international tourists is considered as the main outcome variable for explanation in the theoretical model. Moreover, the paper adopts an international tourism approach and takes into account the hierarchy of destination brands, analyzing the influence of country destination image (i.e. country as umbrella brand) on the regional destination image. The empirical evidence obtained from a sample of 253 international tourists visiting a regional destination in Spain supports that loyalty towards the destination is positively influenced by the perceived quality of the destination, which in turn is directly influenced by the image and awareness of the destination. Additionally, our results support for the idea that the perceptions of international tourists of a regional destination are positively influenced by their perceptions of the country destination where the region is located. The country's brand therefore acts as an "umbrella brand" for the region's brand.

**Keywords:** Destination branding, country destination, regional destination, brand equity, image, perceived quality, awareness, loyalty

## El valor de marca de los destinos turísticos: La influencia de la marca país y de la marca región

### RESUMEN

Este documento se centra en el valor de marca basado en el cliente para un destino turístico regional, desarrollándose un modelo teórico que incluye las relaciones causales entre las dimensiones del valor de marca (reconocimiento, imagen, calidad percibida y lealtad). En consecuencia, la fidelidad de los turistas internacionales se considera como la principal variable resultado a explicar en el modelo teórico propuesto. Por otra parte, la investigación adopta un enfoque del turismo internacional y tiene en cuenta la jerarquía de las marcas de destino, analizando la influencia de imagen de destino del país (es decir, el país como "marca paraguas") sobre la imagen de destino regional. La evidencia empírica obtenida a partir de una muestra de 253 turistas internacionales que visitan un destino regional en España respaldan que la lealtad hacia el destino está influenciada positivamente por la calidad percibida del destino, que a su vez está directamente influenciado por la imagen y reconocimiento de marca del destino. Además, nuestros resultados muestran que las percepciones de los turistas internacionales de un destino regional están influenciados positivamente por sus percepciones sobre el destino país donde se encuentra la región. Por lo tanto, la marca de país actúa como un "marca paraguas" para la marca de la región.

**Palabras Clave:** Marca de destino, destino país, destino regional, valor de marca, imagen, Calidad percibida, reconocimiento, lealtad.

**JEL classification:** M30

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**Brand equity of tourism destinations:  
the influence of country image and regional image**

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## 1. INTRODUCTION

Tourist destinations should be considered products (Yoon and Uysal, 2005; Boo, Busser and Baloglu, 2009) that the destination marketing organizations (DMOs) should adequately manage to attract visitors and build loyalty. To that end, in a global and competitive environment such as the current one, having a strong brand is a good strategy for achieving positive returns, providing the differentiation needed from competitor destinations and gaining competitive advantage (Hanna and Rowley, 2007; Pike, 2009). Despite the interest it has garnered, “place branding” is quite a recent research area (Cai, 2002), and is still considered to be in its infancy (Konecnik, 2006; Pike, Bianchi and Kerr, 2010). Until now, the literature available has been greatly fragmented (Gertner, 2011), and concepts such as “brand loyalty”, “brand equity”, “brand architecture”, which have an extensive background in the marketing literature (Keller, 1993; Aaker, 1996; Aaker and Joachimsthaler, 2000), have rarely been explored in the field of tourism (Dooley and Bowie, 2005; Koecnik, 2006; Pike, 2007; Harish, 2010). Likewise, the measurement of brand performance has been scarcely studied, which is a major gap in the literature given the increasing investment in branding initiatives by DMOs (Pike, 2000; Pike and Bianchi, 2013).

Taking into account its potential, we frame our work within the model of consumer-based brand equity (CBBE), developed by Aaker (1996), and applied in this case to a regional tourist destination. In particular, four dimensions related to perceptions and reactions of consumers to the brands are established: awareness, associations, quality, and loyalty. According to Pike et al. (2010), the application and testing of the CBBE model in the area of tourist destinations needs further work. These authors propose causal relationships among the four dimensions of consumer-based brand equity for a long haul destination in an emerging market. Taking as a basis the model of Pike et al. (2010), we develop it with new relationships and the inclusion of a new variable, the country destination image.

The aim of destination branding should be to stimulate the visit intention, which are indicators of brand loyalty (Pike and Bianchi, 2013). The loyalty is the highest level of the hierarchy (Pike, 2000), so we consider this construct as the main outcome variable and analyze empirically the causal relationships or chain effects existing between the diverse dimensions of CBBE. Furthermore, and taking into account the brand architecture and the hierarchy of destination brands, this paper explores the influence of the image of a country as tourist

destination on the destination image of one of its regions. In particular, we study the case of Spain, a country with a “house of brands” strategy (i.e. each of its regions promotes its own brand) in tourism (Dooley and Bowie, 2005; Harish, 2010).

This research adopts an international scope and focuses on the relationship between country destination image and regional destination image, assuming the existence of a hierarchy of brands between different territorial entities (Cubillo, Sánchez and Cerviño, 2006). Individuals have a different perception of the image of countries, regions and cities (Kapferer, 2000), based on their experiences and information about each territorial entity, but those images and brands are interrelated (Ashworth and Kavaratzis, 2007). In particular, when evaluating a specific foreign destination, tourists may be influenced by their perception of the specific place (region or city) they are visiting or considering visiting, but also by the image of the country as a whole as a tourist destination, especially when the individual has little information about the regional destination.

With this in mind, this research aims to provide two main contributions to the academic literature on destination marketing: 1) to develop, and empirically test, an integrative model that includes the hierarchy of effects between the dimensions of customer-based brand equity in the context of a regional destination; 2) to examine the influence of country destination image on regional destination image as perceived by foreign tourists.

## **2. LITERATURE REVIEW AND RESEARCH HYPOTHESIS**

### **2.1. Customer-based brand equity of a place**

“Place branding” is becoming a focal area for marketers, with a growing number of academic works, particularly in the field of destination and tourism marketing (Kaplan, Yurt, Guneri and Kurtulus, 2010). So far, the topic has been partly covered by studies about destination image (Baloglu and McCleary, 1999; Pike and Ryan, 2004; San Martín and Rodríguez del Bosque, 2008), but place branding is a complex and extensive field of research, and it cannot be limited to destination image studies only (Kaplan et al., 2010). The effectiveness of place brands can be measured by customer-based brand equity -CBBE- (Konecnik, 2006; Konecnik and Gartner, 2007; Pike et al., 2010; Im, Kim, Ellio and Han, 2012), a multidimensional

construct initially proposed by Keller (1993) and Aaker (1996) in the field of goods and services, and now extended to territories.

Despite its potential for tourist destinations, the study of brand equity has only recently attracted the attention of academic researchers (Boo et al., 2009), with relatively few works testing the CBBE model in relation to destination branding (Pike and Bianchi, 2013). According to Aaker (1991), customer-based brand equity can be defined as “a set 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 the firm’s customers”. Among the diverse conceptual typologies of the dimensions of brand equity (see Christodoulides and de Chernatony, 2010 for an extensive review of the literature), the most frequently used is that proposed by Aaker (1996). In particular, this author identifies four dimensions of brand equity that represent consumer perceptions and reactions to the brand: brand awareness (i.e. the ability to recognize or recall that a brand is a member of a product category), brand image (i.e. beliefs and attitudes in relation to the perceived benefits of a brand), brand quality (i.e. judgment of the overall excellence or superiority of a brand relative to the alternatives) and brand loyalty (i.e. the attachment that an individual has to a determined brand). Aaker includes a fifth dimension, the proprietary brand assets, linked to patents, trademarks and good relationships with the distributors, among other issues. Taking into account the special nature of this last construct, we only consider the four dimensions previously cited.

In the context of tourist destinations, brand awareness can be conceived as the presence of a destination in the minds of people when a given travel context is considered; brand image represents the set of associations or impressions attached to the destination, composed of a variety of individual perceptions relating to several attributes of the destination; brand quality is concerned with perceptions about the way in which the destination attempts to meet tourists’ functional needs, a holistic judgment made on the basis of the excellence or overall superiority of the service (Bigné, Sánchez and Sanz, 2005); and brand loyalty, which represents the core dimension of the CBBE concept (Aaker, 1996) and the main source of customer-based brand equity (Keller, 2003), is usually measured in tourism research by intention to return to the tourist destination and willingness to recommend it to other people (Pike, 2007; Chen and Myagmarsuren, 2010; Prayag, 2012). Destination image is therefore central to brand evaluation and brand equity, but other dimensions are also necessary to truly measure customer-based brand equity (Konecnik and Gartner, 2007; Boo et al., 2009).

In general terms, most research on consumer-based brand equity focuses on the measurement of brand equity (Christodoulides and de Chernatony, 2010; Yoo and Donthu, 2001). Other papers examine the influence of the four dimensions of CBBE on the brand equity, as a second order construct (Atilgan et al. 2005), the joint effect of the brand equity dimensions on different result variables, such as consumer preference and purchase intention (Sharma *et al.*, 2013) or consumer price acceptance (Anselmsson *et al.*, 2007), or relationships between specific dimensions, such as perceived quality and loyalty (Bloemer et al. 1999; Fandos y Flavian, 2001; Ladhari et al. 2011), or image and perceived quality (Chien et al. 2014) . However, there is a lack of works that analyze the interrelationships between the different dimensions of consumer-based brand equity applied to tangible products (Saleem et al. 2015) and tourism sector in particular (Pike *et al.*, 2010; Pike and Bianchi, 2013).

## **2.2. Relationships between the dimensions of customer-based brand equity for a regional tourist destination**

Different models of consumer behavior establish that awareness is a first and necessary step to loyalty (Konecnik, 2006), the foundation of the hierarchy of brands (Pike, 2000; Pike et al., 2010) and “the ticket to enter the market” (Pike, 2007). In general, it is accepted that the higher the level of awareness the more dominant is the brand, which will increase the probability of the brand being considered (Yasin, Noor and Mohamad, 2007). According to the associative network model, memory consists of nodes, defined as stored information connected by links that vary in strength (Anderson, 1993; Keller, 1993). A destination brand represents a potential node, to which a variety of associations are linked (Pike et al., 2010). Brand awareness reflects the strength of the brand node in the minds of consumers, so it is to be expected that a greater awareness of a destination will enhance the associations linked to it, both those that comprise the brand image (Bigné, Andreu and Zanfardini, 2013) and perceptions relating to quality (Pike et al., 2010). On the basis of this theoretical approach, we establish the following hypotheses in the context of a regional tourist destination:

*H1: Awareness of the regional destination will have a direct and positive influence on the regional destination image.*

*H2: Awareness of the regional destination will have a direct and positive influence on the perceived quality of the regional destination.*

In research on consumer behavior, it has been widely recognized that perceptions of quality are influenced by the image of the product or service (Bloemer, de Ruyter and Peeters, 1998). More concretely, Lee, Lee, and Wu (2011) establish that perceived quality is influenced by intrinsic cues (e.g. brand features) and other extrinsic cues such as brand image. In tourism, image plays an important role in the evaluations and behavioral intentions of tourists (Lee, Lee and Lee, 2005). In particular, the relationship between image and perceived quality has been confirmed in several works focused on tourist destinations (Bigné, Sánchez and Sánchez, 2001; Bigné et al., 2005; Hankinson, 2005; Chen and Tsai, 2007; Kim, Holland and Han, 2013). The image that tourists form of a destination influences the way they perceive the destination's quality. In particular, given that destination image is formed on the basis of a tourist's perceptions of the destination's resources and attractions, an improved image will reinforce the quality perceived in the destination as a whole. With this in mind, we establish the third hypothesis of this research:

*H3: The regional destination image will have a direct and positive influence on the perceived quality of the regional destination.*

In tourism, quality is very important to destination success because it influences tourist behavior (Kim et al., 2013). In this sense, Baker and Crompton (2000) establish that the primary motivation of tourism providers for investing effort in evaluating and improving their quality of performance is that such improvements will result in increased visitation. Since perceived quality is the evaluation of a destination's offerings made by tourists (Zabkar, Brencic and Dmitrovic, 2010), it is reasonable to propose a positive relationship between perceived quality and loyalty toward the destination. This causal relationship, which is supported by previous studies in tourism (Pike et al., 2010; Zabkar et al., 2010; Jin, Lee and Lee, 2013; Kim et al., 2013; Moon, Kob, Connaughton and Lee, 2013), prompts the fourth hypothesis of this research:

*H4: The perceived quality of the regional destination will have a direct and positive influence on loyalty toward the regional destination.*



### 2.3. Influence of country destination image

The “place” construct may refer to various geographical entities: countries, regions, cities and towns (Hanna and Rowley, 2007). Many studies on place branding concentrate on initiatives in one of these units, adopting a monolithic understanding of space (Syssner, 2009), but we should not forget that cities, regions and nations are interrelated. In this sense, it is interesting to take into account the hierarchies of territories and brand architecture strategy adopted. This theory belongs to conventional branding, and describes a process of managing and designing a portfolio of brands (Kapferer, 2000). Extending the strategies proposed by Aaker and Joachimsthaler (2000) to the context of place branding, Dooley and Bowie (2005) propose the following brand strategies: a branded house (e.g. Egypt), sub-brands (e.g. Scandinavia), endorsed brands (e.g. Western Australia) and a house of brands (e.g. Spain).

Taking into account the context of the present research, we will be studying the case of a “house of brands” strategy, defined as one that includes a portfolio of sub-brands that act independently of each other and the master brand (Kapferer, 2000). In the case of Spain, the country is divided into seventeen autonomous regions, each of which promotes its own destination brand, independently of the master brand (Gilmore, 2002; Dooley and Bowie, 2005). Country and city/regional branding should, however, be a key tool for capturing tourists (Zhang and Zhao, 2009; Zenker et al., 2013) and these territories or dimensions should act jointly, at least in the consumer mind.

It is necessary to emphasize that, taking into account the perceptions of individuals, country image acts as an umbrella brand-image, and it can be expected that country image influences the image of the cities or regions located in that country (Cubillo et al., 2006). In this sense, there is a hierarchy between both territory brands, which is derived from the physical dimensions and the notoriety of the different geographical units. People will have more concrete beliefs about countries, while their beliefs about regions or cities are usually less clear (Ashworth and Kavaratzis, 2007). Thus, country image will affect perceptions of the cities or regions located in those countries (Cubillo et al., 2006).

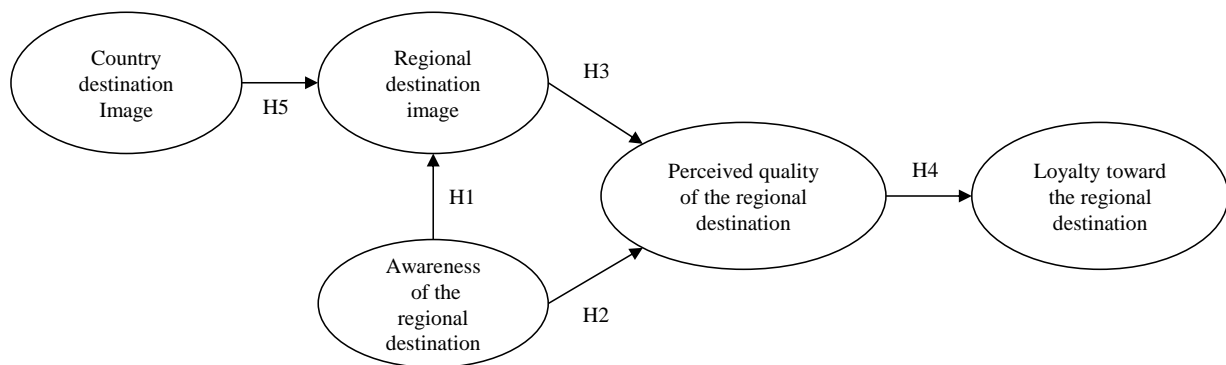
Most papers related to the influence of country image are focused on the evaluation of products or services (Javalgi, Cutler and Winans, 2001; Ahmed, Johnson, Ling, Fang and Hui, 2002; Yasin et al., 2007). They show that country image, considered as the sum of beliefs,

ideas and impressions that people have about a country (Kotler, Haider and Rein., 1993), has a great impact on consumer evaluations. This way, country image includes stereotypes and perceptions about the country that, above all when consumers are unfamiliar with the product, are commonly used as short-cuts for information processing and consumer decision heuristics (Kotler and Gertner, 2002), and serve as a "halo effect", through which consumers infer product attributes (Han, 1989; Ahmed et al., 2002). Along the same lines we postulate that, in the tourism field, the image of the country as tourist destination will influence the regional destination image, a theoretical relationship posited by Cubillo et al. (2006) but not proven empirically. Therefore, the fifth hypothesis is:

*H5: The country destination image will have a direct and positive influence on the regional destination image.*

The hypotheses established above give place to the research model represented in Figure 1.

**Figure 1: Theoretical model**



### 3. METHODOLOGY

#### 3.1. Questionnaire design

Quantitative research was carried out to test the hypotheses. Data was collected using a personal questionnaire that included the following main questions: 1) the image of Spain as tourist destination (Spain is one of the most important countries in the tourism industry in the world); 2) the dimensions of brand equity for Cantabria as tourist destination (Cantabria is a region in the north of Spain with several international tourist attractions such as Altamira Caves or Cabárceno Park); and 3) the socio-demographic characteristics of respondents. In particular, the variables of the model were all measured using multi-attributes instruments

(ten-point Likert scales) adapted from previous works, in order to assure content validity (see appendix). Destination awareness was measured with three items, taking the work of Boo et al. (2009) and Pike et al. (2010) as a basis; the scale used to measure destination image was adapted from San Martín and Rodríguez del Bosque (2008); perceived quality was measured by a scale adapted from Boo et al. (2009); and the scale of loyalty was derived from Konecnik and Gartner (2007), Boo et al. (2009) and Pike et al. (2010).

### 3.2. Sampling procedure and sample description

The target population of the quantitative research was international tourists aged 18 or more in Spain. The selection of this country for the research is justified by its relevance as a tourism destination, as it was the third destination worldwide in terms of international tourists' arrivals in 2013 and 2014, according to the World Tourism Organization (UNWTO, 2014; 2015). The quota method (i.e. a non-probabilistic procedure) was used to select the sample in this research. More concretely, the characteristics of the population under investigation with regard to gender and age (information provided by the Spanish Institute of Tourism Studies) were used as a reference to select the respondents (Table 1). Data collection was conducted through a personal survey of international tourists visiting Cantabria (Spain) during the summer of 2013. Tourists were contacted in the international airport and at several international tourist attractions. A total of 253 valid responses were obtained (several socio-demographic characteristics of the sample are indicated in Tables 1 and 2). Particularly, the dominant profile of respondents is male, aged 25 to 44 years, university level and employed. In addition, the main country of origin of the tourists is United Kingdom.

**Table 1: Population vs. Sample**

<b>Gender</b>	<b>Population (%)</b>	<b>Sample (%)</b>
Male	52.0	52.6
Female	48.0	47.4
<b>Age</b>	<b>Population (%)</b>	<b>Sample (%)</b>
15-24 years	12.6	13.8
25-44 years	44.2	44.7
45-64 years	33.7	33.2
64 or more years	9.5	8.3

**Table 2: Socio-demographic characteristics of respondents**

<b>Education level</b>	<b>%</b>	<b>Country of origin</b>	<b>%</b>
Less than primary	3.6	United Kingdom	23.3
Primary	6.0	Germany	15.0
Secondary	21.5	Ireland	14.6
University	68.9	Netherlands	9.1
<b>Occupation</b>	<b>%</b>	<b>France</b>	<b>6.7</b>
Worker	65.1	Italy	5.1
Student	17.5	Belgium	3.6
Housewife	5.2	United States	2.8
Unemployed/retired	12.2	Other countries	19.8

#### 4. RESULTS

In order to test the research model, a Structural Equations Model (SEM) approach is used. This statistical method allows the estimation of causal interrelations between latent factors measured with multi-item scales. Therefore, it is especially appropriate to study psychological variables that are not directly observable, as is the case in this research. In particular, SEM approach require the development of two levels of analysis: First, Confirmatory Factor Analysis (CFA) is carried out to confirm the psychometric properties (reliability, convergent validity and discriminant validity) of the measurement scales (measurement model), and then structural model is estimated to test the causal interrelations established in the theoretical model. In this research, the measurement model and the structural model are estimated through the Maximum Likelihood Robust method, using EQS 6.1 computer program.

##### 4.1. Confirmatory Factor Analysis and psychometric properties of the scales

Regarding the Confirmatory Factor Analysis, the results obtained for the goodness-of-fit indexes show a correct specification of the measurement model. In particular, there are three main classes of fit criteria: measures of absolute fit, measures of incremental fit and measures of parsimonious fit (Hair et al., 2010). In this case, we use the statistics given by EQS 6.1, widely used in SEM literature (Byrne 1994, Hair et al., 2010): Bentler-Bonett Not Normed Fit Index (BBNNFI) and Root Mean Square Error of Approximation (RMSEA) for the measurement of overall model fit, Incremental Fit Index (IFI) and Comparative Fit Index (CFI) as measure of incremental fit, and Normed  $\chi^2$  for the measurement of parsimony of the model. More concretely, the results summarized in table 3 confirm that BBNNFI, IFI and CFI

statistics are very close to the recommended minimum value of 0.9, while the RMSEA is located below the maximum limit of 0.08 (Hair et al., 2010).

**Table 3: Confirmatory factor analysis**

Factor	Variable	Standard Coefficient	R <sup>2</sup>	Cronbach's $\alpha$	Composite Reliability	Goodness of fit indices
Loyalty toward the regional destination	BELOY1	0.634	0.401	0.834	0.870	Normed $\chi^2 = 2.02$ BBNNFI = 0.88 IFI = 0.90 CFI = 0.90 RMSEA = 0.06
	BELOY2	0.926	0.858			
	BELOY3	0.911	0.829			
Perceived quality of the regional destination	BEQua1	0.736	0.541	0.829	0.832	
	BEQua2	0.828	0.685			
	BEQua3	0.803	0.645			
Awareness of the regional destination	BEAwa1	0.833	0.694	0.910	0.912	
	BEAwa2	0.894	0.798			
	BEAwa3	0.912	0.831			
Region's destination image	DICan1	0.420	0.176	0.703	0.716	
	DICan2	0.467	0.219			
	DICan3	0.698	0.488			
	DICan4	0.633	0.400			
	DICan5	0.564	0.319			
	DICan6	0.465	0.216			
Country's destination image	DISpa1	0.629	0.396	0.836	0.836	
	DISpa2	0.733	0.537			
	DISpa3	0.763	0.582			
	DISpa4	0.668	0.446			
	DISpa5	0.672	0.452			
	DISpa6	0.599	0.359			

Convergent and discriminant validity are tested through the procedures proposed by Steenkamp and Van Trijp (1991) and Anderson and Gerbing (1988). Convergent validity refers to the degree to which the instruments used to measure a latent factor are correlated among them (Hair et al., 2010). According to Steenkamp and Van Trijp (1991), convergent validity of a measurement scale is confirmed if all items are significant to a confidence level of 95% and their standardized lambda coefficients are higher than 0.5. The estimation of the measurement model (CFA) shows that the lambda coefficients for some items of regional destination image are slightly lower than 0.5 (Table 3). However, given that the coefficients are quite close to the minimum value recommended, we have decided to maintain those items to guarantee the content validity of the scale (i.e. the omission of natural environment and cultural heritage from the scale would pervert the value of the instrument to measure destination image) and the homogeneity of the scales for the measurement of country destination image and regional destination image.

Discriminant validity refers to the degree to which two latent factors are different despite of being correlated among them (Hair et al., 2010). According to Anderson and Gerbing (1988) discriminant validity is confirmed if the confidence interval for the correlation between latent factors does not contain value 1 (maximum correlation). The results summarized in table 4 confirm the discriminant validity of all the measurement scales.

**Table 4: Confidence intervals for the correlations between pairs of latent variables**

	Loyalty	Perceived quality	Awareness	Region´s destination image
Perceived quality	0.540 <sup>a</sup> (0.408 ; 0.672) <sup>b</sup>			
Awareness	0.086 (-0.050 ; 0.222)	0.373 (0.241 ; 0.505)		
Region´s destination image	0.419 (0.273 ; 0.565)	0.638 (0.508 ; 0.768)	0.275 (0.109 ; 0.441)	
Country´s destination image	0.359 (0.217 ; 0.501)	0.565 (0.431 ; 0.699)	0.153 (-0.013 ; 0.319)	0.673 (0.545 ; 0.801)

<sup>a</sup> Correlation among variables; <sup>b</sup> Confidence interval for high correlations

In addition, the reliability of measurement scales is evaluated by calculating the Cronbach's  $\alpha$ , and Composite Reliability coefficients (Bagozzi and Yi 1988). The values of these statistics (summarized in table 3) are, in every case, above the required minimum values of 0.7 (Hair et al., 2010). Therefore, inner reliability of the proposed constructs is supported.

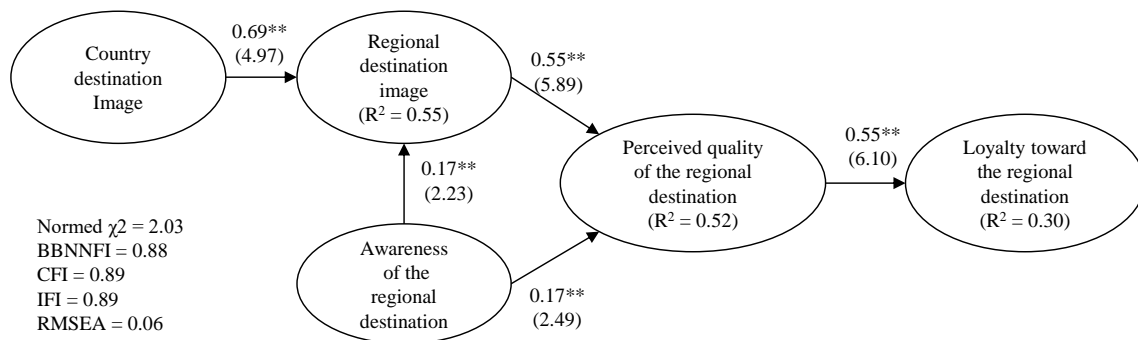
#### 4.2. Estimation of the causal model

Once the psychometric properties of the scales were confirmed, the research model was estimated following an SEM approach, to test the research hypotheses (Figure 2). The analyses were run using a robust maximum-likelihood estimation procedure in order to avoid problems of non-normality with the data. The goodness-of-fit indexes obtained were within the recommended intervals, thus confirming that the research model adequately fits to the data. All causal relationships between variables were found to be statistically significant and in the direction postulated in this study.

Loyalty towards the regional tourist destination was positively influenced by the perceived quality of the destination, which in turn was directly influenced by image and awareness. Accordingly, the better the image and awareness attributed by tourists to the regional

destination, the better its perceived quality will be and, therefore, tourists will be more loyal to that destination in terms of intention to return and willingness to recommend it to other people. The regional destination image was significantly influenced by the country destination image. In consequence, country destination acts as an “umbrella brand” that contributes to forming the image of regional destinations in the tourist’s mind.

**Figure 2: Estimation of the causal model**



Moreover, for all the dependent variables included in the research model, the variance explained is above the minimum recommended values (Hair et al., 2010), which supports the validity of the model proposed to explain the phenomenon under study.

## 5. CONCLUSIONS

The present paper examines the causal relationships or chain effects existing between the dimensions of the customer-based brand equity for a regional tourist destination, considering the loyalty of international tourists as the main outcome variable for explanation in the theoretical model. Moreover, the paper adopts an international tourism approach and takes into account the hierarchy of destination brands, analyzing the influence of country destination image on the regional destination image, in the context of a country with a “house of brands” strategy for tourism.

With regard to the hierarchy of effects between customer-based brand equity, the empirical evidence obtained from a sample of 253 international tourists visiting a regional destination supports the theory that loyalty towards the destination is positively influenced by the perceived quality of the destination, which in turn is directly influenced by the image and awareness of the destination. Accordingly, the influence of the awareness and image of a destination on the intentions of tourists to return and to recommend the destination is

mediated by the perceived quality. In this sense, destination image (in terms of perceptions of tourist attractions) is the main determinant of perceived quality of the tourist destination, exerting an indirect effect on tourist loyalty. Moreover, the results obtained show that more recognizable or renowned destinations will be perceived as being of higher quality, which intuitively shows that tourists use the destination's "fame" as a signal of its quality. This way, awareness indirectly influences tourist loyalty towards the destination.

This research also considers the hierarchy of destination brands and examines the influence that the country destination image exerts on the regional destination image. Empirical evidence obtained supports for the idea that the perceptions of international tourists of a regional destination are positively influenced by their perceptions of the country destination where the region is located. The country's brand therefore acts as an "umbrella brand" for the region's brand.

### **5.1. Managerial implications**

These results have implications for the management of regional destinations, and especially for the attraction and loyalty of international tourists. Regional DMOs should focus marketing efforts on fostering destination brand awareness for international tourists, with a strong stress on communication and promotion campaigns. Higher renown for a destination will thus be associated with higher perceptions of quality, which will lead to stronger intentions of return and willingness to recommend it to other people. Promotion and communication campaigns should also be designed to build a destination image (brand associations) based on the main resources of the destination demanded by tourists, and in which the destination has competitive advantages.

The design of promotion and communication campaigns should be based on a market-orientation approach, both with regard to the identification of relevant countries for tourist attraction, and to market segmentation in each country of origin. In particular, small and specialized regional destinations (such as Cantabria), with limited resources for brand promotion, should focus on a few nearby countries to be efficient in the generation of brand awareness. Reaching the group of tourists interested in the main attractions of the destination is fundamental for success in the creation of an international brand image, and this requires in-depth analysis of the characteristics and preferences of tourists in each country of origin.



Regional destinations should therefore identify those countries nearby where are more valued by potential tourists, target the tourists most suited for the destination, and design communication campaigns focused on those tourist attractions in which the regional destination is able to add value to the target groups.

Given the close relationship between country and regional brands, regional DMOs should try to take advantage of the country destination image to reinforce the regional brand. This is particularly recommended in the case of regions that are not very renowned as tourist destinations, but that are located in countries with a well-known tourism brand, as is the case of Cantabria and Spain. Linking a regional destination to a country destination would help to international tourists better understand and evaluate such a destination, which would lead to a better brand image. This is especially recommendable if both, country and region, have valuable attributes in common (for example, resources such as beaches, cultural heritage and gastronomy in the case of Cantabria and Spain). International tourists with less knowledge of a regional destination may therefore have a better perception of that destination if they associate it with the country destination.

If it is possible to undertake a coordinated or even joint promotion of the country and region brands, this could have an impact on building the regional destination brand, which in turn would strengthen the national touristic demand. Coordinated promotion campaigns can offer different values for both the country and the regional destination. Joint promotion campaigns also allow the cost to be shared between the country and the regions, which suggests either a cheaper investment to reach the targeted international markets or a stronger impact with the same promotional budget. From the country perspective, the coordination of promotional campaigns allows the projection of a more diverse image of the country, therefore showing a more varied and valuable offer for international tourists, which could foster longer stays for tourists to visit more places, or the creation of circuits complementary to the standard tourism model (sun and beaches in the case of Spain).

From the point of view of regional destinations, coordinated promotion campaigns could serve to build new trans-regional destination images within the country, by linking the tourism offer of a region with the offer of other regions which have common or complementary attributes (for example, natural resources as mountains or forests, cultural

resources as castles, Romanic or Modernist buildings, local products such as wine or olive oil, or gastronomy such as “tapas” in the north of Spain or “paella” on the Mediterranean shore).

## **5.2. Limitations and future research lines**

Finally, it is important to highlight that, despite the rigorous methodology used in the empirical research, this study has several limitations. The fact that this research focuses on specific regional and country destinations (Cantabria and Spain, respectively) could limit the generalization of the results. It would be very interesting to replicate the study in other countries and regions with different degrees of similarity between the brands in tourism. Spain should be a relevant benchmark for the understanding of the relationship between regional destination image and country destination image, as it is one of the major tourist destinations in the world. Another limitation of this study is related to the composition of the sample in terms of nationality of the tourists (our sample was formed mainly of tourists from countries in Europe). It would be very interesting to develop similar studies examining tourists from countries with very different preferences and cultures.

Finally, it would be interesting to analyze other explanatory or mediating variables which may influence the effect of country destination image on regional destination image. For example, it would be possible that this effect is mediated by the tourist's familiarity with the country (Balabanis, Mueller and Melewar, 2002) given that if individuals have a deeper knowledge of a country than of the region they will rely more on their images of the country destination to evaluate the local destination.

## APPENDIX: MEASUREMENT SCALES

**Destination image** (for the country and the region) (San Martín and Rodríguez del Bosque, 2008)

*Natural environment (landscape, beaches, natural parks, ...)*

*Cultural heritage (monuments, museums, folklore, ...)*

*Tourist infrastructure (accommodation, restaurants, shopping, ...)*

*Leisure and recreation activities (sport, adventure, ...)*

*Local cuisine*

*Hospitality*

**Awareness of the regional destination** (Boo et al., 2009; Pike et al., 2010)

*Cantabria is a clearly recognizable tourist destination*

*Cantabria is a famous tourist destination*

*Cantabria is a well-known tourist destination*

**Perceived quality of the regional destination** (Boo et al., 2009)

*Tourist resources in Cantabria are attractive*

*Tourist products and services in Cantabria are excellent*

*Cantabria is a quality tourist destination*

**Loyalty toward the regional destination** (Konecnik and Gartner, 2007; Boo et al., 2009; and Pike et al., 2010)

*I will try to come back to Cantabria*

*I will encourage my family and friends to visit Cantabria*

*I would recommend Cantabria if someone asked me*

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