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The Moderating Effect of Familiarity on the Structural Model of Country and Destination Image

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ABSTRACT

This research extends knowledge of how country image influences destination image. Building on Han's (1989) halo effect model (when consumers are unfamiliar with the product, country image tends to influence product evaluation through product belief) and summary cue model (when consumers are familiar with the product, country image tends to have direct effects on product evaluation), this research examines the moderating effects of familiarity on the structural model of country and destination image. The results indicate that summary cue model is better fitted under both conditions, which highlights the importance of country image as national stereotypes on destination image.

Keywords: *destination image, country image, familiarity, moderating effect.*

INTRODUCTION

Tourism is now a global phenomenon. From the demand side, the rapid flows of tourists moving from place to place have been witnessed since the 1990s (Urry, 2002). From the supply side, many countries have identified tourism as an important source of national income and strived to increase the number and spending of inbound tourists (Vu & Turner, 2009). In other words, many nations are selling their tourism products in the global market. However, the demand and the supply in the market are surging at the same time. Therefore, many nations face the challenge of competition.

Adding to the challenge of selling the tourism product in foreign countries is that the tourism product cannot be seen, touched, and sampled before actual visitation (Mak, 2003). Therefore, one of the main tasks of destination marketing is to establish positive and salient images in that potential tourists heavily rely on their images of alternative destinations in the destination-choice process (Echtern & Ritchie, 1993; Prentice, 2006; Um & Crompton, 1990).

Given the unique characteristic of the tourism product, tourism researchers have paid significant attention to the concept of destination image (Gallarza, Saura & García, 2002), while little research put this concept in the context of global tourism. One exception is Nadeau, Heslop, O'Reilly, and Luk's (2008) work that proved the positive effect of country of origin image (COI) on destination image. Actually, marketing researchers have frequently examined the effect of COI on product image (Knight & Calantone, 2000), which also referred to as product-country image (PCI) (Roth & Diamantopoulos, 2009). In PCI research, COI and product image are defined as two distinct concepts, and proved to be related to each other (Roth & Diamantopoulos, 2009). Therefore, the implication of PCI research is that negative country image can impose significant barriers for in the marketing of products from

that country; alternatively, positive country image can be advantageous for marketers (Knight & Calantone, 2000; Roth & Diamantopoulos, 2009).

This research extends knowledge of the COI effect on destination image, or destination-country image (DCI), by proposing that familiarity should have the moderating effect on DCI. This proposition is built on the research of Han (1989), who attempted to explain the COI effect on product image through halo effect and summary cue models. These two models suggest that consumers tend to use COI more as a halo when they are unfamiliar with the product, and more as a summary cue when they are familiar with product (Laroche, Papadopoulos, Heslop, & Mourali, 2005). Therefore, the cognitive processing that occurs during COI-based destination evaluations might be different under familiar and unfamiliar conditions (Knight & Calantone, 2000).

Given the twin trends of tourism product and market globalization, it is necessary to further understand the cognitive processing that occurs during the COI-based destination evaluations. Therefore, the main purposes of this study are as follows: (1) examine the effect of COI on destination image, and (2) examine the moderating effect of familiarity on COI-based destination evaluations.

METHODS

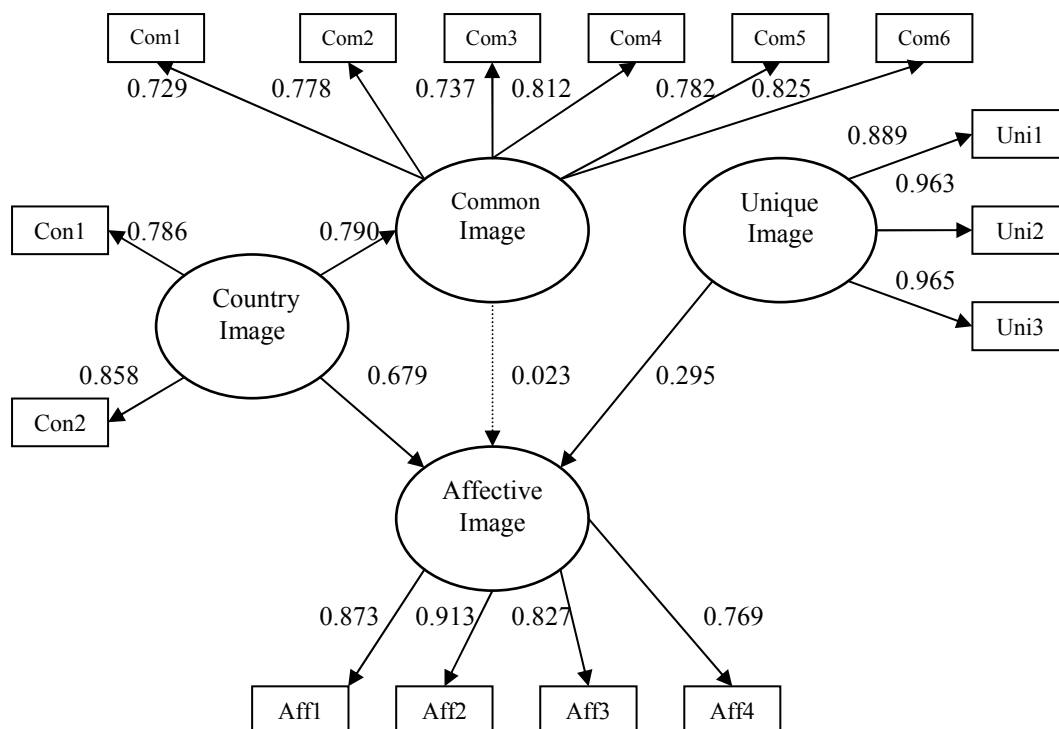
The theoretical model is shown in figure 1. There are four constructs in the model, including country of origin image and unique image as exogenous variables, and common images and affective image as endogenous variables. It is proposed that country image has direct effects on common image and affective image, common image has direct effects on affective image, unique image has direct effects on affective image, and familiarity has moderating effects on the influence of country image structure on destination image. There, this research was designed to measure the COI, common image, unique image, and affective image of China as perceived by the residents in Taiwan. Scales in previous research were adopted to measure COI (Nedeau et al., 2008), common image (Chen, 2008), and affective image (Baloglu & Brinberg, 1997). However, items measuring unique image were generated from the results of in-depth interview. The in-depth interview was conducted to elicit the unique attributes of China as a tourist destination in the minds of the residents in Taiwan. A total of 25 interviews were completed. The results were analyzed by content analysis (Weber, 1990) and the most frequently mentioned attributes were adopted.

The research data were collected in Taiwan from August 1, 2009 to November 15, 2009. This study used the method of quota sampling for data collection. Considering for the requirement for the SEM model and available resources, the sample size was set up to 700. The sampling frame contains 175 respondents in each of four areas in Taiwan, including the North, South, Central, and East Taiwan. In each area, it was planned to balance two variables - ethnicity and birth year - because these two variables are proved to be related to national identity as well as attitudes toward China (Hsieh & Niou, 2005). As a result, a total of 669 questionnaires were completed.

Data were analyzed using LISREL, following the usual procedure of two-stage analysis (Chu, 2008; Gross & Brown, 2008; Pennington-Gray & Kerstetter, 2002): (1) using the exploratory factor analysis (EFA) to eliminate unreliable and irrelevant variables, and (2) using the confirmatory factor analysis (CFA) to test the path structure. In the first stage, an EFA with principal axis factoring method was used. The criteria for deleting items were cross-loadings higher than 0.4, communities

lower than 0.5, and factor loadings lower than 0.5. As a result, the items measuring the people component of COI were reduced from 9 to 7 (Cronbach' s $\alpha = 0.944$). Some items measuring the place component of COI were reduced from 8 to 5 (Cronbach' s $\alpha = 0.912$). The items for measuring common and unique image were also eliminated. The final common image scale has 7 items (Cronbach' s $\alpha = 0.05$) and unique image scale has 3 items (Cronbach' s $\alpha = 0.935$). This study adopted maximum likelihood as the estimation method in all structural analyses. Root mean square error of approximation (RMSEA), normed fit index (NFI), and comparative fit index (CFI) were adopted as multiple model fit criteria (Byrne, 1998). The cutoff points for RMSEA, NFI, and CFI were 0.08, 0.95, and 0.95, respectively.

Figure 1
Modified Structural Model with Estimated Path Coefficients



Note: Con1: people; Con1: place; Com1: infrastructure; Com2: facilities; Com3: transportation; Com4: accommodation; Com5: food; Com6: service; Uni1: scenery; Uni2: culture; Uni3: history; Aff1: pleasant; aff2: arousing; aff3: exciting; aff4: relaxing.

FINDINGS

The fit indices of models tested in the research were shown in table 1. The baseline model included the respondents in the familiar group and the unfamiliar group (n=460). The overall fit indices for the baseline model, high familiarity model, and low familiarity model were generally good. Although the RMSEA for three models was marginal (0.0831, 0.0848, and 0.979, respectively), the NFI and CFI for all models were higher than 0.950.

This research was designed to investigate the effect of COI on destination image. The authors first examined the path coefficients of the baseline model. As shown in table 2 and figure 2, three paths were significant at the 0.05 levels, including

the direct effect of COI on common image ($\beta=0.790$, $t=11.390$), the direct effect of COI on affective image ($\beta=0.679$, $t=11.278$), and the direct effect of unique image on affective image ($\beta=0.295$, $t=5.800$). However, the direct of common image on affective image was not significant.

Then, the path coefficients of the comparison models were examined. As shown in Table 3, all direct effects were also significant in the high familiarity model, except that the direct effect of common image on affective image was insignificant. Similarly, in the low familiarity mode, the same three effects were significant while the effect of common image on affective image was not significant.

According to the data presented above, COI had significant effects on common image and affective image, and unique image also had significant effect on affective image. However, the effect of common image on affective image was not significant.

Table 1
Goodness-of-fit Indices of Models Tested

<i>Model</i>	χ^2	<i>Df</i>	$\Delta\chi^2$	Δdf	<i>RMSEA</i>	<i>NFI</i>	<i>CFI</i>
Baseline	369.014	85			0.0831	0.971	0.978
Group1-high	218.438	85			0.0848	0.960	0.975
Group2-low	319.818	85			0.0979	0.955	0.960
H1 Form	538.257	170			0.0929	0.958	0.971
H2 Invariant structure	545.125	174	6.868	4	0.0922	0.958	0.971

Table 2
Path Coefficients for the Baseline Model

<i>Path</i>	<i>B</i>	<i>SE B</i>	<i>B</i>	<i>T</i>	<i>R</i> ²
Country→Common	1.287	0.113	0.790	11.390	0.624
Country→Affective	1.089	0.097	0.679	11.278	0.548
Common→Affective	0.028	0.092	0.023	0.304 n.s.	
Unique→Affective	0.458	0.079	0.295	5.800	

Note: All coefficients were significant at the 0.05 level unless indicated n.s.

Table 3
Path Coefficients for the Comparison Models

<i>Path</i>	<i>Familiarity</i>	
	<i>High</i>	<i>Low</i>
COI → Common	0.741	0.813
COI → Affective	0.737	0.654
Common → Affective	-0.065 n.s.	0.043 n.s.
Unique → Affective	0.432	0.251

Note: All coefficients were significant at the 0.05 level unless indicated n.s.

This research also examined whether the influence of COI structure on destination image vary under high and low familiarity conditions. It is proposed that

potential tourists should tend to rely on country image for destination evaluation if they are familiar with the destination (summary cue model), and tends to rely on cognitive image if they are unfamiliar with the destination (halo effect model). As shown in table 1, the test for structural patterns (beta matrices) between the high familiarity model and the low familiarity model indicated no significant difference. Similarly, the results in table 2 also showed no difference between two models. As a whole, all respondents more relied on COI for destination evaluations, which indicated that the summary cue model is more appropriately fitted into the research data regardless of consumers' destination familiarity.

FINDINGS

This research examined the concept of destination image in the context of global tourism. Given that destinations are competing with each other at the national level, this research attempted to investigate the effect of COI on destination image, and further investigate the moderating effect of destination familiarity on COI-based destination evaluation. As argued by Han (1986, 1989), under familiar conditions COI acts as the summary cue, having the direct effect on product evaluation, and under unfamiliar conditions COI acts as the halo, having the indirect effect on product evaluation through product belief.

The results proved the importance of COI. First, COI had significant effects on destination image; both of the direct effects of COI on common image and affective image were significant. Second, the research respondents relied more on COI than on common image for destination evaluation regardless of their familiarity with the destination.

Given the importance of COI on destination image, negative country image can impose significant barriers for in the marketing of products from that country; alternatively, positive country image can be advantageous for marketers. Furthermore, the information being exposed to potential tourists should include something related to tourist-experience as well something related to the country as a whole.

The results also showed that the moderating effects of familiarity were not significant. The summary cue model is more appropriately fitted into the study data. The results were different from those in the marketing research. Previous research testing the moderating effect of familiarity on PCI indicated that the halo effect model is more applicable (Laroche et al., 2005; Knight & Calantone, 2000). This difference highlights the significance of country stereotypes on perceptions of destinations in that country. Therefore, it is of interest to further investigate this topic.

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