

Australia's Brand Equity as a Tourism Destination for Latin American Consumers

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Abstract

Scant research has examined the measurement of destination branding performance. This paper reports the results of an investigation of brand equity for Australia as a long haul destination in a Latin American market. A model of consumer-based brand equity (CBBE) was adapted from the marketing literature and tested with data from a large Chilean sample of tourists, comprising a mix of previous visitors and non-visitors to Australia. The research took place at the launch of the nation's new international brand campaign. The results indicate that Australia is a well known but not compelling destination brand for participants, which reflects the lower priority the South American market has been given by the Australian national tourism office (NTO).

Keywords: destination branding, consumer-based brand equity, Australia, Latin America, Chile.

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Introduction

During 2006, Tourism Australia launched a new destination brand positioning campaign, which was the third since 2002. The new positioning theme, *Where the bloody hell are you?*, proved controversial in Australia and overseas. By 2008, the initiative had been acknowledged as a failure by both the Minister of Tourism and Prime Minister Kevin Rudd, who described it as a 'rolled gold disaster' (Russell, 2008, p.13). As a result, a new destination branding strategy for Australia was launched in October 2008.

While much progress has been made in the field of destination branding (e.g., Blain, Levy and Ritchie, 2005), there has been little research that examines the performance of destination brand campaigns (e.g., Prosser, 2003). This is an important area of research given the increasing level of investment by destination marketing organisations (DMO), in branding initiatives (Morgan, Pritchard and Pride, 2002), and the long-term nature of repositioning a destination's image in the market place (see Gartner and Hunt, 1987).

The concept of consumer-based brand equity (CBBE) proposed by Aaker (1991, 1996) and Keller (1993, 2003), offers destination marketers a potential performance measure of the extent to which the brand identity has been successfully positioned in the market. Thus, the aim of this study was to use a consumer-based brand equity (CBBE) framework to examine brand equity for Australia as a long haul destination in a Latin American market at the start of a new brand campaign. The proposed CBBE model features four dimensions which represent latent variables: brand salience, brand image, brand quality, and brand loyalty.

Literature Review

Blain, Levy and Ritchie (2005) define *destination branding* as 'the set of marketing activities that (1) support the creation of a name, symbol, logo, word mark or other graphic that readily identifies and differentiates a destination; (2) consistently convey the expectation of a memorable travel experience that is uniquely associated with the destination; (3) serve to consolidate and reinforce the emotional connection between the visitor and the destination; and (4) reduce consumer search costs and perceived risk' (p.337). The field of destination branding is among the most popular topics in the tourism literature (Chon, 1990; Gallarza, Saura and Garcia, 2002; Pike, 2002, 2007a). Nevertheless, the earliest studies of destination branding were conducted in 1998 (Dosen, Vranesevic and Prebezac, 1998; Pritchard and Morgan, 1998), and therefore this field of study is still in a formative stage. One of the topics that requires further investigation is the measurement of destination brand effectiveness. This topic is particularly critical for strategies involving repositioning, such as the case of Australia, since image change for a destination takes place slowly over a long period of time (Gartner and Hunt, 1987).

The concept of consumer-based brand equity (CBBE), offers potential value for brand effectiveness measurement (Aaker, 1991, 1996; Keller, 1993, 2003). Brand equity represents perceptions and attitudes held by consumers regarding a brand. Perceptions are a function of organic sources, such as visitation and word-of-mouth recommendations from others, and induced sources, such as brand positioning by the DMO and activities held by intermediaries (Gartner, 1993; Gunn, 1988). CBBE provides an alternative to the financial accounting perspective, which views brand equity as a balance sheet intangible asset (Simon and Sullivan,

1993). Thus, the development of CBBE represents a shift from thinking about brand equity as an intangible financial asset on a firm's balance sheet and provides a framework for marketers to assess the effectiveness of past marketing efforts on branding. To date, however, few destination studies have reported applications of the CBBE model (Boo, Busser and Baloglu, 2009; Konecnik and Gartner, 2007).

CBBE features four dimensions: brand salience, brand image, brand quality, brand loyalty. *Brand salience* represents the strength of awareness of the destination for a given travel situation. It is the foundation of the hierarchy because it is the strength of the destination's presence in the mind of the target when a given travel context is considered. The aim is not to achieve general awareness per se, but to be remembered for the reasons intended (Aaker, 1996). It is important for destinations to achieve decision set inclusion, since a consumer will have varying degrees of awareness of a multitude of destinations. *Brand image* represents the perceptions attached to the destination. It is anything linked in memory to a brand (Aaker, 1991), as proposed in the associative network memory model, in which memory consists of nodes and links (Anderson, 1983). A destination brand represents a potential node to which a number of associations with other node concepts are linked. Following Boo *et al.* (2009), this study limits destination image to social and self image. *Brand quality* is defined as 'the perception of the overall quality or superiority of a brand relative to relevant alternatives, and with respect to its intended purpose' (Keller, 2003, p.238). It is concerned with perceptions of the quality of a destination's infrastructure, hospitality service, and amenities such as accommodation. *Brand loyalty* has been succinctly defined as 'the attachment that a customer has to a brand' (Aaker, 1991, p.39). It represents the level of attachment to the destination in terms of visitation, intent to visit, and word-of-mouth referrals to others. Loyalty is both attitudinal, in terms of intent to purchase, and behavioural, through word-of-mouth referrals and repeat purchase.

There have been few applications that test the CBBE model in relation to destination branding. Examples in the wider tourism marketing literature have to date been limited to conference attendee brand equity (Lee and Back, 2008) and hotel brand equity (Cobb-Walgren, Beal and Donthu, 1995; Kayaman and Arasli, 2007; Kim, Jin-Sun and Kim, 2008; Kim, Kim and An, 2003). The first destination CBBE studies investigated Croatian-based brand equity for Slovenia (Konecnik and Gartner, 2007), short break destination brand equity for an emerging destination (Pike, 2007b), and CBBE for Las Vegas and Atlantic City in the context of gambling destinations (Boo *et al.*, 2009). Thus, the aim of this study was to extend this area of research and apply the CBBE model to evaluate the brand equity of Australia in a long haul destination Latin American market.

Methodology

The research took place during November 2008. The sampling frame was developed from a database of faculty and alumni from a Chilean university who had international travel experience. An online survey instrument was developed and sent during November 2008 to a sample of 6000 people. The evaluation of brand equity for Australia using a sample from an emerging long haul market such as Chile is valuable due to the recent free-trade agreement between both countries (Fraser, 2009). In addition, Qantas launched a new Santiago/Sydney air service in October 2008. Although Latin America was not one of Tourism Australia's 23 key target markets at the time, the NTO also supports over 40 travel agents in South America who are part of the Spanish language 'El Aussie Specialist' program (Australia.com, 2009). Tourism

Australia has also participated in *Feria Internacional De Turismo* in Argentina, which attracts up to 70,000 trade and consumer visitors from Chile, Brazil, Uruguay, and Argentina.

The questionnaire was first developed in English, then translated into Spanish by one of the researchers, and then back-translated by a colleague in Chile. The instrument was further pre-tested with a convenience sample of five Chilean visitors in Australia, which resulted in minor changes to the wording of some questions. The first page contained two filter questions asking participants if they had visited another country in the past five years and their likelihood of taking an international vacation during the next 12 months. Further, two top-of-mind unaided awareness questions were asked to identify the size and composition of the participant's decision set. No mention of Australia was made on this opening page. The second page asked participants to indicate if they had previously visited Australia and to evaluate Australia on the CBBE scale (see Table 3) using a seven-point scale anchored at 'very strongly disagree' (1) to 'very strongly agree' (7). Brand salience was measured with a four-item scale following Boo *et al.* (2009) and Konecknic and Gartner (2007). Brand quality was measured by a four-item scale based on Konecknic and Gartner (2007). Brand image and brand loyalty were both measured using four-item scales based on Boo *et al.* (2009), Konecknic and Gartner (2007), and Chi and Qu (2008). The final page contained demographic questions as well as an open-ended question asking respondents what appeals to them in a holiday destination.

Results and Data Analysis

A total of 845 surveys were received, but 10 responses were removed due to high levels of missing data. The characteristics of the respondents are described in Table 1. The sample is comprised of 76% male respondents and 23.5% female respondents. The larger number of male respondents is due to the composition of the faculty and alumni database. While the characteristics do not enable the data to be generalised to the wider Chilean population, a purposeful sample of residents with international travel experience was achieved. A total of 117 participants (14%) had previously visited Australia; thus, the data provided an opportunity to examine perceptions of visitors as well as non-visitors to Australia. We suggest that the sample is suitable for assessing destination brand equity given that 758 participants (91%) had taken a holiday in another country during the previous five years. The mean likelihood of participants taking a holiday in another country in the next 12 months was 5.2 (on a seven-point scale).

Table 1: Participants' Characteristics

		N= 835	%			N= 835	%
Gender	Male	639	76.5	Number of dependent children	0	246	29.6
	Female	196	23.5		1-2	329	39.6
	Total	835			3+	256	30.8
			Total		831		
Age	18 – 24	6	0.7	Household income	Less than US\$25,000	86	10.3
	25 – 44	514	61.3		US\$25,000 – US\$50,000	233	27.9
	45 – 64	301	35.9		US\$50,001 – US\$99,999	313	37.5
	65 +	18	2.1		US\$100,000+	202	24.2
	Total	835			Total	834	
Marital status	Single	124	14.8	Education	High school	3	0.4
	Married/partner	644	77.0		University	450	53.8
	Divorced/separated/ widowed	67	8.1		Other	384	45.9
	Total	835			Total	837	

The top 10 unaided destination preferences are listed in Table 2. The five most popular destinations—the United States of America, Brazil, Mexico, Italy, and Spain—accounted for 50% of all destinations elicited from participants. Australia was the tenth most preferred destination. The mean number of destinations in participants' decision sets was 3.6, which is consistent with previous studies reported in the tourism and marketing disciplines (e.g., Thompson and Cooper, 1979; Um and Crompton, 1990; Woodside and Sherrell, 1977).

Table 2: Top-of-Mind Awareness of Preferred Destination

Rank	Preferred Destination	N	% Responses
1	USA	138	16.3%
2	Brazil	114	13.5%
3	Mexico	71	8.4%
4	Italy	54	6.4%
5	Spain	53	6.3%
6	Argentina	49	5.8%
7	Caribbean	38	4.5%
8	France	27	3.2%
9	Greece	25	3.0%
10	Australia	24	2.8%

The means for the individual scale items are shown in Table 3, which shows that the means of all items were higher for those participants who had previously visited Australia. Independent-samples t-tests ($p < .05$) found significant differences between previous visitors to Australia and non-visitors. The Cronbach alpha for each construct ranged from .93 to .81, indicating excellent to very good internal consistency and reliability (Kline, 2005).

The brand salience items indicate that Australia has strong aided brand recall, as demonstrated by the item 'this destination has a good name and reputation' (overall mean= 6, previous visitor mean= 6.5). However, the Australian brand has low salience among visitors and even non-visitors from Chile (average mean= 2.7). This may be due to perceptions of Australia being an expensive and distant destination, according to the qualitative comments. Furthermore, respondents did not report seeing much advertising promoting Australian holidays (average mean= 3.1). Qualitative comments suggest that Chileans know about Australia from television shows and celebrities such as Steve Irwin. However, perceptions of brand quality were high, particularly for previous visitors, who rated accommodation, cleanliness, personal safety and infrastructure with means over 6. Brand image was moderately positive for all respondents but higher for visitors to Australia. Brand loyalty items were relatively low among non-visitors, and the item 'this destination would be my preferred choice for a vacation' was rated with a mean of 3 by non visitors.

Table 3: CBBE Scale Items

Items	Mean	Std.	Mean visitors	Mean Non-visitors	t	Sig.
Brand salience (Alpha = 0.81)						
This destination has a good name and reputation	6.1	1.1	6.5	6.0	-4.411	.000
The characteristics of this destination come to my mind quickly	4.8	1.8	6.1	4.6	-8.755	.000
This destination is very famous	4.7	1.6	5.3	4.6	-3.944	.000
When I am thinking of an international holiday, this destination comes to my mind immediately	2.7	1.6	3.8	2.5	-2.228	.026
I have seen a lot of advertising promoting Australian holidays	3.1	1.6	3.4	3.0	-7.990	.000

Brand quality (Alpha = 0.93)						
High quality accommodation	5.6	1.3	6.1	5.4	-5.503	.000
High levels of cleanliness	5.8	1.2	6.4	5.7	-6.646	.000
High level of personal safety	5.8	1.2	6.4	5.6	-6.159	.000
High quality infrastructure	5.9	1.1	6.4	5.8	-5.576	.000
Brand image (Alpha = 0.92)						
This destination fits my personality	4.0	1.8	4.9	3.9	-5.515	.000
My friends would think highly of me if I visited this destination	4.3	1.8	4.7	4.2	-2.858	.004
The image of this destination is consistent with my own self image	4.3	1.7	5.0	4.2	-4.815	.000
Visiting this destination reflects who I am	3.6	1.8	4.3	3.5	-4.906	.000
Brand loyalty (Alpha = 0.88)						
This destination would be my preferred choice for a vacation	3.2	1.6	4.0	3.0	-6.469	.000
I would advise other people to visit this destination	4.0	1.8	5.6	3.7	-11.767	.000
I intend visiting this destination in the future	4.6	1.9	5.2	4.7	-3.834	.000
This destination provides more benefits than other destinations	3.5	1.5	4.4	3.4	-6.898	.000

Discussion and Managerial Implications

As there is scant research addressing the measurement of effectiveness of destination branding, this study aimed to apply the CBBE framework to evaluating Australia as a long haul destination for Chilean tourists. The research occurred just before the launch of Australia's fourth new brand campaign and when a direct air service between Sydney and Santiago commenced. The results indicate that Australia is a well known destination but not a compelling brand for Chilean tourists. This finding was supported by the unaided top of mind awareness destination preferences elicited, where Australia was located in 10th place. It seems that respondents need to be more convinced this is a destination that is worth visiting.

This result leads to the suggestion that future advertising by the national tourism office should take advantage of this and focus on a call to action rather than image building. On this basis it is suggested that low brand salience probably reflects the lower priority the South American market has been given by the national tourism office (NTO). An interesting finding is that although all Chilean tourists evaluate Australia to a great extent, past visitors evaluate the Australian brand more highly compared to non-visitors, suggesting that visiting Australia helps increase brand loyalty and overall brand equity among tourists.

Conceptually, the research enhances understanding of a) the suitability of the CBBE model for measuring destination branding performance, and b) differences in brand perceptions between visitors and non-visitors to Australia. Given the research was undertaken at the commencement of a new brand campaign and direct air service between Chile and Australia, the data provides benchmarks for future performance tracking, independent of changes in DMO staff, advertising agency, other stakeholders, and budget. Repeating this methodology at a future point in time will enable an effective assessment of success for the destination brand's objectives.

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