

## **Brand Awareness as a Moderator in Customers' Perceived Value and Brand Loyalty**

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Tourists are usually not familiar with destination market and goods (Lloyd, et al., 2011); brand awareness, as a choice tactic (Hoyer & Brown, 1990), can potentially influence tourist shoppers' brand choice and loyalty. However, research in brand awareness is scarce (Huang & Sarigöllü, 2012), especially in the context of tourism destinations, hence limiting the understanding concerning how consumers make their decisions in destination shopping. Nowadays, although most tourist destination brands and retailers have adopted customized "point of sale" software systems to trace and manage daily transaction record, customer profile, and spending pattern, brand managers and retailers still lack suitable understanding of tourist shoppers' brand preference, brand perception, and brand loyalty. The dearth of research into tourists' pre-purchase preference, in-purchase evaluation, and post-purchase loyalty of destination retail brands limits destination retail brands' strategy making and implementing.

To address this research gap, this paper examined the different roles that advertisement (Ads), word of mouth (WoM), and public relations (PR) play in constituting tourist shoppers' pre-purchase brand preference, the roles of the five brand perception factors (service, price, product, shop environment, and risk) in forming during-purchase customer perceived value (CPV), and post-purchase repurchase behavioral intention, employing brand awareness as a moderator. It adopted a post-positivist standpoint in terms of methodology design. It strictly follows the process of selecting and fine-tuning items, reliability, and validity testing carrying out model testing using Variance-based structural equation modelling (VB-SEM) (also called PLS-SEM) in the software of SmartPLS 2.0 (Beta) M3.

The sample was drawn using street intercept convenience sampling and quota sampling method from tourist shoppers in Hong Kong in 2014. Items employed in this study were revised

from a selection of well-established scales to meet the research needs of this paper, and all measures were designed as 7-point Likert scales. Measures for brand loyalty, CPV and CPV's sub-dimensions—service, price, product, shop environment, and risk—were modified from Lloyd et al. (2011) (1=Strongly Disagree; 7=Strongly Agree). Measurement items for Ads and PR were revised from Peck and Wiggins (2006). The construct ER was assessed via Plutchik's (1980) eight emotion categories. Items used to test brand preference were revised after Jara and Cliquet (2012). Items employed to examine brand loyalty were adopted from Jones, Reynolds, and Arnold (2006).

Results demonstrated brand awareness's significant moderating effect in customers' perceived value of tourism destination retail brands. The relationship between brand preference and CPV was statistically significant for tourist shoppers who have brand awareness of a particular destination retail brand in the pre-purchase stage ( $\beta=0.165$ ,  $t=3.591$ ,  $p<0.001$ ), but was statistically insignificant for those without brand awareness ( $\beta=0.018$ ,  $t=0.163$ ,  $p<0.001$ ). Besides, tourist shoppers who have brand awareness have stronger brand loyalty ( $\beta=0.577$ ,  $t=19.064$ ,  $p<0.001$ ) compared with those who do not have any level of awareness of a particular destination retail brand ( $\beta=0.295$ ,  $t=2.975$ ,  $p<0.001$ ). The roles Ads, PR, and WoM play in the two groups of tourist shoppers' brand preference were also highly different.

This paper's contributions are two-fold. On the one hand, it contributes theoretically by bridging the research gap in terms of pre-purchase brand preference and CPV, and by proving that brand awareness is a significant moderator in evaluating pre-purchase customer perception of a brand. From the practical perspective, on the other hand, understanding tourist shoppers' pre-purchase perception of destination retail brands and their repurchasing mechanism could

help destination marketing practitioners enhance core-competencies and sustain loyal customer pool, thus creating favorable brand image and ultimately brand equity.

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