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## Destination Brand Equity and value creation for Internal stakeholders

Jonathon Day Dr  
*Purdue University*

Gurpreet Kour  
*Purdue University*

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## **Destination Brand Equity and value creation for Internal stakeholders**

### **Introduction**

The tourism ecosystem involves multiple stakeholders who collectively contribute to creating a valuable experience for tourists (Hankinson, 2004). It is seen that tourist organizations prioritize studies related to key features of a destination, however, stakeholders are often overlooked (Hankinson, 2004). The role of these stakeholders cannot be underestimated in influencing tourist behavior and enhancing the perceived value of a destination. In a recent study, Woyo and Slabbert (2021) found that destinations with high brand equity are more competitive and attract repeat visitors. The concept of destination brand equity is still developing, and it is important to examine the impact of increased brand equity on the behavior of stakeholders in a destination. This study aims to gain an understanding of how stakeholders perceive the destination's brand image and how the existing image affects their actions within the destination.

Sustainable brands are believed to originate from the values held by local brand communities and networks, rather than being solely influenced by consumer-based values (Wheeler, Frost, & Weiler, 2010). Pike and Scott (2009) explored community-based brand equity (CBBE) from the host community's perspective, recognizing local residents as a crucial stakeholder group. However, previous studies have mostly neglected the perspective of tourism businesses and focused on the benefits of strong brands for residents and other stakeholders (Pike, 2007; Morgan & Pritchard, 2002). This innovative study aims to fill this gap by exploring the equity created for internal stakeholders by destinations and assessing the perception of the destination's attraction through the CBBE model (Pike & Bianchi, 2016). From both theoretical and practical perspectives, it is crucial to understand the value perceived by destinations and the benefits they provide to internal stakeholders.

### **Literature Review**

The concept of destination brands has been studied extensively, with a focus on creating a clear image and competitive advantage (Seaton and Bennett, 1996; Morgan and Pritchard, 2002). Destination branding is about establishing a connection between the customer and the product (Hankinson, 2004). Aaker (1991) has emphasized the importance of creating a value proposition for the brand identity to foster a relationship between the brand and the customer. Most studies on destination branding have focused on the demand-side perspective, examining consumer-perceived images (Echtner & Ritchie, 1993; Baloglu & McCleary, 1999; Anholt, 2004). However, there has been a recent shift towards acknowledging the significance of a supply-side managerial perspective in tourism destination branding (Cai, 2002; Hankinson, 2007; Blain et al., 2005; Balakrishnan, 2008; 2009).

#### *Destination Branding & Brand Value*

Building a destination brand is a long-term commitment (Morgan et al, 2002; Kavaratzis and Hatch, 2013) and consistent brand associations are beneficial (Cai, 2002). Destinations as umbrella brands include a portfolio of leisure, investment, and business tourism that acts independently of each other and carries attributes of the product themselves (Balakrishnan, 2009). An effective destination brand provides visitors with quality assurance for an unprecedented experience, reduces their search cost, and allows a destination to establish a unique selling proposition for creating a distinct identity (Blain et al, 2005). Destination affects local residents, travellers, and

other stakeholders with a tourist destination (Blain et al., 2005). New Zealand as an umbrella brand shares similar overall values with regional brands and cities (Morgan & Pritchard, 2002) in which the sub-brands maintain their individuality and complement the umbrella brand to leverage certain values from sub-brands to attract niche markets. The complexity of destinations emerges due to multiple stakeholder involvement to create emotional connections beyond the functional values (Quintal, Phau, & Polczynski, 2014). Therefore, it is of stakeholders are crucial in the understanding of destination brand value (Wang & Xiang, 2007).

Stakeholders contribute to building awareness and promoting collaborative relationships in destination development (Sanchez et al., 2004). It is crucial that the destination's identity aligns with the values and community of the place to create a sense of place (Wheeler, Frost, & Weiler, 2011). Failure to align the brand identity with the local community may result in a lack of support from stakeholders (Park, Cai, & Lehto, 2009). The study of brand value for stakeholders such as intermediaries is a gap that has been noted by Pike (2009). Schroeder (1996) was among the first to study the perspective of host communities and residents, while later studies by Merrilees (2007) and Pike & Scott (2009) captured the host community brand equity. Limited studies capture the stakeholders value creation so it is imperative to study the overall value created for internal stakeholders by destination.

#### *Destination Brand Equity and Consumer Based Brand Equity (CBBE)*

Brand Equity in tourism has been well-studied, particularly in relation to the Consumer-Based Brand Equity (CBBE) model proposed by Keller (1993). Many studies have applied the CBBE model to examine the creation of strong destination-based equity (Pike, 2007; Gartner & Konečnik-Ruzzier, 2011; Im et al., 2012; Kladou & Kehagias, 2014; Zavattaro, Daspit, & Adams, 2015). In the academic literature, the dimension of Brand Image has received the most attention (Gartner & Konečnik-Ruzzier, 2011) and has been considered the most important dimension (Bianchi, Pike, & Lings, 2014; Zavattaro, Daspit, & Adams, 2015). Past research has found that awareness plays a crucial role in destination choice (Chon, 1992; Um & Crompton, 1990) and that brand quality is defined by the perception of tangible and intangible aspects (Pike & Bianchi, 2013). Additionally, loyalty has been identified as the main source of CBBE value, with the dimension of Destination Brand Value Added being added as a new construct (Bianchi, Pike, & Lings, 2014; Boo, Busser, & Baloglu, 2009; Pike & Bianchi, 2013). The present study adopts a five-dimensional structure, incorporating Brand Salience, Perceived Quality, Brand Image, Brand Loyalty, and Brand Value, to conceptualize destination brand equity (Pike & Bianchi, 2013).

Blain et al. (2005) emphasize that effective destination branding provides visitors with a quality experience and reduces their search costs, leading to a unique selling proposition and a distinct identity. The success of a destination is dependent on the support of its tourism stakeholders (Timur & Getz, 2008) and balancing stakeholder involvement in the creation of its brand identity (Kavaratzis and Hatch, 2013). Destination brands should have a strategy that takes into account their sense of place (Ryan, 2002) and the local culture and practices that impact the tourism experience (Hillier and Rooksby 2002). Destination managers must consider not only tourists' perceptions of the brand but also those of other stakeholders, including residents who can be promoted as brand ambassadors (Konečnik Ruzzier & Petek, 2012). This study will consider the traditional aspects of branding as outlined by Keller (1993), which are widely adopted in destination branding studies, and the value they create for stakeholders.

## Research Questions

There are academic studies that suggest that destination brand equity can have an impact on internal stakeholders. For example, Pike and Scott (2009) reported on the Consumer Based Brand Equity (CBBE) model from the perspective of the host community and regarded local residents as one of the most important stakeholder groups. They highlighted the benefits of strong brands for residents and other stakeholders. Similarly, Wang & Xiang (2007) emphasized the importance of stakeholders in creating awareness for destinations and developing destinations collaboratively. In this context, it is important to understand the perceived value by internal stakeholders and the benefits they receive from a well-established destination brand. The literature suggests that incorporating the perspective of internal stakeholders in the creation of destination brand identity is crucial in developing a successful brand (Campelo et al. 2013; Jeuring & Haartsen, 2017). However, more research is needed to assess the impact of destination brand equity on internal stakeholders. This study addresses the following research questions.

- How does the management of tourism products within a destination perceive the value of their destination brand? (Brand Equity)
- What level of awareness do managers have of destination branding efforts?
- What benefits do they perceive the destination brand/reputation generates for their business?

## Methodology

This study aims to investigate destination-based brand equity through a qualitative approach using semi-structured, in-depth interviews. The researcher has chosen to utilize secondary data from existing sources created by academic researchers, tourism analyzers, and professional organizations (Bryman and Bell, 2005). This study provides the opportunity to gain insight into the participants' perceptions by conducting personal interviews (Gubrium and Holstein, 2002). Additionally, active group member interviews will be conducted to examine deeper meanings and experiences (Bryman and Bell, 2005). A purposive selection of key informants, including government officials, tour association stakeholders, event organizers, and tour operators, will be interviewed (Bryman, 2012). The collected data will be analyzed using qualitative content analysis techniques (Miles and Huberman, 1994).

The interview protocol created includes the following set of questions to be responded to by the interviewees. The listed questions are adapted from the dimensions of brand equity and customized to understand how destination equity is created for the internal stakeholders (refer Table 1). The researcher will also ask certain questions pertaining to the awareness of branding activities and the benefits of established brands to the stakeholders in the interviews.

Table 1. List of Interview questions

Saliency	Why do you believe the destination is “top of mind” for your guests?
Performance	How well does the destination perform compared to other destinations?

Image	Why do you think this destination is superior/better than other destinations? If so, How?
Image	Brand Image 1: How would you describe the image of this destination?  Brand Image 2: How do you describe the destination features and attributes you associate with the destination?
Judgments	Why do you believe this is a quality destination?  In what ways do you think this destination meets the travel needs of your clients?  What factors lead you to believe that this destination provides good value for money?
Feelings	How do you feel about this destination? What are your personal feelings towards this destination, and what emotions does it evoke in you?
Resonance	Why do you feel loyal to this destination? In your opinion, what unique features or attractions does this destination offer that sets it apart from other destinations?  Why do you feel your clients are loyal to the destination? what factors do you think contribute to this loyalty?

## Results

This study would provide us with a fair understanding of the benefits sought by the internal stakeholders in a destination brand. Although branding activities are undertaken by destination management organizations, very little is examined from the perspective of internal stakeholders. We are expecting that the branding activities are little known to the local stakeholders and that more efforts are needed for stakeholder involvement to get the benefits of branding created. Also, the perceived brand image by visitors if not orchestrated by the stakeholders during the visit would create dissonance in the mind of customers. Therefore, internal training and cohesive programs should be encouraged to build synergy between the brand and the internal stakeholders. We conclude that the shared value creation would help in the long run to sustain the brand image and Laos for the sustainable developmental activities adopted by the stakeholders.

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