

UNIVERSITI TEKNOLOGI MARA

**EFFECT OF TOURISTS' ATTITUDE
ON THE RELATIONSHIP OF
CUSTOMER-BASED BRAND
EQUITY (CBBE) AND DESTINATION
BRAND LOYALTY: THE CASE OF
VISIT BEAUTIFUL TERENGGANU**

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ABSTRACT

The growth of tourism industry has experienced a linear increase in the past years, and it is one of the main contributors to Malaysia's economy and income. For this reason, destination management organizations (DMOs) have significant roles to promote and market the tourist's destinations to maximize the growth, such as to enhance a strong destination image towards brand loyalty. The Visit Beautiful Terengganu campaign is an example of promotions launched by the State of Terengganu to boost the arrival of tourists and attract new tourists. Branding of the destination is a the principal topic in tourism marketing in terms of enhancing differentiation and competitiveness; however, establishing a strong brand has increasingly been of significant concern among DMOs. Brand equity in the service industry, particularly, tourism still remains under-explored with very few studies focusing on measuring brand equity in physical products. Therefore, the aim of this study is to understand the significance of the branding effect of a tourist destination using the case of tourists visiting Terengganu, Malaysia in 2017. Specifically, this study has two main objectives: (1) to examine how Customer-Based Brand Equity (CBBE) attributes affect tourists attitude, and (2) to determine how attitude mediates the relationship of Customer-Based Brand Equity (CBBE) attributes and destination brand loyalty. The quantitative approach is adopted by using a cross-sectional study and employing the non-probability sampling. This study successfully collected data from 345 samples through a self-administered survey questionnaire. The data were analysed using SPSS and SMART-PLS. Specifically, this study computed the descriptive analysis, Pearson Correlations and PLS-SEM. The result of the study shown two CBBE attributes (i.e., brand image and brand quality) influence tourist attitude, and tourist attitude mediated the relationships of brand image and brand loyalty with destination brand loyalty. Interestingly, brand awareness was found to not have a direct nor indirect link with tourist attitude and loyalty. Beside the role of attitude as the mediating effect, the non-significant brand awareness is the highlight of the study. The implication of this study, therefore, highlight on the importance of marketing to increase awareness, as it is not a dimension in the CBBE in this study. Increased awareness about the tourist destination is expected to link to tourist attitude and later influence loyalty. Finally, this study calls for future research to investigate on the roles of tourist demographic factors on brand image and tourist attitude as well as loyalty.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents an overview of this research. It started with elaborating the background of the study followed by a short description of the Terengganu Tourism 2017 campaign program. Next, the statement of the problem was articulated clearly to introduce the problem of this study. This chapter then presents the objectives of research, research questions, research hypotheses, and conceptual framework. At the end of this chapter, the significance of the study is stated followed by the operational definitions of terms.

1.2 Research Background

The tourism industry generates a large amount of income for many countries. According to Castro, Armario, and Ruiz (2007), tourism is an example of business where production evidences and plans for services are related to attraction, maintenance and extension which can easily be observed. Observations can be done through bare eyes at tourism destinations or airport arrivals in the city of targeted destinations.

In addition, the destination countries or cities constitute a fundamental aspect of the tourist experience (Mistilis, Buhalis, & Gretzel, 2014; Pike & Page, 2014). There is a plethora of stakeholders who manage the tourist experience that can benefit all the participants of the destinations (Cvelbar, Dwyer, Koman & Mihalič, 2016; Line & Wang, 2015). These participants include the public agencies who are responsible for managing the tourism resources and the suppliers of services who prepare for the tourists' accommodations, restaurants, and leisure facilities as well as managing the other tourists who are already at the destination or who have priori experience (Line & Wang, 2015). Through the combined actions, these participants are capable of generating appeal among the new tourists who opt to visit the destination in question (Pike & Page, 2014).

1.3 Destination

DMOs play a significant role in every aspects of tourism for they are responsible to manage the destinations and the tourism system (Mistilis, Buhalis, & Gretzel, 2014). Pike and Page (2014) suggested sustainability is the essential goal for all DMOs who compete in this industry.