

## **Remodel on Tourist Loyalty Using Destination Based Brand Equity for SME (SPA) Tourism in Malaysia: Experience Quality as Mediator**

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### **Abstract**

This study is to remodel on tourist Loyalty based on destination based brand equity for SME Tourism in Malaysia, the customer experience as the mediator. SME Spa tourism is one of the tourism category which are competing with the well-established SME Spa tourism destination in Malaysia. Currently, most of the study is looking at the method or way to motivate or push and pull tourist to choose or visit SME (Spa) tourism in Malaysia, however lack of study were looking at building destination brand based equity in the mind of customer. Which Destination based brand equity are one of the important element before tourist choose their destination, this has been discussed in customer decision making process. The first step for tourist before they plan to go for any destination that they prefer which is under pre trip, most of the most important process that might influence customer final decision making. This study also will be looking at customer experience quality that received by customer as the mediator previously might also influence destination based brand equity and lead to tourist decision making in choosing the best destination for vacation.

**Keywords:** Destination Based Brand Equity (DBBE), Destination Awareness, Destination Attribute, Destination Quality, Customer Experience

### **Introduction**

The role of destination branding in SME Spa tourism actually one of the most important element in achieving destination competitive advantages. SME Spa tourism currently is one

of the industry that contribute a lot to the GDP. Scholars studies about this phenomenon and many of the investigation focused on the sustainable destination competitiveness where most of the current study look at the improving service quality of wellness Spa SME tourism in order to achieve tourist loyalty. However, lack of study on customer based brand equity tourism destination. Especially looking at the experience quality to develop tourist loyalty towards the SME spa in Malaysia. This study will develop a remodel of destination based brand equity for Wellness spa SME tourism. This thesis adopted from the consumer-based brand equity (CBBE) conceptual model advanced by Aaker (1991b, 1996); Keller (1993, 2003), which features five dimensions: brand salience, brand association, brand quality, brand value, and brand loyalty. This conceptual model has been utilised in travel and tourism studies, where it is known as the destination consumer-based brand equity (DCCBE) model. Bianchi et al., 2014; Boo et al., 2009). Brand salience is the foundation for DCBBE model, and is the strength of the destination's presence in the mind of the target when a given travel context is considered. Brand association represents the perceptions attached to the destination. Brand quality represents perceptions of the standard of a destination's attributes, such as infrastructure, hospitality services, and accommodation. Brand value represents the benefits that customers believe they receive in relation to the costs they bear. Brand loyalty represents the level of attachment to the destination, which can be illustrated by the intention to re-visit and word of mouth referrals to others. How every based on current studies related to destination based brand equity, this study will only measure three element of destination based brand equity, this has been strongly agreed by (Kang *et al.*, 2007; Martínez *et al.*, 2017)

This research also looking at one of the less attention factor in spa which has not been given attention, in measuring experience quality received by the tourist once they have visited Spa, based one researcher knowledge most of the study looking at the service quality received by the customer but lack of attention given on experience quality received by the customer. This study will be looking at the experience quality as the mediator that lead tourist to be loyal to one spa. One of the element that has not been given attention in measuring experience quality is the spiritual quality received by the tourist after received services from the spa. (Ashton, 2018). Most of the study looking at the motivation factor that lead to tourist visit the spa, but lack of study looking at retaining customer to return and loyal to one spa. This has been supported by the study by (Smith and Wallace, 2019) mention that spa is basically intangible services provided to the customer which in order to received customer loyalty towards the services most important element before customer satisfaction is the experience quality received by the customer. It is important for the service provider to understand customer not only pre trip, during trip but also after the trip or consider post trip. Which this contributed not only to sustain customer but to create good reputation so that the services can be sell by them self. This is important especially for the new business or SME tourism business. The outcome from customer based brand equity tourism destination and the experience quality which consider as mediator is the customer loyalty that might lead to intention to revisit the destination.

As mention earlier this study aim to extend relevant literature review by assessing the SME spa tourism experience quality model in building destination based brand equity. More over to understand the related to their affective respond. It is very important to a business to understand the important to understand tourist experience quality in respond to create destination brand positioning in the mind of customer.

### **Purpose of this Study**

The purposes of this study are,

- i) To examine a conceptual model investigating the influence of customer based brand equity tourism destination specific tourists' experience quality as mediator to create loyalty behaviour among tourist who used to visit our wellness SME Spa in Malaysia, by using affective experience as the mediator in predicting customer based brand equity tourism destination for wellness spa tourism. This is significant because if specific emotions are more influential than others in the development of tourist's overall image, satisfaction and consequently intention to revisit and recommend, then appropriate importance can be given to its effective management to attain a relatively positive emotional response. This would favourably influence the tourists' intention to revisit and recommend a wellness tourism destination.
- ii) To proposed strong wellness SME spa tourism customer based brand equity tourism destination for destination management organization to be able to compete with to other player in the industry. This study will assist wellness SME spa tourism management in developing and implementing market-orientated service strategies to increase experiential quality and equity.

### **Scope of the Research**

The scope of this study covered SME spa customer who visit the SME spa in Malaysia. Quantitative primary data will be obtained on customer based brand equity tourism destination on destination awareness, destination quality and destination attribute. In addition, customer experience which measured the experience quality received by the customer will be the mediating variable that can mediate the impact of customer based brand equity tourism destination on the customer loyalty. The respondents for this study will be customer who visited SME wellness spas in Malaysia which are registered with the Ministry of Tourism and Culture Malaysia (MOTAC) and will be collect of all states in Malaysia and are grouped into five clusters, representing the five major zones focus areas that are central, eastern, southern, and northern of peninsular Malaysia and the Eastern Malaysia (Sabah and Sarawak). This is a statistical study and the research will be tested the ten hypotheses identified under the research objectives using quantitative techniques such as the SPSS and Smart PLS.

### **Significance of the Research**

This study basically aims examining the relationship between customer based brand equity tourism destination and customer loyalty mediated by customer experience. Finding from this study may be of utmost important particularly to the academicians and policy makers. This study will be benefit to the SME spa business owner in managing their outfit interim of providing the best service experience to create customer loyalty towards the services, this study also will lead to word of mouth communication to other potential customer which in an away it will help the marketing effort used by the business owner become more effective. Other than that it also helps the business owner to come out with mind full business services to their customer.

The important having customer based brand equity tourism destination not only to have customer loyalty towards the services but also to position the services in the mind of customer so that whenever the customer think of wellness spa in Malaysia, the will go for our local spa or will choose our SME spa as they have received good quality experience before. It

is also beneficial to the Small medium enterprise spa to be sustain in the market and compatible in the industry. To sum up this, this study is important in addressing the issues of SME tourism business failure during the first year of their operation, because on difficulty to retain customer to visit their business premises.

Furthermore, the research on customer based brand equity tourism destination on creating customer loyalty among wellness tourism customer is still limited and thus there is more to be explored. This also indirectly will contribute some insight to the spa industry in Malaysia.

## **Literature Review**

### **Customer Based Brand Equity Tourism Destination**

Brand Equity is divided into three categories of which according to (Baalbaki and Guzman, 2016) b which are based on finance, customer and employee. This study will be looking at the customer brand equity. The brand equity study has become popular and received attention by researcher or scholar since 40 years ago.(Dedeoğlu et al., 2019) the model of brand equity has become popular since it has been introduced by (Aaker and Keller, 1990), evolution of customer based brand equity has also been adapt into the tourism industry, however the used of customer based brand equity in tourism industry received a lot of argument and there is no established model of customer based brand equity until today(Dedeoğlu et al., 2018).

This has been emphasis and strongly agreed because of different tourism sector might need different model of customer based brand equity for tourism destination. Positive brand equity has many benefits, including long-term sales, a desire on the part of consumers to look for alternative distribution outlets, businesses' ability to control higher prices and marketing relative effectiveness. (Sarker, Mohd-Any and Kamarulzaman, 2019) agreed with this by mentioning that difference tourism industry might use difference model of CBDBE depending on the tourism nature. The review of CBBE in destination studies revealed that: (i) thus far, there has been limited research examining the impact of consumer experience quality in SME spa tourism platforms on CBBE dimensions in the destination context; and (ii) the main components of brand equity are salience (or awareness), association (or image), loyalty, and perceived quality. (Dedeoğlu et al., 2019) mention that there are unsettled structure in CBDBE causes conceptual ambiguity. According to (Lindsay and Creswell, 2014) research findings are inconclusive, inconsistent or contradict the literature, it automatically warrants further study. Recent studies have highlighted the need to refine and measure the consumer-based brand equity construct (Yoo & Donthu, 2001).

### **Destination Brand Experience**

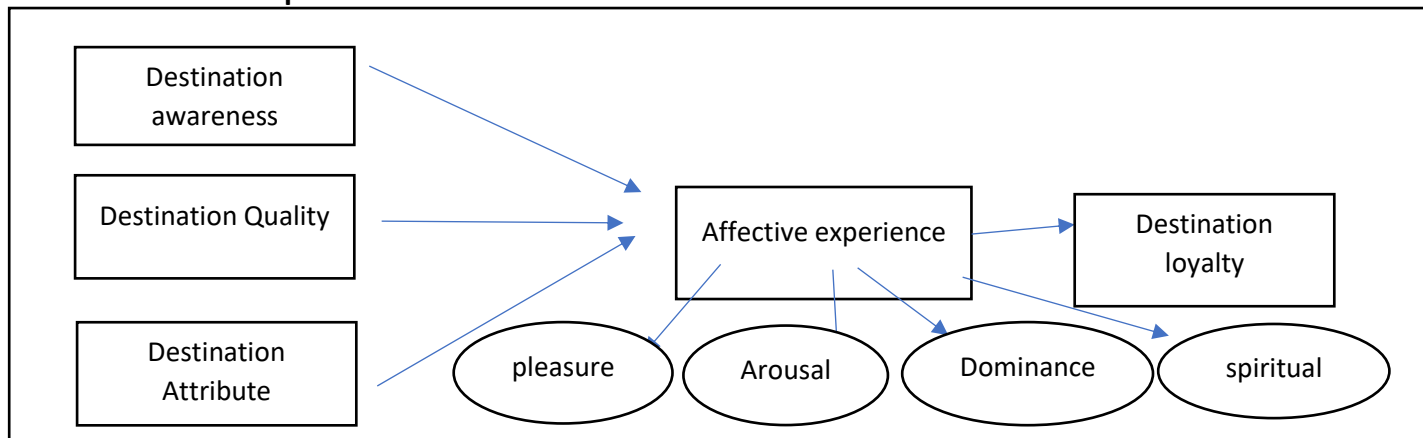
Tourism positive experience were the result of an effectiveness of services provided to the customer, according to the study by (Vada, Prentice and Hsiao, 2019) there are a significant number of studies that suggest that a significant relationship exists between satisfaction and loyalty behaviour such as positive WOM and repurchase intentions, which lead to effective way of marketing and brand the services. There are many advantages in creating a perfect customer experience which also known as experience quality received by the customer. This issues have been rise by (Frow and Payne, 2007) the perfect experience received by customer will help other marketing tool that used by the company more effective. Basically the aim of perfect experience quality is to enhance customer loyalty towards the services or business. Previous study looks at building customer satisfaction to create customer loyalty, however there are some argument on this where according to the study, customer satisfaction may actually decrease as customer often received service and the quality might also fall below

their expectation. (Yachin, 2018). This study will also look at the impact of destination experience and customer decision making. Previous study, look at the cognitive experience received by tourist rather than looking at the affective experience received by customer, (Laros and Steenkamp, 2005) in their study mention that emotional of affective experience received by customer will mediate customer respond advertising and it also stimuli customer effectively during customer decision making. This study will be using emotional skill by (Holbrook and Batra, 1987) as this study will be adapt the theory of PAD (pleasure, arousal and domination), this study also will be measure the impact of spiritual experience in SME wellness spa. The reason spiritual element is measure in this study is because (Ashton, 2018) mention that in his study wellness spa is not only related to mind, body but also involved spiritual or belief, most of the tourist prefer to have peace of mind during the spa session which will not affect their spiritual belief.

#### Destination brand Awareness

The definition of brand awareness is referring to the strength of the presence of the brand in the minds of customer (Aaker, 1996). Some researcher disagrees with the construction of customer based brand equity tourism destination because, some of them belief that destination awareness is destination brand awareness play an important role in the decision making process of finding the right place for travelling. According to the study done by (Yang, Liu and Li, 2015) mention that one of the element that lead to existing destination awareness in the mind of customer was based on word of mouth communication. Where study by (Laczniak, DeCarlo and Ramaswami, 2001; Bambauer-Sachse and Mangold, 2011; Virvilaite, Tumasonyte and Sliburyte, 2015; Godey et al., 2016) mention that word of mouth communication basically come from the share of experience by others. Most of the study look at the effectiveness of service quality in tourism industry where people share their experience of the positive and negative value of service quality received by tourist or customer, however lack of study looking at the experience quality which consist of cognitive and affective experience in tourism. This was considering as psychological effect in tourism that has not been looking by past researcher on placing the brand in the mind of customer, (Garcês et al., 2018; Garay, 2019) has argue that service quality experience is just the outer look of the experience at what matter the most in placing in the mind of customer was the psychological effect which is the experience quality.

Nevertheless, there is a huge research gap in exploring the relationship between destination attributes and tourists' perceptions of experience quality. While the current research shows the direct effect of destination attributes on tourists' positive attitudes and behavioural intentions toward a destination, only a few studies investigate tourists' perceived experience quality and its effect on satisfaction and behavioural intentions (e.g., Chen & Chen, 2010; Jin, Lee & Lee, 2015) such, the existing research centres on either destination attributes or experience quality and omits one or the other despite their significant impact on tourists' reactions toward a destination. This calls for further investigation of how travellers' evaluations of the cues of an island destination yield their perceptions of trip experiences, resulting in satisfaction and intention to revisit the destination. On these notes, this study considers both destination attributes and experience quality to better understand the process of building island travellers' satisfaction and revisiting intention (Moon and Han, 2018).

**Research Conceptual Framework****Conclusion**

Despite of increase interest in measuring the destination branding, most of the study looking at on motivation factor that influence tourist to visit SME Spa in Malaysia but, lack of the study measure on the effect of destination based brand equity in creating destination loyalty. Other than that lack of study looking at le effect of experience quality especially focus on affective experience, relationship with destination based brand equity and destination loyalty. Previous study has mention and confirm that a good experience especially on emotional or affective will position in the mind of customer and lead to destination based brand equity. It also considers as inner stimuli during tourist decision making. AN effective of destination based brand equity will lead to effective advertising advertised by the SME spa owner. The company who manage to create CBBETD in the mind of customer were received advantage of all the marketing effort that they used to market their destination will become more effective as the service sell themselves. Based on previous study, most of the study in SME wellness Spa tourism has not aware on the one of important element that contribute moderately to the customer based brand equity tourism destination which is the experience quality. According to past study (Garcês et al., 2018) positive psychology experience will lead to intention to visit and destination loyalty. word of mouth communication also will influence other to visit the same destination. This study used psychological theories, as well as customer brand equity to explain how CBBETD influence destination loyalty in Malaysia. An integrative framework is developing to respond to the research question as well as the research Objective. In this present study, the framework derived mainly from customer based brand equity (Aaker and Keller, 1990), and incorporates with the theory affective behaviour (Oliver, 1997) to determine the customer loyalty towards the destination. Element of spiritual were measure to determine customer experience in SME wellness Spa tourism in Malaysia. Therefore, this study added to the body of knowledge in revealing something new and insightful in the realm of customer loyalty towards SME wellness Spa tourism in Malaysia.

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