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Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

### Empfohlene Zitierung / Suggested Citation:

Almeyda-Ibáñez, M., & George, B. P. (2017). The evolution of destination branding: A review of branding literature in tourism. *Journal of Tourism, Heritage & Services Marketing*, 3(1), 9-17. <https://doi.org/10.5281/zenodo.401370>

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# The evolution of destination branding: A review of branding literature in tourism

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**Abstract:** *Tourism is a promise and destinations communicate the credibility of that promise by means of destination brands. Branding has become a key tool for tourism destinations to make explicit the complexity of experiences to be expected by tourists visiting a destination. This paper provides a comprehensive literature review of various issues associated with tourism destination branding. It brings together a wide range of debates in the generic marketing literature, places them alongside the nuances of tourism, and thereby identifies unique challenges of branding in tourism destination contexts. Finally, a case study of USP based national tourism branding campaigns in the Caribbean is presented.*

**Keywords:** Destination management, branding, brand equity, measurement, unique selling proposition, challenges

**JEL Classification:** L83, M1, O1

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## 1 INTRODUCTION

Brand names represent a promise that sellers give to the buyers (Armstrong & Kotler, 2014; Day, 2011). Honoring the implicit aspects of that promise is critical element in the company's relationship with consumers (Schallehn, Burmann, & Riley, 2014). Brands represent how consumers perceive and feel about a product and its performance. Consumers relate to the brand everything that the product means to them. Hence, a brand is more than just a name or a logo. "Branding goes beyond how your customers see you. It is the process of defining a point of difference and organizational culture and communicating them internally and externally" (Mearns, 2007, p. 56).

Branding helps both buyers and sellers. One of its roles is to assist buyers in identifying products and establishing the quality and consistency of the product. Brands permit the assignment of responsibilities for its performance to a particular manufacturer. Also, another role of brand is that it can simplify decision-making and reduce the risk perceived by consumers. Aaker (1991) defines the brand role as to give signals to the customer about the source of the product and to protect both the consumer and the producer from competitors

providing identical products. These views interpret the brand's role as a consumer tool in their decision making.

To the sellers, a brand can enhance the financial value of the firm. In the company's operation, branding brings legal protection for unique product features, help them segment their markets and assist them in building a story around the product (Armstrong & Kotler, 2014). Also, brands assist the firm with the product handling, inventory organization and accounting records. Through effective branding, firms are capable of developing a loyal customer base. This loyalty translates into predictability and security of the demand for the product and permits the firm to establish higher prices. Loyal customers are willing to pay 20 to 25 percent more for their product. If the company is successful in its brand building, it will bring better earnings and profits. Consequently, it will create greater value for shareholders (Keller & Kotler, 2012).

Even though brands have been present in business before the industrial revolution (Morgan, Pritchard, & Pride, 2011), it was during the past 20<sup>th</sup> century that brand building, through the creation of brand associations, became essential to businesses. Modern marketing differentiates itself for the creation of differentiated brands. New marketing research

tools are utilized to identify and to develop new sources of brand differentiation. Firms have been developing unique brand associations using product attributes, names, packages, and distribution among other activities. This brand association was done with the intention of changing consumers' perception of goods as commodities, perceived them as branded products and thus avoid the dominance of pricing in the purchase decision (Aaker, 1991). As Mearns (2007) stated branding has become "a stand-alone business discipline that develops an organization point of difference which enables it to be competitive in the marketplace" (p. 56). For the firm to establish a strategic orientation, the company must focus on the development and maintenance of its assets and skills. Aaker (1991, 2013, 2014) defines assets as something the business owns that is better than that of the competition, and skills are something the company does better than its competitors do. Therefore, a well-known brand can be considered as an asset. Thus, when the company focuses on its assets and competencies, in reality, it is focusing on developing the point of differentiation that Mearns (2007) mentioned is the foundation of the discipline of branding.

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## 2 BRAND EQUITY

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There have been many definitions of brand equity in the marketing literature. The complexity of the concept has brought a multiplicity of conceptualizations where different research presented different aspects of this phenomenon (Cobb-Walgren, Ruble, & Donthu, 1995; Gartner, 1989; Gertner, 2011). The intangibility of the brand equity concept contributed to the difficulty in achieving a universal definition of brand equity (Christodoulides & de Chernatony, 2010; Martin & Brown, 1990). One of the earliest definitions is the one developed by a group of experts organized by the Marketing Science Institute in 1988. The experts defined brand equity as the combination of associations and behavior that led branded products to obtain increases in sales and profit margins compared to those that do not have a brand (Leuthesser, 1988). Aaker (1991) later defined it in a somewhat similar manner as, "a set of assets and liabilities linked to a brand, its name, and symbol, which add or subtract from the value provided by a product or service to a firm and/or that firm's customers" (p. 15). Aaker has adapted the elements that add up to brand equity but has maintained the same definition of brand equity. Another frequently cited definition is the one developed by Keller (1993) who defines brand equity as "the differential effect of brand knowledge on consumer response to the marketing of the brand" (p.2). Keller (1993) named the brand equity concept as 'customer-based brand equity'. He explained that customer-based brand equity occurs when customers are familiar with the brand, and they have "favorable, strong and unique brand associations in memory" (Keller, 1993, p. 2). Kotler (2003) offered a similar definition but focused on the positive side. He defines brand equity as "the positive differential effect that knowing the brand name has on customer response to the product or service" (p. 422).

All the above definitions support the studies done by the Marketing Science Institute (Leuthesser, 1988) that

demonstrated that the product and the brand, each has its added value (Jourdan, 2002). Lassar et al. (1995) understood that based on the brand equity definitions that conceptualized from the consumer standpoint, there are five important considerations when defining it. The considerations are the followings: (a) brand equity refers to consumer perceptions (b) it relates to a global value related to a brand (c) its value comes from the brand name and not only from the physical attributes of the brand (d) is relative to competition; it is not absolute; and, (e) brand equity influences financial performance in a positive way.

Lassar et al. (1995) differentiated their brand equity dimensions from the traditional ones of awareness, perceived quality, image, and association. The authors argued the brand equity dimensions should be studied from the perceptual point of view, instead of evaluating it from the behavioral perspective. Lassar et al. identified five dimensions, which are performance, social image, price/value, trustworthiness, and identification/attachment. Brucks and Zeithaml (1991) and Dacin and Smith (1994) also identified these dimensions in their studies.

The performance dimension is a substitute for the dimension of perceived quality in previous models. They understand that performance is a more focused dimension than quality. Their definition of performance is "a consumer's judgment about a brand's fault-free and long-lasting physical operation and flawlessness in the product's physical construction" (Lassar et al., 1995, p.13).

The image dimension was limited by Lassar et al. (1995) to the social dimension. This element is defined as the consumer's perception of the esteem that the consumer's social group have of the brand. This dimension is value adding due to the social reputation associated with owning or using the brand. There are some product categories such as designer clothing and perfumes where this dimension has a bigger contribution to its brand equity (Lassar et al., 1995).

The price/value dimension refers to the relationship between the product price and its functionalities. A product will have brand equity when the consumer compares its performance with its price, and it results in a positive balance. The price/value dimension is the consumer's consideration of the cost versus the benefits of owning the product.

The trustworthiness dimension is defined as "the confidence consumer places in the firm and firm's communications and as to whether the firm's actions would be in the consumer's interest" (Lassar et al., 1995, p.13). Usually, if consumers trust a brand, this dimension will have a high value. Otherwise, if there is no trust, consumers will give a low value to this dimension and consequently, the brand equity can be lower.

The last dimension named identification/attachment is related to consumer's commitment to the brand but seeing commitment as a feeling not as an action. This commitment translates into the identification/attachment to the brand. The researchers defined it as the relative strength of a consumer's positive feelings toward the brand. These positive feelings result in consumers identifying with the brand and developing sentimental attachments with them.

## 2.1 Theoretical approaches to model brand equity

There are different research approaches to the brand equity concept. Three main approaches to academic research have formally defined or conceptualized brand equity: psychology based, economics based, and cultural studies based.

### *Approaches Informed by Psychology*

The first approach is the psychology-based approaches. Researchers who utilize this method to study the branding effects from a cognitive psychology perspective frequently adopt associative network memory models to develop theories and hypotheses. This usage is in part because of the comprehensiveness and diagnostic value they offer. In this approach, the brand is seen as a node in memory linked with different associations of varying strengths. The prior research proposes that consumers see brands as categories that over time are related to specific attributes. "This association is based in part on the attributes associated with products that represent individual members of the brand category" (Keller, 2002, p.6).

One of the most cited brand equity models based on this category of cognitive psychology is the one proposed by Aaker (1991). As mentioned earlier, Aaker (1991) defines brand equity as a set of brand assets and liabilities linked to a brand, its name, and symbol. These assets or liabilities add to or subtract from the value provided by a product or service to a firm and/ or to that firm's customers. Aaker (1991) defined those assets as four categories; brand awareness, perceived quality, brand associations and brand loyalty. In his most recent blog, Aaker still uses the same definition for brand equity but identifies only three elements or assets as the major dimensions of brand equity: brand visibility, which is composed of brand awareness and brand credibility, brand association and customer's loyalty (Aaker, 2016)

A somewhat different view also based on cognitive psychology is the one developed by Keller (1993, 1998). Keller approached brand equity from a consumer behavior perspective and named the concept as customer-based brand equity (CBBE). According to Keller's model, a brand has positive customer-based brand equity when customers react more positively to the product and to its marketing tactics when the brand is identified, as compared to when it is not. Customer-based brand equity takes place when the consumer has a high level of awareness and familiarity with the brand and has strong, favorable and unique brand associations in memory (Keller, 2002, p. 7). In Keller's model, brand knowledge is a critical antecedent to brand equity, and it is theorized as a brand node in memory.

Keller (2008) explained the model utilizing a very influential model of memory developed by psychologists known as the associative network memory model. The memory consists of a network of nodes and connecting links. Nodes are where the information and concepts are stored, and links represent the association strength between the information and concepts. Brand knowledge would be a brand node in memory with a variety of associations connected to that particular brand node. An example of this is given by Keller (2008) utilizing the Apple Computers brand. He explained that if someone ask consumers about what comes to their minds when they think about Apple, there would be different

associations such as creative, user friendly, among others. Other examples would be the association between Volvo brand and safety; Mercedes Benz and status (Keller, 2008). Brand awareness would be related to the strength of the brand node, which is a measure of the ability of the consumers to identify the brand. Brand image is then the perception of the brand, reflected by brand associations held in consumers' memory. Brand associations are other informational nodes linked to the brand node and containing the meaning of the brand for consumers (Keller, 1993). Keller (2008) explained that CBBE looks at the brand building as a process consisting of a sequence of steps; each step is dependent on successfully achieving the objectives of the previous one.

The first stage corresponds to brand salience, which has as objective to develop brand awareness. The second stage is the brand meaning creation, and it has two building blocks: performance and imagery. Performance refers to the product as it is and imagery to the intangible aspects of the brand. The third stage is response and consists of two building blocks: judgments and feelings. Judgments are customers' personal opinions and evaluations of the brand. Feelings refer to customers' emotional responses and reactions to the brand. The objective of this stage is to obtain positive reactions toward the brand. The fourth and last stage is resonance. The aim of this phase is to develop intense and active loyalty (Keller, 2008).

### *Approaches Informed by Economics*

The second approach, as noted above, is economic based. Erdem & Swait (1998) represents with their research this method. The authors take an information economics perspective on the value or equity ascribed to brands by consumers. This approach centers on the role of credibility as the primary determinant of what they term as customer-based brand equity. According to Erdem and Swait (1998), when consumers are uncertain about product attributes, firms may use brands to inform consumers about product positions and to signal that their product claims are credible. In this approach, the content, clarity, and credibility of a brand are seen as a sign of the product position. These three factors may increase the perceived quality of the brand and reduce the information costs and the risk perceived by consumers (Erdem & Swait, 1998). The increase in perceived quality and the reduction in perceived risk and information costs will increase consumers expected utility, which is indeed the added value brand gives a product.

### *Approaches Informed by Cultural Studies*

This method relies on branding research that utilizes cultural and anthropological perspectives. A place is the culture that makes it a place and there is no place branding devoid of an understanding of culture(s) that make a place (Evans, 2003). Some researchers focus their work on the broader cultural meaning of brands and products. Branding is evident in the artifacts that make cultures tangible. Since the ancient times, sword blades and wine containers were etched in ways to assert their authenticity. Brands are expressions of businesses responding to a culture's aspirations (Schroeder, 2009). Researchers like Keller (2002) have explored topics such as brand communities, brand relationships, consumer

perceptions and consumer subconscious driven by their cultural underpinnings.

All three approaches have their strengths and their weaknesses. However, looking at the three different methods can offer a deeper and richer understanding of branding and brand equity (Keller, 2002, p. 9).

## 2.2 Measuring brand equity

There have been numerous attempts to develop measures of brand equity, approaching the construct from different perspectives (Jenkins, 1999). Consumer-based brand equity (CBBE) is measured utilizing the direct and the indirect approaches. The direct approach tries to measure the phenomenon directly by focusing on consumers' preferences or utilities (Christodoulides & de Chernatony, 2010). This method attempts to measure CBBE by evaluating the effect of brand knowledge on consumer response to elements of the marketing mix. The indirect approach measures potential sources of brand equity identifying and tracking consumers' brand knowledge (thoughts, beliefs, images, perceptions) (Keller, 2002).

The direct approaches intend to achieve a separation of the value of the brand from the value of the product. To measure the effects of brand knowledge on consumer response to the marketing mix for the brand involves the use of experiments. In these experiments, there is a group of consumers that will respond to an element of the marketing mix ascribed to the brand and there is another group that will react to the same element, but it will be attributed to an unknown or fictitious brand. When the responses are compared, it will provide an estimation of the effects that the specific brand knowledge has beyond the basic product knowledge (Keller, 1993).

One alternative to measuring the CBBE through a direct approach is using the multi-attribute model. One of most discussed approach is the one developed by Park & Srinivasan (1994). They developed a survey-based method for measuring a brand's equity at the individual consumer level-based on multi-attribute preference model. It uses a survey procedure to obtain each's overall brand preference and his or her multi-attributed brand preference based on objectively measured attribute levels. After scaling both preference measures to cents, this direct approach subtracts the multi-attributed brand preference based on the objectively measured attribute levels from the overall brand preference to derive individual-level measures of brand equity (Park & Srinivasan, 1994, p.272). Also, this model divides brand equity into attribute-based and non-attribute based components. The attribute-based component of brand equity refers to the impact of brand building strategies on consumer's attribute perception. The non-attribute based component of brand equity refers to brand associations not related to product attributes (Park & Srinivasan, 1994)

A more recent approach is the one developed by Shankar, Azar, and Fuller (2008). The researchers developed a model to estimate, track and manage brand equity for multi-category brands using customer survey and financial measures. The model has two components: the offering value and the relative brand importance. The offering value is computed from discounted cash flow analysis and the relative brand importance from brand choice models. Shankar et al. (2008)

identified the following brand image drivers: brand reputation, brand uniqueness, brand fit, brand associations, brand trust, brand innovation, brand regard and brand fame. All these drivers can be measured through a customer survey. Christodoulides and de Chernatony (2010) argued that even though this method has the advantage of estimating brand equity for multi-category brands and combining financial and consumer data, a major drawback is that it only produces an aggregate estimate of brand equity since the only component measured on an individual basis is the relative brand importance. In addition, it is difficult to compare with competitors' brand; competitors' financial measures are seldom available (Christodoulides & de Chernatony, 2010).

Indirect approaches rely on a more holistic view of the brand. They seek to measure brand equity either through its manifest dimensions or an outcome variable such as the price premium (Christodoulides & de Chernatony, 2010). One of the most cited approaches is the one developed by Vázquez, Del Río and Iglesias (2002). They proposed to develop a measurement instrument for the utilities obtained by the consumer from the brand following its purchase. Their theoretical foundation was their definition of consumer-based brand equity. They defined consumer-based brand equity as "the overall utility that the consumer associates with the use and consumption of the brand: including associations expressing both functional and symbolic utilities" (p. 28). Vázquez et al. (2002) understand that the advantage of their developed scale is its ability to identify the sources of brand equity for the firm using four basic dimensions. It permits the assertion of the strengths and weaknesses of a brand compared to its main competitors. They focused on both utilities-functional and symbolic utilities. The four utilities they measured were functional utility associated with the product, symbolic utility related to the product, functional utility related to the brand name, symbolic utility associated with the brand name.

In 2007, Koçak, Abimbola, and Özer published their research replicating Vázquez et al.'s (2002) scale but in a different cultural setting. Koçak et al. (2007) concluded that various cultural conditions led consumers to different evaluations. Koçak et al. (2007) findings have important implications regarding the topic of globalization. Based on their conclusions, global brands must have the flexibility to reflect and to adapt to cultural variations that result in consumers having different product preferences. Koçak et al. (2007) findings are consistent with the theories that suggested that there are "partial consistencies in the way customers evaluate brands across cultures, but not enough to treat markets that may seem similar in the same way" (p. 169).

Another indirect approach was the one developed by Yoo and Donthu (2001). The purpose of their research was to develop a generalizable individual measure of brand equity. They test Aaker's (1991) and Keller's (1993) conceptualizations of the brand equity concept. Their brand equity measure included ten items representing the three dimensions of brand loyalty, perceived quality and brand awareness/associations. Among its strengths, the scale applies to various product categories without requiring further adjustments; the instrument is easy to administer, parsimonious, which makes the scale easy to be used by brand managers. Also, they utilized an etic approach to scale development that suggests that the scale is

culturally valid. Yoo and Donthu (2001) did a rigorous multi-step validation process. The only weakness Christoulides and de Chernatony (2010) pointed out is that the dimensions of brand awareness and brand associations that are two different constructs, were combined in one dimension. Christoulides et al. (2010) argue that among the indirect approaches, the Yoo and Donthu (2001) research have the most strength and fewest weaknesses.

It must be admitted that each methodology has its strengths and weaknesses, and researchers have failed to collect in a single methodology the strengths of the diverse approaches. Even after many studies, researchers have not been able to establish a methodology as the correct one to measure brand equity.

### 2.3 Destination branding

Destination branding started to gain visibility during the late 90's (Oppermann, 2000). Being the central theme of 1998's Travel & Tourism Research Association Annual Conference triggered some of its visibility (Ritchie & Ritchie, 1998). At this conference, various examples of destination branding were presented such as the branding of Canada, Oregon, New Orleans, Hawaii among others (Ritchie & Ritchie, 1998). Even though the destination branding concepts appeared to be a new development (Gnoth, 1998; Hernandez et al., 2016), the topic had been developed previously by researchers under the subject of destination image studies (Ritchie & Ritchie, 1998).

These strategies were foretold by cities such as New York and Glasgow, through image-building marketing activities in which they launched its slogans 'I love New York' and 'Glasgow's miles better' during the 1980's (Morgan et al., 2011). As anticipated by those strategies, destinations like Spain, Hong Kong, and Australia followed a strategic approach toward the development of the brand. Later, cities like Las Vegas, Seattle, and Pittsburgh also adopted the strategic approach. These responses were fueled by the need to compete more effectively, establish a decision-making framework and increase accountability to their stakeholders (Biel, 1992; Morgan et al., 2014).

Ritchie & Ritchie (1998) defined destination branding as:

"...a name, symbol, logo, word mark or other graphic that both identifies and differentiates the destination: furthermore, it conveys the promise of a memorable travel experience that is uniquely associated with the destination: it also serves to consolidate and reinforce the recollection of pleasurable memories of the destination experience." (p.18)

This definition incorporated some additional elements related to the concept of 'experience' due to its importance in tourism theory and management. The first part of the definition deals with the traditional role of identification and differentiation of a brand. The second part stresses the importance of the destination brand conveying explicitly or implicitly, the promise of a memorable experience and if it is possible to a unique experience not available at any other destination (Ritchie & Ritchie, 1998).

Blain, Levy and Ritchie (2005) revised the definition of destination branding based on a survey done by destination marketing organizations (DMO's). They enhanced the

branding definition given by Ritchie and Ritchie (1998) and presented DMO's executives with the new definition. The revised definition had a more holistic approach including themes like identification, differentiation, experience, expectations, image, consolidation, and reinforcement. DMO's executives added some additional themes they understood were important to be included in the definition: recognition, consistency, brand messages and emotional responses. Based on this finding, Blain et al. (2005) proposed the following definition:

Destination branding is 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: that (2) consistently convey the expectation of a memorable travel experience that is uniquely associated with the destination: that (3) serve to consolidate and reinforce the emotional connection between the visitor and the destination; and that (4) reduce consumer search costs and perceived risk. Collectively, these activities serve to create a destination image that positively influences consumer destination choice. (p.337)

It is important to understand the peculiarities that differentiate a destination brand from the branding of traditional products or services for it to fulfill all the themes presented in the definition. "The place product is a unique combination of building, facilities, and venues which represent a multiplicity of autonomous service businesses, both public and private" (Hankinson, 2009, p.98). This complex product offering has to be marketed through partnerships. These partnerships include public and private sector organizations (Warnaby, Bennison, Davies & Hughes, 2002).

Gartner (2014) stated, "Destinations are places of life and change" (p. 1). For this reason, destination brands lack the brand stability that most product brands have. Several market segments consume it simultaneously; each consumer is compiling their unique product from the services on offer. Thus, destination marketers have less control over the brand experience (Hankinson, 2009). They provide different experiences to different tourists (Gartner, 2014). Destinations are not tangible products that can be returned if the consumer is not satisfied. "Destination brands, therefore, are higher risk as much of what constitutes the brand can easily be sometimes modified purposively and sometimes by natural or human-induced influences" (Gartner, 2014, p. 2). An additional differentiating factor in destinations is that they are not sold in the marketplace, and they are unique. No other destination can be used as a generic base to evaluate brand equity (Gartner, 2014).

Another differentiating factor of branding destinations is the complexity of the tourists' decisional process. Tourists are buying a bundle of goods and services that usually comes with an intrinsic uncertainty and a high price tag (Cai, 2002). Also, tourists are not able to test the destination before buying their travel package (Cai, 2002; Eby, Molnar & Cai, 1999; Gartner, 1989; Martins, 2016). The buying process requires from the buyers an extensive information search, where buyers' will develop a mental construct of how the potential destination fulfills their needs to reduce the perceived risk. This need for an extensive information search has an impact

in the destination image element making it a critical stimulus in the destination choice process (Cai, 2002).

In the marketing literature, most researchers focused on case studies of particular destination branding programs, however as Hankinson (2009) argued the approach to destination branding have lacked appropriate managerial solutions. He advocates the development of a destination branding theory that would help determine and evaluate the managerial practices and would serve as the basis for future research.

Many experts tried to apply the core branding theory developed by David Aaker and Kevin Keller to tourism destinations (Boo et al., 2009; Koçak, Abimbola, & Özer, 2007; Konecnik & Gartner, 2007; Konecnik & Gartner, 2007; Pike et al., 2010; Pike & Page, 2014). Other authors like Ritchie & Ritchie (1998) were conscious that destinations have some distinct attributes that traditional products and services did not own. At the functional level, many destination management organizations had the misconception that the development of logos and taglines was the basis for building a destination brand.

The complexities of developing a destination brand are related to the development of the experiential element and the understanding of the tourists' decisional process. Managers must understand the macro-environment, precisely the economic, political and social issues of the destination along with the stakeholders' perception of the destination brand. Otherwise, managers and organization could be instead involved in a merely promotional exercise developing logos and taglines (Khanna, 2011).

When referring specifically to branding a nation, the objective is to create a clear, simple idea built around emotional attributes. These emotional attributes can be symbolized verbally and visually and should be understood by different target audiences under different situations (Olimpia, 2008; Olimpia, Luminita, & Simona, 2011). Gilmore (2002) describes these emotional attributes as the spirit of the people and their shared purpose. "Part of this spirit consists of values-these are values that endure no matter what the times because they represent what the nation's citizens believe in and believe about themselves" (Gilmore, 2002, p. 286). Factors of the external environment such as culture, resources, economy have an influence on that spirit (Gilmore, 2002).

Branding a nation should comprise the political, cultural, business and sports environments (Olimpia, 2008). Kotler and Gertner (2011) stated that countries should embarked in strategic place marketing in order to position the country in the global market. The authors argued that as in any strategic plan, it requires an understanding of the environmental forces that affect the country's positioning as well as the country's strength and weaknesses.

Recent research points out that today is harder to differentiate places according to what marketers categorized as 'hard' factors such as infrastructure, the economy, accessibility, and availability of financial incentives. Many countries are obtaining excellent rating in these elements (Morgan et al., 2011). Factors categorize as 'soft factors' such as its environment, friendliness of local people, art and culture traditions and leisure activities are the ones that are gaining importance with tourists and investors (Morgan et al., 2011).

### 3 A CASE STUDY OF THE CARIBBEAN REGION

The purchasers of unique products will obtain specific unique benefits from consuming those particular products (Bao & Shao, 2002) and the underpinnings Unique Selling Propositions (USPs) could be traced to this logic. The USP concept was first introduced to the marketing literature by Reeves (1961). The USP is considered a critical component in the effectiveness of advertisements (Warner, 2004) and is integral to the modern-day branding efforts (Lee, Cai, & O'Leary, 2005). Later, tourism researchers have adapted Reeve's original ideas.

Since the early 2000's, the Caribbean island nations have begun to realize the need to differentiate. There was decreasing demand for the 4S (Sun, Sea, Sand, Sex) model of tourism; also, mass tourism focused on the 4S model began to become ecologically and culturally unsustainable. Tourism penetration index in small Caribbean islands is significantly much higher than that in typical countries of similar dimensions, observed McElroy and De Albuquerque (1998). In response to this, the Caribbean destinations began to brand their identities based on their USPs. Some examples include: Dominica: "The nature island of the Caribbean" Suriname: "The Beating Heart of the Amazon" Jamaica: "Get All Right" Anguilla: "Tranquility wrapped in blue" Antigua: "The beach is just the beginning" Aruba: "One happy island" Barbados: "Long live life" British Virgin Islands: "nature's little secrets" Cayman Islands: "Wherever you find your smile, you'll find ours"

Curacao: "Unique Caribbean island paradise"

Dominican Island: "Has it all!"

Grenada: "The spice of the Caribbean"

Haiti: "experience it"

Martinique: "The flower of the Caribbean"

Richardson and Cohen operationalized and tested the USP concept in their 1993 comparative study of tourism marketing campaigns for the United States (U.S.). Richardson & Cohen (1993) developed a hierarchical scale for analyzing states' marketing slogans, which ranged from "Level 0: No proposition" through "Level 4b: Unique selling proposition" (p. 95). The tourism branding slogans presented above all may be mapped to one or another of these levels.

The levels of USP that these destinations used impacted their success stories, as evidenced by visitor numbers during the campaign period. A study by Henthorne, George, & Miller (2016) revealed that USP's effectiveness peaked by 2009, but then began to decline. The Attraction Diversity Index of each country moderated the effectiveness of USP based branding (George, Henthorne, & Williams, 2016): countries with a larger mix of diverse attractions did not gain from branding based on unique selling propositions. Also, destination areas not conforming to the officially recognized USP definition of a country felt they were left out by their national tourism promoters.

### 3.1 Further discussion: Challenges in destination branding

Building a destination brand brings many challenges to the destination marketing organizations. These challenges come since destinations have many different stakeholders involved in the brand building process, little management control, and many occasions have under-developed identities (Morgan et al., 2002). Destination managers not only have to deal with the peculiarities of the product as discussed in the above section, but they must also deal with two additional P's, named Politics and Paucity (Pride, 2001; as cited in Morgan et al., 2002).

A diverse range of agencies and companies are partners of the destination marketers in the process of developing the brand identity (Qu, Kim, & Im, 2011). This range of organizations could include local and national government agencies, environmental groups, chambers of commerce, trade associations, among others. These agencies and organizations bring with them political pressures in their quest of reconciling their local and national interests. Consequently, this brings the challenge of achieving a balance between the development of creative advertising and public relations and managing local, regional and national politics (Morgan et al., 2002). According to Olins and Hildreth (2011) another challenge could be the constant misunderstanding of nation branding among experts and government officials due to the lack of knowledge of the former. Government officials are interested in nation branding because of the benefit of internal cohesion and economic and political developments externally but they ignore how the "nation branding takes place" (p. 57).

Paucity, brings another challenge, which is to work with minuscule budgets to create global brands and compete not only with other destination brands. To be able to compete in this situation, destination brands should be very smart in their budget spending (Morgan et al., 2002). These two challenges are more visible in the DMO's than in private tourism businesses. During the past years, there has been a reduction in the contribution of public funding to DMO's, hastened by the financial crisis experienced throughout the world (Fyall, 2011). This reduction will force destinations to do a reflection on their experiences, face their lack of resources and be more thorough in their mechanisms and management processes adopted to develop destinations to their maximum potential. Destinations should also try to maximize their resources to develop a "sustainable reputation in the minds of all stakeholders and their respective markets" (Fyall, 2011, p.101).

Along with the lack of resources and the influence of politics, destination branding faces the challenge of authenticity (Hornskov, 2014). Since the development of the branding theory in the late 1990's, branding has been concerned with authenticity. It has established that what sells and has success is the brand that is honest, and valuable in itself (Hornskov, 2014). Accordingly, Gilmore (2002) stated that branding a country should be an amplification of what is already there, not a fabrication. When positioning a country, the destination marketer should never create an artificial position; its positioning should root in reality and the destination's central truth.

Destination marketers also face the measurement challenge. Measuring the effectiveness of brand-building is critical to the process (Blain et al., 2005; Ritchie & Ritchie, 1998). Blain et al. (2005) understood that reason behind the lack of measurement of the DMO's could be that they do not know what exactly to measure or how to measure it. They stated that further research needs to be done to investigate the reasons for DMO's not measuring visitors' perceptions or the success of their marketing efforts.

Hudson and Ritchie (2009) proposed as the final stage of their four-step conceptual model for building a destination brand experience to measure the brand's performance in the marketplace (p.221). The authors understood that there was a need for continuous monitoring and evaluation of the communication strategy. Brand managers should be open-minded and should be willing to change strategy depending on the effectiveness measures.

Srivastava (2009) stated the task of measuring the effectiveness of the brand strategy is a difficult one. One construct that can be utilized to measure its effectiveness can be the brand equity. He states that brand equity has come forth as a significant strategic asset. If the company wants to maximize its performance in the long term, this asset needs monitoring and support.

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## 4 CONCLUDING REMARKS

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During the past years, destinations have realized the importance of developing brand equity and have been aggressively applying the branding theory into their destination development practices. Marketers need to understand the consumers' perception of value, how much they are willing to pay, and their reaction to price changes (Rajasekar & Nalina, 2008; Nella & Christou, 2016). Understanding these factors will help marketers develop a pricing strategy to build and enhance the brand equity of products and services. The perception of value could be a differentiating factor that fits the criteria of generating customer value, providing perceived value and being not easily copied (Watkins, Hassanien, & Dale, 2006).

To be effective with this strategy, it is important to work in partnerships with the multiplicity of services businesses that make up the variable of product. As Hankinson (2009) states the destination product is composed of a unique combination of building, facilities, and venues. Hence, it is critical to involve all these entities in the development of this strategy as well as in the other recommendations regarding other strategic variables.

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SUBMITTED: AUG 2016

REVISION SUBMITTED: NOV 2016

ACCEPTED: DEC 2016

REFEREED ANONYMOUSLY

PUBLISHED ONLINE: 27 MARCH 2017