The Influence of Customer-Based Brand Equity on Event Loyalty: A Case Study of the Three Gorges Migrant Cultural Festival, Chongqing, China

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Abstract: Most tourism studies focus on tourism destinations such as cities or countries, and there are relatively few studies on festivals and events. The basic customer-based brand equity (CBBE) model assumes that brand value is directly generated by brand awareness, brand image, brand quality, and brand loyalty. However, most previous studies do not include brand value as a main dimension of the CBBE model. In addition, there have been very few studies which apply the CBBE model to event tourism. This study examines how CBBE of an event influences tourists’ perceived value and revisit intention by focusing on a popular cultural event, the ‘Three Gorges Migrant Cultural Festival’ that takes place annually in Chongqing, China. Results from the study suggest that the CBBE components of event awareness, event image, and event quality have an influence on the tourists’ evaluation of event value and event loyalty.

Key words: Chongqing, China, customer-based brand equity (CBBE), event awareness, event image, event loyalty, event quality, event value.


Introduction

Events and festivals are important motivators for tourists in selecting destinations and are effective in destination image development (Getz, 2005, Trost, Klaric & Ruzic, 2012). Therefore many destinations use events and festivals as part of tourism promotions (Stokes, 2008). The role that festivals and events play in tourism marketing and destination branding is quite significant as evident in cultural events such as the Mardi Gras in promoting New Orleans in the U.S.A. (Gotham, 2002), and sports events like the Malaysian Formula I Grand Prix in promoting Kuala Lumpur in Malaysia (Martinez, 2012). This study takes a look at the Chinese city of Chongqing, and its famous festival, the Chongqing Three Gorges Migrant Cultural Festival, to examine how the components of CBBE can influence the perception of a visitor to Chongqing and how it can affect the customer’s loyalty to the event and destination.

This study aims to examine the relationships between the various components of CBBE such as event awareness, image, quality and tourists’ perceived value of the event and event loyalty by using the Three Gorges Migrant Cultural Festival in Chongqing, China as a case study. Most tourism studies focus on tourism destinations such as cities or countries, and relatively
few investigated festivals and events. The objectives of this study are:

- To identify the factors which influence the evaluation of CBBE of an event
- To determine the relationship between event awareness and event value.
- To determine the relationship between event image and event value.
- To determine the relationship between event quality and event value.
- To determine the relationship between event value and event loyalty.

Literature Review

Events and Festivals and their Importance

Many tourism organizations view the organization of ‘Events’ as an innovative and new approach to tourism marketing and have made event marketing one of the key elements in their overall destination marketing strategy (Smith, Macleod & Robertson, 2010). Through festivals or special events, a destination not only can enhance its vivid ‘ambience’ but also increases its appeal to tourists by generating substantial publicity (Smith et al., 2010). Zeppel (1992) defined festivals and special events as a broader aspect based on celebrations, such as dance, drama, comedy, film and music, the arts, crafts, ethnic and indigenous cultural heritage, religious traditions, historically significant occasions, sporting events, food and wine, seasonal rites, and agricultural products.

Event and Festival Tourism in China

There have been an increase in the use of events and festivals in promoting various cities and regions in recent years. Sports events like the 2008 Beijing Olympic Games provided an excellent opportunity for Beijing to market itself as a world class tourist destination. The Harbin International Ice and Snow Sculpture Festival, which is held annually in the winter at Harbin, Heilongjiang, China, and is the largest ice and snow festival in the world. The festival features some of the world’s largest ice sculptures, and attracts tourists from many countries (Liu & Chen, 2007). Shanghai has been using the Shanghai Tourism Festival since the 1980s to promote tourism with a good degree of success, attracting more than eight million visitors to the city annually (Tang, 2014). Lastly, the annual Wutaishan Buddhist Festival, held in Taihuai, Shanxi province, has been used to promote rural tourism in China (Ryan & Gu, 2010).

Destination Branding in Event Tourism

According to Raj and Musgrave (2009), the impact of events on a destination can be significant from a social, environmental, and economic aspect. Generally, cities develop and offer festivals and events as components of leisure and community development policies (Allen et al., 2008). Smith et al., (2010) pointed out festivals and events have proven to be among the most successful tools available to regions and countries to:

a. increase tourism;
b. add to the quality of life;
c. bond people together;
d. encourage positive media coverage; and
e. enhance economic growth.
Most importantly, festivals and events allow a tourism destination to create a powerful and memorable destination brand and image (Smith et al., 2010).

Customer-based Brand Equity (CBBE)

The CBBE model developed by Keller (2008) can be used to explain what brand equity is and how it can be strengthened and managed. CBBE is defined by Keller (2008: p.48), as “the differential effect that brand knowledge has on consumer response to the marketing of that brand.” Based on the CBBE model, the most important factor in building brand equity is brand knowledge. Knowledge of a brand in the consumers’ memory has been shown to be an important influence in consumer decision making (Alba, Hutchinson & Lynch, 1991). According to Keller (2008), the two main components of brand knowledge that influence consumers’ decision making are brand awareness and brand image.

A brand with a positive CBBE will receive more favourable customer response when the brand is identified than when it is not. A brand with negative CBBE will receive less favourable response from consumers with regards to the way it is marketed when compared to an unnamed or fictitious branded version of the product. CBBE is created through a customer’s familiarity with the brand and when he holds brand associations that are “favorable, strong, and unique” in his mind (Keller, 2008).

The strength and distinctness of brand associations can determine the type of responses from the customer. A high brand awareness and positive brand image can result in higher probability of brand selection, and stronger loyalty, and less susceptibility to competitor actions. A favourable brand image should enable the brand to charge a higher price and generate higher profits, and be less sensitive to price increases. According to Starr and Rubinson (1978), consumers are more willing to pay a premium price for brands with which they have a favourable attitude. In addition, a high level of awareness of a brand can lead to a more positive response to marketing communications methods such as advertising and sales promotion (Ray, 1982; Rossiter & Percy, 1987).

Source: Adapted from Keller, 2008

Figure 1. The CBBE dimensions
Many researchers agree that brand equity is a core concept in brand management and is viewed from different perspectives (Keller, 2008). Konecnik and Gartner (2007) defined equity as the sum of factors that contribute to a brand’s value in the customer’s mind while Aaker (1991) viewed brand equity as an asset from a firm’s standpoint and a critical value-added provider to benefit for both customers and the firm. McDonald and de Chernatony (2001) emphasized that adding value is the basis for all branding strategies.

In order to understand what components build a strong brand, Keller (2008) developed the CBBE model (see Figure 1), which approaches brand equity from customer’s perspectives.

Brand awareness represents the strength of the brand’s presence in the mind of the target customers and the enticing potential of attracting a tourist’s attention (Radisic & Mihelic, 2006). Brand awareness refers to “customer’s ability to recall and recognize the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory” (Keller, 2008: p. 61). Brand salience is an extended form of brand awareness and a key dimension of brand equity (Pike et al., 2010).

Brand image has been considered as the reasoned or emotional perceptions consumers attach to specific brands (Keller, 2008), and an important component in the formation of a destination brand (Cai, 2002). Destination image has also been identified as a key component of CBBE and there is strong evidence to posit that brand image has a positive influence on customer loyalty (Ruzzier, 2010; Pike et al., 2010; Boo et al., 2009; Pike & Scott, 2009, Cretu & Brodie, 2007).

Brand quality is an important brand characteristic and one of the measurable dimensions of brand equity (Keller, 2008). Aaker (1991) emphasized that perceived quality, positive brand associations, and well-known name can provide reasons for customers to buy products or services and affect their usage satisfaction level as well as enhance brand loyalty.

According to Li, Petrick and Zhou (2008), loyalty used to be interpreted naively as synonymous with the behaviour of repeat purchase. Day’s (1969) two-dimensional (i.e. attitudinal and behavioural) conceptualization of loyalty suggested a simultaneous consideration of attitudinal loyalty (the psychological commitment to a brand) and behavioural loyalty (behavioural consistency in using a brand).

Perceived value, another dimension of CBBE, has been receiving growing attention from marketing managers and researchers as a predictor of customer satisfaction and loyalty (Cronin, Brady & Hult, 2000; Eggert & Ulaga, 2002; Wang, Lo, Chi & Yang, 2004). The most commonly quoted definition was that value is “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithmal, 1988: p. 14).

**Conceptual Framework and Hypotheses Development**

Based on the above discussion of the five event brand dimensions – event awareness (EA), event image (EI), event quality (EQ), event value (EV), and event loyalty (EL), the conceptual model as shown in Figure 2 was developed. From the above conceptual model, the following hypotheses were formulated:

- **H1.** Event awareness (EA) has a positive influence on event value (EV).
- **H2.** Event image (EI) has a positive influence on event value (EV).
- **H3.** Event quality (EQ) has a positive influence on event value (EV).
- **H4.** Event value (EV) has a positive influence on event loyalty (EL).
Research Methodology

Questionnaire Design

The survey instrument was a self-administered questionnaire consisting of two parts. In the first section, the respondents were asked to evaluate their perceptions pertaining to the event brand awareness (EBA), event brand image (EBI), event brand quality (EBQ), event brand value (EBV), and event brand loyalty (EBL) delineated by 30 statements on a 7-point Likert scale with ‘1’ representing ‘Strongly Disagreed’ and ‘7’ representing ‘Strongly Agreed’. These items were adapted from various sources as shown in Table 1. The second section inquired about the demographic information of respondents.

Sampling

The population is the object of study which may be individuals, groups or organisations (Welman & Kruger, 2001). The targeted population for this study comprises of domestic visitors to the Three Gorges Migrant Cultural Festival in Chongqing, China. A total of 120 questionnaires were distributed. The sample was selected using the purposive sampling method due to the nature of this study and time constraint. Respondents were selected from visitors to the Three Gorges Migrant Cultural Festival between the period of September 20-30, 2014. Data was collected through the use of self-administered questionnaires. Data obtained was analysed by using the SPSS software programme.

Findings and Analysis

Descriptive Statistics

The demographic profile of the respondents is presented in Table 2. The research sample is made up of 86 (72%) females and 34 (28%) males. Sixteen percent (16%) of the respondents were below 20 years of age, 20% were between the ages of 21 and 30, 17% were between the
ages of 31 and 40, 30% were between the ages of 41 and 50, while 17% of the respondents were over the age of 50 years. With regard to level of education, the majority of the respondents have a Bachelor degree (55%), followed by other degrees and certificates (17%) and then a Master degree (14%). Another 15% of the respondents had a college education. Results show that 13% of the respondents had monthly income below 2000 RMB per month, 17% had monthly income between the 2000 – 4000 RMB, 40% earned between 4001 – 6000 RMB, while 30% of the respondents earned over 6000 RMB per month. The research sample is made up of 47% single and 50% married respondents. Three percent (3%) of the respondents were either divorced or separated.

Reliability Test

Cronbach’s alpha is the measure of the internal consistency or homogeneity among the items which is a common measurement of reliability (Cooper & Schindler, 2006). According to
Sekaran (2003) values over 0.7 are considered good whereas those in 0.6 are considered acceptable.

As shown in Table 3 above, the Cronbach values of all the variables are above 0.7 and are therefore considered reliable.

From Table 4, we can see that the mean score for Event Awareness was 4.145, Event Loyalty- 3.953, Event Quality- 3.932, Event Image- 3.90, and Event Value- 3.755. Event awareness has the highest mean score i.e. 4.145 indicating that there is a high level of awareness of the Three Gorges Migrant Cultural Festival. The lowest mean score was for event value (3.755) which indicates that respondents have a neutral perception of event value.

Table 5 shows there is a significant relationship between the CBBE dimensions of event awareness ($r=.719; \ P<.05$), image ($r=.930; \ P<.05$), and quality ($r=.967; \ P<.05$) with event value. Therefore the hypotheses H1. Event awareness (EA) has a positive influence on event
### Table 4. Mean scores

<table>
<thead>
<tr>
<th>Items</th>
<th>Statements</th>
<th>Mean Score</th>
<th>Variable</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>This event has a good name &amp; reputation</td>
<td>3.925</td>
<td>Event</td>
<td></td>
</tr>
<tr>
<td>A2</td>
<td>This event is well known.</td>
<td>4.450</td>
<td>Awareness</td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>The characteristics of this event come to my mind quickly.</td>
<td>4.083</td>
<td>Awareness</td>
<td>4.145</td>
</tr>
<tr>
<td>A4</td>
<td>When I am thinking of a famous event, this event comes to my mind</td>
<td>4.233</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A5</td>
<td>I have seen a lot of advertising regarding to this event.</td>
<td>4.233</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I1</td>
<td>This event fits my personality</td>
<td>4.167</td>
<td>Event</td>
<td></td>
</tr>
<tr>
<td>I2</td>
<td>My friends would think highly of me if I visited this event.</td>
<td>4.067</td>
<td>Image</td>
<td></td>
</tr>
<tr>
<td>I3</td>
<td>The image of this event is consistent with my own self-image.</td>
<td>3.867</td>
<td>= 3.903</td>
<td></td>
</tr>
<tr>
<td>I4</td>
<td>Visiting this event reflects who I am</td>
<td>3.875</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I5</td>
<td>I would be proud to visit this event</td>
<td>3.650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I6</td>
<td>People similar to me visit this event</td>
<td>3.792</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1</td>
<td>This event provides tourist services of consistent quality.</td>
<td>3.650</td>
<td>Event</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>This event provides quality experiences.</td>
<td>3.892</td>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>From this event's services, I can expect successful outcomes.</td>
<td>4.017</td>
<td>= 3.932</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>This event provides high quality lodging.</td>
<td>4.100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q5</td>
<td>This event offers a clean environment</td>
<td>4.067</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q6</td>
<td>This event provides a high level of personal safety</td>
<td>3.867</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V1</td>
<td>Visiting this event is economical</td>
<td>4.008</td>
<td>Event</td>
<td></td>
</tr>
<tr>
<td>V2</td>
<td>This event is worth the money that I would pay to attend it.</td>
<td>3.417</td>
<td>Value</td>
<td></td>
</tr>
<tr>
<td>V3</td>
<td>Visiting this event gives me a sense of well-being</td>
<td>3.017</td>
<td>= 3.755</td>
<td></td>
</tr>
<tr>
<td>V4</td>
<td>Visiting this event makes me feel happy.</td>
<td>4.250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V5</td>
<td>Visiting this event helps me get approval from others.</td>
<td>3.792</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V6</td>
<td>Visiting this event helps me be accepted by others.</td>
<td>3.650</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V7</td>
<td>Visiting this event helps me create a good impression</td>
<td>3.892</td>
<td></td>
<td></td>
</tr>
<tr>
<td>V8</td>
<td>I am emotionally attached to this event.</td>
<td>4.017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L1</td>
<td>This event is my preferred choice for a vacation.</td>
<td>3.783</td>
<td>Event</td>
<td></td>
</tr>
<tr>
<td>L2</td>
<td>Overall, I am loyal to this event.</td>
<td>3.983</td>
<td>Loyalty</td>
<td></td>
</tr>
<tr>
<td>L3</td>
<td>I would advise other people to visit this event.</td>
<td>3.983</td>
<td>= 3.953</td>
<td></td>
</tr>
<tr>
<td>L4</td>
<td>I intend to visit this event within the next 3 years.</td>
<td>4.008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L5</td>
<td>I enjoy visiting this event.</td>
<td>4.008</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table 5. Correlation between CBBE dimensions and event value

<table>
<thead>
<tr>
<th>Variable</th>
<th>Event Value (r)</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Awareness</td>
<td>0.719</td>
<td>0.000</td>
</tr>
<tr>
<td>Event Image</td>
<td>0.930</td>
<td>0.000</td>
</tr>
<tr>
<td>Event quality</td>
<td>0.967</td>
<td>0.000</td>
</tr>
</tbody>
</table>
value (EV), H2. Event image (EI) has a positive influence on event value (EV), and H3. Event quality (EQ) has a positive influence on event value (EV) are supported. Table 6 shows a significant relationship between event value and event loyalty which supports hypothesis H4 that event value (EV) has a positive influence on event loyalty (EL).

**Conclusion**

The findings of the study supported the results of Baloglu and McCleary’s (1999) previous study which indicated that tourists were more likely to be interested in quality experiences related to personal safety, suitable accommodation, and appealing local food while traveling. Therefore, event organizers should not only concentrate on maintaining consistent service quality, but also to focus on augmenting visitors’ personal safety as well as on improving the quality of accommodation.

The findings of this study also supported the results of previous studies (Trost, Klaric & Ruzic, 2012; Yu, Wang & Seo, 2012) that tourists’ favourable perceptions of an event have a significant impact on event loyalty. The significant effect of event value (EV) on event loyalty (EL) observed in this study supported the findings of a number of previous studies which examined the relationship between value and loyalty dimensions in which brand value was an important antecedent to visitors’ intentions. The results of these studies indicated that value factor has a direct influence on brand loyalty (Yoon, Lee & Lee, 2010; Boo, Busser & Balolu, 2009; Williams & Soutar, 2009; Cronin et al., 2000).

**Implications**

From a theoretical standpoint, this study built and evaluated a research model, which emphasized key variables in branding an event brand. In addition, this study provided empirical evidence to the effect that the CBBE dimensions of brand awareness, image, and quality have a significant influence on event value, which in turn has an impact on event loyalty. The outcomes of this study provide a better understanding on how tourists evaluate event brands, how an event’s CBBE influences their travel behaviour.

From a practical standpoint, this study shows that event-marketing organizations (EMO) should include the five dimensions of brand awareness, image, quality, value, and loyalty to evaluate event brand equity so as to increase the marketing effectiveness of an event. This will help to attract a larger number of event participants every year and also assist destination management organizations (DMOs) to devise measures to increase the satisfaction level of the visitors resulting in greater event loyalty.

**Table 6. Correlation between event loyalty and event value**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Event Loyalty (r)</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Value</td>
<td>0.781</td>
<td>0.000</td>
</tr>
</tbody>
</table>
Limitations

There were a number of limitations in this study which need to be highlighted. First, this study used purposive sampling as a sampling technique even though random sampling would be considered ideal and more representative of the population. As there was no available lists of tourists who have attended the event from which a random selection could be made, random sampling was not possible in this study. Secondly, the relatively small samples size of 120 respondents means that the sample may not be truly representative of the overall population. Lastly, the findings of this study might not be generalizable to all events as this study was specific to the Three Gorges Migrant Cultural Festival.

In terms of future research, Getz (2010) argued that there is a need for greater interdisciplinary in future studies of festivals and event management to encourage cross-over research in terms of social/cultural anthropology theories, and methodologies. As most festival studies were conducted on event motivations, future research could focus on the actual experiences and meaning attached to the Three Gorges Migrant Cultural Festival.

References


