Destination image mechanisms in transitional economies

Abstract: The purpose of this paper is to empirically analyze a model explaining image formation in such destinations as Croatia which did not fully commercialize their potential as a tourist destination. Based on literature review, we tested model of destination image formation factors on the sample of 663 tourists visiting a holiday destination. Results show that in such situation, cognitive aspects exhibit limited impact on overall image. Moreover, sponsored communication has negative impact on cognitive evaluations. Results from this study can be used for strategic image management of transitional countries.

Keywords: Image, Destination, Image formation, Path analysis

Track: Marketing in Emerging and Transition Economics
1. INTRODUCTION

The research in the past three decades has put significant attention to evaluation and analysis of destination image. The reason is the importance of tourism contribution to economic development of many countries. This attention resulted in the greater understanding of tourist behavior. New demographic, socioeconomic and technological developments give rise to greater competition among touristic destinations. These developments mark the areas on which destinations mainly compete focusing on their perceived images relative to competitors (Baloglu and Manaloglu, 2001). Great effort is needed to disentangle multidimensional factors influencing destination image. In recent literature several studies have proposed cognitive-affective nature of destination image (Kim and Richardson, 2003; Pike and Rayan, 2004). From the theoretical point of view, there is a general agreement that the cognitive component is an antecedent of the affective component and that the evaluative responses of consumers evolve from their knowledge of the objects (Anand, Holbrook and Stephens, 1988; Russel and Pratt, 1980; Stern and Krakover, 1993). Regarding image formation the need for uncovering additional variables as image determinants has been recognized (Gallarza, Gil and Calderon, 2002). Stimulus factors (information sources and previous experience) and personal factors (social and psychological variables) were included by Baloglu and McCleary (1999a) in a model of destination image formation. Most previous studies have explored the role of stimulus factors and socio-demographic characteristics of tourists visiting a holiday destination on image formation (e.g. Baloglu, 2001; Hui and Wan, 2003; Rittichainuwat, Qu, and Brown, 2001). However, theoretical and empirical research on the influence of psychological factors on destination image has been limited.

In order to address this problem a model for of image formation has been developed grounding on different literature streams (Baloglu and McCleary, 1999, Beerli and Martin, 2004). The model is created to provide a framework for studying the forces which influence the formation of destination image and relationship between different levels of evaluations within the structure (cognitive, affective and overall). In addition, it enables research on factors determining these evaluations. The purpose of this research is to test a modified model of destination image of Croatia as a touristic destination.

2. A PATH MODEL OF IMAGE FORMATION

We grounded our research on the Balogly and McCleary (1999) and Beerli and Martin (2004) models. Academic interest in concept of image dates back to early works of Boulding (1956) and Martineau (1958) who suggested that human behavior is dependent upon image rather than objective reality. A commonly accepted definition of image applied to touristic destination context is that it is a set of beliefs, ideas and impressions that people have of a place or destination (Crompton, 1979a; Kotler et al, 1993). Such definitions mostly emphasized perceptual/cognitive component of image.

Lawson and Baud Bovy (1977) defined destination image as an integrated expression of knowledge, impressions, prejudices and emotional thoughts an individual or a group has of a particular object or place. Oxenfeldt (1974-75) and Dichtrer (1985) defined image as an overall and total impression which is formed as a result of the evaluation of individual attributes which may contain both cognitive and emotional content. To a great extent a perceptual phenomenon is formed through consumers’ reasoned and emotional interpretation (Dobni and Zinkhan, 1990). According to these authors image is affected by both stimulus elements of the destination and the characteristics of the perceiver.

Perceptual/cognitive and Affective components. Perceptual/cognitive components refer to beliefs and knowledge about objects whereas affective dimensions refer to feelings about it
Affective meaning refers to the appraisal of the affective quality of the environment while perceptual/cognitive quality refers to the appraisal of its physical features (Hanyu, 1993). Recent studies stress the importance of measuring both cognitive and affective variables toward environment and destination (Baloglu & McCleary, 1999; Baloglu, 1998; Dann, 1996; MacKay & Fisenmaier, 1997).

Overall image. Previous studies highlight that both perceptual/cognitive and affective evaluations form the overall image of a destination (Stern & Krakover, 1993). Mayo and Jarvis (1981:190) conceptualized a model of the tourism decision-making process, with special emphasis on attitudes or images toward destinations. In this model, tourists’ feelings are a function of beliefs and opinions. When relating overall image to the process of selection destination process, Gartner (1993) concluded that its cognitive component and its affective component are distinct but related. Most of the authors agree that affective evaluation depends on cognitive assessment of objects and the affective responses are formed as a function of the cognitive ones (e.g. Crompton & Ankomah, 1993; Mayo & Jarvis, 1981). Following this discussion we hypothesize:

H1: Perceptual/cognitive evaluations significantly influence overall image of a tourism destination.
H2: Affective evaluations significantly influence overall image of a tourism destination.
H3: Perceptual/cognitive evaluations significantly influence affective evaluations of a tourism destination.

Socio-psychological Motivation. People have different motives for engaging in touristic activities. Motivation is usually stressed as a key concept for understanding any human behavior, including touristic destination choice process (Uysal & Hagen, 1993; Weaver, Cleary, Lepisto & Damonte, 1994). In the context of tourism, motivations are usually defined as socio-psychological forces that predispose an individual to opt for and participate in a touristic activity (Beard & Reghep, 1983; Crandall, 1980; Iso-Ahola, 1982). They are also included in destination choice and image formation models (Stabler, 1990; Um, 1993; Um & Crompton, 1990).

The image of destination is highly related to touristic benefits sought (motivations). Tourists determine the image of destination before and after visit (Mill and Morrison 1992:32-56). Several authors suggested that motivations are related to the affective component of image and that affective image toward destination is, to a great extent, influenced by her/his motivations (benefits expected) from prior touristic experiences (Dann 1996; Gartner 1993; Walmsley and Jenkins 1993). Thus, we propose the following hypothesis:

H4: The stronger the socio-psychological travel motivations, the greater the affective evaluation.

Information sources. Information sources, also known as stimulus factors (Baloglu & McCleary, 1999a) or image forming agents (Gartner, 1993), are the forces which influence the forming of perceptions and evaluations. Woodside and Lysonskis (1989) pointed importance of understanding the impact of information sources on the perceptions of cognitive evaluations but not on affective component of destination’s image. Related model was developed by Um and Crompton (1990) and Um (1993), under which perceptual/cognitive evaluation of attributes are formed by external factors (information sources and social stimuli). Gartner (1993) noted that the type and amount of external stimuli received influence to formation of cognitive but not of affective component of image. The empirical results of Holbrooks (1978) study indicated that information sources do influence the cognitive but not the affective component of image. The more people search and acquire information, the higher their cognitive evaluations (Baloglu & McCleary, 1999a). Thus, we hypothesize:

H5: Professional advice has positive impact on evaluation of the quality of experience/attractions/value/environment.
H6: Word-of-mouth has positive impact on evaluation of the quality of experience/attractions/value/environment

H7: Sponsored communication has positive impact on evaluation of the quality of experience/attractions/value/environment

Demographic variables. Most of image destinations models have stressed the socio-demographic variables as consumer characteristics which influence perceptions of products and/or destination (Friedman ad Lessing 1986; Stabler 1990; Um and Crompton 1990; Woodside and Lysonsni 1989). We focus on age and education which have been shown to be major determinant of image but with varying influences (Walmsley and Jenkins 1993; Baloglu 1997; Husbands 1993; Krakover 1993). On the basis of research findings of these studies, we test the influence of age and education, hypothesizing that they have a negative impact since older and more educated people would be expected to have higher expectations and thus lower evaluations of both cognitive and affective component. Thus, we hypothesize:

H8: Age negatively influences (a) perceptual/cognitive and (b) affective evaluations of destinations.

H9: Education level negatively influences (a) perceptual/cognitive and (b) affective evaluations of destinations.

3. RESEARCH DESIGN AND MEASURES

Research was conducted using questionnaires individually administered to tourists during summer of 2008 and 2009. Data was collected on the sample of foreign tourists in ten randomly drawn major touristic destinations. Regarding their demographic characteristics, respondents were equally male and female, mostly younger (18-34: 35,9%; 35-49: 38,8%; 50-64: 19,9%; 65+: 5,4%), high is the ratio of highly educated individuals (47,1% with university degree; 26,8% with graduate degrees) compared to lower educated individuals (26% with high school or less). Their earnings were mostly below 50 thousand euro per year (73,6%). Total number of respondents was well above the minimum threshold for SEM suggested by Hair et al. (2005). Since questionnaires were filled together with respondents, the response rate and non-response bias do not present an issue.

We used items developed for similar research on country image. Following exploratory and confirmatory factor analyses we arrive to the following measures of our variables. Overall image was measured using 7-point Likert scale ranging from extremely negative to extremely positive. Perceptual/cognitive evaluations and affective evaluation are mediators between exogenous variables and the final endogenous variable overall image. Perceptual/cognitive evaluations were measured using three variables: quality of experience (nr. of items=8; α=0,82; CR=0,87; AVE=0,46), attractions (nr. of items=3; α=0,84; CR=0,90; AVE=0,76), and value/environment (nr. of items=3; α=0,70; CR=0,84; AVE=0,63). Affective evaluation was characterized by four items (α=0,86; CR=0,90; AVE=0,70). Exogenous variables included information source, socio-psychological travel motivations, age and education. Information sources are characterized by different sources of information which factored out into following groups: sponsored communication (nr. of items=4; α=0,87; CR=0,90; AVE=0,70), professional advice (nr. of items=4; α=0,86; CR=0,90; AVE=0,70) and word-of-mouth sources from friends and family (single item measure). Socio-psychological travel motivations are characterized by four variables: relaxation/escape (nr. of items=5; α=0,94; CR=0,94; AVE=0,77), excitement/adventure (nr. of items=4; α=0,95; CR=0,96; AVE=0,87), knowledge (nr. of items=4; α=0,94; CR=0,85; AVE=0,84), and social/prestige (nr. of items=4; α=0,80; CR=0,86; AVE=0,62). All measures show satisfactory indicators: Cronbach alpha (α) >0,7; Composite Reliability (CR) > 0,7; Average Variance Extracted (AVE) > 0,5 (Hair, Black, Babín, Anderson, & Tatham, 2005; Fornell & Larcker, 1981). Similarly, model fit measured by Root Mean Square Error of Approximation (RMSEA) is .070 which is below the recommended threshold level of .08 (Hoyle & Duvall, 2004).
4. RESULTS

The overall model was theoretically defined based on models working in other destinations.

<table>
<thead>
<tr>
<th>INFORMATION SOURCES</th>
<th>Quality of Experience (COG1)</th>
<th>Attractions (COG2)</th>
<th>Value/Environment (COG3)</th>
<th>Affective evaluation</th>
<th>Overall image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional advice</td>
<td>5,155***</td>
<td>5,507***</td>
<td>5,528***</td>
<td></td>
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<tr>
<td>Word-of-mouth</td>
<td>.436**</td>
<td>.394*</td>
<td>.544***</td>
<td></td>
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<tr>
<td>Sponsored communication</td>
<td>-5,187***</td>
<td>-5,554***</td>
<td>-5,584***</td>
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<tr>
<th>DEMOGRAPHICS</th>
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<tbody>
<tr>
<td>Age</td>
<td>-367*</td>
<td>-366*</td>
<td>-357*</td>
<td>.039 n.s.</td>
</tr>
<tr>
<td>Education</td>
<td>-354*</td>
<td>-316.051</td>
<td>-312.056</td>
<td>.002 n.s.</td>
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<tr>
<th>SOCIO-PSYCHOLOGICAL TRAVEL MOTIVATIONS</th>
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<tr>
<td>Relaxation/escape</td>
<td>.215***</td>
<td></td>
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<tr>
<td>Excitement/Adventure</td>
<td>.022 n.s.</td>
<td></td>
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<tr>
<td>Knowledge</td>
<td>.165***</td>
<td></td>
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<tr>
<td>Social/Prestige</td>
<td>.020 n.s.</td>
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<th>PERCEPTUAL/COGNITIVE EVALUATION</th>
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<tr>
<td>Quality of Experience</td>
<td>.540***</td>
<td>-.102 n.s.</td>
<td></td>
<td></td>
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<tr>
<td>Attractions</td>
<td>-.072 n.s.</td>
<td>.174*</td>
<td></td>
<td></td>
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<tr>
<td>Value/Environment</td>
<td>.141 n.s.</td>
<td>-.134 n.s.</td>
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<tr>
<th>AFFECTIVE EVALUATION</th>
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<tbody>
<tr>
<td>Affective evaluation</td>
<td>.896***</td>
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Hypothesis 1 is partially accepted since only attractions have significant positive impact on overall image, while the impact of the value/environment and quality of experience is insignificant. Thus, positive perceptions of destination’s attractions imply greater overall image evaluations. Importance of affective evaluation for overall image is strongly confirmed, thus accepting the second hypothesis. Although expected quality of experience does not have a direct impact on overall image evaluation, it has significant impact through affective evaluations (H3 is partially confirmed since other influences are insignificant). Thus, tourists base their destination image primarily on the emotional expectations of the destination, expectations about cultural/natural/historic attractions and general expectations about destination (things that can generally be found in travel guides). Tourists visiting Croatia generally do not rely on aspects such as value-for-money, environment and climate since this presents a general knowledge of the destination which is not controllable in the short run. As a result, tourists generally do not take this information into consideration. This is also influenced by the fact that respondents were selected (as in the previous literature, e.g. Baloglu & McCleary, 1999a) from visitors who have already accepted these factors as given.

Apart from the impact of expected experience quality, affective evaluation is also influenced by tourists’ socio-psychological travel motivations. Tourists’ beliefs that destination will allow them to escape everyday worries and relax, and beliefs that destination will allow them to learn through novel experiences, give rise to their emotional expectations from the destination. The other two socio-psyhol ogical motivations (social/prestige and excitement/adventure) have no significant impact (thus H4 is partially accepted). Such developments resulted from the fact that Croatia is not communicated or perceived as “exotic” destination nor is it known for being adventurous. Thus, all visitors (and they were the ones being surveyed) did not expect these aspects. They expected pristine natural and historic beauty which is primarily communicated by Croatian tourism board. As a result there is no significant effect on tourists’ emotional relation to the destination. Demographics have no impact on affective evaluations of the destination.
Cognitive evaluations are impacted by how consumers acquire and process information which is analyzed through different information sources consumers consult and their demographics. In that sense, consumers who rely more on professional advice and/or their friends and family (word-of-mouth) have more positive cognitive evaluations of the destination (confirmed H5 and H6). However those who rely highly on sponsored communication tend to have lower cognitive evaluations. Implications are that image arises from professional advice and WOM while sponsored communication primarily influences destination awareness. Moreover, such communication generally overemphasizes positive country characteristics thus overinflating expectations which are then adjusted when arriving at the destination. In that sense, country’s tourist board can do much more for enhancing perceived image by developing good downstream relationships (with travel agents, airlines, etc) and ensuring fulfillment of guests’ expectations, than investing in expensive advertising campaigns. Much more informative are sources that can provide interactions and personalization of knowledge and subsequently personalization of experiences. Regarding cognitive evaluations, demographics have expected negative effects. Thus, in general older people tend to have lower cognitive evaluations. The same is true for more educated individuals. Older and more educated people tend to have higher standards and thus evaluate quality of experience significantly lower than younger people. They are generally more knowledgeable about cultural heritage in the world and thus perceive the destination to be relatively less endowed in that respect. When evaluating value, older and more educated tourists can be expected to have higher expectations regarding the value for money they expect, environment and climate and thus have lower beliefs regarding the focal destination. Regarding demographics, affective evaluations are independent of socio-demographics but related to the actual travel motivations which consumers generally expect in a particular destination (H8a and H9a are confirmed while H8b and H9c are not confirmed).

5. CONCLUSION

Understanding perceptual/cognitive and affective characteristics’ and their antecedents has been shown to be important for managing the destination image. Thus, when managing overall destination image, one must be aware that it is key to position the destination in relation to specific socio-psychological travel motivations. In that sense, Croatia is primarily a destination for tourists looking for relaxation and escape from everyday life and those looking for experiencing new places (knowledge). However, it is to expect that those with knowledge as their motivation would not be loyal visitors since they are in continuous pursuit for new experiences. Thus, Croatia seems to be preferred by travelers looking for relaxation and peace. Regarding the demographics it is clear that it has to define whether to focus on older and higher educated individuals which have much greater expectations and thus tend to be much more ruthless when estimating their cost-benefit ratio than younger and less educated audience. Our findings show negative relation of age and education with cognitive evaluation of destination what is not desired correlation if we want to achieve repeat visitors of one destination. On the other hand information sources as a stimulus factors show positive relation on the side of professional and WOM communication to cognitive evaluation of tourist destination while sponsored communication is negatively correlated. The reason might be distrust of foreign tourists to commercial information sources of transitional countries. From this research it is obvious that marketing strategy should be created differently for specific segments of foreign tourists. When the segment is defined, it is important to understand that sponsored communication is not the best channel on which to rely. Paid advertising seems to produce strong negative effects for destination evaluations. Thus, it is imperative to develop strong beneficial relationships with professional advice providers (travel agents, airlines, etc) to ensure high quality personalized communication with Croatian potential tourists. This study presents foundation for further research of destination image of Croatia thus providing insight into future development of this crucial Croatian industry.
6. REFERENCES


