

An empirical study to find important factors on building national brand: An Iranian tourism case study

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ABSTRACT

Building national brand plays an important role on today's economy to attract interested tourists in visiting various countries. There are different factors impacting national brand such as advertisement, natural attraction, etc. In this paper, we perform an empirical investigation to find the impact of ten most important factors on building brand. The study designs and distributes a questionnaire among 384 international tourists who visited Iran during the year of 2010 and it uses factor analysis to group important factors. The results extract four groups; the first factor includes three most important components including satellite advertisement programs, public awareness on economical power and public awareness on specialized symposium and conferences. The second factor includes three other important factors, which are public awareness on human right, advertisement programs through distribution brushes and internet advertisement. The third factor includes two variables, which are public awareness on education and access to educational services and introducing cultural heritage. Finally, the last factor includes introducing natural attraction and advertisement programs through distribution brushes.

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1. Introduction

There are many evidences to believe that globalization plays an important role in today's world and all countries must create their own brands for introducing their identities to others (Aaker, 1991; Aaker, 1996; Aaker, 1997; Aaker & Shansby, 1982; Kleppe et al., 2002; Keller, 2008; Pike, 2009). People try to build value added brand for their identities to attract more tourist to their countries (Gilmore, 2002; Lodge, 2002; Mathieson & Wall, 1982) and governmental agencies play essential role on introducing countries' image to other people in various around the world (Harrison, 2002; Morgan et al., 2002). These attempts are accomplished to help economy and eventually builds good image for countries (Starr, 2001; Hall, 2002). National brand plays an important role on countries' identities.

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There are many evidences to analyze the impact of issues happened after September 11 accident in Iraq and Afghanistan and to find out how much of 18 trillion dollars value of national brand in United States has been jeopardized (Kra, 2002).

Target marketing is one of the most important ways for introducing a combination of various cities and locations for tourists as a package (Hall, 2002; Mill & Morrison, 1992). Target marketing includes two important performance measures including identification and distinction (Florek, 2005). There are literally various factors for promoting tourism industry such as image, word of mouth, etc. (Baloglu & Brinberg, 1997; Kapferer, 1996). Cai (2002) introduced brand identification and brand image as two important factors for promoting brand. However, there are some contradictions in such definition discussed by Florek (2006). Nevertheless, a good image from a particular city, village or a country creates a value (Ryan & Gu, 2008). Baloglu and McCleary (1999) introduced a model of destination image formation. Paswan et al. (2003) investigated nation branding loyalty towards the country, the state and the service brands. There are literally different studies, which indicate that a comprehensive image from a country's brand is built through evaluating all aspects of the country (Baloglu, 1996; Baloglu & Mangalolu, 2001; Baloglu & McCleary, 1999).

Zarabi and Ahmadi (2012) presented a study for ranking different cities and villages in province of Isfahan based on analysis of social indicator during the statistic period 1996-2006. They explained that one of the primary governmental concerns is to understand the level of economical and social development in different locations of a country. Understanding social and economical characteristics of different cities help provide necessary assistance for underdeveloped areas and promote some value added activities such as tourism in better-developed areas. They presented an empirical study based on Factor Analysis to rank different towns, villages and cities located in city of Isfahan, Iran in terms of various socio-economical criteria. The study gathered necessary information from 1996 to 2007. The results of the survey indicate that three cities of Feridan, Nayeen and Falavarjan are in the best position in terms of different social and cultural criteria while Lenjan, Barkhar and Mymehand Isfahan are located in the worst positions.

Tabrizi et al. (2012) explained that many countries compete to gain political, economic, social and cultural advantages. In addition, cities are trying to demonstrate their predominance on local and regional levels and achieve development by using managerial science. Meetings, incentives, conventions and exhibitions tourism (MICE) hosting as a significant element of urban tourism is one of the effective methods to obtain urban development around the world. However, no specialized planning and independent investments in regard to these activities have been organized in Iran. Aiming to identify suitable areas in the northern part of Iran, they tried to recognize the necessary physical and location related (P.L) indexes to perform the specialized activities of MICE tourism in this region. They first identified indispensable indicators to accept special role of MICE tourism and then they adapted some areas based on GIS and fuzzy method. Their result map showed that a ribbon-like area near the Caspian Sea with two wide lands at central and western parts was a proper choice to host MICE activities in the region from the viewpoint of P.L indexes.

In this study, we use factor analysis to detect important factors influencing building brand in Iran. The organization of this paper first presents details of the survey in section 2. Section 3 presents details of the study and finally concluding remarks are given in the last to summarize the contribution of the paper.

2. The proposed study

The proposed study of this paper considers the effects of the following items on domestic brand.

1. Introducing natural attraction has positive influence on building domestic brand (En).
2. Public awareness on human right has positive influence on building domestic brand (Hu).

3. Public awareness on education and access to educational services has positive influence on building domestic brand (Edu).
4. Satellite advertisement programs have positive influence on building domestic brand (Sad).
5. Advertisement programs through distribution brushers have positive influence on building domestic brand (Lad).
6. Internet advertisement has positive influence on building domestic brand (Iad).
7. Advertisement in foreign journals has positive impact on building domestic brand (Mad).
8. Introducing cultural heritage has positive impact on building domestic brand (Her).
9. Public awareness on economical power has positive impact on building domestic brand (Eco).
10. Public awareness on specialized symposium and conferences has positive impact on building domestic brand (Sem).

The proposed study of this paper designs a questionnaire and distributes it among 384 people who have already visited Iran as tourist. The questionnaire maintains two parts, in the first part we ask them about their personal characteristics and the second part of the survey includes 40 questions on 10 important factors impacting building national brand. Cronbach alpha was calculated for this survey as 0.84, which is well above the minimum desired level. The first step on examining the data is to test whether the data are normally distributed or not. We also use Kolmogorov – Smirnov test to verify this item. Table 1 shows the results of our test.

Table 1

The results of Kolmogorov – Smirnov

Var.	En	Hu	Edu	Sad	Lad	Iad	Mad	Her	Eco	Sem
K-S	1.84	1.95	1.34	1.28	1.88	1.54	1.80	1.24	1.37	1.19
Sig.2-taild	0.00	0.00	0.06	0.07	0.00	0.02	0.00	0.09	0.05	0.12

As we can observe from the results of Table 1, we cannot reject the null hypothesis for five hypotheses in five cases when the level of significance is five percent. However, since there are more 30 observations, according to central theorem using we may t-student. Table 2 shows details of our findings,

Table 2

The results of t-student on all components of hypotheses (degree of freedom =72)

Variable	Mean	Standard deviation	t-student	P-value	Upper/Lower limits	
					Lower	Upper
En	3.69	.54207	10.87	0.00	0.56	0.82
Hu	2.49	.33378	-13.03	0.00	-0.59	-0.43
Edu	3.18	.52276	2.93	0.00	0.06	0.30
Sad	2.01	.63933	-13.23	0.00	-1.14	-0.84
Lad	2.08	.42707	-18.36	0.00	-1.02	-0.82
Iad	3.12	.54927	2.90	0.00	0.05	0.28
Mad	2.63	.47710	-6.62	0.00	-0.48	-0.26
Her	3.57	.48279	10.06	0.00	0.46	0.68
Eco	2.65	.39691	-7.52	0.00	-0.44	-0.26
Sem	1.79	.55955	-18.41	0.00	-1.34	-1.07

As we can observe from the results of Table 2, all null hypotheses are rejected and we can conclude that all ten factors influence building national brand. However, these ten components have various impacts on building national brand. In other words, natural attraction has the highest impact followed by advertisement in foreign journals, introducing cultural heritage and internet advertisement. While public awareness on specialized symposium and conferences maintains the lowest impact followed by satellite advertisement programs, advertisement programs through distribution brushers and public awareness on human right.

3. Factor analysis

Factor analysis plays an essential role on detecting important factors and grouping them into smaller groups. Table 3 shows the correlation factors among ten various factors.

Table 3
Correlation data

Components	Hu	En	Edu	Sad	Lad	Iad	Mad	Her	Eco	Sem
Hu	1	.123	-.181	.380	-.021	.298	.369	-.057	.196	.004
En	.123	1	-.029	-.306	.164	.142	.042	.107	-.239	-.433
Edu	-.181	-.029	1	-.090	.260	.037	-.030	.547	.058	.325
Sad	.380	-.306	-.090	1	.162	.001	.181	-.247	.343	.173
Lad	-.021	.164	.260	.162	1	-.003	.104	.162	.228	.406
Iad	.298	.142	.037	.001	-.003	1	.297	.288	-.099	-.111
Mad	.369	.042	-.030	.181	.104	.297	1	-.103	.147	.167
Her	-.057	.107	.547	-.247	.162	.288	-.103	1	.041	-.031
Eco	.196	-.239	.058	.343	.228	-.099	.147	.041	1	.302
Sem	.004	-.433	.325	.173	.406	-.111	.167	-.031	.302	1

Before we perform factor analysis we need to make sure they maintain meaningful information using KMO test. Here, the null hypothesis is that all variables have correlation with themselves while the alternative hypothesis specifies that variables do not maintain correlation with themselves. The results of KMO test yields 0.635, which means there are good correlations among data for factor analysis. In addition, Bartlet test also yields 172.592 with 45 degrees of freedom, which confirms KMO test when the level of significance is one percent. Table 4 shows initial factors with their extraction values.

Table 4
Common initial values using factor analysis with no rotation

Var.	En	Hu	Ed	Sad	Lad	Iad	Mad	Her	Eco	Ser
Initial	1	1	1	1	1	1	1	1	1	1
Extraction	0.678	0.889	0.736	0.589	0.838	0.716	0.507	0.774	0.460	0.674

As we can observe from the results of Table 4, for instance, advertisement programs through distribution brushers demonstrates 83% of common factor. Since most factors maintain more than 50% of extracted factors, we can conclude that they are suitable as basis for factor analysis. Table 5 shows, the number of extracted factors along with their eigenvalues, percentage of variance and accumulated percentage of variance. Table 5 shows details of our factor analysis using Varimax rotation technique. As we can observe, factors one to four with 20.226%, 18.211%, 17.496% and 12.664%, respectively represent 68.597% of total variance.

Table 5
Factor analysis using Varimax rotation technique

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Eig.	% Var.	% Acc.	Eig.	% Var.	% Acc.	Eig.	% Var.	% Acc.
1	2.188	21.881	21.881	2.188	21.881	21.881	2.023	20.226	20.226
2	1.912	19.118	40.999	1.912	19.118	40.999	1.821	18.211	38.437
3	1.723	17.228	58.227	1.723	17.228	58.227	1.750	17.496	55.933
4	1.037	10.370	68.597	1.037	10.370	68.597	1.266	12.664	68.597
5	.874	8.744	77.341						
6	.669	6.693	84.034						
7	.574	5.744	89.778						
8	.499	4.994	94.772						
9	.337	3.372	98.144						
10	.186	1.856	100.000						

One of the useful ways to find a suitable level to detect optimum numbers of factors is use Scree plot. According to this plot, when the changes become linear, we may detect the optimal number of factors. Fig. 1 shows Scree plot for the proposed study of this paper.

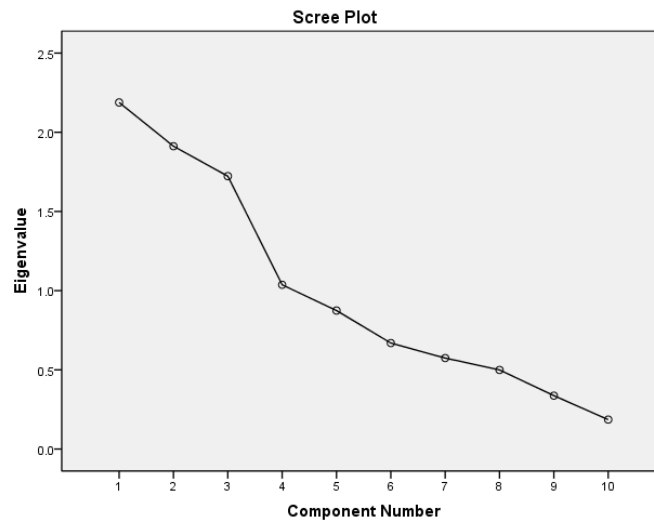


Fig. 1. Scree plot

It is clear from the figure that we can extract four factors. Table 6 shows portions of each factor before rotation is applied.

Table 6
FA before rotation

Variable	1st	2nd	3rd	4th
Hu	.389	-.480	.542	-.046
En	-.456	-.001	.551	.615
Edu	.173	.814	.141	-.154
Sad	.672	-.366	-.046	-.035
Lad	.454	.438	.160	.643
Iad	.014	-.037	.762	-.366
Mad	.435	-.265	.496	.025
Her	-.087	.702	.436	-.288
Eco	.673	.030	-.073	.026
Sem	.701	.356	-.236	.010
Hu	.389	-.480	.542	-.046

Table 7
FA after Verimax rotation and normalization

Variable	1st	2nd	3rd	4th
Hu	.075	.802	-.172	.010
En	-.788	.181	-.014	.485
Edu	.207	-.152	.789	.216
Sad	.574	.394	-.319	.049
Lad	.195	.037	.170	.877
Iad	-.215	.676	.414	-.202
Mad	.135	.681	-.040	.150
Her	-.117	.045	.870	.029
Eco	.607	.193	-.024	.231
Sem	.734	-.066	.187	.308
Hu	.075	.802	-.172	.010

The numbers are within -1 to +1 and once they get close their border numbers the factors are more important. Table 7 demonstrates the factor analysis after rotation is applied. Based on the results of Table 7, the first factor includes three most important components including Satellite advertisement programs, public awareness on economical power and public awareness on specialized symposium and conferences. The second factor includes three other important factors, which are public awareness on human right, advertisement programs through distribution brushes and internet advertisement. The third factor includes two variables, which are public awareness on education and access to educational services and introducing cultural heritage. Finally, the last factor includes introducing natural attraction and advertisement programs through distribution brushes. Finally, Table 8 shows details the correlation matrix among four variables.

Based on the results we have accomplished from Table 8, the first factor is associated with providing awareness in non-written form in other countries while the second factor is associated with written form of advertisement in other countries. The third factor is associated with awareness on Iranian culture and the last factor is related to natural attractions of this factor. Although some other factors

such as human rights and economical conditions are also important factors but since Iran is located in special geopolitical region it could impact all factors either directly or indirectly.

Table 8

Correlation matrix among four factors

Factors	First	Second	Third	Fourth
First	.863	.398	-.015	.312
Second	.094	-.434	.831	.336
Third	-.421	.798	.398	.165
Fourth	-.265	-.126	-.389	.873

In summary, we can conclude that Iranian advertisement techniques outside the country play the least important impact on building national brand and they are not properly implemented. In fact, many tourists receive their information through different social pages, historical monuments, natural attractions and these are main sources of their awareness for traveling to Iran. Many people claim they had little information on Iran prior to their trip but their trip to Iran significantly added to their awareness. This could simply show that government programs did not have good impact on people's motivation for travelling to Iran.

4. Conclusion

In this paper, we have presented an empirical study to find important factors influencing people for traveling to Iran as tourists. The proposed study designed a questionnaire and distributed among different people and using factor analysis detected important factors in four groups. Based on the results of this study, the first factor includes three most important components including Satellite advertisement programs, public awareness on economical power and public awareness on specialized symposium and conferences. The second factor includes three other important factors, which are public awareness on human right, advertisement programs through distribution brushes and internet advertisement. The third factor includes two variables, which are public awareness on education and access to educational services and introducing cultural heritage. Finally, the last factor includes introducing natural attraction and advertisement programs through distribution brushes. The results also indicated that Iranian advertisement techniques outside the country play the least important impact on building national brand and they are not properly implemented. In fact, many tourists received their information through different social pages, historical monuments, natural attractions and these are main sources of their awareness for traveling to Iran.

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