Towards a brand value model for the Southern Africa Tourism Services Association

M Laurens
13016962

Thesis submitted in fulfilment of the requirements for the degree *Philosophiae Doctor* in Tourism Management at the Potchefstroom Campus of the North-West University

Promoter: Prof E Slabbert

Co-promoter: Dr P Viviers

December 2013

It all starts here ™

NORTH-WEST UNIVERSITY ®
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT

DECLARATION WITH REGARD TO INDEPENDENT WORK

I, Marna Laurens, identity number 8506120114085 and student number 13016962, hereby declare that this research submitted to the North West University, for the PhD study: ***A brand value model for Southern Africa Tourism Services Association***, is my own independent work; and complies with the Code of Academic Integrity, as well as other relevant policies, procedures, rules and regulations of the North West University; and has not been submitted before to any institution by myself or any other person in fulfilment (or partial fulfilment) of the requirements for the attainment of any qualification.

---------- ----------

Mrs M LAURENS Prof E SLABBERT

DATE

FINANCIAL ASSISTANCE

The National Research Foundation (NRF) is gratefully acknowledged for their financial assistance. Statements and suggestions made in this study are those of the author and should not be regarded as those of the NRF.

ACKNOWLEDGEMENTS

What initially started out as an intriguing conversation has resulted in a full-scale investigation of a challenging, and uncharted road in the stimulating research field of brand value. Through this study, I have once again come to the realisation that though this particular road may have been filled with various obstacles (and countless cups of coffee), in the end, the choice remains yours to make: overcome the obstacles or, let them overcome you. However, this journey would not have been possible without the support and assistance of key individuals. The following people are therefore thanked for their role in the completion of this study:

- Prof. Elmarie Slabbert, my supervisor and mentor, for her remarkable patience, endless encouragement, unrelenting grit and commitment to excellence in pursuing this goal with me. We have come a long way and I can truly say that it still remains a privilege to know and work alongside someone of this calibre.
- Dr. P.A. Viviers for his useful insights into such an abstract concept – and his friendship over the years.
- Dr. Suria Ellis and a special thank you to Ms. Marike Cockeran for the statistical processing and assistance in the interpretation of the data.
- Rod Taylor and Cecilia van der Walt for the language editing.
- My parents, whose tenacious faith in my abilities and never-ending support have been my saving grace in the past few years – I thank them for being able to rest in the shelter of their unconditional love.
- My husband, whose silent strength has been worth its weight in gold.
- My Maker, who has given me the strength and resolve to start the race well and finish it strong.

Other significant individuals that are near to my heart have been thanked in person, since words are not enough to express my gratitude and appreciation for each and every one…

'Two roads diverged in a wood, and I,
I took the one less travelled by
and that has made all the difference…'
– Robert Frost

ABSTRACT

A BRAND VALUE MODEL FOR SOUTHERN AFRICA TOURISM SERVICES ASSOCIATION

Over recent years, the concept of brand value has increasingly gained prominence in a variety of contexts. This is primarily due to a brand's ability to increase profits through a promise of value delivered to customers, which makes it a valuable intangible asset to organisations. A brand's value can, however, only be managed properly if it is measured and understood so as to ensure optimal growth and survival in an ever-changing, volatile marketplace. This realization has prompted investigations into the assessment of the financial value of a brand in both business/marketing research and practice. However, contrary to customary brands such as products or services, the Southern Africa Tourism Services Association (SATSA) is a uniquely fused brand, since it operates as a non-profit, member-driven organisation in the private sector of the Southern African inbound tourism industry. This intricate brand structure inevitably necessitates a more specific premise and subsequent measure of brand value, since it cannot be confined to financial value alone. In the light of this, the main purpose of this study was to develop a brand value model for SATSA to examine the value created by this brand and how it is experienced by its members.

To date, the majority of research endeavours have focused on the financial value of a brand. Given the essence of this organisation, brand value ought to encompass a range of aspects other merely financial value. The recent downtrend in membership numbers also highlights the need for determining the value members derive from this specific organisation. Knowledge regarding the brand's value can serve as a means to improve the current value proposition, thereby enabling an increase in satisfaction and loyalty, growth in membership, and overall organisational sustainability.

However, research in brand value specifically for non-profit, member-driven organisations such as SATSA, and in the South African tourism industry is particularly limited. In addition to the latter, no formal measuring instrument currently exists whereby brand value can be measured in such a unique context. It is therefore essential for an organisation such as SATSA to identify specific dimensions of brand value and, to determine which dimensions are most likely to influence members' perceptions of value by examining the relationships between dimensions, to enable maximum leverage of the brand. Therefore, to achieve the above mentioned and the goal of this study, a comprehensive review of the marketing and tourism/non-profit literature was performed, subsequent to which the research was conducted in two phases.

The first phase focused on the construction of a measuring instrument to identify the key aspects that contribute to brand value. Expert knowledge, opinion and consensus were obtained relating to the appropriateness of items to be included in the questionnaire. Based on the latter and the literature review, a total of 53 items were deemed acceptable to measure brand value in this particular context. These items formulated in phase 1 were then included in the final questionnaire and measured together with questions pertaining to the business profile of members in phase 2. Phase 2 focused on analysing brand value from members' perspective. Self-administered questionnaires were distributed online to all members included in the SATSA database (n=718). A total of 268 questionnaires were completed.

To address the goal of this study, selected statistical techniques were employed. Two separate factor analyses were performed on the brand value and brand equity dimensions respectively, which revealed reliable and valid factors, and were used as constructs in the Structural Equation Modelling (SEM) analysis to develop the model. Other statistical techniques included correlations, ANOVAs, and an independent *t*-test to examine the influence of selected business profile aspects on brand value. The results of the study confirmed that brand value for organisations such as SATSA is, in fact, multifaceted. Brand value in this context therefore consists of financial value, professional trust value, organisational value, network value, social engagement value, in conjunction with brand equity, which is important for developing and sustaining the brand. Professional trust value was also revealed to be a major facet of SATSA's brand value that requires attention on various levels.

The contributions of this research are threefold: From a theoretical point of view, this study is one of the first to identify multiple aspects that specifically contribute to brand value for a non-profit member-driven organisation in the context of tourism, and even more so in a South African context. The development of this model is thus a significant contribution to literature and can be further analysed and tested by other researchers. Secondly, from a methodological point of view, this study sets a benchmark in South African tourism brand value research by designing a reliable questionnaire that measures multiple value aspects for the first time in this context; as well as the construction of a model that captures *multiple* facets of brand value and reveals unique relationships between *specific* facets of brand value and brand equity. Thirdly, from a practical perspective the research indicated the current status of SATSA's brand value, and also equips SATSA with a model that enables them to effectively manage brand value and realise what specifically contributes to increased brand value levels for this organisation. This model can also be tested for organisations with similar brand structures, but also for profit-driven organisations.

The information obtained from this study can be applied to conduct a comprehensive assessment of brand value for non-profit, member-driven organisations in the South African tourism industry to encourage value-based management and enable a more proficient value offering. This should lead to optimal member satisfaction, growth in membership numbers and the continuous sustainability of such organisations in South Africa given the competitive operational environment.

Keywords: *Southern Africa Tourism Services Association (SATSA); branding; brand management; brand value; brand valuation; building brand value; tourism brand value; brand value in non-profits*

OPSOMMING

'N HANDELSMERKWAARDE-MODEL VIR *SOUTHERN AFRICA TOURISM SERVICES ASSOCIATION*

Die konsep *handelsmerkwaarde* het gedurende die afgelope jare toenemend in 'n verskeidenheid kontekste op die voorgrond getree. Dit word hoofsaaklik toegeskryf aan die vermoë van die handelsmerk om winsgrense te verhoog deur beloofde waardelewering aan klante. Om hierdie rede word 'n handelsmerk beskou as 'n waardevolle, ontasbare bate van organisasies. Die waarde van 'n handelsmerk kan egter slegs behoorlik bestuur word indien dit gemeet en verstaan word om optimale groei en oorlewing in 'n vinnig-veranderende markomgewing te verseker. Hierdie besef het gelei tot ondersoeke rakende die assessering van die finansiële waarde van 'n handelsmerk in beide die navorsing en praktyk van die besigheids- en bemarkingsomgewing. In teenstelling met gewone handelsmerke soos die van produkte of dienste, is die handelsmerk van die Southern Africa Tourism Services Association (SATSA) 'n uniek saamgestelde handelsmerk aangesien dit 'n nie-winsgewende, lede-gedrewe organisasie binne die privaatsektor van die Suid-Afrikaanse inkomende toerismebedryf verteenwoordig. Hierdie ingewikkelde struktuur van die handelsmerk noodsaak 'n meer spesifieke veronderstelling en gevolglike meting van die waarde van die handelsmerk aangesien dit nie beperk kan word tot slegs finansiële waarde nie. In die lig hiervan is die hoofdoel van hierdie studie om 'n handelsmerkwaarde-model vir SATSA te ontwikkel om die waarde van hierdie handelsmerk en hoe dit deur hul lede ervaar word, te ondersoek.

Tot onlangs toe het die meeste navorsing op die finansiële waarde van 'n handelsmerk gefokus. Gegewe die aard van hierdie organisasie behoort die waarde van die handelsmerk 'n verskeidenheid aspekte anders as bloot finansiële waarde in te sluit. Die onlangse afname in ledetal beklemtoon die noodsaaklikheid daarvan om die waarde wat lidmaatskap aan lede bied, te bepaal. Kennis aangaande die handelsmerkwaarde kan die huidige waarde-aanbieding verbeter, wat sal bydra tot verhoogde lojaliteit en tevredenheid, groei in ledetal en algehele volhoubaarheid van die organisasie. Navorsing met betrekking tot handelsmerkwaarde, spesifiek vir niewinsgewende, ledegedrewe organisasies soos SATSA, in die Suid-Afrikaanse toerismebedryf, is baie beperk. Boonop bestaan daar tans geen formele meetinstrument waardeur die waarde van 'n handelsmerk in die unieke konteks gemeet kan word nie. Dit is dus vir 'n organisasie soos SATSA noodsaaklik om die spesifieke dimensies van handelsmerkwaarde te identifiseer, en te bepaal watter dimensies die mees waarskynlike is om lede se persepsies van waarde te beïnvloed.

Die verhouding tussen die onderskeie dimensies moet ook ondersoek word sodat die effek van die handelsmerk vergroot kan word. Om die voorafgaande, sowel as die doel van hierdie studie te bereik is 'n omvattende, deurtastende bespreking van die bemarkings- en toerisme/niewinsgewende literatuur gedoen. Daaropvolgend is die navorsing in twee fases uitgevoer.

Die eerste fase het gefokus op die samestelling van 'n meetinstrument wat die sleutelaspekte wat 'n bydrae tot handelsmerkwaarde lewer, identifiseer. Kennis, menings en gevolgtrekkings van deskundiges aangaande die toepaslikheid van items wat in die vraelys ingesluit moes word, is verkry. Gebaseer op laasgenoemde, sowel as insig verkry uit die literatuur, is daar ooreengestem dat 'n totaal van 53 items gepas is vir die meting van handelsmerkwaarde in hierdie bepaalde konteks. Hierdie dimensies wat in fase 1 geformuleer is, is ingesluit by die finale vraelys en tesame met die vrae gemeet wat gerig is op die besigheidsprofiel van lede in fase 2. Fase 2 het gefokus op die analisering van lede se perspektief op die waarde van die handelsmerk. Vraelyste is elektronies aan alle lede wat op SATSA se databasis verskyn (n=718) gestuur. In totaal is 268 vraelyste ingevul.

Verskeie statistiese tegnieke is ingespan om die doel van hierdie studie te bereik. Twee afsonderlike faktoranalises is op die handelsmerkwaarde en op die handelsmerk-ekwiteit onderskeidelik uitgevoer. Betroubare en geldige faktore is bevind en dit is gebruik as konstrukte in die Structural Equation Modelling (SEM)-analise. Die invloed van geselekteerde besigheidsprofiel aspekte op handelsmerkwaarde is vasgestel deur tegnieke insluitende korrelasies, ANOVA's en 'n onafhanklike *t*-toets. Die bevindinge van die studie het bevestig dat handelsmerkwaarde vir organisasies soos SATSA in der waarheid multidimensioneel is. Dit bestaan uit finansiële waarde, professionelevertroue-waarde, organisatoriese waarde, netwerkwaarde, sosialebetrokkenheids-waarde, gepaard met ekwiteitswaarde, wat belangrik is om die handelsmerk in stand te hou en te ontwikkel. Professionelevertroue-waarde is uitgelig as 'n beduidende faset van SATSA se handelsmerkwaarde wat op verskeie vlakke aandag vereis.

Die bydrae van die studie is drieledig. Eerstens, gesien vanuit 'n teoretiese oogpunt, is die studie die eerste van sy soort wat multidimensionele aspekte, wat spesifiek tot handelsmerkwaarde van 'n niewinsgewende organisasie in 'n toerisme-omgewing bydra, te meer nog in 'n Suid-Afrikaanse konteks, identifiseer. Die ontwikkeling van die model is dus 'n beduidende bydrae tot literatuur en kan verder deur ander navorsers bestudeer en ook getoets word.

Tweedens, gesien vanuit 'n metodologiese oogpunt, lewer hierdie studie pionierswerk in navorsing oor Suid-Afrikaanse toerismehandelsmerk-waarde deur die ontwikkeling van 'n betroubare meetinstrument wat verskeie waarde-aspekte vir die eerste keer in hierdie konteks toepas, asook die saamstel van 'n model wat die onderskeie fasette van handelsmerkwaarde gesamentlik vasvang en die unieke verhoudings tussen spesifieke fasette van handelsmerkwaarde en handelsmerkekwiteit aandui. Derdens, gesien vanuit 'n praktiese perspektief, is die huidige status van die SATSA-handelsmerkwaarde bepaal en word SATSA ook toegerus met 'n model wat hulle in staat stel om handelsmerkwaarde te bestuur en te weet wat 'n bydrae tot verhoogde vlakke van handelsmerkwaarde vir die organisasie lewer. Hierdie model kan ook getoets word vir organisasies met soortgelyke handelsmerkstrukture, maar ook vir winsgewende organisasies.

Die inligting wat uit hierdie studie verkry is, kan toegepas word om 'n omvattende assessering van handelsmerkwaarde vir nie-winsgewende, ledegedrewe organisasies in die Suid-Afrikaanse toerismebedryf uit te voer. Dit sal meer waardegebaseerde bestuur aanmoedig en 'n meer effektiewe waarde-aanbieding tot gevolg hê wat waarskynlik sal lei tot optimale ledetevredenheid, toename in die ledetal en die deurlopende volhoubaarheid van sulke organisasies in Suid-Afrika, gegewe die kompeterende operasionele omgewing.

Sleutelwoorde: *Southern Africa Tourism Services Association (SATSA); handelsmerk; handelsmerkbestuur; handelsmerkwaarde; handelsmerkwaardasie; bou van handelsmerkwaarde; handelsmerkwaarde in toerisme; nie-winsgewende handelsmerkwaarde.*

TABLE OF CONTENTS

CHAPTER 1: Introduction and Problem Statement 1

1.1 INTRODUCTION 1
1.2. BACKGROUND TO THE STUDY 2
1.3 PROBLEM STATEMENT 7
1.4 GOALS AND OBJECTIVES OF THE STUDY 10
1.4.1 Goal 10
1.4.2 Objectives 10
1.5 METHOD OF RESEARCH 11
1.5.1 Literature study 11
1.5.2 Empirical survey 12
1.5.2.1 Research design and method of collecting data 12
1.5.2.2 Phase 1: Development of the measuring instrument 12
1.5.2.2.1 Sampling procedure for validation phase 12
1.5.2.3 Phase 2: Empirical survey 13
1.5.2.3.1 Sampling procedure 13
1.5.2.3.2 Development of final questionnaire 14
1.5.2.3.3 Conducting the survey 14
1.5.2.4 Data analysis 15
1.6 DEFINING THE CONCEPTS 15
1.6.1 Brand 15
1.6.2 Branding 16
1.6.3 Brand value 16
1.6.4 Tourism brand 17
1.6.5 Southern Africa Tourism Services Association (SATSA) 17
1.7 CHAPTER CLASSIFICATION 18

CHAPTER 2: Brand Value in Focus: a Literature Review 20

2.1 INTRODUCTION 20
2.2 CONTEXTUALISING BRANDS AND BRANDING 22
2.2.1 Defining a brand 22
2.2.2 Branding 24
2.2.3 The significance of brands in creating value 25
2.3 DIFFERENTIATING BETWEEN BRAND EQUITY AND BRAND VALUE 26
2.3.1 Brand equity 28

2.3.2 Brand value 30
2.3.3 Interdependence of concepts 32
2.4 BRAND VALUE RESEARCH IN CONTEXT OF THE TOURISM INDUSTRY 37
2.5 BRAND VALUE IN THE CONTEXT OF SATSA 40
2.5.1 Operational context of SATSA 40
2.5.2 The unique character of SATSA 43
2.6 ASPECTS CONTRIBUTING TO BRAND VALUE 48
2.6.1 Product value 49
2.6.1.1 Perceived quality 50
2.6.1.2 Superiority/competitiveness 50
2.6.1.3 Expansion/development 51
2.6.1.4 Uniqueness 51
2.6.1.5 Product standards 51
2.6.1.6 Familiarity 52
2.6.1.7 Essence 52
2.6.2 Financial value 53
2.6.2.1 Revenue 53
2.6.2.2 Price premium 53
2.6.2.3 Decreased risk 54
2.6.2.4 Cost-effective operations 55
2.6.2.5 Financial strength 55
2.6.2.6 Impact 56
2.6.2.7 Low-priced brands 56
2.6.2.8 Sales 56
2.6.2.9 Repeat purchases/usage/visits 57
2.6.2.10 Viability 57
2.6.3 Shareholder value 58
2.6.3.1 Reliance 58
2.6.3.2 Communication 59
2.6.3.3 Long-term relationships 59
2.6.3.4 Tailor-made offerings 59
2.6.3.5 Sponsorship 59
2.6.4 Experience value 60
2.6.4.1 Associations 60
2.6.4.2 Emotions/sentiment 61
2.6.4.3 Loyalty 62

2.6.4.4 Satisfaction 63
2.6.4.5 Recommendation 63
2.6.4.6 Feedback 63
2.6.4.7 Consistency 64
2.6.4.8 Impressions 65
2.6.4.9 Benefit variety 66
2.6.4.10 Brand preference 66
2.6.4.11 Authenticity 67
2.6.5 Marketing value 67
2.6.5.1 Technological developments 67
2.6.5.2 Social media 68
2.6.5.3 Interactions via platforms 69
2.6.5.4 Awareness needs 69
2.6.5.5 Market share 70
2.6.5.6 Brand names/acronyms/logos 70
2.6.5.7 Reputation 71
2.6.5.8 Advertising expenditure and investments 72
2.6.5.9 Extent of establishment in the industry 72
2.6.5.10 Differentiation 73
2.6.5.11 Publicity 73
2.6.6 Service value 74
2.6.6.1 Service variety 74
2.6.6.2 Service excellence 74
2.6.6.3 Information accessibility 75
2.6.6.4 Service role 75
2.6.6.5 Service relevance 75
2.6.6.6 Promptness of service 76
2.6.7 Employee value 76
2.6.7.1 Competency 77
2.6.7.2 Interactions 77
2.6.7.3 Relationships 77
2.6.7.4 Commitment 78
2.6.7.5 Knowledge 78
2.6.7.6 Demeanour 78
2.6.7.7 Attitude 79
2.6.8 Management value 79

2.6.8.1 Strategic focus 79
2.6.8.2 Clarity 80
2.6.8.3 Responsiveness 80
2.6.8.4 Internal organisational values 80
2.6.8.5 Managerial ability 81
2.6.9 Functional value 81
2.6.9.1 Time- and cost-effective benefits 81
2.6.9.2 Convenience 82
2.6.9.3 Product recognition 82
2.6.10 Social value 82
2.6.10.1 Social responsibility 82
2.6.10.2 Socially beneficial products and services 83
2.6.10.3 Protection 83
2.6.10.4 Social leadership 83
2.7 CONCLUSIONS 84

CHAPTER 3: Measuring Brand Value 86

3.1 INTRODUCTION 86
3.2 BRAND VALUATION 88
3.3 THE ORIGIN OF BRAND VALUATION 89
3.4 APPLICATIONS OF BRAND VALUATION 91
3.4.1 Technical valuations 91
3.4.2 Brand management valuations 91
3.5 OBSTACLES TO BRAND VALUATION 92
3.6 METHODOLOGICAL CONSIDERATIONS 96
3.7 TAXONOMY OF BRAND VALUATION MODELS AND CONTEXTUAL ANALYSIS 98
3.7.1 Brand valuation versus brand evaluation 99
3.7.2 Criteria for evaluating measurement methods 103
3.7.3 Classification of brand valuation models 104
3.7.3.1 Financial models 105
3.7.3.1.1 Cost approach 106
3.7.3.1.2 Market approach 107
3.7.3.1.3 Income approach 107
3.7.3.2 Psychographic/Behaviourally-oriented models 108
3.7.3.3 Combined models 110
3.8 STANDARDISATION 113

3.9 EVALUATION OF MEASUREMENT METHODS 116
3.9.1 Discussion of evaluated methods 117
3.9.2 Concluding remarks on available approaches 124
3.10 HYPOTHESISED MODEL FOR SATSA 124
3.11 CONCLUSIONS 127
CHAPTER 4: Method of Research 129
4.1 INTRODUCTION 129
4.2 THE RESEARCH ORIENTATION AND PARADIGM 129
4.2.1 Positivism 130
4.2.2 Interpretivism 131
4.3 RESEARCH DESIGN 133
4.3.1 Exploratory research 133
4.3.2 Descriptive research 134
4.3.3 Causal research 135
4.4 LITERATURE REVIEW 136
4.5 STRUCTURE OF THE EMPIRICAL RESEARCH 138
4.5.1 Phase 1: Development of the measuring instrument 139
4.5.1.1 Objective 139
4.5.1.2 Sampling procedure 139
4.5.1.3 Items and dimensions considered 140
4.5.1.4 Operationalisation of dimensions 140
4.5.1.5 Questionnaire development 141
4.5.1.6 Data collection 141
4.5.1.7 Evaluation and refinement of the questionnaire 142
4.5.1.8 The final questionnaire 149
4.5.2 Phase 2: Empirical survey 150
4.5.2.1 Objective 150
4.5.2.2 Sampling procedure 150
4.5.2.3 Data collection 151
4.5.2.4 Data analysis 153
4.6 HYPOTHESES TO BE TESTED 154
4.7 STATISTICAL TECHNIQUES 155
4.7.1 Reliability of the questionnaire 155
4.7.2 Validity of the questionnaire 156
4.7.3 Exploratory factor analysis 158

4.7.4 Correlations 159
4.7.5 ANOVA analysis (One-way Analysis of Variance) 160
4.7.6 Independent *t*-test analysis 161
4.7.7 Structural Equation Modelling (SEM) 161
4.7.7.1 Defining SEM 161
4.7.7.2 Key aspects and advantages of SEM 162
4.7.7.3 Graphical terminology 166
4.7.7.4 The process of conducting SEM 167
4.7.7.4.1 Step 1: Defining individual constructs 167
4.7.7.4.2 Step 2: Developing and specifying the measurement model 168
4.7.7.4.3 Step 3: Designing a study to predict empirical results 171
4.7.7.4.4 Step 4: Development of the model 172
4.7.7.4.5 Step 5: Assessing model validity 173
4.8 CONCLUSIONS 176

CHAPTER 5: Empirical results 177

5.1 INTRODUCTION 177
5.2 DESCRIPTIVE RESULTS 177
5.2.1 Section A: Business profile of SATSA members 178
5.2.1.1 Length of membership 178
5.2.1.2 Location of the business 179
5.2.1.3 Operational context of the business 179
5.2.1.4 Length of business operation 180
5.2.1.5 Number of employees in the business 180
5.2.1.6 Star-grading status 181
5.2.1.7 Importance of benefits provided by SATSA 182
5.2.2 Section B: Brand value 184
5.2.2.1 Word association with SATSA and main reason for being a member 184
5.2.2.2 Brand value descriptives 184
5.2.2.3 Brand equity descriptives 187
5.3 RESULTS OF THE EXPLORATORY FACTOR ANALYSES (EFAs) 188
5.3.1 Modified hypotheses and model 194
5.4 INPUT/CORRELATION MATRIX 195
5.5 BUSINESS PROFILE ASPECTS INFLUENCING BRAND VALUE 197
5.5.1 Results of Spearman rank order correlations 197
5.5.2 Results of the ANOVA analyses 199

5.5.2.1 ANOVA results for comparing members' location of business by brand value and brand equity dimensions 199
5.5.2.2 ANOVA results for comparing members' operational context by brand value and brand equity dimensions 202
5.5.3 Independent *t*-test results....204
5.6 STRUCTURAL EQUATION MODELLING (SEM) RESULTS 205
5.6.1 Step 1: Defining individual constructs....205
5.6.2 Step 2: Developing and specifying the measurement model 206
5.6.3 Step 3: Designing a study to predict empirical results 207
5.6.4 Step 4: Development of the structural models....208
5.6.4.1 Development of Model A....208
5.6.4.2 Structural Model B: brand value (BV) to brand equity (BE)....212
5.6.4.2.1 Hypotheses supported for model B 214
5.6.4.2.2 Hypotheses not supported for model B 215
5.6.4.3 Structural model C: brand equity (BE) to brand value (BV) model....217
5.6.4.3.1 Hypotheses supported for model C....220
5.6.5 Step 5: Assessing model validity....223
5.7 SUMMARY OF TESTED RELATIONSHIPS 224
5.8 CONCLUSIONS 224

CHAPTER 6: Conclusions and Recommendations 226

6.1 INTRODUCTION....226
6.2 CONCLUSIONS 227
6.2.1 Conclusions with regard to the discussion and description of brand value as analysed in Chapter 2 (Objective 1) 227
6.2.2 Conclusions with regard to the measurement of brand value as achieved in Chapter 3 (Objective 2) 230
6.2.3 Conclusions with regard to the in-depth discussion of the development of the research process as achieved in Chapter 4 (Objective 3) 232
6.2.4 Conclusions with regard to the empirical assessment of brand value dimensions of SATSA as achieved in Chapter 5 (Objective 4) 232
a. Measuring instrument....232
b. Business profile of respondents 233
c. Identifying brand value and brand equity dimensions 233
d. Business profile aspects influencing brand value 235
e. The brand value model 237
6.3 CONTRIBUTIONS OF THIS STUDY 241

6.4 RECOMMENDATIONS....244
6.4.1 Recommendations with regard to the study....244
6.4.2 Recommendations with regard to future research....248
6.5 LIMITATIONS OF THE STUDY....250
APPENDICES....251
BIBLIOGRAPHY....251

LIST OF TABLES

CHAPTER 1: Introduction and Problem Statement 1

Table 1.1: Previous brand value research in tourism 5

CHAPTER 2: Brand Value in Focus: a Literature Review 20

Table 2.1: Summarised aspects of brand value and brand equity 34

Table 2.2: Brand equity research in tourism 37

Table 2.3: Brand value research in tourism 38

CHAPTER 3: Measuring Brand Value 86

Table 3.1: Applications of brand valuation 92

Table 3.2: Evaluated measurement methods according to set criteria 116

Table 3.3: Indicators for tourism destination brands 121

CHAPTER 4: Method of Research 129

Table 4.1: Summary of research paradigms 131

Table 4.2: Types of research 136

Table 4.3: Initial number of items per value dimension 140

Table 4.4: Item pool for brand value items 143

Table 4.5: Final reviewed items for the questionnaire 147

Table 4.6: Initial hypotheses for testing brand value 155

Table 4.7: Notational symbols for a path diagram 170

CHAPTER 5: Empirical results 177

Table 5.1: Location of business 179

Table 5.2: Importance of benefits provided by SATSA 183

Table 5.3: Word association with SATSA 184

Table 5.4: Brand value descriptives 185

Table 5.5: Brand equity descriptives 187

Table 5.6: Summary of cross-loaded items 189

Table 5.7: Factor analysis results for identifying brand value constructs 192

Table 5.8: Factor analysis results for identifying brand equity constructs 194

Table 5.9: Cronbach's Alpha coefficients for all constructs 194

Table 5.10: Modified hypotheses for SEM analysis 195

Table 5.11: Correlation matrix 196

Table 5.12: Spearman rank order correlations for selected business profile aspects influencing brand value 197

Table 5.13: Results of ANOVA results and Tukey's multiple comparisons of the location of business to brand value and brand equity dimensions 200
Table 5.14: Results of ANOVA results and Tukey's multiple comparisons of the operational context to brand value and brand equity dimensions 202
Table 5.15: T-test results for comparing brand value factors by star-grading status..... 204
Table 5.16: Appropriateness of measurement model..... 207
Table 5.17: Correlations between constructs 208
Table 5.18: Maximum likelihood estimates – regression weights for Model A 209
Table 5.19: Summary of endogenous and exogenous constructs 211
Table 5.20: Hypotheses for model B..... 213
Table 5.21: Model B: Maximum likelihood estimates – regression weights 213
Table 5.22: Hypotheses for model C..... 218
Table 5.23: Model C: Maximum likelihood estimates – regression weights 219
Table 5.24: Fit indices for models A, B and C 223
Table 5.25: Summary of tested relationships 224

CHAPTER 6: Conclusions and Recommendations 226

Table 6. 1: Symbols and explanations of simplified model 241

LIST OF FIGURES

CHAPTER 1: Introduction and Problem Statement 1

Figure 1.1: Outline of chapters 18

CHAPTER 2: Brand Value in Focus: a Literature Review 20

Figure 2.1: Schematic structure of brand value in focus 21

Figure 2.2: Aspects contributing to brand value 49

CHAPTER 3: Measuring Brand Value 86

Figure 3.1: Classification of brand valuation models 105

Figure 3.2: Brand valuation approaches 106

Figure 3.3: Interbrand's brand valuation methodology 111

Figure 3.4: Scope of ISO for brand valuation 114

Figure 3.5: The structure frame of hotel service industry brand value 123

Figure 3.6: Hypothesised brand value model for SATSA 125

CHAPTER 4: Method of Research 129

Figure 4.1: Two-phased structure of the empirical research 139

Figure 4.2: Hypothesised brand value model for SATSA 154

Figure 4.3: Graphical terminology for SEM model 167

Figure 4.4: Steps in conducting SEM 167

Figure 4.5: Visual representation of a measurement model 169

Figure 4.6: Visual representation of a structural model 173

CHAPTER 5: Empirical results 177

Figure 5.1: Length of membership 178

Figure 5.2: Operational context 179

Figure 5.3 Length of operation 180

Figure 5.4: Number of employees 180

Figure 5.5: Star-grading status 181

Figure 5.6: Modified hypothesised model 195

Figure 5.7: Model A 209

Figure 5.8: Model B: the effect of brand value (BV) on brand equity (BE) 212

Figure 5.9: Model C: the effect of brand equity (BE) on brand value (BV) 218

CHAPTER 6: Conclusions and Recommendations 226

Figure 6.1: Proposed brand value model for SATSA 240

Figure 6.2: Simplified version: proposed brand value model for SATSA 240

APPENDICES

APPENDIX A: Aspects contributing to brand value …… 251

APPENDIX B: Outline of brand valuation models…… 256

APPENDIX C: Phase 1 questionnaire…… 261

APPENDIX D: Phase 2 questionnaire…… 266

APPENDIX E: Complete set of items and dimensions…… 270

APPENDIX F: Items of factor analyses…… 272

CHAPTER 1



Introduction and Problem Statement

1.1 INTRODUCTION

Brands have increasingly become a key focus in modern society constituting the largest and most valuable intangible assets for overall organisational success and ultimate profit (Kapferer, 2008:9; Salinas, 2009:48; Roberts, 2011:47). However, in today's changing consumer climate, exceptional brands are just that – exceptions. Consumers and businesses have progressively become more experienced with marketing, more knowledgeable about how it works, and more demanding (Keller, 2008:31). As a result, Gerzema and Lebar (2008:13) point out that "...every successful brand must be permanently leading, adapting, surprising, innovating, involving and responding – behaving differently at different times with different customers, and collaborating, not just persuading." Brands thus have the ability to shape consumers' lives and organisations' strategies so that consumers would rather buy brands than mere products (Simões & Dibb, 2001:220). Brand managers differentiate their products by stressing attributes they argue will match their target markets' needs more closely than other brands and then create a product image consistent with the perceived image of the targeted consumer segment to ensure competitive advantage and sustain customer loyalty (Morgan, Pritchard & Paggot, 2002:337; Whitwell, 2005:2). As such, branding has claimed a powerful position in marketing activities (Simões & Dibb, 2001:220).

The significance of a successful brand therefore lies in its potential to reduce substitutability and represent some promise of value. Brands that keep their promise by delivering on a value proposition will thus be more likely to attract loyal customers than competing offers. This increases a brand's ability to secure income for an organisation. Brands are thus productive and valuable assets for an organisation just like tangible assets such as buildings or machinery, in the sense that they function in the short term to produce long-term benefits (Goldfarb, Lu, & Moorthy, 2009:71). The prediction and measurement of a brand's value is therefore of particular importance (Huang, 2010:7).

Brand valuations are increasingly being seen as an important performance metric for both organisations and managers (Raggio & Leone, 2009:1; Keller & Lehmann, 2003:27; Gerzema & Lebar, 2008:9; Keller, 2008:5; Hupp & Powaga, 2004:225). It is further beneficial to determine brand value compared to other types of measures, in that this addresses the health of the market, as well as the health of the brand within a market (Wood, 2000:667). When it comes to branding in tourism, the challenge lies in the fact that it consists of products/services that are consumed over a period of time and have a lifetime experience captured in one's memory (Saayman, 2001:302). A tourism brand has to capture an experience as well as exert a lasting influence. A tourism brand's value thus ought to differ from other types of brands due to the complexity and intangibility of tourism products and services and the experience aspect that are all present within a travel and tourism context. The tourism industry is also constantly growing and is one of the most expansive industries today. Tourism branding actions thus require the involvement of all participants on the tourism market suppliers' side (brand creators) through quality orientated operations and marketing to satisfy tourists/customers on a high quality level (Panasiuk, 2006:132). Branding can therefore assist in advancing the tourism industry and creating more value among all participants involved.

Despite the growing significance of brands as valuable assets, literature and practice currently offer wide-ranging, ambiguous opinions on what brand value is and on the determinants of value. In addition, the complex nature of tourism products and the apparent lack of research regarding the value of brands within the context of the South African tourism industry therefore prompted an investigation into the possible aspects that contribute to the brand value of a tourism brand in particular, by taking the Southern Africa Tourism Services Association (hereafter, SATSA) as a case study. The aim of this chapter is to firstly provide a background to the study, then formulate the problem statement whereafter the goal and objectives of the study are discussed. The research methods employed are subsequently explained and relevant concepts are defined. Lastly, an outline of the remaining chapters for the study is provided.

1.2. BACKGROUND TO THE STUDY

Every professional today must be acutely aware of the management and creative efforts required to launch a brand and for it to sustain itself in the marketplace (Gerzema & Lebar, 2008:1). Organisations predictably want to stamp their mark on various sectors and place their imprint on their products (Kapferer, 2008:31). Even brands that once enjoyed widespread awareness now function in a world where consumer behaviour is changing so rapidly that it necessitates a new vision of brand management.

A brand can generally be considered a name, concept, sign, symbol, design or combination of these elements created to mark a product, differentiate it from competitive products and make it influence a thought process in the mind of a consumer so as to create value (Panasiuk, 2006:130; Lamb, Hair & McDaniel, 2002:301; Ross, 2009:3; Grimaldi, 2003:1; Kapferer, 2008:10 & Keller, 2008:2). Brands therefore take on distinct, personal meanings to consumers that facilitate their day-to-day activities and enrich their lives. A brand can therefore be seen as a shared desirable and exclusive idea that is personified in products, services, places and/or experiences (Kapferer, 2008:31). Brands also offer customers a way to choose and enable recognition within cluttered markets.

Ross (2009:5) states that strong, simple brands that stand for something can provide more sense in the confusion and complexity of the marketplace. Brands, and especially strong ones, contain many different types of associations that must be considered by marketers in making marketing decisions (Keller, 2008:5). As a result, various types of brands exist, ranging between products, services, corporate brands, people and celebrities, destinations, retailers, distributors, online brands and many more (Keller, 2008:11-26; Kapferer, 2008:50-55; Haigh & Knowles, 2004a:24; Laforet, 2010:20).

Tourism brands, in particular, are considered a combination of brands because of the intricate nature of the tourism product. A tourism product clearly differs from other products in that it is not a single product, but rather a complex one consisting of different components, benefits and values, which aims to satisfy the needs of consumers (Morgan *et al.*, 2002:337; Perkov, 2004:501; Saayman, 2006:7). The physical product, services, as well as the experience gained are the three main components of the tourism product, which are interdependent for success. Services often need products to facilitate certain services, and products often engage services before, during or after a transaction (Sexton, 2008:55). Since services are less tangible than products, they are more likely to vary in quality, depending on the particular person or people providing them (Fyall & Garrod, 2005:34; George, 2011:28; Berry, 2000:108). Various experiences provided by products and services create everlasting memories in the minds of consumers. Greater competition, increased market fragmentation, and more sophistication of tourists have also placed greater emphasis on marketing strategies in the tourism sphere (Morrisson, 2010:32).

Perkov (2004:500) therefore states that, along with the functional characteristics of products and services in tourism, it is critical to add emotional features as much as possible to create a clear, distinctive brand. It is the experience factor in particular that distinguishes a tourism brand from a pure product or service brand.

According to Panasiuk (2006:31), the creation of a tourism brand involves representatives of the local government, tourism organisations, and tourism sector and is maintained by marketing actions. At the same time, the tourism brand satisfies tourism needs and creates tourist contentment on a national or international level. The diversity of role players in the tourism industry can then fulfil their potential by optimising their brand strengths to create emotional brand experiences and build value (Ross, 2009:6). A high level of quality of particular elements of the tourism product ultimately presents the basis for successful tourism brand creation (Panasiuk, 2006:132).

In some cases an organisation is not, in itself, a tourism product that creates a brand, but rather a tourism brand that represents various tourism products and role players in the industry. This is the case with an organisation such as SATSA within which the specific logo, associated visual elements, the larger bundle of 'marketing intangibles' and the associated goodwill are arranged (Haigh & Knowles, 2004a:24). SATSA has been the Mark of Quality Tourism in Southern Africa for 40 years (SATSA, 2013d:2). With more than 700 member companies in all private sectors of tourism, this organisation is representative of the larger tourism industry since one member (for example Sun International) can represent various establishments (the various Sun International hotels). This organisation looks after the quality and services of hotel groups, airlines, coach operators, tour operators, vehicle hire companies, attractions, conference organisers and related marketing organisations (SATSA, 2013c:3). As an 'umbrella' organisation for various tourism and hospitality products, SATSA therefore takes on the role of an independent voice for the tourism industry, while providing quality assurance to current and potential visitors of member companies on a global and local level. Tourism brands such as SATSA should therefore recognise that the brand itself may be of exceptional value to members, which needs to be identified and analysed.

Various research endeavours on brand value and its measurement have been conducted in a general business and marketing context (see Appendix B as example).The majority of theories and research pertaining to brand value tend to focus on measuring the increased financial returns or profit potential generated by a brand for an organisation (Salinas, 2009:18; 2011:28, Haigh, 2000:9; 2011:34; Raggio & Leone, 2007:387; Kapferer, 2008:10), which is generally considered the ultimate value of a brand. Strong brands are commonly accepted to have strong financial worth since they increase both the demand and price for a product or service, which leads to higher profits and cash flow (Sexton, 2008:21; Rocha, 2012:1; Arvidsson, 2006:189; Das, Stenger & Ellis, 2009:27; Gabay, Moskowitz, Beckley & Ashman, 2009:5). However, different types of brands may convey and measure their value in different ways depending on their operational context and composition, as is the case with a tourism brand like SATSA.

Sexton (2008:294) and Haigh (2011:32) therefore emphasise that two organisations may value a brand quite differently, since various perspectives and interpretations on the concept 'brand' and 'value' can exist, which also results in the use of different methods to determine a brand's value. Each organisation may see different possibilities in the brand and each brand may have distinct aspects that can be used for exploiting it as a valuable intangible asset.

The value of a tourism brand, in particular, may therefore be likely to consist of a combination of different value dimensions. This can mainly be ascribed to the heterogeneous, intangible nature of this service-intensive industry in which quality experiences need to be provided. Brands often facilitate such experiences. As a result, this study asserts that the value of a brand cannot necessarily be confined to financial value *per se*, but can and ought to consist of multiple value aspects. Such aspects may collectively play a significant role in determining a brand's value and to eventually generate profits, or membership in this case, for an organisation. Moreover, Schultz (2004:225) states that most brand valuation work has revolved around product/commercial brands. Despite the growing importance of brand value as a concept in general business and marketing practice, research regarding brand value in the tourism industry specifically has received little attention, as is shown in Table 1.1 below:

Table 1.1: Previous brand value research in tourism

Author/s	Study	Focus for brand value	Context	Category
Linsheng & Pan (2009)	Study on the brand value promotion of hotel service industry	• product value • service value • market value • management value	China	Hotels
Mysicka (2009)	Designing a model for the valuation of tourism brands based on an empirical study	• Monetary value	Switzerland	Destinations
Ross (2009)	Building brand value and influence in the airline industry	• communities • services • brand experience	General	Airlines
Morgan, Pritchard & Piggot (2002)	New Zealand, 100% Pure. The creation of a powerful niche destination brand	• functional benefits • emotional benefits • self-expressive benefits	New Zealand	Destinations

Source: developed by author

Linsheng and Pan (2009:354) state that brand value is the basis of a differentiation strategy in the face of increasingly fierce market competition. These authors argue that hotel brand value includes the product value, service value, market value, culture value, and management value to build overall brand value. All components must constantly be improved through innovation to increase the brand value of the hotel service industry.

This was conveyed by means of a framework that showed how brand value progresses on the path of the hotel service industry in terms of its various components. Ross (2009:7) states that building brand value and influence in the airline industry means constructing communities around the product, the service and the experiences that lead to a strong, trusted relationship. By focusing on the brand experience, airlines will be able to retain existing customers, but will also attract others from competing airlines. In the case of New Zealand, a study conducted by Morgan *et al.* (2002), vaguely showed that value can be conveyed by means of a brand value pyramid in which certain benefits of New Zealand as a brand are compared to products such as Nike and Microsoft. In this case, a brand should aid in establishing a relationship between the brand and its customers by generating value involving functional, emotional and self-expressive benefits (Morgan *et al.*, 2002:336). Mysicka (2009) conducted a brand valuation for a popular ski resort in Switzerland, Arosa, with the main purpose of allocating a monetary value on the Arosa brand. This was done by primarily using the 'royalty-relief' method which is commonly used to measure brand value in general business practice.

Table 1.1 noticeably shows the limited research on brand value available within a tourism context. Though limited, it is evident that brand *value* in tourism can comprise different focal value aspects, which may lead to profits in the end, but also indicates that a brand's value may not solely be reliant on a financial element. This inevitably leads to different ways of measuring the value. In addition to this, it can be said that the value dimensions indicated in Table 1.1 cannot be universally applied or generalised to all tourism brand contexts. This is because these dimensions may change over time and differ, depending on the type of service or experience offered and the characteristics of the consumers in different tourism consumption situations (Wlliams & Soutar, 2000:1419). The 'value' concept is also mainly argued in the framework of destinations (Morgan *et al.*, 2002; Mysicka, 2009), or service providers like hotels or airlines (Linsheng & Pan, 2009; Ross, 2009). This is why SATSA, as a tourism brand with a unique blend of products and services and as an organisation representing various tourism and hospitality products, presents a definite challenge in terms of determining its brand value, also because it is not primarily profit driven. Brand value research in tourism additionally seems to have been conducted mainly on a global scale, thereby indicating the limited acknowledgement and application of such studies within the context of the South African tourism industry. Context-specific research on brand value will enable an organisation like SATSA to better retain and attract members. Brand valuation can therefore enable management to allocate resources more effectively; maximise value and return on investments for both the organisations and its members; track a brand's performance; make more consistent marketing and management decisions and facilitate meaningful benchmarking in a competitive industry (Whitwell, 2005:2; Hallward, 2005:5; Brand Finance, 2011:10).

The value dimensions of a brand like SATSA therefore need to be explored and identified in more detail to operationalise them so that the brand can be better positioned for ultimate membership loyalty and growth. It is therefore imperative for tourism brands like SATSA to understand brand value and what determines its value.

1.3 PROBLEM STATEMENT

The significance of brands in creating value and their measurement has undoubtedly gained momentum in the broader areas of business/marketing research and practice. However, brand value in tourism has especially received little attention (see Table 1.1). The lack of attention in this regard can be partially be explained by the fact that brand value in a business/marketing context tends to be focused on pure product or service brands (for example, Gabay *et al.*, 2009; Goldafarb, Lu & Moorthy, 2009; Huang, 2010; Cole, 2012; Kimpakorn & Tocquer, 2010), where the brand value of a tourism brand will necessarily differ compared to other brands due to the complex character of the tourism product and the type of industry in which it operates. In the light of this, the following existing gaps were identified:

Firstly, SATSA operates and markets itself as a non-profit, member-driven organisation in the private sector of the Southern African inbound tourism industry (SATSA, 2013a:1). This adds to the complex, abstract brand composition, which unavoidably presents a challenge, since financial value alone becomes a questionable aspect to use in determining the brand value of an organisation like SATSA's. This implies that brand value for SATSA may lie in a variety of aspects other than financial value, even though the organisation generates a certain amount of income from its members to survive and plough it back in the form of member benefits/programmes. For example, as a quality assurer, SATSA aims to be a successful benchmark of a quality brand by ensuring that its members adhere to a certain set of criteria. This, amongst other aspects, entails that members should indicate their associated membership by including the SATSA logo in all advertising material and brochures, and displaying the SATSA emblem in a prominent position on their business premises (SATSA, 2013d:1). SATSA also provides members with marketing value in the form of various opportunities for extensive networking and recognition on a global and local front (SATSA, 2013c:1). SATSA is also the only inbound non-government organisation that protects its members from the liquidation of other member companies by the SATSA 'Bonded' scheme (SATSA, 2013e:1). Such aspects may provide different forms of value to the SATSA brand. Yet, do such aspects really maximise the value of such a tourism brand, or is boasting a logo and associated benefits a 'nice-to-have' commodity? Brand value for SATSA in particular should therefore not be overlooked in what it can do for it members, but must ultimately focus on what it can mean to its members as primary 'funders' and sustainers of the brand.

Brand *value* in this case therefore ought to be multifaceted, with the financial value as a contributing factor instead of being the main objective, given the nature of the organisation. Evidently, there seems to be a lack of an appropriate, contextual brand value premise for organisations such as SATSA, given its unique brand composition. The multidimensionality and contextual framework of brand value links to the first objective of the study.

Secondly, it appears that there is a lack of general agreement in research and practice on the term brand value, and this has led to this term being confused or used interchangeably with brand equity (Neal & Strauss 2008:125; Raggio & Leone, 2007:384, Tiwari, 2010:429; Haigh, 2000:31). Customers are also an essential ingredient for both brand equity and brand value. Customers share in the 'value' of brands, since they are the ones that 'attach' value to brands, gain benefits from them and enable profits (Grannell, 2013:1). However, research on product brands and their value to consumers is more often referred to as brand equity than brand value. This paradox in the use and divergent views of brand equity and brand value adds considerable complications to the process of defining and measuring brand *value* and its dimensions, and therefore demands investigation. Brand value is therefore greatly dependent on the connotations attached to it by different role players as well as the context in which it is used. This discrepancy of terms therefore demands some clarification, which also links to the first objective of the study.

Thirdly, in terms of tourism, brand equity research has been applied with extensive focus on destinations (Pike, 2013; Gartner, Schneider, Templin, Schlueter, Meyer, & Bengston, 2013; Bianchi & Pike, 201; Gartner & Konecnik Ruzzier, 2011; Pike, Bianchi, Kerr & Patti, 2010; Boo, Busser & Baloglu, 2009; Konecnik & Gartner, 2007) or service providers like hotels (Kayaman & Arasli, 2007; So & King, 2010; Nel, North, Myburgh & Hern, 2009; Kim & Kim, 2005; Prasad & Dev, 2000). Tourism literature therefore lacks research that specifically measures a tourism brand's *value* and not just its equity. SATSA's uniquely structured brand further necessitates a more context-specific premise and subsequent method for measuring for brand value. Brand value measurement in this regard also seems to be absent in a South African tourism context. These measurement aspects form part of the second objective this study aims to address. Current perceptions or misconceptions of the value that the SATSA brand holds may therefore be more detrimental than beneficial to advance the organisation in the private sector of the tourism industry and effectively attract more members. In addition to this, SATSA's membership numbers have decreased from being marketed as 'over' 925 members (2011) to 718 members (2013), which indicates an approximate 22% decline over a two-year period. A brand like SATSA may surely experience undesired consequences if the way in which SATSA currently designs and delivers its value does not relate to what their members value in the brand. General

unawareness and failure to 'test' member perceptions may therefore result in the under-utilisation and negligence of SATSA's brand value and the organisation as a whole. Failure to manage a brand means not to take control of an organisation's future (Sexton, 2008:14).

If a brand is not heading somewhere with velocity, purpose and creativity, it loses its distinction and place in the memory of its markets (Gerzema & Lebar, 2008:25). The brand then becomes a 'nice-to-have' and not a necessity. This is not only counter-productive to sustain membership loyalty and growth, but essentially undermines any chance of survival in a volatile industry. Given the limited brand *value* research in tourism and the absence of this specific type of research for a non-profit member-driven organisation in the South African tourism industry, it was thus considered appropriate to conduct this study.

Fourthly, although brand value measurement and its sources may exist in the broader spectrum of business/marketing research, it seems there is a lack of consensus among researchers as to which aspects most significantly contribute to a brand's value. Though additional value-adding aspects may exist, it appears that a brand is predominantly regarded a valuable asset if it can be placed on the balance sheet and/or generate considerable financial or economic value (for example, Salinas, 2009; Salinas & Ambler, 2009; Brand Finance, 2010; ISO, 2010; Laforet, 2010; Gelb & Gregory, 2011; Arvidsson, 2006; Lindemann, 2004). More importantly, SATSA's unique character and operational context highlight the fact that brand value ought to be measured differently compared to other conventional product or service brands and even other brands in the tourism industry itself. The existence of a suitable measuring instrument for key aspects contributing to the brand value of a non-profit, member-driven organisation in the tourism industry does not appear to be evident. The challenge is therefore to develop brand value metrics capable of capturing multiple aspects of value. The third objective addresses the research process involved in such a matter. Developed effectively, the brand drives what an organisation does (and does not do); forms the benchmark for revising, adding, or disposing of aspects; and ultimately can and ought to create a sense of indispensability with relevant audiences (Jerome & Stull, 2009:3). It is therefore essential that brand value is identified and analysed to create an appealing value proposition that enables maximum member satisfaction, loyalty and growth. These empirical aspects form part of the fourth objective of the study. The brands that survive and prosper will thus be the ones that build a strong brand, improve value and command influence.

Finally, unsubstantiated knowledge and a lack of readily available data concerning brand value may as well guarantee a brand such as SATSA's failure to realise their key tourism objective: to be the most recognised and valued endorsement of good business practice in the South African

tourism industry. Accurate knowledge of brand value will therefore assist in achieving brands of quality, which is vital for the SATSA brand as quality assurer. In the process, brand perceptions and expectations can also be revealed, which can help improve the value offered to members, and ultimately to enhance the value members collectively bring to the SATSA brand. A tourism brand such as SATSA may more likely be able to make calculated improvements for future branding strategies and positioning opportunities in a volatile, diverse industry such as tourism. This, in turn, can lead to optimal brand recognition and support as an organisation that not only adds value to its members, but in the process, adds value to the development and sustainable growth of credible role players in the South African tourism industry. This study will therefore attempt to address the research problem as identified in the gaps/issues raised above by determining the aspects that contribute to the value of such a brand and developing a suitable model to measure member-based brand value of a non-profit, member-driven organisation like SATSA in the South African tourism industry, which is discussed in the subsequent chapters.

1.4 GOALS AND OBJECTIVES OF THE STUDY

1.4.1 Goal

To develop a brand value model for the Southern African Tourism Services Association (SATSA).

1.4.2 Objectives

The following objectives will be applied in pursuit of the main goal:

Objective 1

To discuss and describe brand value by:

- providing a relevant theoretical foundation of definitions and
- explaining the contextual framework in which they are applied, and
- by means of literature review to identify aspects contributing to brand value.

Objective 2

To discuss and describe the measurement of brand value by:

- providing a relevant theoretical background regarding the definitions and origin;
- regarding, applications and obstacles,
- regarding methodological aspects and classification of models;
- as well as a measurement contextualisation for SATSA.

Objective 3

To provide an in-depth discussion on the development of the research process.

Objective 4

To empirically assess the value dimensions of the SATSA brand and test the relationship among the identified value dimensions and their relation to brand equity, as well as to determine the business profile aspects influencing brand value.

Objective 5

To draw conclusions and make recommendations regarding the understanding and the application of the brand value model in a South African tourism context.

1.5 METHOD OF RESEARCH

The approach to this research is two-fold: firstly, a literature analysis was done and secondly, an empirical survey was conducted.

1.5.1 Literature study

A literature review consisting of secondary data sources was undertaken to analyse different research theories and studies regarding brand value and its measurement. Given the intricate and extensive nature of the chosen research topic, the literature review consisted of two parts (chapters). The first part provided a relevant theoretical foundation regarding definitions of brands, branding and the significance of brands in creating value; discussion of applications of brand value, as well as contextualising brand value as it pertains to the tourism industry and SATSA. Research and existing theories on aspects that contribute to a brand's value were also investigated. The second part provided a relevant theoretical foundation for brand value measurement in terms of definitions, origin, measurement applications, obstacles to measurement, methodological considerations and classifications of models. Brand value measurement was also contextualised for SATSA. The use of secondary data sources included various journal articles on brand value studies, branding, brand management and marketing and articles on brand value in general marketing and business practice. Tourism and marketing textbooks were also consulted in the research process. Specific search engines aimed at accurate research included scientific databases, library databases, multimedia and the World Wide Web. Keywords in the literature search included: *brand value*; *branding; tourism brand value*; *valuing brands; brand valuation; building brand value*; *brand management; brand value in non-profits;* and *Southern Africa Tourism Services Association (SATSA)*.

1.5.2 Empirical survey

The following section highlights the methods used to design an appropriate measuring instrument and to conduct the empirical analysis (to be discussed in detail in Chapter 4).

1.5.2.1 Research design and method of collecting data

Given the complex, mainly intangible nature of branding, brand value and tourism, and the unique fusion of elements the SATSA brand presents, descriptive, causal and exploratory research were deemed appropriate to use for this study. Descriptive research particularly aimed to describe data that will be obtained from a survey. Descriptive research seeks to answer the who, what, when, where and how questions (Tustin, Ligthelm, Martins & Van Wyk, 2005:86). Quantitative research methods were also regarded best-suited to use in research design, since this type of research obtains concrete, numerical and measurable information that can be analysed using statistical programs; is fairly inexpensive and suitable for collecting a wide range of information (Muijs, 2004:7). Causal research was also employed to empirically measure the relationships between the two variables of brand value and brand equity in the case of SATSA (Hair *et al.*, 2010:36; McDaniel & Gates, 2013:67; Malhorta, 2010:113; Zikmund & Babin, 2013:51). This research is regarded exploratory, since it aimed at gaining insights into a research topic with limited information in the context of non-profit, member-driven organisations in the tourism industry. This information is then used to gain insight into the brand value and to determine aspects contributing to brand value accordingly. This was particularly useful in collecting data from all SATSA's members, since SATSA represents a considerable number of local role players in the Southern African tourism industry.

1.5.2.2 Phase 1: Development of the measuring instrument

The objective of phase1 was to develop an appropriate measuring instrument so that the brand value of SATSA could be assessed. This involved the refinement and validation of the initially identified brand value items based on literature and the inputs from a panel of experts prior to distributing it to SATSA members.

1.5.2.2.1 Sampling procedure for validation phase

Judgement sampling was applied with the aim of purposively targeting specified respondents who were deemed most appropriate within the study's context (Jennings, 2001:139). In this case, it was important to approach specific people that were expected to display an accurate understanding of marketing and branding, as well as knowledge regarding the SATSA brand, its operational environment and branding prospects. For the purposes of this study, the following experts were solicited to partake in this phase of the research:

- SATSA staff and management, Chapter Chairpersons of each South African province, and selected Board members who currently operate on a managerial level within the SATSA and tourism industry. It was also important to establish some of SATSA's internal views on aspects of brand value and the relevance thereof concerning the SATSA brand; since decision-making role players may have certain opinions of the brand which associated members can contradict or affirm.
- Academics from various South African tertiary educational institutions and faculties who specialise either in tourism marketing, marketing or branding research. The main reason for this was to gain more research-oriented feedback concerning brand value.

As a result, a total of 8 SATSA and 6 academic experts were willing to participate in this phase of the research. The initial questionnaire was structured according to specific questions relating to brand value, which included: the meaning of the concept 'brand value' to SASTSA as an organisation; what is the most valuable service/product SATSA currently delivers to its members; experts also had to evaluate the importance of each item in assessing the value of the SATSA brand by means of a five-point Likert scale (1 being not at all important to 5 being extremely important). In this way, experts could indicate which items should be incorporated into the questionnaire, as well as to help eliminate any other existing deficiencies.

The completed questionnaire was subsequently sent back to the researcher who then adapted and refined the questionnaire according to experts' responses and the literature review. This resulted in the list of items being narrowed down to a total of 53 items (44 brand value items and 9 brand equity items).This phase assisted in improving the face validity of the survey instrument. A detailed discussion is provided in Chapter 4.

1.5.2.3 Phase 2: Empirical survey

This phase included the final development, completion and distribution of the questionnaire.

1.5.2.3.1 Sampling procedure

For the purposes of this study, the survey employed a saturation/complete sampling method, which refers to an entire population being selected. In this case, SATSA's entire member database formed the framework for the sample. These respondents (members) were selected to complete a questionnaire. The sampling produced in this study was based on guidelines by Krejcie and Morgan (1970:608) who recommend a sample size (S) of 248 for a population (N) of 700 for general research activities. SATSA currently has 718 existing members. Due to the 'niche' population of this study, 718 questionnaires were distributed to ensure the maximum number of responses.

Two-hundred and sixty-eight (268) questionnaires were collected, which indicates a suitable amount, since it encompasses more than the required number of questionnaires. This further resulted in a 37% response rate. The sample size was therefore deemed representative and sufficient.

1.5.2.3.2 Development of final questionnaire

The questionnaire formulated in Phase 2 was refined and improved to be sent to the SATSA members online. Phase 3 focused on analysing SATSA's brand value from the members' perspective. The questionnaire was deliberately kept as concise and simple as possible to encourage a higher completion rate, as well as to minimise problems with incompatibility and 'spam' across e-mail systems. The final questionnaire consisted of two sections:

- Section A focused on obtaining a general business profile of the respondents (for example, length of membership, location of business, length of business operations, operational context, number of employees and beds/seats available, star-graded status and benefits currently used)
- Section B focused on SATSA's brand value in particular by asking open-ended questions (for example, what the SATSA brand represents to them as a member, why they belong to SATSA), and using a five-point Likert scale (1 indicating they strongly disagree and 5 indicating they strongly agree) to determine why they value SATSA membership (brand value items) and the results of such membership (brand equity)

This questionnaire was developed in a software program called, Adobe Forms Central®. The advantage of such a program is that it develops the questionnaire with specific features to enhance the usability of the data. In this case almost every question required an answer before respondents could move on to the next question. This ensured that the feedback received by the sample population conveyed useful profile information but, more importantly, provided more accurate insights regarding brand value for SATSA.

1.5.2.3.3 Conducting the survey

SATSA's current member base consists of 718 members dispersed across all nine provinces of South Africa and in other SADC regions. An online survey was therefore deemed to be the most appropriate time and cost-effective method of collecting data that could be representative of the organisation as a whole. Since full access to SATSA's database had been arranged, questionnaires were sent directly to all respondents (member companies) respectively for self-completion via the software program, Adobe Forms Central. This program allowed each respondent to receive an automatic reply indicating appreciation for the participation in the research after their completion of the questionnaire.

Respondents were further given one month (August 2013) to complete the questionnaire. Follow-up procedures were carried out telephonically and via e-mail.

1.5.2.4 Data analysis

The data was captured by the software package Adobe Forms Central® and further analysed in the Statistical Package for the Social Sciences (SPSS™ version 17). The results were processed by the Statistical Services of the North-West University, Potchefstroom Campus and interpreted by the researcher. The statistical analysis followed a three-stage process:

A) Exploratory factor analyses (EFAs) were applied to validate and determine the reliability of the data obtained. This assisted in determining aspects specifically contributing to brand value and from the 44 items, a total of five factors were identified. A separate factor analysis was conducted for brand equity and revealed one factor consisting of all nine items.

B) Structural Equation Modelling (SEM) was further employed to develop a brand value model for SATSA. SEM is a statistical technique that allows researchers to quantify, test and estimate causal relations by employing a combination of statistical data and scientific theories (Hershberger, Marcoulides, Parramore, 2003:3). The model describes the extent to which brand value factors influence brand equity as well as the extent to which brand equity contributes to brand value.

C) Lastly, correlations, ANOVAs with Tukey's post-hoc multiple comparisons, and an independent ***t***-test were further used to examine the influence of selected business profile aspects on brand value. Variables used for this purpose included: length of membership, location of business, operational context, number of employees and beds/seats available, and star grading status.

1.6 DEFINING THE CONCEPTS

1.6.1 Brand

A brand can be defined in many ways. However, a brand is generally defined as a name, term, symbol, design, or combination thereof that identifies a seller's products, differentiates them from those of competition and influences a thought process in the mind of a customer or consumer to create value (Lamb, *et al.*, 2002:301; Grimaldi, 2003:1; Kapferer, 2008:10 & Keller, 2008:2). A brand also represents a promise of benefits to a customer or consumer, be it a business or an individual (Raggio & Leone, 2007:384).

The business unit that operates under that brand can also be used to define this construct. This includes the visual and verbal elements, the associated intellectual property rights and the organisation's culture, personnel and programmes/benefits, which can provide the basis for differentiation and value creation (Salinas, 2009:7; Haigh & Knowles, 2004a:24). A brand can therefore refer to more than just a trademark (name, logo, associated visual and verbal elements). Though several definitions for a brand exist, for the purpose of this study, the term 'brand' will be considered more than just the trademark and is also associated with the organisational culture, people and programmes. The organisation as a whole is therefore relevant to the SATSA brand.

1.6.2 Branding

Branding is the main tool used by marketers to distinguish their products from competitors' products (Lamb, *et al.*, 2002:301; Keller, 2008:2; Simões & Dibb, 2001:218). It is also considered to be central to marketing and the foundation of most organisations. Branding consists of the attributes associated with a brand in the customers' minds. It involves focusing resources on selected tangible and intangible attributes to differentiate the brand in an attractive, meaningful and persuasive way for the targeted audience (Grimaldi, 2003:1). Despite the complex process of branding, the goal is fairly simple: to create and develop a specific identity for a company, person, product or group so as to position it in the minds of consumers. It therefore seeks to differentiate one's product from that of the competition.

1.6.3 Brand value

Brand value is a long-debated concept, yet is normally referred to as the ability of brands to deliver profits (Kapferer, 2008:14). Historically, brands were created for business purposes and are still managed with a view to produce profit. However, according to Grimaldi (2003:1) and Raggio & Leone (2009:252), the value of a brand exists, for the audience or consumer, in the promise which the product or service will deliver. From the perspective of the brand's owner, the value of the brand often resides in the security of higher future revenue. There is also a perceived value of any product or service, which is due to the benefits experienced and associated with the brand. This perceived worth will influence a customer's willingness to pay for the specific brand. The stronger the brand, the higher the perceived value and the higher the sales and profits may become (Sexton, 2008:49). However, the current lack of consensus between brand value and brand equity in the literature, as well as the apparent interdependency present between the concepts, warrants the need to approach and measure brand value and brand equity as mutually supporting concepts. Therefore, in contrast to conventional views on brand value, several authors have asserted that many factors, of which brand equity is just one, can encompass a brand's value (such as Neal & Strauss, 2008; Wood, 2000; Grannell, 2013;

Keller & Lehmann, 2006; Raggio & Leone, 2009; Strauss, 2011). Given the highlighted ambiguity of this construct, and the unique nature of SATSA as a non-profit, member-driven organisation; brand value, for the purpose of this study, therefore primarily comprises multiple value aspects such as experiences, trust, marketing, financial value, and brand equity, and so forth.

1.6.4 Tourism brand

The definition of a tourism brand can be derived from the inherent nature of the tourism product. Nearly all products involve some kind of service, and practically all services involve some kind of product. Services often need products to enable the services (Sexton, 2008:55). However, tourism is more than a service. Unlike most services, tourism contributes to an everlasting experience (Saayman, 2006:7). A tourism product is therefore unique in the sense that it consists of a service, physical/tangible product as well as an experience offered. These three elements are interdependent. The experience component is especially important, since it is used to develop products to portray a specific message of a certain experience (Saayman, 2006:7). Tourism products need to be experienced to be evaluated, and services and experiences are intangible compared to products, which are tangible. This intangibility affects the way in which a brand needs to be presented and communicated (Sexton, 2008:61).Tourism products therefore pose special marketing challenges due to their special characteristics.

This implies that a tourism brand will differ from a pure product or service brand in that it is multifaceted and often intangible, which makes it more of a 'combined' brand created by multiple role players (Panasiuk, 2006:131). SATSA is considered a tourism brand in the sense that it represents a variety of role players in the tourism industry and functions as the independent voice of the private sector of the industry (to be discussed in detail in Chapter 2).

1.6.5 Southern Africa Tourism Services Association (SATSA)

Southern Africa Tourism Services Association (SATSA) is a non-profit, member-driven association, representing the private sector (SATSA, 2013c:1). It has been the Mark of Quality Tourism in Southern Africa for 40 years (SATSA, 2013b:1). As a non-profit organisation, SATSA is primarily funded by the annual membership fees of its members, and fulfils the role of an independent voice for the tourism industry. This organisation represents more than 700 member companies in all sectors of tourism which include: transport providers, tour operators, destination management companies, accommodation suppliers, tourism brokers, adventure tourism providers, business tourism providers, and tourism service providers (SATSA, 2013b:1). SATSA further endeavours to set the highest standards in the tourism industry so that those who belong to SATSA will let their businesses symbolise what SATSA stands for: credibility,

stability and integrity. SATSA also strives to provide peace of mind for those who seek to do business with companies approved as members that bear the SATSA logo. Being part of SATSA enables members to enjoy a variety of benefits like extensive networking to become recognised both locally and internationally.

1.7 CHAPTER CLASSIFICATION

This study contains 6 chapters, of which an outline is provided below.

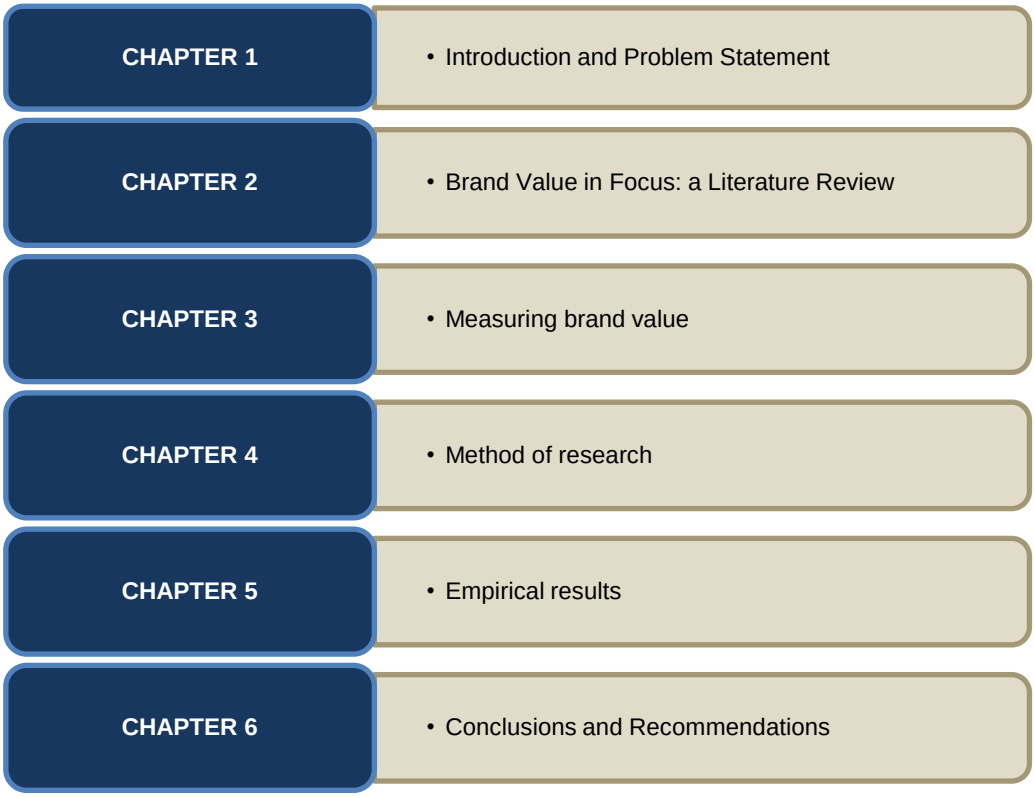


Figure 1.1: Outline of chapters

Chapter 1: Introduction and Problem Statement

The purpose of the first chapter was to introduce the brand value concept, provide a background and problem statement to the study in the unique context of SATSA and also to discuss the potential contributions to the study, its aims, research methodology used and definitions of applicable terms.

Chapter 2: Brand Value in Focus: a Literature Review

This chapter focuses on providing a theoretical basis of brand value in terms of relevant definitions, applications and the contextualisation of the concept as it pertains to SATSA. Aspects contributing to brand value are also investigated by means of a literature review.

The purpose of this chapter was therefore to provide a clearly defined premise for brand value for SATSA and to identify aspects that specifically help determine its value.

Chapter 3: Measuring brand value

This chapter discusses definitions and existing theories relating to the measurement of brand value with specific focus on its origin, applications, challenges, methodological aspects to consider, and model classifications. A contextual analysis for measuring SATSA's brand value also evaluates existing models by means of specified criteria, after which a hypothesised model is proposed. The purpose of this chapter was therefore to discuss brand value measurement and how it applies to this study.

Chapter 4: Research Methodology

The purpose of the fourth chapter was to discuss the methods and rationales used to conduct the empirical analysis. This includes an elaboration on the development of the measuring instrument by referring to the aspects contributing to a brand value as identified in literature and evaluated according to a panel of experts. The selected statistical techniques used for analysis are consequently discussed, which includes: factor analysis, correlations, ANOVAs, independent t-tests, and SEM.

Chapter 5: Empirical results

This purpose of the fifth chapter was to provide a discussion of the results of the empirical survey data as well as the interpretation thereof. Firstly, the descriptive statistics are discussed. Secondly, the factor analyses of the items contributing to brand value are described. Thirdly, the statistical techniques used to interpret the influence of selected business profile aspects on brand value are discussed. Finally, the SEM analysis used to develop a brand value model for SATSA is discussed and interpreted according to the specific brand value constructs and their relation to brand equity, as well as the extent of their influences on each other.

Chapter 6: Conclusions and Recommendations

The final chapter contains conclusions concerning brand value from the perspective of SATSA members. Recommendations are made to assist SATSA in maximising its brand value for sustainable growth in the South African inbound tourism industry.

CHAPTER 2



Brand Value in Focus: a Literature Review

2.1 INTRODUCTION

Over recent years, intangible assets have become more important to businesses operating in a wide variety of industries (Haigh & Knowles, 2004b:18). The global economy with its trends, technological developments and a volatile marketplace have forced companies to compete more forcefully and, as such, brands have become key role players in differentiating products and services to create and sustain competitive advantage and retain loyal customers (Intangible Business, 2011:1; Brymer, 2004:65; Gabay, Moskowitz, Beckley & Ashman 2009:5; Lindemann, 2004:12). This has led to a growing awareness in academic and business practice of the value of the brand itself as a key generator of revenue, beyond the products or producers that it might represent (Arvidsson, 2006:189; 2007:12; Lindemann, 2013:1). Competitiveness these days not only depends on being able to satisfy the functional requirements of customers at core product level, but also their more intangible needs according to the added attributes that a brand represents (Haigh & Knowles, 2004a:25; Simões & Dibb, 2001:220). In this way, brands have become one of the most valuable intangible assets within an organisation in a variety of operational frameworks, and also in a tourism context.

Despite the growing importance of a brand's value, the concept of value is not as easily defined and is often confused with, or used synonymously with the term 'brand equity' (Neal & Strauss 2008; Raggio & Leone, 2007,2009; Arvidsson, 2006; Laforet 2010; Keller, 2008; Aaker, 1996; Tiwari, 2010; VanAuken, 2002; Hallward, 2005). This has its origin in marketing literature, generally consisting of research on product brands and their value to consumers, which has given rise to the concept of brand equity as pioneered by Aaker (1991/6) and Keller (1993). Brand equity has been adopted by numerous researchers in tourism literature, but with near exclusive focus on tourism-related products like destinations (Pike, 2013; Gartner, Schneider, Templin, Schlueter, Meyer, & Bengston, 2013; Bianchi & Pike, 201; Gartner & Konecnik Ruzzier, 2011; Pike, Bianchi, Kerr & Patti, 2010; Boo, Busser & Baloglu, 2009; Konecnik & Gartner, 2007) and service providers like hotels (Kayaman & Arasli, 2007; So & King, 2010; Nel, North, Myburgh & Hern, 2009; Kim & Kim, 2005; Prasad & Dev, 2000).

Tourism literature, in particular, lacks research papers in which the objective is to assess a tourism brand's value and not only its equity. Therefore, while recent efforts have aimed to advance researchers' understanding on brand value, numerous research endeavours assume different perspectives and use conflicting terminology. The complex, abstract nature of the Southern Africa Tourism Services Association (hereafter SATSA) further presents a unique challenge to determine its brand value, since it markets itself as a non-profit, member-driven organisation in the private sector of the Southern African inbound tourism industry (SATSA, 2013c:1). Profit is therefore not considered the primary objective, but rather some other form of benefit, or "payment" to SATSA members as key role players in sustaining the brand's existence. This particular brand's value may therefore lie in aspects other than financial outcomes. Ironically, membership organisations often assume that their brand will develop over time on its own as they continue to offer or to improve their packages or benefits to grow their membership (Jerome & Stull, 2009:3). It is therefore essential for an organisation to determine which aspects specifically contribute to this brand's value for increasing membership loyalty and growth, as well as overall organisational sustainability to enable an improved value proposition.

The purpose of Chapter 2 is threefold: Firstly, to provide a concise contextual outline regarding brands and branding as well as the significance of brands in creating value as a foundational backdrop to the specific study. Secondly, to present a more explicit definition of brand value as it applies to the context of this study by distinguishing between brand value and brand equity and explaining the unique nature of the SATSA brand. Finally, to identify aspects that make a brand a valuable asset by means of a literature review. For the purposes of this study, each aspect supported by the literature is evaluated, then adapted and phrased in such a way that they apply to a brand like SATSA. Figure 2.1 provides a layout of how this specific chapter and its components are structured.

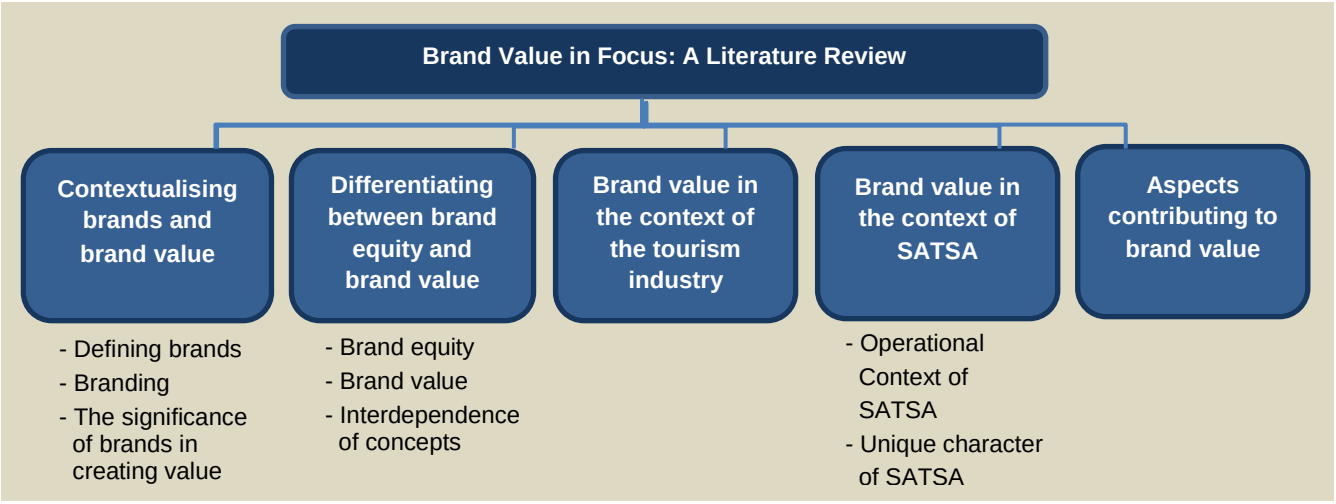


Figure 2.1: Schematic structure of brand value in focus

2.2 CONTEXTUALISING BRANDS AND BRANDING

Branding is regarded a multifaceted, wide-ranging concept with numerous theoretical perspectives that have formed over the past decades. Brands also contain many brand elements that can play different roles in a variety of contexts (Keller & Lehmann, 2006:755). Since this study focuses primarily on brand value and its related aspects, a comprehensive appraisal of branding theories or concepts available in marketing literature would go beyond the scope of this research. The aim of this section is rather to briefly outline a set of terms as they pertain to and form part of the study's framework. Firstly, the term 'brand' will be discussed below to arrive at a suitable definition for the purpose of this study.

2.2.1 Defining a brand

The variety of research interest in the 'brand' concept over the years has led to several definitions, of which most seem to portray a brand that functions as a unit or a process. For example, the American Marketing Association (1960:1) proposes the following company oriented definition of a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors". Many other authors define the brand in a similar way as a marketing-related intangible asset which represents a company's identity and includes names, terms, signs, symbols, designs, logos or a combination of these that are intended to identify products, services or experiences and create distinctive images and associations in the minds of consumers, thereby creating various benefits for the owner (Wood, 2000:662; Roberts, 2011:47; Weisnewski, 2009:3; Calkins as cited in Tybout & Calkins, 2005:1; Clifton & Simmons, 2003:13; Keller, 2008:2; VanAuken, 2002:14; Laforet, 2010:24).

Brands have further been described as being primarily about experiences and relationships with products and these form the main source of any company's connection to the consumer (Das, Stenger & Ellis, 2009:31). According to VanAuken (2002:15), a brand must promise differentiated benefits that are relevant and compelling to the consumer in order to position itself successfully in the marketplace. Brands can therefore offer customers a way of choosing and enable recognition within cluttered markets (Brandchannel, 2013:1). Brands can also function as entities to facilitate information processing; simplify choice; reduce the risk of making the wrong choice regarding a product or service; and/or induce trust by satisfying their emotional and self-expressive needs through various benefits or attributes of the brand (Laforet, 2010:24; VanAuken, 2002:1; Keller, 2008:7; Keller & Lehmann, 2006:740). According to Sexton (2008:26), a brand consists of three main components:

- Identifiers: the brand name, logo, colour, the shape – anything that will lead the customer to think of the company, product or service.
- Attributes – whatever the customer thinks of in response to a brand identifier (e.g. need, functional benefit, emotional benefit, economic benefit, product, service or experience)
- Associations: The connections between identifiers and the attributes, how strongly a brand is associated with.

A brand is also regarded as an internal (i.e. culture, people) and external (i.e. logo, marketing and other visual elements) representation of everything a company stands for and what they do (Deloitte & Touche, 2006:8; Weisnewski, 2009:3; Haigh & Knowles, 2004a:24). Consumers need something to identify with, which is the brand. However, the brand also needs to be brought to their attention, and this is where marketing takes place (WRAPPA, 2012:1).
Brands therefore play a key role in determining the effectiveness of marketing efforts such as advertising and channel placement (Keller & Lehmann, 2006:740). As a result, brands can be seen as distinct personalities instead of only reflecting conventional product characteristics.

The term 'brand' can also be used to refer to the business unit that operates under that brand. Visual and verbal elements together with the associated intellectual property rights and the organisation's culture, personnel and programmes, which provide the basis for differentiation and value creation, are considered (Salinas, 2009:7; Haigh & Knowles, 2004a:24). A brand can therefore be more than just a trademark (name, logo, associated visual and verbal elements). Taken as a whole, a brand can represent a specific value proposition and build stronger customer relationships (Haigh & Knowles, 2004a:24; Dawar, 2004:1).

According to Gabbott and Jevons (2009:120), developing a definition of the term 'brand' in social science tends to be "…an endless spiralling of ambiguities of language". These authors together with Haigh and Knowles (2004) and Salinas (2009) argue that the term "brand" exits in highly context-laden environments and therefore creates diverse contemporary approaches and understandings. This makes theory development in this regard a continuous process. One generally accepted definition is therefore no easy task. However, this study is concerned with SATSA as an organisation that can represent a specific value proposition for its members and thus aims to build stronger relationships, since its members primarily sustain its existence. This study will therefore adopt an overall 'business' unit outlook for the term 'brand', which implies that the brand is more than just the trademark and is also associated with the organisational culture, people and programmes. The 'branded business' is therefore of relevance to this study.

2.2.2 Branding

Branding has been around for centuries as a powerful competitive tool to identify goods and to distinguish the goods of one producer from those of another (Keller, 2008:2; Neal & Strauss, 2008:47; Arvidsson, 2007:11; Holt, 2003:4; Simões & Dibb, 2001:218). A variety of reviews in branding literature often refer to and include the work done by marketing pioneers such as Aaker (1991/6) and Keller (1993), who assert that branding is more than a product since it also involves focusing resources on selected tangible and intangible attributes to distinguish the brand in an attractive, meaningful and compelling way for its consumers. Rational and tangible attributes are often associated with the product performance of the brand; while emotional, symbolic, experiential and intangible attributes relate to what the brand represents (Keller, 2008:3; Arvidsson, 2007:12).

Keller (2008:5) states that: '…by creating perceived differences among products through branding and by developing a loyal consumer franchise, marketers create value that can translate to financial profits for the firm…". Branding is therefore more than a deliverable or a single output (Westergaard, 2013:1). Branding plays an important role in marketing, since it is a primary competitive differentiator that builds ongoing relationships with consumers. Relationships are formed when a brand consistently and repeatedly fulfils its specified promise and these connections are built through marketing activities, albeit through mass marketing or on a more personal level (Dawar, 2004:1).

Various other components of a brand enable effective branding to take place and be communicated to consumers through marketing actions. For example, if a brand is to be a source of value for an organisation the positioning of the brand within the minds of ones' consumers is important (Clifton & Simmons, 2003:79). Brand positioning therefore attempts to create an image or identity in the minds of its target market to differentiate their brand (Laforet, 2010:19; VanAuken, 2002:16; Keller & Lehmann, 2006:740). Those organisations that present a distinctive and relevant brand identity can create a preference in the marketplace, whether it is positioned according to its attributes, price or other unique characteristics. It is a function of the brand's promise to deliver certain benefits and how the brand compares with other choices in terms of quality, functionality, value, prestige, reliability, performance, convenience, technological superiority and so on. Brand positioning therefore directs marketing activities, in other words, what the brand should and should not do with its marketing (Keller & Lehmann, 2006:740). Brands are therefore built through various means and then executed by marketing activities which makes brands come to life. Branding further defines what an organisation is and also speaks about the employees, how business is conducted and what it can offer to consumers.

Marketing, on the other hand, collectively defines what an organisation does, how it is promoted, advertised or publicised, and for whom these activities are carried out (WRAPPA, 2012:1; Westergaard, 2013:1). Though marketing may contribute to promoting a brand, the brand is what will endure after marketing has taken place (Heath, 2011:1). Grimaldi (2003:1) therefore states that branding can be regarded the basis from which marketing takes place and is inseparable from business strategy. It can thus be said that branding is strategically focused, where marketing is more tactical (Heath, 2011:1), but both concepts are interdependently needed for organisational success. A direct consequence is that branding efforts can ultimately result in long-term profitability and growth. This has become the organisational framework in which the brand promise is consistently delivered to the customer. The brand management discipline developed to manage this major intangible market resource (Arvidsson, 2007:11). Branding is therefore considered a key element of an organisation's management practices that focuses on shaping the perceived and achieved value of a product (Grimaldi, 2003:1; Holt, 2003:1) and is the indispensable foundation for successful operations (Heath, 2011:1).

2.2.3 The significance of brands in creating value

At present, there is general agreement amongst professionals that brands and related intangible assets form a huge part of many successful organisations' value (Krishnan, 2010:62). Brands in particular, are often the focal point around which an organisation defines how it will deliver unique value to the customer (VanAuken, 2002:1). This is because brands represent a specific value proposition and, in doing so, generate more profit for an organisation as well as stronger customer relationships (Haigh & Knowles, 2004a:24). A brand is therefore a promise and/or assurance of value. Yet, value is often a subjective concept and may be multifaceted, which may include various aspects such as quality, experience, value for money, and so on. The diverse characteristics of consumers, the power of media and public opinion, as well as the emergence of technologically advanced marketing tools amongst others have also placed brands under constant pressure to deliver some form of value on a continuous basis (Laforet, 2010:4). With excess market capacity in nearly every type of industry, strong brands are therefore vital for getting prospective customers to notice a company's products or services (Knowles, 2003:40).

Strong brands help organisations to communicate why their products and services are uniquely able to satisfy customer needs in nearly every type of industry, which is subject to fierce competition on a constant basis (Haigh & Knowles, 2004a:25). Central to good branding is creating a brand that exerts lasting influence in the eyes, hearts and minds of consumers so that the brand is deemed valuable enough to make use of repeatedly.

Brands therefore convey value and meaning, which can greatly influence consumers' decision making process to improve overall loyalty. Brands that keep their promises keep their consumers. This ultimately results in a brand's economic effects extending far beyond the mere consumption of the product (Kapferer, 2008:19; Clifton & Simmons, 2003:2). Strategic focus and creativity is essential: without both elements, a brand will be lost in the cluttered marketplace. Evidently, a strong brand can create value both within the marketplace and within an organisation (Jerome & Stull, 2009:2). A high degree of brand strength is therefore considered an important objective for brand managers (Wood, 2000:664). Strong brands will build strong businesses and enable them to prosper. As a result, branding has emerged as a top management priority over the past few years due to this growing realisation that brands are one of the most valuable intangible assets an organisation can own (Roberts, 2011:47; VanAuken, 2002:2; Gerzema, Lebar, Sussman, Gaikowski, 2007:25; Keller & Lehmann, 2006:740).

From being a stamped trademark on goods, branding has become part of the corporate strategy, as companies attempt to include brands in their balance sheets or make major acquisitions to get hold of them (Laforet, 2010:24; Jokanovic, 2005:20). However, according to Brand Finance (2011:3) and the International Standards Organisation (hereafter ISO, 2010:1) although brands may be the most valuable intangible asset, they are also, ironically, the least understood asset of an organisation. The predominant thinking of successful brand builders nowadays seems to be not so much the old habit of reach (how many customers see my advertisements?) and frequency (how often do they see it?), but rather finding a means to enable customers to invite brands into their lives as valuable entities. Without a strong brand to give it traction in the marketplace, a company also jeopardises the full value of its other intangible assets, like innovative technology, superior products, world-class production processes and talented employees (Knowles, 2003:40).

Therefore, knowing a brand is valuable, but merely letting it exist or survive becomes a death blow in an ever-changing and competitive marketplace. A brand's value therefore ought to be determined and understood so that it becomes an indispensable necessity instead of a nice-to-have commodity. Brand value and brand equity and the elusive consensus on the terminology are more thoroughly discussed in the subsequent section of this chapter.

2.3 DIFFERENTIATING BETWEEN BRAND EQUITY AND BRAND VALUE

The challenge for any business or brand manager is to effectively identify a brand's value, understand it, and gain a general view of its various sources for effective brand management to take place (Jones, 2005:17). However, this poses a rather tricky question: what makes a brand valuable?

The notion of ‘value’ is regarded as a relative, ambiguous concept and the root of quite a few misunderstandings (Kapferer, 2008:507; Neal & Strauss, 2008:126; Crimmins, 2000:141).The term ‘brand value’ can therefore have wide-ranging connotations for a variety of role players according to the context in which it is used. Brand value is thus by no means a clear-cut concept, since literature seems to lack a commonly accepted framework of what it means. From the researcher’s point of view, this can possibly be ascribed to the fact that the marketplace and academic literature have been treating brand value and brand equity as synonyms or as separate constructs and are still continuing to do so. The difference between brand value and brand equity goes to the core of understanding how to create value in a complex market society (Neal & Strauss, 2008:125). These authors also state that most people refer to brand value and brand equity as interchangeable, equal concepts, when it actually seems as though these concepts seem to differ in their essence.

Brand equity was one of the most popular concepts to arise as early as in the 1980s (Keller, 2008:37). In 1991, Srivastava and Shocker suggested that brand equity is a multidimensional construct composed of *brand strength* and *brand value*. Brand strength addressed the consumer effects associated with brands, whereas brand value addressed the financial valuation of a brand, which can be thought of as the sale or replacement price of a brand. Brand value was therefore seen a section of brand equity. Despite this proposed distinction many years ago, researchers still use the two terms interchangeably and a single, uniformly accepted theoretical foundation has not yet emerged (Raggio & Leone, 2007:384; Tiwari 2010:429).

Haigh (2000:31) states that the word ‘equity’ has initially been borrowed from finance. ‘Equity’, in practice, is used to refer to descriptive aspects of a brand, its symbols or consumer imagery. Yet, owing to its financial origin, it frequently implies the financial valuation of a brand. This is dangerous because it suggests that all these things are, in essence, the same. This complicates the interpretation of each concept considerably. It is therefore suggested that a great discrepancy between these constructs has been created and has consequently left the industry and research field with wide-ranging perspectives, debates and a whole lot of confusion. According to Tiwari (2010:421), brand value and brand equity embody two different, yet intricately linked, concepts. Each construct is distinct and requires a different perspective (Raggio & Leone, 2007:384). For this reason, brand value and brand equity ought to be clarified in an attempt to provide an unambiguous classification of each concept for the purposes of this study. This will be done in three parts. Firstly, each concept will briefly be defined and described. The differences between the concepts will then be discussed, after which the interdependence of the concepts will be highlighted.

For optimal clarification, it is important to take note of the following in the context of this study and the subsequent discussion:

- A general lack of consensus in literature has resulted in considerable confusion regarding brand value and brand equity as concepts, due to the differing perspectives on this matter and the interchangeable use of these terms.
- Though brand value and brand equity appear to be concepts in their own right, an interdependency between the concepts also appears to be present, thereby indicating that both concepts may influence each other to some extent. Yet, consensus in this regard also seems to be lacking.
- This inconsistency therefore requires that brand equity ought to be measured in conjunction with brand value to better understand the full value of a brand.

2.3.1 Brand equity

Up to now, the brand equity construct has been theorised and explored in so many ways. Generally, the concept of brand equity and what goes in and out of it helps managers in understanding where and how brands add value (Laforet, 2010:52). Aaker (1996a:8) initially described brand equity as that which defines a brand's value or worth financially and through other means. Since then, Christodoulides and de Chernatony (2010:45) suggest that two main perspectives can be identified in literature, namely, the financial perspective of brand equity and the consumer-based perspective. Other authors acknowledged both perspectives in their examinations of brand equity (such as Raggio & Leone, 2007/2009; Tiwari, 2010).

The first perspective discusses the financial value brand equity generates for a business and is frequently referred to as organisation based brand equity (FBBE) (Christodoulides & de Chernatony, 2010:45). These authors state that the financial value of brand equity is only the outcome of consumer response to a brand name. From the viewpoint of a commercial marketplace, brands are assets that, like tangible plant and equipment, can, and frequently are, bought and sold. The financial worth of a brand (brand equity) is therefore the price it brings or could bring in the financial market (Keller & Lehmann, 2006:745; Kapferer, 2008:508; Keller, 1993:1; Smith, 2007:108). This price can reflect expectations about the discounted rate of future cash flows.

Keller (2008:37) states that brand equity also consists of the marketing outcomes exclusively attributed to a brand. Brand equity is therefore the additional value (incremental cash flows) that accrues to an organisation owing to the presence of the brand name that would not necessarily result compared to the sale of an equivalent unbranded product (Keller & Lehmann, 2006:745;

Simon & Sullivan, 1993:29). That is, brand equity explains why different outcomes result from the marketing of a branded product as opposed to one not being branded. In economic terms, brand equity can be seen as the degree of 'market inadequacies' that the organisation is able to cover with its brands. When marketers use the term `brand equity'' some tend to imply the brand's image or brand strength (Wood, 2000:662). Brand equity thus provides a common denominator for understanding marketing strategies and assessing the value of the brand (Keller, 2008:38). VanAuken (2002:17) further states that brand equity is the accumulated financial (commercial) value of all associations and expectations (positive and negative) that people have of an organisation and its products and services due to all experiences of, interaction with, and perceptions of the brand. Brand equity can therefore also be seen as an indicator of the success of a brand (Grannell, 2013:1).

Raggio and Leone (2007:380; 2009:252) assert that brand equity regulates the impact of marketing activities (i.e. products, advertising, word-of-mouth, positioning, etc.) on consumers' actions (i.e. consideration, purchase, etc.); which rather implies a consumer-based focus, and is one of several factors that contribute to brand value. Christodoulides and de Chernatony (2010:45) state that brand equity is further considered the driving force of increased market share and profitability of the brand and it is based on the market's perceptions (consumer based brand equity). Brand equity is therefore often based on psychological indicators, which are measured from the consumers' point of view, but is only worth something if it results in extra profits (Kapferer, 2008:506). A brand can therefore be said to have brand equity when consumers respond favourably or unfavourably to it, than that of an unbranded equally similar product (Keller, 1993:1). This depends upon elements such as consumers' recognition, associations, devotion, satisfaction, and judgements towards the brand (Hallward, 2005:3; Arvidsson, 2006:189; Gabay *et al.*, 2009:5).

In this regard, Keller and Lehmann (2006:745) state that: "While initially a brand may be synonymous with the product it makes, over time through advertising, usage experience, and other activities and influences it can develop a series of attachments and associations that exist over and beyond the objective product." It is also seen as the sum of all distinguishing qualities of a brand, as seen from all relevant stakeholders, which results in personal commitment to and demand for the brand (Brandchannel, 2013:1). These differentiating thoughts and feelings make the brand valued and valuable.

Raggio and Leone (2007:385; 2009:252), Tiwari (2010:429) and Goldfarb, Lu and Moorthy, (2009:69) further proposed that brand equity resides within, and is specific to, each consumer and their perceptions of a brand, which makes it an intrapersonal construct.

Consumers may derive unintended emotional, safety, prestige, or other benefits from brands, which they consider as being important. These authors therefore define brand equity as the perception or desire that a brand will meet a promise of benefits. The ability to leverage brand equity is reliant on company resources (i.e. what companies currently *have*) and/or capabilities (i.e. what they *can do* with brands to grow brand equity) (Raggio & Leone, 2009:254). Brand equity is therefore often viewed as what the brand means to the consumer.

2.3.2 Brand value

Brand value, on the other hand, is generally considered the sale or replacement value of a brand, which implies a company-based perspective (Raggio & Leone, 2007:380; 2009:249; Kapferer, 2008:10).

It is often described as the net (after deductions) present value of future earnings of a brand minus that from a similar unbranded product, or, in simpler terms, what the brand is worth to management and shareholders (Tiwari, 2010:422; Wood, 2000:662; Grimaldi, 2003:1). Salinas (2009:18; 2011:28), Haigh (2000:9; 2011:34) and Grannell (2013:1) also refer to brand value as the financial (monetary) or economic value and not to the subjective estimation or opinion that a client or customer may have about the brand (which is referred to as brand equity). Brand value is also important at two levels: current value, (i.e. what is relevant for an organisation at a particular time), and appropriable value (i.e. what can be if an organisation can fully leverage the existing brand equity, which is dependent on the organisation's capabilities and resources) (Raggio & Leone, 2007:388; 2009:250, Tiwari, 2010:431). Brand value can therefore represent what the brand means to a company.

Brand value is also considered a function of three primary variables: profitability, growth, and risk. Investors are concerned about the organisation's free cash flow level (profitability), the prospects for increasing cash flow (growth), and the instability of these cash flows (risk) (Haigh & Knowles, 2004a:25). Kapferer (2008:10) further asserts that brands have financial value because they have formed assets in the minds and hearts of consumers, distributors, and opinion leaders. These assets include aspects such as brand awareness, beliefs of exclusivity and superiority of some valued benefit, and emotional bonding. Strong brands therefore have strong financial worth since they increase both the demand and price for a product or service, which leads to higher profits and cash flow (Sexton, 2008:21). This description may be the simplest way of describing brand value without taking other perspectives into consideration. However, it seems as though brand value in some contexts can mean the financial value of a brand, where in other circumstances brand value can refer to one or some of the intangible measures that contribute to the brand's overall value, which hint towards brand equity as well.

The boundaries as to what constitutes brand value therefore tend to become blurred, since other perspectives tend to have a different view on the 'typical' definition. For example, Goldfarb *et al.* (2009:69) state that brand value and brand equity are obviously related, since a brand cannot do much for an organisation if it does not do much for the consumer. Brand value can therefore be estimated but, as a by-product, one can also get brand equity estimates as well. Brand value can therefore produce an *outcome*, that is, brand equity.

Other authors (Arvidsson, 2006:189; Das *et al.*, 2009:27; Gabay *et al.*, 2009:5) describe the concept of brand equity as follows: brands are seen as valuable assets to a company that have the capacity to generate a better future value stream (i.e. long-term profits) than it would if the company's products were unbranded. This is done either through:

- the brand's ability to create demand and/or a premium price for a branded product for consumers (e.g. being prepared to pay more for a Rolex watch than for an unbranded, if functionally equivalent, watch) or;
- through its ability to attract capital (for example, investors prefer to place their funds in a company that they know and sympathise with), or;
- otherwise facilitate relations with interested parties (distributors, producers etc).

From the explanation above, it seems as though a brand only really becomes valuable when long-term profits can, in a sense, be guaranteed. Brand equity can therefore facilitate value and impacts on value where brand equity contributes to more favourable financial outcomes in support of the brand (i.e. those that are visible in the marketplace such as a great volume of purchases, because a brand is trustworthy) (Raggio & Leone, 2007:388). Brand value can therefore refer to the accumulated value or worth of the brand and is rather seen as the resultant form of brand equity (Wood, 2000:663). Laforet (2010:52) also mentions that brand value is the profit potential of a brand, the economic value or price customers attach to the brand, as well as beliefs customers have about the brand. Yet this accumulated value is instead called brand equity.

Another managerial perspective is that the ultimate aim of brand management is ideally to know how to leverage equity in consumers to create value for the organisation (Tiwari, 2010:421). Raggio and Leone also support this view in the sense that brand managers should focus on influencing the equity that resides with individuals to maximise brand value, which requires a change from being inward-focused (company) to outward-focused (consumers) (Raggio & Leone, 2007:386). Das, *et al.* (2009:27;28) also argue that brand value is not only subject to the financial functions of an organisation, but also includes the marketing functions to determine overall value.

Hallward (2005:3) agrees that many successful, respected brands are premium-priced. Yet, price is not the only aspect that enables consumers to choose a brand. People also choose a brand based on their perceptions of a product's quality to match reality, which makes a brand valuable. In other words, price, together with other value-adding factors like the quality a particular brand promises to deliver, influence people's brand choice and therefore also comprises the value of that brand. This quality can be communicated through a company's marketing efforts, or the materials that make up the product, for example.

Other authors like Neal and Strauss (2008:127) as well as Haigh and Knowles (2004a:27) state that a branded product or service ought to be seen as a bundle of tangible and intangible performance benefits. Some products, especially business-to-business types, also have an important service component that is an integral part of the product and its value. Based on that premise, these authors propose the following:

Brand value = *tangible benefits* (Product benefits + channel benefits (i.e. through which the brand is provided, like employees, technology, etc.) + service benefits) + *intangible benefits* (brand equity) – costs (to enable those benefits).

Therefore, a great deal of a brand's value can be created by the intangible, emotive components, or brand equity. As a result, Neal and Strauss (2008:319) claim that the total value (or utility) of a branded product or service is a function of its physical, tangible and deliverable features; its brand equity (emotionally perceived benefits); and its price. The author's brand value equation above indicates that brand equity is seen as a part of overall brand value (as with Wood, 2000). In this sense, a brand's value can result from many factors of which brand equity is just one (Grannell, 2013:1; Keller & Lehmann, 2006:751; Raggio & Leone, 2009:249; Strauss, 2011:1). Value can thus be driven by brand equity.

2.3.3 Interdependence of concepts

Finally, it is necessary to describe in more detail how brand equity and brand value influence, and can be affected by, each other. The differences pointed out in the previous discussion must therefore also be kept in mind. Different, though not exhaustive, perspectives on the interdependency between the two concepts are discussed below.

Haigh and Knowles (2004a:25) point out that different audiences are affected by brand equity and that their behaviours affect branded business performance and value in different ways. The extent and the nature of the awareness and image profile that the brand enjoys will thus greatly determine the impact of these on the subsequent behaviour of that audience, which impacts

value. Brand value is thus not synonymous with brand equity, but the two concepts definitely influence each other.

Neal and Strauss (2008:319) state that a brand's value is directly related to customer loyalty (an equity element). That is, if a particular brand (e.g. SATSA) upholds a significantly higher perception of value to a consumer than any other brand of that specific context (e.g. other membership organisations), that consumer will consistently make use of that brand, or be loyal to it and regularly recommend it to others. Conversely, as brands in a specific context become less differentiated, price becomes the major differentiator of value and thus there is little loyalty. The experience with the brand after use or purchase will impact the brand equity (e.g. performing well in terms of reliability), brand value perception and future choice. Exceeding expectations in areas where the consumer places high importance will reinforce brand equity in their minds, whereas a disappointing performance will decrease brand equity. Brands with high perceived value will thus frequently be in the consumer's consideration set for use or purchase (Neal & Strauss, 2008:132; 133). Brands with positive equity will thus be able to consistently generate, maximise and grow cash flows.

Hallward (2005:3) also states that consumers' attitudes to what the brand promises to deliver relate to loyal behaviour. If the consumer has a negative attitude towards the brand, then loyalty and a positive perception of value may be lacking or even go missing. Ironically though, not all brands with good equity provide good behavioural loyalty or value, and vice-versa. A brand can therefore have a lower equity with higher loyalty and perceived value, and in contrast, a brand with high equity may have low loyalty and value. This would also automatically depend on the context and type of brand. For example, SATSA may have low brand equity in the minds of their members, but still have high value and loyalty because of their quality assurance. Raggio and Leone (2007:388; 2009:252) and Grannell (2013:1) agree that a brand with high value does not necessarily mean it enjoys high equity and the other way round. A brand may have associations that, in other instances, would be regarded as positive (for example, high quality, well made, etc.), without consumers necessarily responding favourably to it (Grannell, 2013:1). They illustrate this statement by the following example in practice:

Lee Jeans decided at one stage to increase its brand distribution by agreeing to sell its product at a well-known, less expensive retail store, Wal-Mart. Lee Jeans could have made higher revenues due to its increase in huge distribution, and in doing so the value of the Lee brand may have increased. Yet, it does not mean, that the brand equity for Lee Jeans necessarily increased. The impact on Lee's image of selling its jeans at a store like Wal-Mart may have resulted in decreased brand equity within one or more segments of Lee's consumers.

So, even though Lee's brand value was increasing because it was sold at Wal-Mart, its brand equity may have decreased with many consumers. Brand value for these authors is thus not always reliant on a brand's level of equity, but is impacted by it, and vice versa. The outcome levels of both brand value and brand equity are therefore not necessarily equivalent to each other. However, brand value can also be impacted by managerial decisions related to pricing, brand scope, segmentation, positioning, and so on. This indicates that brand value is also formed from sources not directly related to customers or consumers in general. Patents, trademarks, channel relationships, superior management and creative talent are brand assets that contribute to brand value, but since they are not derived from consumers, they should not be considered a component of brand equity either (Raggio & Leone, 2007:388).

Jones (2005:14,17) agrees that brand equity is used to define the value of the brand, but he argues that brand equity must also consider a range of shareholders who affect the construction (and destruction) of brand value. This perspective is based on the idea that a company exists and functions within a complex network of shareholders. Brand equity thus needs to go beyond just end consumers and their knowledge of the brand and be relevant across the entire brand value chain (i.e. consumers, suppliers, investors, media, etc). The shareholder approach to brand equity and brand value offers an important tool for providing an overview and prioritising those relationships that are strategically important, which create and affect the most value. Shareholder equity therefore moves away from the more traditional, exclusively consumer or customer orientation. The ***value*** of a brand can therefore also lie in a variety of relationships, many of which have a synergistic relation to each other. This highlights the need to understand the relationships in which a specific organisation is involved, and which specifically create value for the brand. In this respect, it is necessary to focus on where value is created, as well as understanding the nature of these relationships, (i.e. how value is created). Table 2.1 provides a summary of the discussed aspects above:

Table 2.1: Summarised aspects of brand value and brand equity

Differences in perspectives between concepts	
Brand value	**Brand equity**
• Generally refers to monetary/financial/ economic value of a brand (Salinas, 2009,2011; Haigh, 2000, 2011; Grannell, 2013; Sexton, 2008; Kapferer, 2008) • Brand value is a subset of brand equity (Laforet, 2010) • Brand value is company-focused (Raggio & Leone, 2007; Tiwari, 2010) • Brand value comprises other elements than just financial elements (Hallward, 2005; Das *et al.*, 2009 Neal & Strauss, 2008) • Elements other than equity or consumers can form part of brand value (Raggio & Leone, 2007)	• Seen as an outcome of brand value (Goldfarb *et al.*, 2009) • Equity facilitates value and impacts on it by contributing to more favourable financial outcomes (Arvidsson, 2006; Das *et al.*, 2009; Gabay *et al.*, 2009; Raggio & Leone, 2007:388 • Brand equity is a subset of brand value (Wood, 2000; Grannell, 2013; Keller & Lehmann, 2006; Neal & Strauss, 2008; Strauss, 2011; Raggio & Leone, 2009) • Brand equity is generally consumer-focused (Raggio & Leone, 2007; Tiwari, 2010; Goldfarb *et al.*, 2009)

Differences in perspectives between concepts	
Main similarity	
• Brand value is referred to as the financial value or monetary value of a brand (Tiwari, 2010; Wood, 2000; Grimaldi, 2003; Salinas, 2009, 2011; Haigh, 2000; Grannell)	• Brand equity is often referred to as the commercial value or financial value of a brand as a result of certain activities (VanAuken, 2002; Keller & Lehmann, 2006; Simon & Sullivan, 1993; Kapferer, 2008; Haigh, 2000; Smith, 2007) from the financial perspective of equity
Interdependence of concepts	
• Brand value is a part of brand equity (Laforet, 2010) • Brand value is influenced by equity in that it affects audience (market) behaviour, which impacts on value (Haigh & Knowles, 2004) • Brand value and brand equity are related since it must benefit the customer and the organisation (Goldfarb et al., 2009) • Brand value is not always reliant on a brand's level of equity, but is impacted by it - a brand with high value does not necessarily mean it enjoys high equity and the other way round (Hallward, 2005; Raggio & Leone, 2007;2009; Grannell, 2013) outcome levels may thus differ. • Brand value does not necessarily dictate equity and equity does not necessarily dictate value (Hallward, 2005).	• Brands with positive equity can generate, maximize and contribute to financial outcomes (Neal & Strauss, 2008; Arvidsson, 2006; Das *et al.*, 2009; Gabay *et al.*, 2009; Raggio & Leone, 2007:388) and have an effect on brand value • Brand equity must also consider a range of shareholders who affect the construction (and destruction) of brand value (Jones, 2005) • An outcome of brand value, which implies that it has an effect on the value (Goldfarb *et al.*, 2009) • Brand equity is a part of brand value (Wood, 2000; Grannell, 2013; Keller & Lehmann, 2006; Neal & Strauss, 2008; Strauss, 2011; Raggio & Leone, 2009)

Source: developed by author

Based on the discussion above, it is clear that brand value and brand equity are closely related concepts that share some common ground. However, in the same sense, they cannot be regarded as completely identical. For the purpose of this study, the following conclusions are proposed:

- Firstly, it is evident that brand equity and brand value are complex, related concepts that can be viewed as being in mutual support of one another.
- Secondly, general connotations with brand value tend to be those of economic, financial or monetary value, which separates brand value from brand equity (Salinas, 2009; 2011; Haigh, 2000; Grannell, 2013; Raggio & Leone, 2007;2009; Tiwari, 2010; Grimaldi, 2003).
- Another shared perspective is that an important part of a brand's value resides in the minds of consumers, through brand equity. However, perspectives differ in the sense that some authors see brand value as a part of brand equity (e.g. Laforet, 2010), where others see brand equity as a subset of brand value (Neal & Strauss, 2008; Wood, 2000; Grannell, 2013; Keller & Lehmann, 2006; Raggio & Leone, 2009; Strauss, 2011) and ought to be considered to a certain extent in determining and increasing overall value.
- Brand equity can also be a resulting outcome of brand value estimates (Goldfarb *et al.*, 2009).

- Brand value may be driven by additional elements together with brand equity, and price (Neal & Strauss, 2008; Hallward, 2005; Das *et al.*, 2009), which ought to be explored.
- Brand equity has a strong customer and/or financial focus (Aaker, 1996; Keller, 1993; Keller & Lehmann, 2006; Wood, 2000; Kapferer, 2008; Raggio & Leone, 2007;2009; Tiwari, 2010; Christodoulides & de Chernatony, 2010:45; Laforet, 2010; Simon & Sullivan, 1993; Smith, 2007). This complicates the differentiation between brand value and brand equity, since both concepts are directly or indirectly referred to as the accumulated worth of a brand.
- Brand equity can influence a brand's value in many ways, but is not necessarily synonymous with its value (Arvidsson, 2006; Gabay *et al.*, 2009; Das *et al.*, 2009; Neal & Strauss, 2008; Wood, 2000; Haigh & Knowles, 2004; Raggio & Leone, 2007, 2009). Other authors (like Jones, 2005) see brand equity as consisting of multiple shareholders, of which consumers are included to influence value, where authors like Raggio and Leone (2007, 2009) point out that brand value can have elements other than consumers, which can form part of brand value.

It is clear from this overview, which is by no means exhaustive, that even literature that has attempted to distinguish between brand value and brand equity has not necessarily been able to identify a generally accepted, universal definition for each concept. One can clearly see the link, but also the ambiguity between the purely consumer-based and economic perspectives, all hinging on the use of one common word 'value', which takes on two different meanings (Kapferer, 2008:510). Different perspectives and the relationship between the concepts also contribute to the lack of clarity in this regard. This paradoxical use of terms significantly complicates the definition and understanding of brand value and brand equity respectively, but also opens up the field of interpretation for this study, of which SATSA's unique character provides the basis for defining brand value. However, when approached together, brand equity and brand value may help to understand the brand as a valuable intangible asset as a whole.

Thus, for the purposes of this study, brand value will be regarded as consisting of *multiple* aspects that influence brand equity, which, in turn, can influence brand value. This implies that these two concepts are not synonymous, but rather associated with each other and may be interdependent to enable the success of a brand, where brand equity can form part of brand value. In the light of this, the author supports the views of Neal and Strauss (2008), Wood (2000) and Raggio & Leone (2007/2009), who displayed similar views in this regard, and, therefore the main objective of this study is to construct a *brand value model* that includes multiple value aspects and the proposed interdependency between brand value and brand equity. These concepts pertaining to tourism are discussed below.

2.4 BRAND VALUE RESEARCH IN CONTEXT OF THE TOURISM INDUSTRY

The inconsistent use of brand equity and brand value terminology also complicates the interpretation of the brand value concept in tourism. In the light of this study it appears that most recent research in tourism has focused on case studies at conceptual or exploratory level with select focus on destination brand *equity* (Pike, 2013; Bianchi & Pike, 201; Gartner & Konecnik Ruzzier, 2011; Pike *et al.*, 2010; Boo, Busser & Baloglu, 2009; Konecnik & Gartner, 2007) or hotel brand *equity* (Kayaman & Arasli, 2007; So & King, 2010; Nel *et al.*, 2009; Prasad & Dev, 2000) based on customers' perspectives of the brand. Even so, it seems that brand *value* in tourism marketing literature has received little attention until now. Table 2.2 provides a summary of various brand equity research conducted in the tourism industry:

Table 2.2: Brand equity research in tourism

Author/s	Study	Brand equity dimensions	Context	Category
Pike (2013)	Measuring a destination's brand equity between 2003 and 2012 using the consumer-based brand equity (CBBE) hierarchy	• image • brand salience • brand associations • brand loyalty	Australia	Destinations
Gartner, Schneider, Templin, Schlueter, Meyer, & Bengston (2013)	Assessing the state of customer-based brand equity among select Minnesota Historical Society stakeholders	• awareness • image • loyalty • quality	America	Tourist attraction
Bianchi & Pike (2011)	Antecedents of attitudinal destination loyalty in a long-haul market: Australia's brand equity among Chilean consumers	• image • attitudes • loyalty	Australia	Destinations
Gartner & Konecnik Ruzzier, (2011)	Tourism destination brand equity dimensions: Renewal versus repeat market	• awareness • image • quality • loyalty	Slovenia	Destinations
Kayaman & Arasli (2007)	Customer based brand equity: evidence from the hotel industry	• awareness • loyalty • perceived quality • image	Cyprus	Hotels
So & King (2010)	When experience matters: building and measuring hotel brand equity - the customers' perspective	• service experiences influence impressions & perceptions • brand awareness no significant effect on brand equity	Australia	Hotels
Pike, Bianchi, Kerr & Patti (2010)	Consumer-based brand equity for Australia as a long haul tourism destination in an emerging market	Inter-influences between: • brand loyalty • brand quality • brand image • brand salience	Australia	Destinations
Boo, Busser & Baloglu (2009)	A model of customer-based brand equity and its application to multiple destinations	• awareness • image • loyalty • quality • destination brand (perceived value)	USA	Destinations

Author/s	Study	Brand equity dimensions	Context	Category
Nel, North, Myburgh & Hern (2009)	A comparative study of customer-based brand equity across selected South African hotels	• perceived quality • brand loyalty • brand awareness • brand image	South Africa	Hotels
Konecnik & Gartner (2007)	Customer-based brand equity for a destination	• image • awareness • quality • loyalty	Slovenia	Destination
Kim & Kim (2005)	The relationship between brand equity and firms' performance in luxury hotels and chain restaurant	• financial perspective • customer perspective • company perspective	Korea	Hotels & restaurants
Prasad & Dev (2000)	Managing hotel brand equity: a customer-centric framework for assessing performance	• attitude • use • perception • satisfaction	America	Hotels

Source: developed by the author

Based on the above (Table 2.2), it is evident that the concept of brand equity and its influence on select destinations and service providers have, in fact, emerged in the tourism and hospitality industry. However, most research has been conducted in an international framework, with only one paper that has addressed the concept of brand equity in a South African context (Nel *et al.*, 2009). Even though these research endeavours are recognised, this study's primary focus is on brand *value*, which, in this case, seems to be an elusive and ambiguous concept even in the research field of tourism (see Table 2.3):

Table 2.3: Brand value research in tourism

Author/s	Study	Focus for brand value	Context	Category
Linsheng & Pan (2009)	Study on the brand value promotion of hotel service industry	• product value • service value • market value • management value	China	Hotels
Mysicka (2009)	Designing a model for the valuation of tourism brands based on an empirical study	• Monetary value	Switzerland	Destinations
Ross (2009)	Building brand value and influence in the airline industry	• communities • services • brand experience	General	Airlines
Morgan, Pritchard & Piggot (2002)	New Zealand, 100% Pure. The creation of a powerful niche destination brand	• functional benefits • emotional benefits • self-expressive benefits	New Zealand	Destinations

Source: developed by author

Table 2.3 shows that only a few studies have been able to elaborate on factors that could possibly contribute to brand value in the tourism industry. It also indicates the scarcity of brand value research that is mainly restricted to an international framework and, once again, only seems to address brand value in destinations or more general service providers (like hotels and airlines).

Linsheng and Pan (2009:354) state that brand value is the basis of a differentiation strategy in the face of increasingly fierce market competition. These authors argue that, to build overall hotel brand value, one has to consider its product value, service value, marketing value, management value and cultural value. All components must frequently be improved through innovation so that the brand value of the hotel service industry and the overall profitability of the hotel can be increased. This was conveyed by means of a framework that showed how brand value progresses on the path of the hotel service industry in terms of its various components. Mysicka (2009) conducted an empirical study to determine a monetary value for Arosa in Switzerland as a tourism destination brand by using the 'royalty relief' method. This was a first of its kind in applying a monetary brand value model to a tourism destination. This will be discussed more thoroughly in chapter 3.

Ross (2009:7) states that building brand value and influence in the airline industry requires a range of actions. This involves constructing communities around the product, as well as the service and the experiences that lead to strong, trusted relationships. By focusing on the brand experience, airlines will be able to increase their loyalty, and may also appeal to other customers from competing airlines.

Morgan *et al.* (2002) conducted a study on New Zealand as tourism destination, where value could be conveyed by means of brand value pyramids of association in which each of the respective benefits of the New Zealand brand is compared to products' brand value pyramids of association such as Nike and Microsoft. These authors assert that a brand can generate value through its functional, emotional and self-expressive benefits (Morgan *et al.*, 2002:336). Some of these values exist naturally (like being associated with pristine nature) and some are created (like creating the association of freedom and purity). In this way, a strong relationship between the brand and its customers can be established. However, destinations have their own characteristics in tourism and ought not to be compared with product or service brands. The premise for brand value is further determined by the unique composition of the SATSA brand, which is discussed in the next section.

2.5 BRAND VALUE IN THE CONTEXT OF SATSA

The purpose of this section is to clarify the meaning of brand value as it applies to SATSA. SATSA is a non-profit membership organisation that operates in the private sector of the inbound tourism industry of South Africa. This description indicates that SATSA's brand value ought to be analysed differently from other product or service brands for two reasons namely, its operational context (tourism) and the unique composition as a brand (tourism, non-profit, member-driven). Each of these aspects will consequently be discussed below.

2.5.1 Operational context of SATSA

According to VanAuken (2002:1), in the past, marketers at consumer product companies seemed to be the only ones concerned about brand management and branding. However, these days all kinds of industries and organisations have recognised the importance of branding for optimal value-building success. This is particularly true for SATSA, which operates in the tourism industry that faces the challenge of providing high-quality, creative, relevant and meaningful experiences (Theobald, 2005:266). Increased competition, market fragmentation, and tourists' ever-changing preferences have also resulted in the prominence and importance of strategic marketing in the tourism sphere (Morrisson, 2010:32). 'Brand' as a concept, long held as the most important value driver in consumer business, has thus recently gained the attention of the tourism and hospitality industries (Deloitte & Touche, 2006:2; Tsiotsou & Ratten, 2010:534).

Panasiuk (2006:131) offers an interesting view on the 'brand' term in the tourism industry. This author states that the tourism brand has so far been defined in relatively narrow terms; only focusing on image and consistency of the experience delivered (which ought to be associated with services offered by individual entities in the tourism market environment); while in its broader meaning it refers to regions, areas, cities and particular tourism attractions or destinations. 'Narrow' tourism brands are characterised by tourism service providers like hotels, travel agencies, airlines, restaurants, and so forth. This author argues that tourism services, which are brands in a narrow meaning, could influence the formation of a brand in a broad meaning. For example, tour operator services may influence the image of a brand like an attraction in a positive or negative way as a result of tourists' experiences with the operator at the attraction. In this way, consumers become tourists when they arrive at a destination or attraction and benefit from other elements which form the so called 'broad' tourism brand. As a result, the creation of the tourism brand also lies in its definition, whereby Saayman (2000:3) defines tourism as the total experience that originates between tourists, government systems, job providers and communities in the process of attracting, transporting, entertaining and accommodating tourists.

A tourism brand is therefore often created by involving multiple role players and is supported by marketing actions. At the same time the tourism brand satisfies tourist/visitors' needs and results in satisfaction (Panasiuk, 2006:132). Branding can therefore play a special role for service-intensive industries such as tourism, since strong brands can create trust and enable an emotional link with consumers through real-time interaction and involvement between the tourism business and consumers (George, 2011:268). In this way, branding offers consumers either an implicit (such as reliability) or a more tangible, explicit guarantee (such as benefits) to the consumer. This increases customers' trust and satisfaction through meaningful experiences, which can then influence a brand's value and meaning. On the other hand, the tourism industry consists of diverse products from different sectors with different qualities and often conflicting interests.

Therefore, in the broader sense of the tourism industry, the diversity or fragmentation of overall control and the relative freedom of organisations to act according to their perceived self-interests, complicates the task for national, regional and even local tourist organisations to exert much co-ordinating influence, either in marketing or in planning (Middleton, Fyall, Morgan & Ranchhod, 2009:127). This makes it difficult to even consider brand value creation. For this reason, successful brand management in tourism will aim at enhancing and growing the brand's value through improved co-operation and collaboration between organisations and through the provision of quality services and experiences more effectively than competitive suppliers in the industry. Yet, while branding is the topic of many conversations, there is little consensus on what it means and how it should be measured within the hospitality and tourism industry (Deloitte & Touche, 2006:2; Tsiotsou & Ratten, 2010:534).

Also, despite its apparent existence in the tourism research sphere (Table 2.3), the brand value concept still seems to take on a 'fuzzy' meaning and can easily overlap with brand equity. For this reason, SATSA's operational context can explain, in part, how brand ***value*** will be referred to for the rest of this study. As a membership organisation, SATSA is not, in itself, a tourism product which creates a brand, but rather a tourism brand that represents various tourism products and role players of the private sector in the South African inbound tourism industry. SATSA's vision is to ultimately be the most recognised and preferred endorsement of good quality business practice in the Southern Africa tourism industry (SATSA, 2013c:2). SATSA membership provides members opportunities of extensive networking and recognition on a wide front and daily impacts on tourism through various activities such as:

- Lobbying: members' interests are looked after by lobbying with government to ensure that a legislative, fiscal framework exists, allowing their businesses to grow and prosper

- Professionalism: vocational management training and mentoring is facilitated to improve quality, encourage staff development and offer the opportunity of a thriving and rewarding career in inbound tourism
- Networking: annual conferences, Chapter meetings and business/social events provide members the prospect of developing relationships locally and globally, and
- 'Bonding': SATSA is also the only inbound non-government organisation whose members are bonded against involuntary insolvency of other members
- As a quality assurer, this organisation aims to be a successful benchmark of a quality brand by ensuring that its member companies adhere to a certain set of criteria, for instance to abide by the SATSA code of conduct or display their SATSA membership in their advertising material (SATSA, 2013e:1)

Based on the above, it is clear that SATSA aims to be a successful brand. However, to be valuable, organisations like SATSA cannot settle for a brand that simply describes member benefits, but needs to step up and form a real commitment toward being an indispensable brand in the volatile tourism industry. This is also coupled with the fact that marketing in travel and tourism is determined and formed by the nature of demand for tourism and the operating characteristics of supplying industries (Middleton *et al.*, 2009:53). The interdependence of tourism products to provide an experience, as well as the special characteristics of services like inseparability and intangibility, therefore impact on the way in which marketing efforts, like branding, are approached. Though operating as an independent voice of private sector role players in the tourism industry, SATSA needs to be in a synergistic relationship with other providers and products, so as to increase the demand for tourism as a whole. SATSA is also faced with the challenge of providing consistent service through the benefits members can receive. This directly impacts on the way in which the brand is perceived. The value derived by SATSA may also differ from member to member. For example, the vast number of smaller business providers (SMME's) may benefit more from an organisation like SATSA, since they depend on such organisations to lobby/network on their behalf, and not for the organisation's self-interest. In contrast, larger scale organisations also belonging to SATSA, like Sun International, may still derive value, but their membership may not be as volatile as the smaller organisations.

Whatever the case may be, Jerome and Stull (2009:7) aptly state that membership organisations simply need to become known for the critical value they offer to those member companies who want to belong and, when coupled with meeting the changing needs of members, there is little or no reason that an organisation (SATSA) cannot keep their members for life.

The lack of knowledge or assumptions regarding the value of the SATSA brand, as well as specific aspects contributing to that value, may result in under-utilised member-recruiting opportunities and ineffective brand development. In this study, the significance of the tourism industry and the characteristics of service providers operating in the industry such as SATSA, it makes sense to approach the notion of brand value from the consumer's perspective, or SATSA members, since they are the primary, users and sustainers of the brand. This will now be clarified in the next discussion of SATSA's unique character.

2.5.2 The unique character of SATSA

SATSA is an abstract brand uniquely fused together with a number of tourism and non-profit brand characteristics. In contrast to pure product or service brands, these aspects alone practically place SATSA into a brand category of its own. Therefore, due to its intricate brand combination, an adapted set of guidelines inevitably ought to apply when it comes to defining and determining brand value.

In the tourism industry, SATSA's aim is to assist its members in managing successful, profitable businesses that are part of a vibrant and sustainable inbound Southern African tourism industry (SATSA, 2013a:1). In a sense, SATSA can be regarded a tourism brand in the 'narrow' meaning as described by Panasiuk (2006). This means that SATSA as a 'service provider' can help to influence the formation of brands in a broad meaning, (such as the products or role players it represents).

In terms of tourism, service providers further view service delivery in a vertically-oriented dimension of specific service delivery operations and processes which are organised around the identified needs and wants of target segments of customers (Middleton *et al.*, 2009:123). These authors also state that such businesses typically have regard for other organisations on a 'horizontal' dimension in terms of networking and product collaboration with each other, but their primary concern is with the service delivery of their own operations. As a service provider that supports the private sector, SATSA networks and engages with other institutions like Government on behalf of its members, for example, which places them in a constant co-operative position together with various other types of service providers in the South African tourism industry. However, this organisation's main aim is to provide specific services and support to a variety of role players in the private sector of the tourism industry. SATSA is not considered a conventional tourism service provider like an airline or a hotel. This organisation rather looks after the quality and services of hotel groups, airlines, coach operators, tour operators, vehicle hire companies, attractions, conference organisers and related marketing organisations (SATSA, 2013c:3).

SATSA can therefore be viewed as a type of 'umbrella' organisation for various tourism and hospitality products that is representative of the larger tourism industry, since one member (for example Sun International) can represent various establishments (the various Sun International hotels). In providing a variety of services and support, SATSA can not only create value for its members, but may also, in the process, enable value-creating opportunities for other role players in the broader context of the industry, like Government, or 'users', like tourists making use of organisations that belong to SATSA. Increased value created on a variety of levels in the private sector of the tourism industry may lead to an increase in trust and expenditure (by tourists) or investments (from domestic or international investors), and ultimately aid in the growth of the industry as a whole.

SATSA additionally markets itself as a non-profit member-driven organisation. This poses the question: can brand value, in this context, necessarily be confined to a number on the balance sheet, or must multiple value aspects be included to construct its overall value? Just because SATSA is not primarily in tourism to generate profit, does not automatically mean it is not valuable. However, the non-profit element of its brand does require some clarification.

In today's society, non-profit organisations have started to play a bigger role in attracting consumers to their mission, values, and opportunity for active participation in emotionally rewarding activities (Daily, 2009:1). Non-profit organisations mainly differ from their for-profit counterparts in their organisational structure and culture; their human resources and availability thereof; the complexity of their customers often referred to as multiple shareholders; their collaborative instead of competitive strategies; and the importance of their mission (Oster 1995 *as cited in* Laidler-Kylander, 2007:32). Non-profit organisations are also progressively beginning to recognise the need to become more professional or ''businesslike'' to operate in an increasing competitive and turbulent environment with a lack of or limited resources, and are also noticing the value of marketing in achieving a competitive advantage (Ewing & Napoli, 2005:841; Van Niekerk, 2007:23; Laidler-Kylander, 2007:39; Ritchie, Swami & Weinberg, 1999:1). An organisation's ability to generate and sustain an acceptable level of profitability often guarantees its long-term survival. This is equally true for profit and non-profit organisations, although profit is not the primary motivator for the latter (Ewing & Napoli, 2005:841; Rothschild, 2012:1).

Non-profit marketing further has some characteristics of service marketing in that it is perishable, heterogeneous, intangible, and production and consumption is inseparable (Sargeant 2005 as cited in Van Niekerk, 2007:7). However, the difference is that while commercial organisations may deliver a service in exchange for a profit for their shareholders,

not-for-profit organisations seek some other form of 'payment' or benefit for their supporters, instead of pursuing profit. Non-profits primary purpose is the implementation and achievement of some organisational mission which becomes an important objective and rallying cry (Laidler-Kylander, 2007:34; Ritchie *et al.*, 1999:9). Weisnewski (2009:1) agrees that non-profits' key differentiator ought to be building a viable brand platform that focuses on the organisation's mission, and then investing in that brand.

In this case, SATSA's mission is to fulfil the role of an independent voice for role players in the private sector of the tourism industry in the process of providing quality assurance to current and potential visitors of those member companies on a global and local level. Such a mission can make a brand valuable so as to attract like-minded supporters and provide the foundation for long-term meaningful relationships that lead to constant support, funding and growth. Numerous challenges to marketing in the non-profit environment have also been identified, which makes it unique to that of profit-driven organisations (Andreasen & Kotler, 2003:28; Van Niekerk, 2007:25; Laidler-Kylander, 2007:35):

- Secondary data about consumers and their characteristics, preferences and perceptions are limited compared to what is available in the commercial sector
- Consumers are often asked to make certain sacrifices that 'hit closer to home' (with respect to controversial or 'taboo' topics like AIDS), it is often challenging to secure reliable research data from consumers to serve as the basis for marketing decisions
- Other times consumers are asked to make sacrifices/donations where they are often largely apathetic about the issue
- Consumers are also often asked to make complete attitude or behavioural shifts (for example, to stop polluting on environmental level or stop drinking on social level); while in the private sector they are only asked to value a product more than they used to
- There is less flexibility to adapt an offering to meet consumer needs and wants better, mainly because (monetary) resources are lacking.

Drucker (1990:109) remarks that even though a non-profit organisation does not operate according to the traditional 'bottom-line' as with commercially driven organisations, it does not get paid for performance but "it does not get money for good intentions either". Although most of these types of organisations claim to have excellent intentions and noble visions, the reality is that they cannot survive if they do not receive financial support (Van Niekerk, 2007:23). Non-profit organisations have therefore started to use the brand as a key asset for obtaining maximum support (Lindemann, 2004:28).

Ewing and Napoli (2005:841) state that, despite the growing importance of non-profit brands, the concept of brand management has been generally overlooked. The role of the brand for non-profits is vital in every aspect of it operations: from funding, to recruiting employees and volunteers, forming partnerships, and delivering its products and services (Ritchie *et al.*, 1999:9). Those who contribute resources to the non-profit organisation also seek some form of quality assurance and motion of trust from the provider. This is true for a brand like SATSA, which prides itself as being the 'Mark of Quality' for over 40 years (SATSA, 2013a:1). SATSA therefore needs to provide the assurance that they are worthy of members' trust. Members want to know that the money and time they provide will be dedicated to their intended purposes. Just as important, they want to feel that the organisation will use these resources responsibly and effectively to produce maximum impact in implementing the organisation's mission (Ritchie *et al.*, 1999:9).

As Daily (2009:1) aptly points out: 'Whereas commercial organisations have grown up used to deploying all their assets in the pursuit of competitive success, increasingly not-for-profit organisations are waking up to the need and the opportunity to use their only truly non-replaceable asset (their brand) in the pursuit of their mission'. In this way, brands can help to build trust, create resonance with their audiences and deliver the benefits they desire. This will lead to developing stronger brands and improving overall organisational performance. Though developed in the context of for-profit organisations, Ewing and Napoli (2005:844) argue that such aspects equally apply to the non-profit environment.

However, non-profit organisations often disregard or do not realise the importance of managing their brands effectively to make the most of their income to serve their consumers better (Van Niekerk, 2007:6). The problem with many non-profit brands is that the value they claim to provide (for example, an experience or a specific benefit) is not always consistent with the opinions, needs and desires of their supporters. This is critical in building a meaningful platform and increasing the brand's overall value (Weisnewski, 2009:3). In addition, a mission of goodwill within the industry does not always exempt an organisation like SATSA from its fiscal responsibility to members.

Jerome and Stull (2009:6) point out that membership organisations' management often refer to the "typical member" and then develop a brand vision that fits an average perception, where the reality is that there may be diverse needs within their key audience (members). Much attention can therefore easily be diverted away from keeping in touch with the fluctuating needs of the current membership.

These authors argue that this can be the reason why so many first-year members do not renew their membership: their perceptions and needs are frequently being served under an umbrella brand which treats all members alike (Jerome & Stull, 2009:6). In addition, organisations are often prone to overstate actual consumer sentiment with the brand, so the value creation that brands convey is greatly exaggerated (Gerzema & Lebar, 2008:7). A false sense of accomplishment is therefore created by thinking that the organisational brand is valuable to all, which may not be the case. Brands therefore clearly play a large role for non-profits.

At this point, it is necessary to note that, just as SATSA cannot be confined to a typical tourism service provider, it also cannot necessarily be regarded a typical non-profit organisation because both its 'donors' and its 'beneficiaries' are its members, thereby deriving resources from them and investing it back to them as opposed to a 'cause'. It therefore cannot be seen as a charity or 'relief work' brand, as are many in this sector. It is also important to note that SATSA is also not a typical non-profit brand where social, environmental or educational missions drive this brands' primary existence. Different types of non-profit organisations may have some built-in differences that might need different approaches to brand value/equity and its measurement, since most appear to be concerned with the perspective of donors/volunteers/beneficiaries. Some of these differences may include different donor characteristics, purchase decisions and participation; differences in brand ownership; and varying criteria for brand trust and organisational success (Laidler-Kylander, 2007:41).

Finally, many membership organisations tend to settle for a brand of 'what is' instead of aspiring for a brand of 'what could be' (Jerome & Stull, 2009:6). For example, results of a recent economic impact survey of SATSA's members show that 56% of the members contributed almost R6 billion to tourism revenue in South Africa and provided 25 500 permanent jobs as well as ensuring that nearly 35 000 beds and 18 000 seats were filled (SATSA, 2013c:1). This may certainly contribute to SATSA's brand in terms of a favourable image, brand position and reinforcing their aim to help members manage successful, profitable businesses that form part of the vibrant and sustainable inbound tourism industry (SATSA, 2013c:1).

However, the current downtrend over the past two years seems to depict a different story in terms of the value members currently perceive the brand to offer for their benefit in the industry. This can possibly be ascribed to the global economic 'crash' which has forced the tourism industry to provide consumers high-quality products and/or services at reduced prices. Just as tourists may see travelling or tourism experiences as a luxury, SATSA membership may be regarded in the same way. It would therefore be wise to ask why the number of members has decreased instead of just assuming external factors have been the cause.

Even a brand like SATSA that offers a supposedly unique benefit (like SATSA's 'Bonding' scheme protecting members against involuntary liquidation of other member companies) therefore needs to rethink the value that members place in the SATSA brand to avoid diluting the value proposition because of their own unawareness.

In conclusion, given the tourism and non-profit elements of the SATSA brand and its different operational context (tourism) outlined in the previous section, it would appear that branding and brand value for SATSA warrants its own ***unique*** approach and measurement compared to that of products or services or even other service providers in the tourism industry. SATSA comprises comparable elements in both the tourism and non-profit sector, and is therefore seen as a unique combination brand of both elements. This study will therefore adopt a multidimensional member-based perspective of perceived brand value of SATSA. This premise implies that SATSA's brand value comprises multiple value facets. Consequently, brand value for such a type of brand demands a different value description. Therefore, drawing from previous literature (for example, Goldfarb *et al.*, 2009; Das *et al.*, 20009; Neal & Strauss, 2008; Hallward, 2005; Raggio & Leone, 2007), as well as SATSA's operational context with its exceptional, yet slightly 'alternative' non-profit, tourism characteristics, 'brand value' is conceptually defined as *the value brought forth by multiple identified value dimensions for a non-profit, member-driven tourism brand, as perceived by its consumers (members).*

2.6 ASPECTS CONTRIBUTING TO BRAND VALUE

Various perspectives currently exist on exactly what makes up a brand's value. The literature on brand value and brand equity is largely fragmented and inconclusive (as shown in 2.3). It will also vary depending on the context in which the brand's value is measured.

Thus, for the purposes of this study, financial value as sole indicator of overall brand value for an organisation like SATSA becomes somewhat inappropriate, since it only forms a fraction of the total brand value even though SATSA has to allocate annual funds obtained from its members to their benefit (e.g. networking and advertising opportunities). Aspects contributing to brand value apart from the financial value it generates, appears to be deficient/lacking at present. This study therefore investigates the aspects that may contribute to brand value in the unique context like SATSA. For the purposes of this chapter, emphasis is placed on the aspects and categorisation of these aspects, which are derived and based on a review of the available marketing and selected tourism/non-profit literature; information derived from SATSA, previous research and models on brand valuation as analysed by reputable authors in the field of brand valuation, such as Salinas, 2009/2011 and Haigh, 2000/2011.

The identified categories are structured according to ten general 'value' themes that make most sense in the context of this study. These are referred to as product value (PV); financial value (FV); shareholder value (SHV); experience value (EXV); marketing value (MARV); service value (SERV); management value (MANV); employee value (EMV); functional value (FUV) and social value (SOCV). Relevant aspects are discussed in each category as they apply to SATSA and are summarised in Figure 2.2 below (also see Appendix A for tabulated categories and aspects). A total of 69 aspects were identified and used to develop a suitable measuring instrument (questionnaire).

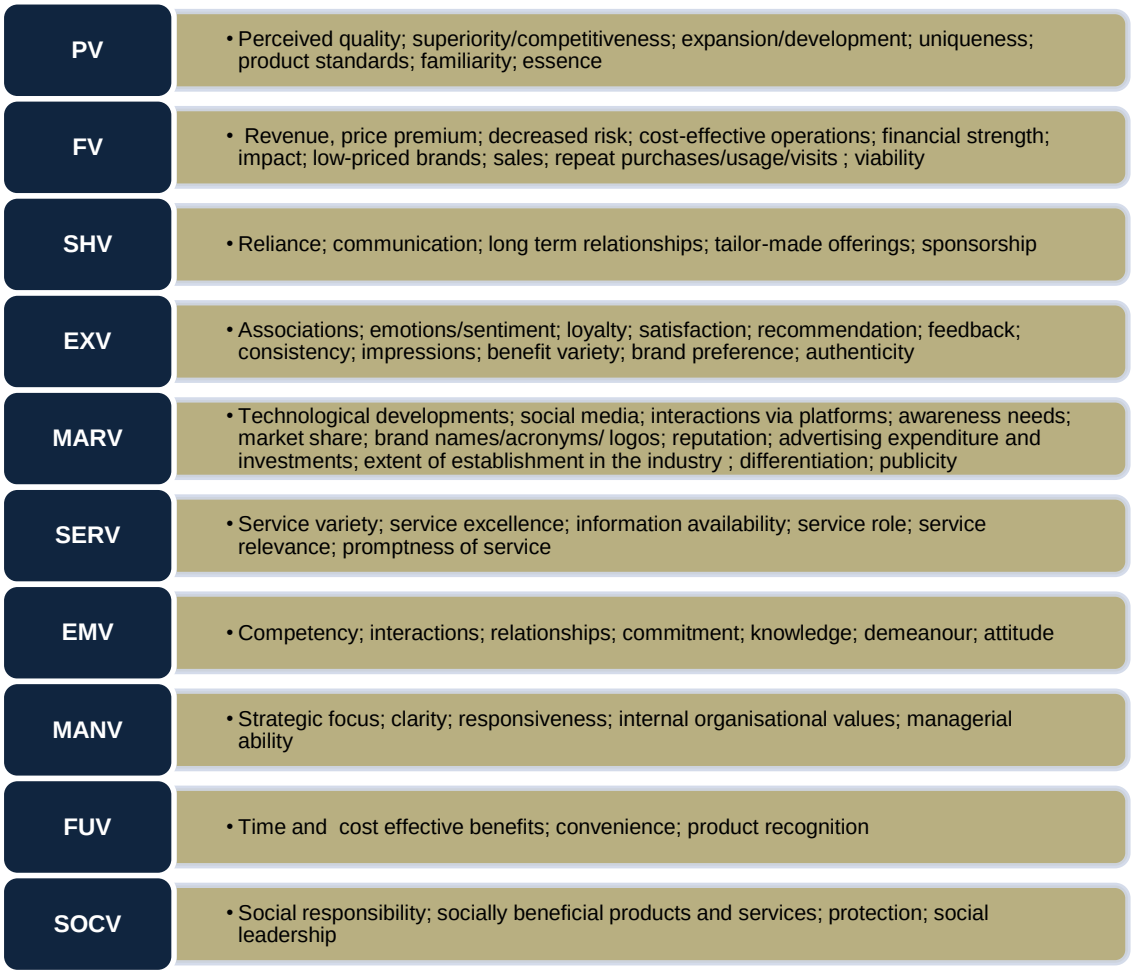


Figure 2.2: Aspects contributing to brand value

2.6.1 Product value

These represent aspects that make a brand valuable in terms of the branded product and, in this case, the branded tourism 'product', SATSA. Though SATSA is not as much a product as it is a service, it still has this element due to the definition of a tourism brand. Product value refers to the followings aspects:

2.6.1.1 Perceived quality

Many researchers have identified perceived quality as a significant contributor to brand value (Haigh & Knowles, 2004b:19;a24; Zauner, Koller & Fink, 2012:687; Brymer, 2004:69; Haigh 2000:9; Panasiuk, 2006:132; Gabay, *et al.*, 2009:5; Gelb & Gregory, 2011:17; Das *et al.*, 2009:32; Crimmins, 2000:141). Irrespective of price, quality reflects whether a brand is perceived as poor or good quality with regard to other alternatives. Quality is also considered a key strategic variable for many companies (for example, to distinctively position and differentiate the brand against competing products and services) (Aaker, 1996a:19; Panasiuk, 2006:130).

In the tourism and hospitality industry in particular, customers consider the quality of service delivery important in terms of what they get, and how the service is delivered (the functional quality of the process) (Kimpakorn & Tocquer, 2010:380). A brand can thus be valuable to its current target audience over the long term through its quality and, in the process, sustain the customer-brand relationship (Laforet, 2010:24). An increase in perceived quality of a brand may then likely be associated with an increase in the brand value (Cole, 2012:27; Calderón, Cervera & Mollá, *1997:295*). High quality products and services, in particular, are key to enhancing the brand value of a company (Huang, 2010:45). *This is particularly important for a brand like SATSA that prides itself on being the mark of quality in the South African tourism industry for over 40 years. It is thus important to guarantee quality products and services for SATSA's members. In this case, quality can refer to member benefits like specialist legal advice or quality information posted online or conveyed by means of provincial chapter meetings.*

2.6.1.2 Superiority/competitiveness

Superiority refers to what a brand contains that is more 'impressive' or better than that of its competition offering similar products. Examples of superiority can be better quality or durability, a longer lifetime, or even better packaging to preserve a product. Brand leaders must therefore offer customers superior products and services above competing offers to attract customers and maintain their loyalty; thereby ensuring that a customer will be satisfied instead of considering other alternatives (Brymer, 2004:66; Knowles, 2003:40; Haigh & Knowles, 2004:a19;b24; Zauner *et al.*, 2012:687; Huang, 2010:45; Calderón, *et al.*, 1997:295). In tourism, Perkov (2004:501) also states that a brand's superiority in terms of a tourist product brings new experience value to a brand above other offers. This can thus be regarded as an aspect that increases a brand's value. *Many association bodies currently exist in the South African tourism industry, each representing a specific sector or cause, like GHASA (Guest House Association of South Africa; ASATA (Association of South African Travel Agents); TBCSA (Tourism Business Council of South Africa). Various industry service providers and establishments have the opportunity of joining such associations for greater industry benefits and exposure.*

One of SATSA's draw cards may thus be to offer a superior product and service to its members, (like being the only inbound non-government organisation whose members are 'bonded' against involuntary liquidation of other member companies or providing SATSA members' staff with discount benefits at selected SATSA member companies). In this way other appropriate options are eliminated and its value as tourism brand can increase.

2.6.1.3 Expansion/development

Companies generally make decisions about new product developments on the basis of expected market demand, competition and costs (Huang, 2010:45). The fact that a product or service is able to expand and develop its range of offers makes a brand valuable in that it has proved itself strong and stable enough to increase sales and therefore, overall revenue (Krishnan, 2010:63; VanAuken, 2002:2; Haigh & Knowles, 2004a:26; Kapferer, 2008:25). Brand value can therefore be sustained or reduced by the change, evolution, development, maturation or death of a product or service (Gabay, *et al.*, 2009:4). By expanding the product or service range, it not only meets the needs of customers for different experiences, but also increases the scope to enhance a brand's value (Delloitte & Touche, 2006:5). Product or service expansion and development are thus regarded key issues in a product strategy to enhance a brand's value.

In SATSA's case, employees of SATSA member companies can obtain a SATSA ID card, which provides them with attractive discounts at other participating member companies (SATSA, 2013a:1). This most recent addition may indicate that SATSA is continuously developing its products and services to best meet their members' needs on a practical level. This may therefore add to its overall value as a brand in the tourism industry.

2.6.1.4 Uniqueness

The uniqueness of a brand's product attributes is a significant driver of brand value (Cole, 2012:26). Distinctive product features that enable some kind of connection with the brand instead of the brand name itself are often found to be the main source of value across consumer segments (Gabay *et al.*, 2009:14; Deloitte, 2010:22). *In SATSA's case, the brand itself is unique in its composition. However, the uniqueness of the products available to its members specifically may be limited to the 'Bonded' scheme. This can be a contributing aspect to the brand's value.*

2.6.1.5 Product standards

High and verified product standards increase a brand's value in the sense that it is reliable enough to use repeatedly and therefore worthy of customers' trust and loyalty.

For example, in the case of SATSA, all members must conform to a strict Code of Conduct before being accredited, so as to guarantee the highest standards of service and quality (SATSA, 2013e:1). Member accreditation is also checked annually to maintain the highest standards in serving the private sector of the South African tourism industry. An increase in a brand's standards can therefore positively contribute to a brand's value for both the organisation and its customers.

2.6.1.6 Familiarity

A brand's value can also be decided on its ability not only to be recognised by customers, but also to be understood in terms of its distinctive qualities and characteristics (Rocha, 2012:7). Das *et al.* (2009:32) also reported that awareness alone is not enough to build brand understanding; rather a level of familiarity is required. Hence, the more familiar people become with a brand and its promise, the better known the brand becomes and therefore more valuable (Gabay *et al.*, 2009:5). The familiar brand will always have the edge above a similar offering, which is gained from past exposure to the brand (Aaker, 1996a:11). The familiarity factor is thus especially important to the brand that seeks to maintain customers that know and understand it already. Brand value increases as the brand becomes better known and as the company supports the brand at the different contact points. *A part of SATSA's brand value may thus lie in the fact that it is well-known in the private sector of the Southern African inbound tourism industry and therefore worth investing in.*

2.6.1.7 Essence

A brand's essence indicates the core of its identity. Brand essence is everything that makes the brand a more desirable choice for consumers, depending on how the consumer sees it – this can be the way in which the product or service is manufactured, packaged or presented (Knowles, 2003:48; Gabay *et al.*, 2009:6). In the South African tourism industry, examples can include wittiness and affordability as the essence of an airline like Kulula; or the history as the essence of a tourism attraction like the Apartheid Museum. Jerome and Stull (2009:7) agree that incorporating an organisation's vision and mission can increase the value to members by identifying what the organisation essentially stands for that is important to them.

In SATSA's case, its vision and mission in the private sector of the Southern African tourism industry can be regarded the core of SATSA's existence, together with its quality assurance. This can enhance the brand's value for members in that it speaks to their own businesses' essence. SATSA's vision is to become the most sought-after endorsement of good business practice in the inbound tourism industry of Southern Africa. Its mission is to fulfil the role of an independent voice for role players in the private sector of the tourism industry in the process of

providing quality assurance to current and potential visitors of those member companies on a global and local level. The essence of such a brand can therefore enable a distinct position in the marketplace and encourage higher demand from members.

2.6.2 Financial value

According to ISO (2010:2), brand value is the financial or economic value of the brand in transferable monetary units. This definition is consistent with previous perspectives of brand value (see 2.3.2) (Raggio & Leone, 2007; 2009; Tiwari, 2010; Laforet, 2010, Arvidsson, 2006). The value of the brand is thus generally determined by the amount of profit it generates. Financial value refers to the following aspects:

2.6.2.1 Revenue

From a business perspective, brand value can indicate the security of future earnings (Brandchannel, 2013:1). In an attempt to increase perceived value, companies have added brands to their balance sheet (Laforet, 2010:13). Gelb and Gregory (2011:13) agree that marketers, accountants and intellectual property attorneys believe that a brand's actual significance to financial outcomes will be highlighted when it's value is placed on the balance sheet, which serves as evidence to investors and improves their assessments of total organisational value. Brand value is generally calculated by using the brand-specific discount rate to deduct brand earnings back to a present, more realistic value.

This reflects the likelihood that the brand will be able to withstand challenges in the context in which it operates and deliver the expected earnings in the future (Rocha, 2012:6). In a financial or economic sense, brand value can therefore be seen as the financial returns and profitability that a brand will generate over its useful life (Salinas, 2009:18; Intangible Business, 2011:1; Knowles, 2003:48; Tiwari, 2010:422; Krishnan, 2010:62; Huang, 2010:7; Lindemann, 2004:1; Arvidsson, 2006:190; VanAuken 2002:4; Raggio & Leone, 2007:388;2009:249). *In the case of SATSA, it is a non-profit, member-driven organisation. SATSA membership primarily generates proceeds for the organisation, thereby enabling SATSA to increase opportunities for its member base in the private sector of the tourism industry. Thus, in contrast to the above discussion, SATSA's brand's value cannot then be primarily driven by the revenue it generates, which makes this specific aspect less appropriate to measure the overall brand value.*

2.6.2.2 Price premium

A successful, strong brand also enables a price premium for the branded product, which creates loyal consumers and wins others over competing brands, even though it may, at times, be considered as being expensive or 'overpriced' in the environment in which it operates (Chu &

Keh, 2006:324; Knowles, 2003:49; Raggio & Leone, 2007:388; Haigh & Knowles, 2004a:26). Brands allow a product to be sold at a higher price, given a determined sales volume (Salinas, 2009:19; Haigh, 2000:8-9; Kapferer, 2008:24). Furthermore, a strong brand allows the company to charge higher prices than those of its competitors because the brand has higher perceived quality (Gabay *et al.*, 2009:5; Golfarb *et al.*, 2009:70). Haigh (2000:8) illustrates an example taken from the Economist of the GEO Prizm and Toyota Corolla in America: these vehicles are nearly identical, come off the same production line and have similar levels of distribution and service. However, the Corolla trades at an 8% premium and sells double the volumes because of the Toyota brand. Strong brands thus make consumers willing to pay higher prices, to make repeat purchases, and purchase more products from the brand's extension line. As Rocha (2012:1) states: 'Brands help shape perceptions and, therefore, purchase behaviour, making products and services less substitutable. In this way, brands create demand, allowing their owners to enjoy higher returns. If a brand provides the customer with a reasonable perceived worth (for example, in utility) relative to its costs, it can be considered as valuable. The customer thus weighs and measures what is received, with what must be given up to receive it (Cole, 2012:27; Kim, Kim & Lee, 2010:290).

Yet, in the tourism and hospitality industry in particular, the recent recession has accelerated the trend of choosing value-for-money products and services instead, as leisure and business travel budgets have been cut. Yet luxury markets still tend to choose more exclusive branded offers, even though they are be able receive a near-similar experience elsewhere (Deloitte, 2010:3). A branded product thus enables a price premium which makes the brand both credible and more value for money compared to another unbranded, 'just-as-good' product (Arvidsson, 2006:189; Laforet, 2010:37; Tiwari, 2010:429); Das *et al.*, 2009:27; Zauner *et al.*, 2012:687; Brand Finance, 2010:6; Arvidsson, 2007:9). *Focusing on SATSA, its annual membership has to be worth members' financial investment. If SATSA membership should cost more than belonging to other organisations that can offer near-similar products or services, it must still be sufficiently valuable that members would choose to belong to SATSA as their preferred organisation in the tourism industry.*

2.6.2.3 Decreased risk

The continuity of demand that a brand creates makes it more likely to keep generating profits and therefore reduces the financial risk for shareholders (that is, customers, employees, owners and investors) (Haigh & Knowles, 2004a:25; Haigh, 2000:8; ISO, 2010:8; Herremans, Ryans & Aggarwal, 2000:21). Brands therefore create economic value by producing increased returns and growth, thereby increasing the brand's credibility and thus mitigating risk (Rocha, 2012:1; Salinas, 2009:19; Haigh 2000:8; Aaker, 1996a:21; Kapferer, 2008:24).

The more the returns generated by the brand fluctuate, the less reliable and predictable it becomes, and the greater risk and lesser value are associated with the asset. *SATSA's brand value can thus be increased if it enjoys a steady flow of demand in terms of its members and, in doing so, increases its credibility as a brand. This decreases the financial risk of investing in SATSA instead of other associations in the industry.*

2.6.2.4 Cost-effective operations

To reduce risk, brands create value in the sense that they enable cost-effective operations to deliver on the brand promise. This is done by:

- reducing funding/capital costs for investors
- increasing overall shareholder loyalty, which results in fewer costs to retain current customers and to find new ones
- improving personnel recruiting and retention costs (for example, Human Resources)
- creating better communication efficiencies which contribute to the profitability of the branded business
- creating further future demand (Salinas, 2009:18-19; Raggio & Leone, 2007:388; Aaker, 1996a:21; Haigh & Knowles, 2004a:24, 26-27; ISO, 2010:8; Chu & Keh, 2006:325; Haigh, 2000:8-9).

In SATSA's member-driven, non-profit context, perhaps the most cost-effective operation it can deliver is to offer cost-effective member benefits for optimal success in the industry. This will improve member loyalty and reduce the cost of retaining its members or acquiring new ones.

2.6.2.5 Financial strength

In tough economic times, people are looking for value in nearly everything they purchase (Ross, 2009:4). The extent of a brand's financial strength gives investors and other potential customers some kind of guarantee of stability that the brand generates enough profit to satisfy current needs and successfully move forward in an unpredictable economic environment (Intangible Business, 2011:1; Rusch, 2002:1). Gerzema *et al.* (2007:37) note that brands with higher levels of brand strength will most likely tend to outperform average brands financially and would also have higher levels of consideration, use and loyalty. Krishnan (2010:63) agrees that a brand's capability to generate superior economic returns and multi-year investment commitments increases its financial health and strength and therefore its value. The stronger the brand, the greater financial peace of mind provided for its various shareholders, which positively contributes to a brand's value - the higher the brand strength the higher the brand value.

Since SATSA cannot necessarily provide notable figures concerning its profits, it has to offer another convincing alternative to its financial stability. SATSA's financial strength may lie in the fact that it is the only inbound non-government organisation whose members are bonded against unintentional liquidation of other members (SATSA, 2013e:1). SATSA members are therefore bonded with third party indemnity, ensuring financial peace of mind. This 'Bonded' term has also formed part of the SATSA logo. This may help to reassure others of SATSA's resilience in the volatile tourism industry and therefore aid in increasing its overall brand value.

2.6.2.6 Impact

A brand's impact on volume and price can be used to identify whether new product development through brand extensions is worthwhile (Intangible Business, 2011:1; Haigh, 2000:9; Salinas, 2009;18). This contributes to the brand's value in a positive or negative way. Indirect cost effects are created through a brand's impact on volume (i.e. economies of scale) or by providing the other role players the confidence to commit their resources to "partnering" with an organisation and supporting its product (Keller & Lehmann, 2006:753). *In this case, SATSA may be regarded a valuable brand in the private sector of the tourism industry in South Africa in that it provides its members with guidelines and opportunities to expand their businesses and increase profitability through opportunities provided by SATSA membership (such as networking). This shows its members that the SATSA brand is worth their fees and 'investment' for possible product and service expansion to their own benefit.*

2.6.2.7 Low-priced brands

A few authors found that the cheaper the branded product compared to that of an unbranded product, the more valuable it may be for a consumer (Kim *et al.*, 2010:290; Huang, 2010:46). This argument does have some merit: if customers can obtain a branded product they are familiar with or prefer for the same price as a similar, unbranded product, the consumer may be likely to choose the branded product. This can be because it 'looks better' or the brand is well known. This purchase decision may thus also depend on the consumers' perception of and association with the brand. However, it seems as though some brands are more likely to create value by means of reducing their price scale to better attract and retain customers compared to those of competing *offers. Since comparable organisations for SATSA cannot really be established due to its unique nature, this factor was not deemed appropriate for the context in which SATSA operates.*

2.6.2.8 Sales

Sales generally indicate the revenue produced by an organisation from the sale of a good or service. It is defined in each company's annual report after discounts and allowances.

A strong brand with high sales volumes is more likely to have more customers and show an increase in their spending than that of a poor performing brand. Favourable consumer brand value will thus be reflected in purchase behaviour and sales **(**Cole, 2012:30; Rocha, 2012:1; Salinas, 2009:19; Haigh & Knowles, 2004a:25; Haigh, 2000:9). In other words, an increase in sales can thus result in increased brand value on the balance sheet (financially) over a period of time (Cole, 2012:30). Sales is thus regarded a key element of brand value.

Nevertheless, sales cannot be considered as the sole determining factor of SATSA's brand value. SATSA, in particular, is a non-profit organisation funded by its members in the tourism industry. SATSA therefore differs from other brands in the sense that financial value is not the primary goal, but forms only a fraction of the total brand value. The 22% membership decline can be an indicator of current membership growth and thus how the 'sales' are doing, but cannot be used as the primary benchmark for determining brand value as is often used with products or services. This rather ought to point to the aspects that SATSA members deem valuable in the brand, and which determine the brand's value. This particular aspect was therefore not regarded a suitable measure of brand value.

2.6.2.9 Repeat purchases/usage/visits

A brand, irrespective of its value on the balance sheet, is only really worth something if consumers want to purchase or make use of it and use it repeatedly (Gerzema *et al.*, 2007:41; Haigh & Knowles, 2004:26; VanAuken, 2002:2). Within a tourism and hospitality context, guests who are loyal to their preferred brand tend to stay longer, are more likely to return and spend more (Delloite & Touche, 2006:5; Deloitte, 2010:22). *SATSA's value as a brand may significantly depend on its members' annual renewal or termination of membership, which greatly indicates their loyalty. Should members wish to renew their membership, it can likely indicate they deem SATSA worthy enough of their funding to receive various benefits and exposure in the tourism industry. The opposite, however, may affect the brand's value in a detrimental way.*

2.6.2.10 Viability

A brand's value can often be subjected to consumers' willingness to make pay for a product, service or experience (Haigh & Knowles, 2004a:26). The willingness or reluctance to make use of a brand can indicate consumers' brand loyalty to a certain extent, but can also refer to a brand's viability for that consumer. In other words, if the brand is not of real use or no longer meets a specific need, it may no longer be worth a consumer's while, and therefore it loses some of its value.

In terms of a non-profit brand specifically, Weisnewski (2009:1) states that in non-profits, people are often prepared to pay for a particular product or service based on how closely their values are aligned with an organisation and how much they trust what it provides. *As a result, if SATSA members are willing to pay an increased membership fee on an annual basis, it could possibly indicate that the brand has gained members' trust and is still deemed viable enough to provide enough value (like its industry benefits) for them to remain members on an ongoing basis. The viability of the SATSA brand to its members may especially influence its long-term value.*

2.6.3 Shareholder value

SATSA members are the main and most important 'shareholders' regarding the SATSA brand, since they both fund its existence as a non-profit tourism organisation and derive the benefits. It is therefore important to remember that the value created for SATSA shareholders primarily implies a member perspective. Shareholder refers to the following aspects:

2.6.3.1 Reliance

The core of a brand's value may also lie in its associated meaning(s) among various shareholders. These meanings can limit or prolong shareholders' use of the brand for different purposes (ISO, 2010:6). Deloitte and Touche (2006:8) state that in the tourism and hospitality industry in particular, the term shareholder not only includes customers, but also employees, owners, franchisees, suppliers and intermediaries, since all of these groups help to deliver the brand promise and add value. Brand value must thus concern itself with looking at the sources of the creation and co-creation of value for both an organisation and its shareholders (Jones, 2005:11). Shareholder relationships with various other shareholders (for example, the organisation, its employees, suppliers, customers, etc.) co-create value (Jones, 2005:20; Gabay *et al.*, 2009:5; Panasiuk 2006:131; Deloitte & Touche, 2006:8). A brand's value can therefore be enhanced through a network of shareholders that rely on each other for optimal value creation for the brand.

SATSA's brand value may be enhanced if members feel that SATSA membership creates mutually supportive industry relationships in the private sector of tourism in South Africa. In other words, by belonging to SATSA, members can not only build their relationship with this organisation, but also other shareholders like other industry role players in different sectors of tourism, prospective members, sponsors and the South African government. This, in turn can increase the interdependence of tourism products in sustaining the tourism industry as a whole.

2.6.3.2 Communication

According to Jones (2005:26) value creation exists in effective communication between the brand and its shareholders. This type of interaction influences the strength of the relationship and therefore contributes to a brand's value (Gabay *et al.*, 2009:5). *In SATSA's case, opportunities like Chapter meetings, the website and the 'RAP' member newsletter enable regular communication with many SATSA members in various provinces and between other role players in the industry. Improved communication between members as industry role players can enhance SATSA's value as a brand and also enable improved overall value-creating opportunities for South African tourism industry.*

2.6.3.3 Long-term relationships

Brand value creation, in economic terms, can also be reliant on long-term relationships between shareholders or across numerous communication channels being sustained (Jones, 2005:20; Krishnan, 2010:63; Rocha, 2012:2). This can refer to relationships like customer-employee, (vis-à-vis contact), supplier-owner, owner-customer, customer-customer, and many others. Strong, trusted, long-term relationships also reinforce the brand and its promise to current and prospective customers, which will impact on the total value of a brand in various areas of an organisation (Raggio & Leone, 2007:389; 2009:256; Deloitte & Touche, 2006:8; Ross, 2009:6). *Therefore, if members value their long-term relationship with SATSA, it indicates that the brand is worth belonging to over a period of time, which increases its overall value for current and prospective shareholders.*

2.6.3.4 Tailor-made offerings

Successful brands understand the needs of their shareholders and tailor their offering to maintain its relevance (Brymer, 2004:69). Gabay *et al.* (2009:5) also claims that, in an era of customisation, the economy is driven by renewed individualism, where sellers are increasingly required to provide tailored goods and services on a frequent basis. This 'macro trend' affects brand value. Should a brand fail to meet shareholders' specific needs, it 'devalues' itself in a sense. The opposite can also be true. *For example, if SATSA tailors its brand offering to meet members' needs in the tourism industry by means of various member benefits (like the SATSA 'Bonded' scheme or vocational training programs of members' staff); it will most likely increase its value among its members as key shareholder of the SATSA brand.*

2.6.3.5 Sponsorship

Sponsorship is a potentially powerful method for conveying corporate and organisational identity, which affects a brand's reputation and shareholder perceptions as well as helping to form a brand promise (Alexander, 2009:348).

Therefore, sponsorships have the ability to lift a brand out of the existing advertising noise in the consumer environment and connect the brand to an entity or event with which its target audience can identify (Chu & Keh, 2006:326; Zauner *et al.*, 2012:687; Alexander, 2009:248). This ought to create value for all shareholders of a brand. ABSA is SATSA's current official sponsor (SATSA, 2013:1). *SATSA's non-profit, member-driven brand composition makes its members key sustainers of the brand. SATSA's value as a brand can be enhanced for its members in the sense that it can negotiate on the members' behalf for additional benefits from ABSA.*

2.6.4 Experience value

Brand value will unavoidably vary from consumer to consumer (Neal & Strauss, 2008:319). Consumers are crucial role players in determining a brand's value, since they are the primary source of cash flow and resulting profit. In addition, there is a growing awareness of the need to take customers' overall experience with the brand into account to increase overall value.

This does not only include direct contact with the brand, but also through other channels such as communication experiences through media exposure or service experience through retailers or market experience through market response to the brand (Jones, 2005:14). By focusing on the brand experience, brands will retain existing customers, as well as attract others dissatisfied with the competition. This diverts the consumer from making a purchase decision on price alone (Ross, 2009:4). The hospitality industry, in particular, has exploded with value-conscious consumers that consider the experiential dimension as the ultimate value of the brand above that of product design (Deloitte, 2010:2). Thus, for this study, the term 'experience value' was deemed the most appropriate to experiential aspects that may contribute to SATSA's brand value. This is because its members primarily sustain the brand, respond to its offers, and enable certain outcomes as a result of their experience with the brand in some or other way (for example, recommending SATSA to other non-member companies). Members therefore make use of the SATSA's product and services due to the value of the experiences they provide. Due to the interchangeable use of terminology between brand value and brand equity, some equity aspects are bound to be included or to overlap with other value aspects, as identified in the discussion below.

2.6.4.1 Associations

Many authors assert that the core of a brand's value lies in the asset's associated meaning(s) among shareholders, which can extend or limit the use of the brand for different purposes (ISO, 2010:8; Gelb & Gregory, 2011:17; Morgan *et al.*, 2002:336; Panasiuk, 2006:130; Kimpakorn & Tocquer, 2010:380).

Brand associations are driven by the brand identity - what the organisation wants the brand to signify in the consumers' minds (Aaker, 1996a:25; Calderón, *et al.*, 1997:295). The grouped associations and perceptions that customers have of a brand then also form a certain image of the brand. Cole (2012:25) found that, like brand awareness, the 'top of mind' association, (also referred to as 'buzz'), measures how easy the brand is accessed in the memory of the consumer. The 'top of mind' measure reveals what presence the brand currently enjoys through what the consumer has heard in the media, advertising or news, or even in conversations among friends and family about the specific brand; whether it be positive or negative (Rocha, 2012:7; Cole, 2012:25). It is not only important that the brand remains top of the mind for existing customers but it must also preferably contribute to forming appropriate brand imagery and associations in the minds of new, inexperienced customers (So & King, 2010:603). A brand with negative associations will therefore hurt a company and a brand with positive associations will help it grow to success (Tybout & Calkins, 2005:7,8).

Likewise, since associations reflect the latest brand sentiment and the direction of recent awareness, Cole (2012:25) suggests that an increase in positive and neutral 'buzz'/associations can most likely increase a brand's value. *In SATSA's case, it would be ideal if most members associate the brand with quality business practice in the tourism industry. However, should members' associations not be as strongly connected with quality, SATSA might need to consider re-evaluating what they want the SATSA brand to stand for in the minds of their members.*

2.6.4.2 Emotions/sentiment

No matter what type, status or industry, brands will almost always evoke some kinds of emotion. People react to a brand as a result of some kind of experience or exposure to it. This can include how good, important, or special the consumer will feel as a result of using the brand. Emotions are therefore also entwined with customers' associations, beliefs and behaviour towards the brand. Successful brands thus connect to the emotions of its customers (Ross, 2009:5; Deloitte & Touche, 2006:5; Kimpakorn & Tocquer, 2010:387). Emotional benefits add a richness and meaning to the experience of owning and using a brand (Aaker, 1996a:97). That which makes the brand 'feel' different to others thus becomes the draw card to emotionally connect with and appeal to customers (Weisnewski, 2009:7; Ross, 2009:5). Emotions therefore influence consumers' brand preference: the positive emotions experienced by a customer from using a brand not only makes the customer feel valued, but also makes the brand valuable to the customers and the organisation (Kim *et al.*, 2010:290; Haigh, 2000:8). The opposite, however, can decrease a brand's value and make it more susceptible to competing offers.

As a member-driven, non-profit organisation, it is vital that SATSA currently evokes some form of positive emotional appeal with its members. This could include a feeling of being proud to be a SATSA member, which would enhance the brand's value considerably, since it indicates that they are still on par with members' needs in an ever-changing industry like tourism. This feeling can be evoked as a result of belonging to the brand for years or having their industry needs met on a practical level by means of Chapter meetings or communication through accessible channels like the Chapter chairs in the nine provinces of South Africa respectively. This makes the brand a valuable business asset.

2.6.4.3 Loyalty

An organisation's brand value is largely created by the customer loyalty it commands. Brand loyalty captures the extent of emotional and behavioural commitment a consumer has for a brand. The stronger the brand loyalty, the less appropriate competitive options become (Gerzema *et al.*, 2007:36).

Aaker (1996a:21) further states that a brand without a loyal customer base is generally regarded as vulnerable, or only has value in its prospect to create loyal customers. Customer loyalty makes a brand valuable, because they deem it worthy of their time, money and it connects with their self-image or esteem they want to uphold. Loyalty is thus earned by consumers trust in the brand's ability to deliver on its promises (Kimpakon & Tocquer, 2010:379). Loyalty towards a brand is a key consideration when determining a value for a brand, since a highly loyal customer base can be expected to generate more sales and revenue for an organisation (Aaker, 1996a:21; Panasiuk, 2006:130; Wood, 2000:663). For example, a report by Deloitte and Touche (2006:5) showed that hotel guests who are loyal to their preferred brand are likely to spend more time and money at the hotel, thereby increasing its overall value in terms of its image, profits and brand associations.

Customer loyalty to an organisation, product or service therefore makes a brand valuable as a result of the trust gained from the experience of use and continual exposure to the brand (VanAuken, 2002:2; Zauner *et al.*, 2012:687; Herremans *et al.*, 2000:24; Calderón, *et al.*, 1997:295). *Member loyalty is imperative for growing SATSA's brand value. This organisation is dependent on its members to function. A lack of loyal members may not only decrease its value proposition to prospective members, but also threaten its survival as the independent voice in the private sector of the tourism industry.*

2.6.4.4 Satisfaction

Satisfaction generally indicates how satisfied customers are with their experience with the brand and is also the outcome measure of customers' expectations. Satisfaction is not only a brand equity dimension, but a key factor in determining a brand's value. An increase in customers' satisfaction with the brand may certainly lead to an increase in a brand's value, since satisfied customers will tend to make use of the brand again and tell others of it and thus become part of the sales force (Cole, 2012:28; Linsheng & Pan, 2009:355; Deloitte, 2010:25; Aaker, 1996a:8). Satisfied customers will most likely make use of the brand again and tell others of it. *SATSA's non-profit, member-driven brand composition makes meeting members' expectations vital for retaining its current member base and ensuring operational success on a continuous basis. In other words, unhappy members can cause a decrease in their loyalty and funding and an increase in negative word-of-mouth to other non-member companies in the industry. This automatically decreases SATSA's value as a prominent brand in the private sector of the tourism industry. The value of a brand thus greatly lies in meeting customers' various needs effectively to ensure optimal customer satisfaction.*

2.6.4.5 Recommendation

Recommendation can also be considered a way of indicating whether a brand is valuable or not. This is meant in the sense that a brand may be recommended for use or recommended as a brand to avoid (Kimpakorn & Tocquer, 2010:387). Recommendation refers to positively promoting a brand and, in doing so, increases the probability of additional customers and improved sales. Cole (2012:28) therefore states that an increase in positive or neutral recommendation of the brand will increase a brand's value. *In SATSA's case, if members recommend SATSA membership to other role players in the tourism industry, it can enhance its value as a trusted, reputable brand worth others' time and money. If members are neutral about recommending the brand, it may not necessarily indicate that the brand is less valuable, but it does not add to its value either. Should this be the case, management would be wise to explore the reason behind such impartiality towards the brand. This would be for the sake of improving SATSA's value proposition to encourage positive recommendations.*

2.6.4.6 Feedback

Customer feedback can be a key contributor to enhance a brand's value. Feedback generally enables an organisation to find out what they are doing right and where they can improve. Brands that would like to endure in the marketplace ought to create feedback opportunities through a variety of channels like social media, the Internet, comment cards, and meetings.

In this way, customers feel that their needs or concerns are being heard, and this positively impacts on the brand's value in terms of positive associations (for example, a 'caring' brand), satisfaction levels and, finally, its profits. This also contributes to improving the brand's overall value proposition to become more need-focused (Weisnewski, 2009:7; Deloitte, 2010:25). *For SATSA to enhance the brand's value, members ought to be encouraged to regularly provide feedback on industry-related* issues. *Member feedback will enable SATSA to identify where they must improve to best meet the members' needs. Members can use channels like Chapter meetings held in each province with other industry role players, or even the SATSA website to voice their concerns. A brand that cares about what its customers say will most likely be the brand that is valuable enough to withstand a merciless market place full of substitutable offers.*

2.6.4.7 Consistency

Leading brands communicate their promise to the market, encouraging customers to purchase the product or service. However, the challenge is to deliver on the promise without fail or flaw (Raggio & Leone, 2007:386; Brymer, 2004:69). Many great brands succeed by offering their customers a consistent, high-quality product or service experience with the brand at every customer touch point by engaging the whole organisation (Tybout & Calkins, 2005:7; Deloitte & Touche, 2006:6; Haigh & Knowles, 2004a:19, b26). This significantly influences the strength of its relationships with customers (Kimpakorn & Tocquer, 2010:384). Secondly, the strength of a brand lies in an organisation's ability to consistently meet customer or member expectations in the areas most important to them. The brand is reinforced by its ability to communicate and deliver on that commitment (Jerome & Stull, 2009:3). Consistency therefore refers to the degree to which a brand is experienced without flaw or failure across all touch points or formats (Rocha, 2012:7). Touch points are everything that allows for customers' interaction with the brand, whether it is a phone call or face-to-face contact with the receptionist.

However, because of the multitude of customer touch points and the intangible nature of services, it is more difficult to achieve consistency in the tourism and hospitality industry. Inconsistent (or consistently bad) consumer experiences will inevitably dilute the brand message and impact on the consumer's brand choice and loyalty (Deloitte, 2010:25). A brand thus becomes a valued commodity in its ability to achieve consistency in customer expectation and experience (So & King, 2010:603). *It is therefore crucial that SATSA is dependable in delivering a consistent product and service experience to its members. Whether it is by advertising opportunities, like the Tourism Tattler, communication via their website, or through annual events like Chapter meetings, SATSA must be consistent in communicating their brand promise.*

Failure to be consistent will result in the unfulfilled hope of the brand's vision – to become the most recognised and sought after endorsement of good business practice in the Southern Africa tourism industry (SATSA, 2013c:1).

2.6.4.8 Impressions

Impressions are lasting imprints that reside in consumers' minds that are easily formed, yet hard to erase. These are generally formed through a brand's image, made up of various connotations of the brand in the consumer's memory, which together form the consumer's overall impression of the brand. A brand can create an impression through its product attributes, advertising attempts, and contact with its customers – even before a customer has made use of the brand itself. The initial impression of the brand is thus often 'enough' for the customer to form some kind of opinion of the brand. This affects the customer's purchase intent and the brand's value in that it is either viewed as valuable enough to spend on or not worth their time or money. An increase in positive or neutral impressions of the brand can thus be associated with an increase in the brand value (Cole, 2012:26). This aspect was therefore included as a value element since it can contribute to a brand's value, but it can also be viewed as an outcome of value. For example, customer impressions can also be reinforced or overridden as a result of an experience with the brand.

Jerome and Stull (2009:4) aptly illustrate this concept: 'When any organisation fails to resolve issues within a reasonable time, when a "friendly" airline starts to charge for additional bags or change of flights, or when a no-hassle bank starts to charge for every service, then the experience conflicts with the promise. These organisations still have a brand, but it's changed for those who have experienced it - the brand is not what the organisation says it is'.This contributes to the brand's overall value in terms of word-of-mouth advertising, customers' associations with the brand, satisfaction levels, brand identity and ultimately, its revenue. The impression a brand creates can therefore have a considerable positive or negative impact on its overall value form the customer's perspective (Kim *et al.*, 2010:290; Zauner *et al.*, 2012:687; Ross, 2009:4-5; Haigh & Knowles, 2004a:26; Jones, 2005:12).

This is particularly applicable in the tourism and hospitality industry, where the experience matters most. A brand therefore represents the value of a product or service's impression above that of an otherwise identical, unbranded product. *SATSA members' current impression of the brand therefore ought to contribute to its overall value in a positive or negative way. An impression of credibility or a brand that delivers on its promise of quality to its members would be relevant in this case.*

2.6.4.9 Benefit variety

Brands also create more stable demand through their relationship with consumers due to the range of benefits they can offer (Haigh, 2000:9). For example, some brands claim to offer functional benefits such as superior performance or greater economy or even product recognition to further aid the purchase decision through a guarantee of quality (Knowles, 2003:49). Other brands provide more self-expressive benefits by letting the brand become a symbol of a person's self-concept (Aaker, 1996a:99). Brands can also provide the emotional benefits of feeling positive, important, secure, joyful, etc. A brand will always offer some kind of benefit(s) to its customers. Yet, the *variety* of benefits that customers derive from preferring, choosing or using the brand as opposed to an identical product/association makes a specific brand valuable (Cole, 2012:26; Das *et al.*, 2009:34; Raggio & Leone, 2007:384). *For SATSA to be considered a valuable brand, members ought to enjoy an extensive array of benefits, since they are the ones who mainly invest in growing the brand. SATSA currently offers its members wide-ranging benefits to help them manage successful, profitable businesses in the tourism industry specifically. Among the many benefits include the following:*

- *insurance and specialist legal advice*
- *AIDS and education programmes*
- *being bonded against involuntary liquidation of fellow member companies*
- *networking opportunities on local and international level*
- *arbitration in case of disputes*
- *SATSA Widget, a link that enables member searches nationwide*
- *SATSA ID cards for SATSA members' staff allowing access to pre-negotiated discounts at participating member company outlets (SATSA, 2013a/e:1)*

2.6.4.10 Brand preference

Brand preference influences a brand's value in that a customer may favour a brand compared to an unbranded product or out of loyalty, even if other products have the same features or are functionally equivalent (Haigh, 2000:9). However, the fragmented segments of the travel and hospitality industry have shown that some consumer preference can differ considerably.

For example, middle class consumers would most likely prefer the cheapest place/establishment, regardless of its branded or unbranded status, while the top end of the market prefer the brand attributes that connects them emotionally with the brand, superseding the functional attributes of the brand (Deloitte, 2010:22). A preferred brand is a valuable brand in that it is more likely to retain its market share and increase profits and loyalty.

Members' preference for SATSA above other organisations in the tourism industry, (like FEDHASA), with related benefits, (like discount on early membership renewal), may contribute to its value as a brand. SATSA's brand value will therefore be enhanced if it can be regarded as the brand that looks out for tourism companies' needs in the private sector of the industry and voices issues on their behalf; thereby ensuring that it becomes the preferred brand of choice.

2.6.4.11 Authenticity

According to Rocha (2012:7) a strong, authentic brand ought to be soundly based on an internal truth and capability. It has defined legacy and a well-grounded value set. Most importantly, an authentic brand can deliver against the high expectations that customers have of it by means of offering its unpretentious, trustworthy product/service essence on a consistent basis. This positively contributes to a brand's value in terms of the saying, 'What you see is what you get.' In a cluttered consumer-centred marketplace, authentic brands might be just the answer to creating long-lasting value for both an organisation and its customers. Authenticity thus influences a brand's value in that it is genuine in delivering the brand's promise. *One of SATSA's core aims is to help its members manage successful, profitable businesses in the inbound tourism industry (SATSA, 2013c:1). This is done through providing SATSA members with honest advice and assistance. Should SATSA fail in their core aim, they fail in what makes them authentic as a brand, which could negatively impact on its overall brand value.*

2.6.5 Marketing value

Brand promotion can significantly contribute to its overall value. However, Gabay *et al.* (2009:5) mention that it is often not about what the brand necessarily creates through marketing but rather what consumers perceive to have been created that really adds to brand's value. This perception would depend on consumers as individuals, their living environment, as well as the types of messages that are sent from the brand itself through various means. Nonetheless, marketplace activity could be an essential ingredient in determining a more holistic view of a brand's value from the perspectives of both an organisation and its customers. Marketing value can therefore refer to the following:

2.6.5.1 Technological developments

In a technologically advanced era, brands have become more accessible on a global level. Technological developments may therefore impact on a brand's value in either a progressive or detrimental way. Advanced technology has, unfortunately, made it easy for competition to duplicate any innovation of a brand.

For example, the luxury fashion sector faces constant threats by cheaper duplicates of brands that are considered 'elite' like, Gucci, Prada, Lacoste, etc. Less expensive, equally appealing

substitutes of many great brands in various sectors make it nearly impossible for original brands to maintain an advantage for a long time (Gabay *et al.*, 2009:5; Knowles, 2003:47; Zauner *et al.*, 2012:689).In the long run, forecasters are looking on the bright side about the ability of the internet and other technological means to create value through branding (Gabay *et al.*, 2009:14). The fast increase in rates of internet use, however, challenges marketers to create a sustainable competitive advantage for long term success.

Mobile technology has also increasingly become the core of consumer-brand interaction and offers numerous opportunities for communication, customisation, promotion and loyalty. However, the overall spend on technology in the tourism and hospitality sector still lags behind other sectors (Deloitte, 2010:3). Even so, technology has progressively become more user-friendly, interactive and engaging, thereby offering many prospects for the brand to attract and maintain its customers' loyalty, preference and esteem. *In the fast-paced tourism and travel industry, the reality is that most establishments belonging to SATSA run their own websites and use other forms of technology to connect with tourists and travellers on various levels. It would therefore be sensible for SATSA to match its members' technological level of use with the equivalent or even better means to communicate and promote the brand. For example, the most recent addition of the SATSA Widget has specifically been developed for the travel industry to enable members with ease of access when searching for SATSA members listed in the travel sector (SATSA, 2013e:1). It works like a mini website on one's desktop and contains information like the latest SATSA and industry news, access to the Tourism Tattler, which provides Tourism and Trade news and a contact link that directly connects a member to SATSA for more information. In this way, SATSA's value as an up-to-date, cutting-edge brand is enhanced.*

2.6.5.2 Social media

Social media platforms such as Facebook, Twitter and Google have progressed to such an extent that they have infiltrated into consumers' every day and business lives (Deloitte, 2010:3; Zauner *et al.*, 2012:689). Report estimates by Deloitte (2010:3) indicate that, by 2015, social media will have become an integrated force in the travel and hospitality industry regarding people's decision-making processes, representing both threats and opportunities for the industry. On the one hand, the transparency of social media can highlight any inconsistency between the brand pledge and actual execution of its promise. This means that a brand can put itself at consumers' mercy, being full aware that social media platforms have become an easy way of instantly deflating a brand's value through customers' 'tweets', 'likes' or comments. Nonetheless, Zauner *et al.* (2012:689) state that a brand's value can be positively influenced if various platforms are exploited to encourage interactions and feedback with groups of like-minded members. Social media platforms can thus provide the opportunity for a brand to adapt

and promote itself in a modern, consumer-focused manner. *Making use of social media platforms (like Facebook or Twitter) to keep SATSA members informed and engaged on a frequent basis can positively increase SATSA's value as a tourism brand.*

2.6.5.3 Interactions via platforms

Dynamic communication among the members of social media networks such as Facebook fan groups exist, the current members can become agents for the organisation by actively spreading its message within the group and to prospective members as well (Zauner *et al.*, 2012:689; Deloitte, 2010:31). *Interactions via various technological platforms can thus enable brand-loyal SATSA members to advocate the brand on a modern, accessible level to other industry role players. Members' open support and backing of the SATSA brand may certainly contribute to the brand's value and might even attract new members.*

2.6.5.4 Awareness needs

A brand with a strong awareness is often considered the first step to a brand's success in its ability to influence customer choice and purchase behaviour (Haigh & Knowles, 2004a:26; Kimpakorn & Tocquer, 2010:380; Keller & Lehmann, 2006:745; Kapferer, 2008:16). The level of awareness can also indicate whether organisations should increase promotional efforts to improve awareness and therefore, overall value. Building customer awareness is therefore crucial to enhance a brand's value in encouraging increased purchase behaviour, satisfaction, and loyalty. This is achieved through frequent promotion of the brand using means such as social media, traditional advertising methods, and websites. Building awareness primarily obviously remains an organisation's responsibility. However, customers may also consider it a particularly important need to be made aware of the brand in its specific operating context, which may contribute to a brand's value.

For example, SATSA is considered the independent voice of the private sector in the tourism industry. This implies that members rely on SATSA to speak on their behalf and trust the organisation's ability to be in touch with the latest industry news/issues affecting them as members. SATSA members thus rely on the organisation's industry awareness to increase their own for the sustainability and profitability of their establishments. For all practical purposes, members can grow their own industry awareness due to an advanced technological era. Therefore, if members did not have the need to be made aware by an organisation in particular, it might be pointless to belong to SATSA other than the recognition and benefits it provides. Yet, SATSA provides members the gateway to industry awareness.

If members are made aware of SATSA issues or events, they are also informed on industry activities. This is probably one of the key reasons for being a SATSA member and one of

SATSA's most valuable functions as a brand. The need to be made aware of a brand can therefore be a key factor in contributing to a brand's value.

2.6.5.5 Market share

A brand's ability to grow and retain its current market share makes it a valuable asset (Herremans *et al.*, 2000:21; Cole, 2012:49; VanAuken, 2002:2; Kimpakorn & Tocquer, 2010:379; Linsheng & Pan, 2009:356). A brand's value can affect market share in the sense that, when value is lost, category sales of a product can fall as well (Goldfarb *et al.*, 2009:70). The less market share, the less likely a brand can retain or grow it to become valuable again. For example, people may only like a particular brand of cereal, but when that brand loses value they may not buy cereal at all, which creates lower market share. This, on the other hand, makes it harder for the brand to regain relevance, and therefore value in the eyes of customer. Haigh and Knowles (2004a:27) state that, to add value, brands need to carry "associated goodwill" which is done by exploiting the marketplace through the provision of high-quality products and service excellence over a long period. This improves the brand's influence and secures its appeal to its customer base and potential markets. Strong, favoured brands grow markets, which ultimately enhances its value.

Due to SATSA's member-driven status in the tourism industry, it is of imperative that SATSA maintains and grows its current member base. A lack of members for whatever reason (for example, cancellation of annual membership) can convey a poor brand image and might discourage new memberships altogether. This automatically decreases its credibility in the industry as a service provider supporting role players in the private sector of the tourism industry and, thus, its value. On the other hand, a healthy member base total can positively contribute to the brand's value as credible, enduring brand in the industry. Either way, it is crucial that SATSA continues to build its member base for the success and survival of the brand.

2.6.5.6 Brand names/acronyms/logos

A brand can frequently be recalled by consumers owing to a distinctive name, easy-to-remember acronym formed by the brand name, or a visually appealing logo. A brand can also be just as easily forgotten if these aspects fail to evoke some kind of connotation or capture peoples' attention or interest. For this reason, brand names, acronyms and logos can play a key part in enhancing or erasing a brand's value. Brand names and their logos increase the value of products, since they are difficult for competitors to copy, which plays a critical role in marketplace competition (Crimmins, 2000:136; Ross 2009:4; Gelb & Gregory, 2011:18).

Brand-loyal customers will also most probably recognise second-hand imitations and continue to prefer and support the original brand. This can positively contribute to the brand's current

value and secure its potential value for the future. Organisations with commonly known brand names (like Coca Cola or Sun City) are therefore more likely to have higher estimates of brand value in terms of overall revenue (Cole, 2012:31). *According to SATSA, the SATSA logo is a guarantee to travellers of quality in tourism and is highly prized (SATSA, 2013d:1). This brand's value can therefore be enhanced if member companies can display the SATSA name and logo as a guarantee of a quality experience to their visitors/guests. In this way, the SATSA name and logo becomes valuable to its members instead being an ordinary display.*

Laforet (2010:18) additionally states that acronyms can convey a certain value or not. Acronyms are a collection of letters that send out a targeted message or indicate a specific identity. An acronym, like SATSA, forms the brand which is currently being used in communicating and promoting the brand. *The South African tourism industry has countless organisations and establishments that use acronyms to represent their brand, like GHASA (Guest House Association of South Africa), TGCSA (Tourism Grading Council of South Africa), and FEDHASA (Federated Hospitality Association of South Africa). It is therefore debatable whether an acronym like SATSA really means something to its members and the public or whether it leaves customers' minds blank amidst a sea of other acronyms in the tourism industry.*

2.6.5.7 Reputation

A brand's value may be greatly impacted by its reputation. Reputation refers to the measure of a brand's 'prestige' and the image associated with owning or using a brand (Brandchannel, 2013:1). Positive responses to a brand's reputation indicate that one would be proud to work for the brand, or advise a friend to work for the brand, or one would want to own a product with that brand. A good, solid reputation may therefore create a favourable image in customers' minds and enable steady economic returns, which inevitably increase a brand's value (Cole, 2012:27; Zauner *et al.*, 2012:687; Chu & Keh, 2006:325; Ross, 2009:4; Jones, 2005:27). The contrary is also a reality: a brand's notoriety can damage the image in the customers' minds (Calderón *et al.*,1997:295). The extent of the brand's reputation will depend on the context and the actual level of recognition achieved with its customers. This will then determine the extent of the brand's value. *SATSA represents many tourism and travel establishments of the private sector in the South African inbound tourism industry on a large scale. This implies that SATSA's reputation as a brand could necessarily impact on its members' reputation, which can affect its value. It is thus vital for the SATSA brand to secure and maintain a favourable reputation with all role players in the tourism industry. A positive reputation thus influences SATSA's value as a sought-after endorsement of good business practice and quality.*

2.6.5.8 Advertising expenditure and investments

Advertising expenditure and investments contribute to a brand's value in that they communicate the product's availability, understand its characteristics, build a reputation and can generate financial returns for the company (Chu & Keh, 2006:324; Herremans *et al.*, 2000:21; Gabay *et al.*,2009:5; Crimmins, 2000:141). This can include activities like consumer and trade promotions, event marketing and sponsorships. Spending on advertising can further affect brand value in terms of financial value in two ways: The expenses of advertising outweigh the true value in rands and cents and therefore decreases the brand's financial value or, it can enhance a brand's value even though it costs a lot to get it there (Cole, 2012:49). Based on these reasons, Chu and Keh (2006:329) suggest that, to enhance a brand's value (financially), organisations should sensibly allocate their spending on advertising and other promotional efforts.

However, SATSA is not primarily engaged in increasing profits for its brand's value and only promotes the Tourism Tattler to members for their own companies' advertising, not that of SATSA itself. SATSA rather provides exposure opportunities for its members than spending on advertising to market their brand and increase its value. Therefore, for the context of SATSA, this aspect is not as applicable as in commercial sectors.

2.6.5.9 Extent of establishment in the industry

The extent of a brand's establishment in the marketplace can affect its overall value. An established brand serves as a signal of quality for 'guaranteeing' an experience or credibility of attributes provided by the product, even before a consumer buys it (Goldfarb *et al.*, 2009:71). People may be more inclined to stick to a brand that has endured the test of time and outdone the competition. For example, a nearly unshakable branded product like Coke is globally considered as the number one soft drink. This may be ascribed to the fact that it is has established its brand in the marketplace for years in various ways through advertising and impressive market share. It has also managed to successfully withstand the rival competition like Pepsi or unbranded 'Cola' products. A well-established brand can thus more easily maintain its presence and loyalty compared to other branded or unbranded counterparts.

A strong, established brand helps an organisation prosper in any economic environment. In prosperous and boom times, it can stand out among the competition in a cluttered advertising space. In periods of recession or stagnation, it can create a message of necessity or refuge. By establishing the significance of the products and services relevant to its audience, a brand can lift an organisation above its competitive environment and allow for immediate and long-term prosperity (Jerome & Stull, 2009:2).

SATSA may be considered a well-established brand as it has been the mark of quality in tourism in South Africa for over 40 years (SATSA, 2013c:1). This most likely contributes to its value as a brand in retaining current members and attracting other companies who seek a competitive edge in the tourism industry. An unshakable brand in the marketplace makes it more reliable and therefore more valuable, in that it delivers on its promise – in this case, ensuring quality business practice in the tourism industry.

2.6.5.10 Differentiation

Differentiation refers to the ability of a brand to be distinguished from its competitors (Rocha, 2012:7; Brandchannel, 2013:1). The extent of differentiation is also a key indicator as to how well a brand is positioned and is therefore more valuable than other alternatives in terms of the various levels of benefit and customer experiences the brand offers (Knowles, 2003:49; Linsheng & Pan, 2009:354; Zauner *et al.*, 2012:687; Kimpakorn & Tocquer, 2010:380). Brands that can offer something unique, innovative or compelling are more likely to convey it to the desired audience in such a way that it increases market share and sustainable success (Deloitte, 2010:22; Brymer, 2004:70). Brand differentiation therefore leads to preference building of the particular brand, which has a positive influence on the buying behaviour of the customers and ultimately produces financial growth (ISO, 2010:8). A clearly differentiated brand persona in a crowded marketplace is therefore vital to a brand's value (Deloitte & Touche, 2006:8; Jerome & Stull, 2009:11; Tiwari, 2010:425; Morgan *et al.*, 2002:337; Calderón *et al.,* 1997:259).

Certain aspects differentiate SATSA from other member associations, such as its status as the only inbound non-government organisation in the tourism industry whose members are bonded against involuntary liquidation of other member companies, or the fact that it is a non-profit tourism organisation specifically (SATSA, 2013e:1).

2.6.5.11 Publicity

Promotional activities communicate distinctive brand attributes and contribute to the development and reinforcement of brand's identity (Chu & Keh, 2006:326; Knowles, 2003:45; Zauner *et al.*, 2012:687). This strengthens consumers' awareness and associations with the brand. External brand management activities such as trade promotions (like Indaba), events (like fund raisers or conventions) all aid in increasing a brand's publicity. Increased positive brand publicity can therefore lead to an increase in a brand's value. However, So & King (2010:602) found that external brand communications such as word-of-mouth and publicity do not have such a significant impact on experienced customers' overall perceptions of the brand; which thus does not really impact on its overall value.

In SATSA's case, an increase in its promotional efforts might convey a certain value to its members. For example, when SATSA promotes itself at a trade show like Indaba, members can indirectly benefit from this publicity in that people can see what type of establishments already belong to an organisation like SATSA. SATSA currently endeavours to be the most recognised and sought after endorsement of good business practice in the Southern African tourism industry (in SATSA's vision) (SATSA, 2013:1). SATSA's publicity may then contribute to its members also being seen as establishments of good business practice. This positively contributes to SATSA's value as brand in the eyes of its members and the public.

2.6.6 Service value

Customers have diverse ways of relating to the world around them and this is often not directly related to the size of their bank account (Neal & Strauss, 2008:80). A brand can, therefore, not only rely on price to be deemed valuable when considered for purchase. These authors claim that it also might be more effective to also consider the service flow than just the cash flow (more visible expression of the value) of a brand. The brand's service flow, both internally and externally, is what really delivers on the brand promise, to achieve a competitive advantage and increase brand value (Neal & Strauss, 2008:80; So & King, 2010:591). This is particularly true of the tourism and hospitality industry, where the customer experience during a service encounter is considered the key to shaping opinions and future association with the brand, increased profits and return visits/usage (Kamperkorn & Tocquer, 2010:378; So & King, 2010:603; Deloitte, 2010:39). Service value refers to the following aspects:

2.6.6.1 Service variety

In a global era of more informed and demanding customers, a generous variety of services can improve a brand's chances of better delivering on the brand promise to its customers across all touch points and increasing overall satisfaction (Neal & Strauss, 2008:80; Linsheng & Pan, 2009:356; Deloitte, 2010:39). The fact that customers can choose from a variety of services a brand provides can greatly enhance a brand's value. *This can be a key value-adding factor to SATSA members if they feel that SATSA membership enables a variety of services to assist in achieving their profitable business success in the tourism industry.*

2.6.6.2 Service excellence

Customers are the main focus in a service-oriented travel and tourism industry, as they are the ones paying for a particular experience. Yet, meeting customers' demand is becoming more challenging and complicated. Good service goes a long way in that it forms customer perception of the brand and influences whether they deem the brand valuable enough to make use of it again or not.

Therefore, every effort needs to be made to ensure that brands provide an excellent customer service experience across a variety of touch points, especially through employee-customer interaction, that is in line with the hotel's brand promise (So & King, 2010:604, Haigh & Knowles, 2004b:20; Linsheng & Pan, 2009:356; Berry, 2000:108).

This can influence a brand's value considerably. SATSA's service excellence at present may therefore impact on its overall brand value in a positive or negative way. If SATSA members feel that the brand currently delivers good service, it can positively enhance its value as a brand, as it indicates that members' expectations of SATSA and their experience with the organisation are both being met effectively. This may encourage long-term membership, which is beneficial in a service-intensive industry like tourism, where a multitude of service providers and associated bodies market themselves according to service excellence in order to increase demand.

2.6.6.3 Information accessibility

Access to sufficient information can serve as a promise of future satisfaction with a brand and can increase customers' trust associated with an invisible purchase, enabling them to visualise and understand the product and/or service the brand offers (So & King, 2010:252; Haigh & Knowles, 2004b:20). This can enhance a brand's value even before experiencing it. Such availability of information is unlikely to replace an actual experience for services that are high in experience qualities such as a hotel stay. *The service of providing readily available, adequate information regarding SATSA and industry-related issues through other channels like its website or Chapter meetings, may thus enhance the brand's value for its members to enable informed decision making for the success of their own businesses in the industry.*

2.6.6.4 Service role

A brand can fulfil a specific service role, which makes it a valuable asset for both an organisation and its customers. The interdependence of tourism products, however, may challenge service providers to provide a specific service for obtaining and keeping members. *For example, SATSA fulfils the role of being the independent voice in the tourism industry, thereby voicing issues on members' behalf and communicating issues that impact the inbound tourism industry (SATSA, 2013c:1). This is one SATSA's key services members that can count on, which may indicate its value as a brand compared to other associations in the industry.*

2.6.6.5 Service relevance

Greater attention also needs to be given to matching the type of services a brand provides with its essence, for it to be applicable to customers' needs and executed on the right level.

The appropriate type of service delivery that is aligned with the brand's promise can therefore minimise any inconsistencies between customer expectations and their actual service experience and therefore increases a brand's value in generating satisfied, loyal customers (Kimpakorn & Tocquer, 2010:384; Deloitte& Touche, 2006:6; Deloitte, 2010:39,59; So & King, 2010:604). *SATSA members may therefore consider this brand worth their investment, since it may be perceived as delivering relevant and appropriate services that aid in optimal exposure and opportunities to succeed in industry (for example, lobbying with government on members' behalf).*

2.6.6.6 Promptness of service

In a fast-paced society, consumers' instant gratification mentality is an intimidating service aspect that brand management needs to take into account. Branding for service-oriented industries, (like tourism, travel and hospitality), differs from consumer goods branding in the sense that the service delivery and experience simultaneously takes place during interactions across multiple touch points between customers and staff or self-service technologies (Kimpakorn & Tocquer, 2010:378). The nature of services in terms of their intangibility and inseparability thus often cause service production and consumption to take place at the same time. The promptness of a brand's service delivery experience can therefore greatly influence customers' satisfaction and loyalty and in this way influence the brand's overall value.

SATSA members do not physically experience the brand like customers would at a hotel. They may, however, rely on the services that SATSA conducts on members' behalf for saving themselves some time and effort to enhance their own value as operating businesses in the tourism industry. Prompt service from SATSA can therefore positively contribute to member satisfaction and loyalty and therefore enhance the brand's overall service value.

2.6.7 Employee value

Many service-oriented industries build their brands from the inside out by using employees as the foundation of the brand (Kimpakorn & Tocquer, 2010:384; Punjaisri & Wilson, 2007:58). The travel, tourism and hospitality industry is highly dependent on its employees' interactions with customers for creating positive word-of-mouth referrals, an increase in returning customers, and overall profit. In contrast to branded establishments like airlines or hotels, SATSA, members do not necessarily interact with SATSA employees on a face-to-face level on such a regular basis. In this case, online or telephonic communication and special events like fundraisers or Chapter meetings with Chapter chair-persons or board members form part of 'employee-member' interaction. Even so, brands will always have some level of customer-employee interaction. Employees may therefore significantly contribute to a brand's value in the following ways:

2.6.7.1 Competency

In general, employees have been the last to be notified of the organisation's most recent marketing campaign or have not been properly trained in the organisation's brand values and promise that it would like to convey to its customers (Brymer, 2004:70). Competent, skilled employees can better deliver on a brand's promise to its customers, which increases the chances of providing a satisfying customer experience (Punjaisri & Wilson, 2007:59).This is achieved through human resource initiatives such as training to support optimal brand-oriented behaviours (So & King, 2010:604). However, competence develops over time and is challenging to achieve in an industry like tourism that often has to make do with untrained employees and a high-employee turnover.

Businesses therefore need to create innovative programmes and opportunities for skills development that will aid in retaining top talent and reducing employee turnover to effectively deliver a satisfying customer experience (Deloitte, 2010:40; Deloitte & Touche, 2006:8). This will enhance the overall value of a brand being worth customers' time and money. *SATSA greatly relies on its members for optimal operational success in the industry. SATSA's limited workforce and board members who therefore need to be competent in its product and service delivery to retain its current member base and improve its brand value, since they are often the first contact members may have with the brand.*

2.6.7.2 Interactions

Employees that are in frequent contact with customers can help build customer-brand relationships and drive the loyalty that secures future profit. The extent of the interactions between employees and customers can therefore reduce or improve a brand's value (Deloitte & Touche, 2006:6; Knowles, 2003:49). A report by Deloitte (2010:37) also affirms that high employee engagement is positively associated with customer satisfaction, customer retention and corporate performance. *SATSA employees therefore ought to be in regular contact with their members for optimal member satisfaction and retention. This may enhance SATSA's value as being a responsive brand.*

2.6.7.3 Relationships

Customer-employee relationships can also be a major driver of the brand's value, since well-maintained relationships can more easily uphold customers' satisfaction and improve long-term loyalty. Keeping employees and customers engaged with each other also directly impacts on the bottom line, thereby offering the brand a competitive advantage (Deloitte, 2010:37). Customer-employee relationships with employees are also considered a major source of value in that they can improve employee motivation and productivity (Jones, 20005:25), which can

improve their delivery of the brand promise. *If SATSA members consider it important to maintain a good relationship with SATSA employees and board members, it may indicate that SATSA employees are considered a valuable asset, despite their limited number, due to its non-profit context.*

2.6.7.4 Commitment

The true test of a leading brand may lie in the internal culture of employees' commitment to the brand and an internal belief in the importance of the brand, as this will most likely influence customers' own commitment to the brand (Jones, 2005:25; Rocha, 2010:7; Punjaisri & Wilson, 2007:50). A lack of employee commitment can also result in negative consequences like inconsistent messages or negative word-of-mouth, which will impact on the clarity and meaning of the brand in customers' minds (Kimpakorn & Tocquer, 2010:379). Committed employees represent and deliver the brand promise to customers in a more consistent fashion and are therefore considered a critical factor in building brand value (Deloitte, 2010:37; Kimpakorn & Tocquer, 2010:379; Brymer, 2004:70; VanAauken, 2002:279). Put simply, if those who create and sell the brand are not devoted to it, why should anyone else be? Those who live the brand will therefore deliver the brand, and will make the brand valuable. *Thus, due to SATSA's member-driven, non-profit status, it may be of exceptional importance that SATSA members feel SATSA employees and board members are committed to meeting their expectations in their communication, service delivery and quality assurance.*

2.6.7.5 Knowledge

To encourage positive employee behaviour during the service encounter, employees in service-oriented industries like tourism or hospitality need be provided with the necessary brand information and understand it to deliver the brand promise (So & King, 2010:604; Kimpakorn & Tocquer, 2010:379). Furthermore, by communicating the brand message internally, employees are enabled to acquire the appropriate brand knowledge to deliver a satisfying experience according to the brand's promise (So & King, 2010:604; Deloitte & Touche, 2006:8). Knowledgeable employees are therefore well-informed about the brand offering and, in this way, add to the brand's value. *Well-informed SATSA's employeesand/or board members increase the effective assistance of members' requests and can therefore contribute to SATSA's brand value in a positive way.*

2.6.7.6 Demeanour

The overall demeanour of employees can significantly affect a brand's value in that employees are often the first contact a customer can have with the product/service and this therefore sets the tone for the experience (Kimpakorn & Tocquer, 2012:381).

In the tourism and hospitality industry, professional conduct is particularly relevant due to the high face-to-face service experience aspect. Employees engage with customers to a greater or lesser extent and are to be living examples of the brand – a professional, courteous demeanour is therefore important to increase a brand's value. *Even though SATSA employees may not necessarily have frequent vis-à-vis contact with SATSA members, the Chapter chairs of the nine South African provinces may each have more contact with members in their province at Chapter meetings. As a representative, a Chapter chair person can also be viewed as the 'face' of SATSA, which highlights the importance of maintaining a professional demeanour at all times. A professional and polite (telephonic, personal or online) demeanour of will strengthen members' brand impression and make them more inclined to share their comments or complaints. This can positively enhance SATSA's brand value.*

2.6.7.7 Attitude

Employees' attitudes towards the brand and its customers can significantly influence the way they deliver the brand promise (Kimpakorn & Tocquer, 2012:378; Punjaisri & Wilson, 2007:58). Attitudes are not only evident in facial expressions, but also in written and verbal form. Middleton *et al.* (2009:47) also state that for services, product performance is determined by employees' attitudes for which there can be none of the normal guarantees for providing apt service. They can be encouraged and monitored, but cannot be coerced to be courteous. The inseparability of services in terms of production and consumption is therefore vital to creating value through employees. *In the case of SATSA, employees' or Chapter chairs' attitudes can directly reflect on the brand and therefore 'make or break' an organisation's brand's value in terms of its credibility, customer satisfaction, loyalty and overall revenue.*

2.6.8 Management value

Effective management of brands is an increasingly important element of business strategy and valuation for various shareholders (Haigh & Knowles, 2004b:19). In SATSA's context, the following management value aspects were deemed appropriate in contributing to brand value:

2.6.8.1 Strategic focus

Managerial capabilities can influence the success of strategic and tactical decisions concerning a brand such as pricing, promotions, positioning, advertising, and research spending. For example, poor strategies, tactics or application may result in a brand yielding poor profits even though it has a high attainable value (Raggio & Leone, 2009:257). Strategic focus or a lack thereof can thus impact on a brand's value (Raggio & Leone, 2009:257; Holcomb, Holmes & Connelly, 2009:461; Gabay *et al.*, 2009:6).

SATSA is not primarily focused on generating profits for itself as an organisation. Instead, management value may lie in SATSA's strategic focus in assisting its members to remain profitable in a volatile tourism industry.

2.6.8.2 Clarity

Clarity refers to what the brand stands for, its values, positioning and proposition internally within the organisation (Rocha, 2012:7). Clarity is thus also about target audiences, customer insights and drivers and how to attain these. Increased clarity internally within the organisation therefore impacts on a brand's value in that it enhances the ability to mobilise an organisation's people and focus its activities externally to customers (VanAuken, 2002:2; Linsheng & Pan, 2009:355; Brymer, 2004:66; Haigh & Knowles, 2004b:19). A brand must therefore first be communicated and shared clearly across the entire organisation for it to attain its value externally. *This is of particular importance when it comes to building value for brands like SATSA with its non-profit status. An unambiguous brand will attract like-minded supporters and provide the foundation for long-term meaningful relationships which, in turn, lead to consistent funding and growth (Weisnewski, 2009:1). SATSA's transparency in their own conduct, communications and overall strategy may therefore win over and retain members' trust and loyalty and therefore contribute to its brand value.*

2.6.8.3 Responsiveness

Responsiveness resides in a brand's sense of leadership internally as well as the desire and capacity to constantly evolve and renew itself (Rocha, 2012:7). A responsive brand ultimately impacts on customer growth and retention, which impacts on profits and thus the brand's survival. The ability of a brand to respond to market changes, challenges and opportunities and still maintain its relevance in a volatile marketplace, can therefore significantly contribute to its value (Brymer, 2004:71; VanAauken, 2002:279; Linsheng & Pan, 2009:355).

SATSA's ability to respond effectively to market changes, challenges and opportunities in the tourism industry can affect its product and service delivery (for example, the addition or subtraction of member benefits), member retention and prospective membership expansion. SATSA's responsiveness is thus vital to its survival and overall brand value. A responsive brand is thus a valuable brand worth investing in.

2.6.8.4 Internal organisational values

Leading brands understand that an internal organisational culture that supports the brand's strategy has a far better chance of delivering a more consistent yet differentiated experience externally to its customers (Gelb& Gregory, 2011:17; Kimpakorn & Tocquer, 2010:380).

The internal values are therefore aligned with brand values to shape the organisation's culture and embed the core purpose (Brymer, 2004:67;70; VanAauken, 2002:279). An internal organisational culture gives an entire organisation a set of principles that guides decision making, communication and every detail of what the brand stands for and what makes it valuable. This becomes so ingrained in leading organisations that they consciously ask themselves how certain decisions can impact on the brand. Once the organisation understands what the brand is all about, it gives direction to effectively delivering on the brand promise. *SATSA may therefore be considered a valuable brand if members feel that SATSA's core values of integrity, quality, and credibility (SATSA, 2013:1) reflect their own business's core values. This may indicate that SATSA not only markets a strong organisational set of principles, but also lives it.*

2.6.8.5 Managerial ability

A brand's value may ultimately lie in a manager's ability to understand and effectively use all resources within an organisation to enhance an organisation's potential for generating a sustained competitive advantage (Holcomb *et al.*, 2009:458). A well-managed brand is therefore a valuable brand. *This particularly applies to an organisation like SATSA due to its non-profit, member-driven composition, since a lack of management can be detrimental to attracting new members and advancing the brand in the tourism industry.*

2.6.9 Functional value

Functionality is a key driver in conveying a brand's value, but it is perceived differently across various market segments (Gabay *et al.*, 2009:14). It can also be perceived differently across various sectors or industries. SATSA has limited functionality compared to that of pure product and service brands. Hence, the following functional aspects may contribute to brand value, but may also be applicable or more suited in other value categories.

2.6.9.1 Time- and cost-effective benefits

A brand can save consumers time and, therefore, money by offering functional benefits such as superior performance or greater economy to further aid the purchase decision through a guarantee of quality (Haigh, 2000:8) or by providing networking opportunities or managing marketing activities for an organisation (Zauner *et al.*, 2012:687; Tybout & Calkins, 2005:4).

If SATSA members feel that belonging to SATSA saves them time and money (like offering networking opportunities or lobbying with government on members' behalf), it can contribute to the brand's value of being worth members' investment. In other words, members ought to feel that annual SATSA membership is a necessity in the tourism industry and not just a 'nice-to-have'/ add-on.

2.6.9.2 Convenience

Similar to time and cost effectiveness, a brand can be the most convenient option to choose from a variety of other branded or unbranded products (Gabay *et al.*, 2009:14). This implies that a brand's value can also lie in the convenience it offers consumers, regardless of its price or status. Consumers may have heard of the particular brand or have indirectly been exposed to the brand through its advertising efforts (such as television). The brand can therefore build a top of mind association in the minds of consumers, which influences their purchase behaviour. *SATSA offers convenience to its members in the form of networking, lobbying with government, managing other aspects like marketing, and voicing issues on members' behalf (SATSA, 2013e:1). SATSA membership can therefore be regarded as being relatively 'hassle-free' and therefore valuable.*

2.6.9.3 Product recognition

Another aspect of functionality includes a brand's ability to create greater product recognition through guaranteeing quality to better help consumers' purchase decisions (Haigh, 2000:9; Gaby *et al.*, 2009:6). This increases expenditure levels and ultimately a brand's profit, which adds to its overall value. *The SATSA brand's status as a type of quality assurer in the tourism industry can create increased product and service recognition with its members. This can indirectly provide members with quality industry status as well, which increases the value of their SATSA membership.*

2.6.10 Social value

Brands can represent one of the most powerful allies for social progress and positive social change (Hilton, 2004:48). Consider the following aspects that were deemed appropriate for the social value of SATSA in the context of the South African inbound tourism industry:

2.6.10.1 Social responsibility

Brands create pressure for corporate social responsibility. Socially responsible brands are more likely to win societal trust and therefore create significant social as well as economic value through increased competition, improved product performance and the pressure to behave in socially responsible ways (Lindemann, 2004:33; Jones, 2005:23). Hilton (2004:55) states that in this respect, brands are not necessarily the reason for social and environmental damage, but are rather the helpful link in dealing with it in their capacity as the public face of private-sector activity (Hilton, 2004:55). *SATSA's visible social responsibility efforts, such as running AIDS programs, can therefore increase its value as a brand that cares about societal wellbeing.*

2.6.10.2 Socially beneficial products and services

Brands enable companies to innovate and then associate new innovated products and services directly with brand's efforts to yield returns. However, brands begin to build on their social value by incorporating social needs in the innovation process. This enables brands to make more tangible and sustainable impacts on social and environmental problems than governments (Hilton, 2004:50). A brand therefore contributes to personal and community well-being through the development of socially beneficial new products and services.

SATSA may offer socially beneficial products and services to members and members' staff like educational programmes. In this way, SATSA not only enhances its social value for members, but also contributes to societal development through education. SATSA is also committed to transformation in the industry and has signed a Memorandum of Understanding with the Tourism Empowerment Council of South Africa to this effect. Member companies in the private sector can therefore also benefit from this social-empowerment initiative.

2.6.10.3 Protection

Brands offer a reliable mechanism for consumer protection (Hilton, 2004:55). Brands that are concerned about consumer protection give their customers peace of mind that they are dealing with a need-focused brand on all levels. *SATSA members may consider the SATSA brand valuable on social level through its aid in protecting domestic and international travellers together with other industry partners (e.g. marketing the tsi initiative on the SATSA website) for the private sector of the industry (SATSA, 2013e:1).*

2.6.10.4 Social leadership

Brands provide a platform for corporate social leadership. They offer companies a way to execute and benefit from activities that make a direct and active business impact to dealing with social and environmental issues (Hilton, 2004:55; Jones, 2005:23).

This strengthens a brand's reputation of improving social behaviour and growth, and therefore enhances its overall brand value. *For example, although SATSA is not a business consultancy, they are committed to promoting SMME growth and dedicated to providing as much information to entrepreneurs wishing to start up in the South African tourism industry (SATSA, 2013:1). This enhances its reputation as a socially relevant brand and can increase member support of these initiatives.*

2.7 CONCLUSIONS

This chapter provided an extensive literature review on brand value and how it relates to SATSA. This was done by contextualising the terms brands and branding and their importance to generating value as intangible assets. A brand value orientation for this study was also proposed. This was achieved by focusing on three parts. The first part provided a differentiation between brand equity and brand value, which identified the ongoing challenge for researchers in this regard. The evident lack of agreement on terminology and often confusing interchangeable use of these closely-related terms has resulted in some contradiction. Brand value and brand equity for this study are seen as interdependent concepts. Brand value in this view consists of *multiple* aspects, including brand equity that contributes to brand value, but equity can also be an outcome that influences the brand value.

The second part highlighted the lack of specific brand *value* research available in tourism literature (Ross, 2009; Linsheng & Pan, 2009; Mysicka, 2009; Morgan *et al.*, 2002), where brand equity seems to dominate this field of research with the main focus on destinations or hotels (Pike, 2013; Gartner *et al.*, 2013; Bianchi & Pike, 2011; Gartner & Konecnik, 2011; Kayaman & Arasli, 2007; So & King, 2010; Pike *et al.*, 2010; Boo *et al.*, 2009; Nel *et al.*, 2009; Konecknik & Gartner, 2007; Kim & Kim, 2005; Prasad & Dev, 2000). The contribution of a small number of researchers has seen more attention given to this area. However, it still remains under-researched and no attention has been given to the utility and application of brand value in a non-profit membership organisation like SATSA in a South African tourism context. The third part provided further clarification on brand value by describing the operational context of SATSA as well as its unique brand composition, which can subsequently be regarded a fusion of non-profit, tourism elements. This emphasises the need to break from the traditional brand equity and brand value perspective and create an appropriate brand value premise and guidelines for organisations such as SATSA. The premise used for this study is that brand value comprises multiple value facets. This implies a multidimensional member-based perspective of perceived brand value of SATSA.

The last section of this chapter identified aspects that contribute to a brand's value by means of an extensive literature review. Based on the literature review, it is evident that a wide range of aspects make a brand valuable in various ways. A total of sixty-nine (69) aspects were identified, which is in no way exhaustive, given the wide-ranging topic of brands in general and SATSA's uniquely 'fused' non-profit tourism composition. These aspects were divided into ten appropriate 'value' categories (69 items). Each category and its aspects were discussed briefly and applied to the SATSA context.

Different scholars and practitioners have different perspectives on what constitutes brand value as well as whether contributing aspects are regarded as equity or value dimensions. This presents a challenge to selecting clear-cut and appropriate aspects. In addition, many of the sources tend to point out or focus on individual aspects or a few aspects at a time, and do not consider an extensive *variety* of aspects at once. This confirms the need to determine and measure the key aspects that specifically contribute to brand value for a unique organisation like SATSA.

In addition to the limited brand value research within a South African context, there is no official measuring instrument to conduct such research. SATSA's distinct brand characteristics differ from pure product and service brands as well as frequently researched tourism brands like destinations or service providers like hotels. It is therefore essential to develop an appropriate South African measuring instrument (questionnaire) for organisations like SATSA.

This study will therefore contribute to the existing tourism research sphere in that it is the first of its kind to take multiple value factors and interrelationships of specific brand value aspects and brand equity into account in determining brand *value* for a non-profit membership organisation in the South African tourism industry in particular. This chapter revealed that brand value is a contextual construct which, by implication, will vary depending on the use of terminology, the brand's operational context and its composition. Chapter 3 will focus on measuring brand value and how it relates to SATSA.

CHAPTER 3



Measuring Brand Value

3.1 INTRODUCTION

Many methods can be used to value brands (Haigh, 2000:11; 2011:3). Almost 20 years since the first brand valuation was undertaken, many universally recognised valuation methods have been created, modified and rated to provide the needed assistance to brand valuers, accountants, marketers and managers who are often involved in the process (Roberts, 2011:47). Yet, brand valuation is still viewed as being considerably smaller than research focused on general branding questions like image or positioning. Today, it is estimated that there are no less than 39 different proprietary brand valuation models practiced by numerous academics, independent scholars, intangible asset valuation specialists and other companies who all claim to specialise in the field of brand valuation (Salinas, 2009:333). Many of these practitioners also apply various methods and use different adaptations of their models. This multitude of models on brand measurement can be difficult to conceptualise and can easily create confusion or even a lack of credibility to a potential user that attempts to value a brand (Mysicka, 2009:11; Salinas, 2011:24; Abratt & Bick, 2003:22). Haigh (2000:8) also stresses the fact that the depth and extent of a brand valuation can vary. Brand valuations can be carried out for a wide range of purposes, so it is important to clearly state the purpose of the valuation and the audience/s to which the outcomes are addressed. The purpose of the valuation can influence the premise of value and its scope (Brand Finance, 2011:4). An appropriate clarification of a few concepts is therefore needed to simplify this intricacy.

Despite the proliferation of measurement methods available, it appears that most models require a financial or monetary brand value or tend to implement numerous approaches to measure brand equity instead. In addition to this, the highlighted paradox between brand equity and brand value (2.3) unavoidably presents ambiguous views on measuring brand value. Each type of brand conveys value in a different manner. As emphasised in Chapter 2, brand value for SATSA cannot be conventionally defined. This implies that SATSA essentially needs to take on a different angle to measuring its brand value due to its unique non-profit, tourism context.A brand value model for SATSA in particular therefore cannot be limited to brand equity aspects though it forms part of the value, but can also not be confined to producing a monetary value which is often viewed as a decisive factor in measurement.

The combinations of qualities that make this brand valuable are therefore difficult to match with other existing measurement models of pure product or service brands. Relatively limited research on brand value has been conducted within the South African tourism industry (as with Nel, North, Myburg & Hern, 2009). It also seems that no brand value or even brand equity model specifically exists for a non-profit member-driven organisation in the South African tourism industry, and it is this gap that this thesis attempts to address.

Chapter 3 does not intend to explain and compare all or even most existing models into the very detail, as has been done by many other researchers and specialists in this particular field (for example, Zimmerman, Klein-Bölting, Sander and Murad-Aga, 2001; Salinas & Ambler, 2009, Salinas 2009, Mysicka, 2009, Abratt & Bick, 2003). The purpose of this chapter is rather to provide an overview of brand value measurement concepts as well as to indicate the brand measurement models that are most appropriate to the 'niche' composition and context of this study. This summarised appraisal is, however, essential to provide the reader with the needed knowledge on this topic and to ultimately enable the design of a tailor-made model for SATSA. Various perspectives on brand value measurement lack a clear distinction, and most models seem to be interrelated in some or other way. One therefore has to keep in mind that, when reading this chapter, the overlapping of some aspects, conclusions and implications for an appropriate literature review and hypothesised model on this subject is inevitable.

As a result, this chapter has the following objectives: the first section provides a general background to brand valuation (assessment) as it is often investigated in literature and practice. Definitions, origin and applications of brand valuation are discussed (3.1-3.3). The second section highlights the main obstacles to brand valuation. The third section will discuss some methodological considerations to take into account regarding brand value measurement. The fourth section provides a general classification of models and approaches to brand valuation. The focus of the fifth part is to provide a contextual analysis for the measurement of the SATSA brand. This is done by firstly distinguishing between brand valuation and brand evaluation to determine the premise used for this study. Specific models are then evaluated according to a set of criteria. Lastly, the proposed hypothesised model to assess SATSA's brand value is discussed.

3.2 BRAND VALUATION

Branding has been part of academic and industry debate and discussion for many years. Brands differentiate products and represent a promise of value. Brands, in particular, have therefore become an important tool in overall organisational success since intangible assets are increasingly being recognised as the largest, key value-drivers of a company's financial success (Salinas, 2009:48; Raggio & Leone, 2009:249; Lindemann, 2004:28; Roberts, 2011:47). However, the process of valuing a brand and placing this value on the balance sheet in the same way as one would for tangible assets is still regarded a relatively 'new' concept (Intangible Business, 2011:1).

This realisation that the value of every asset, whether tangible or intangible, can be assessed, has led to a growing interest in measuring their value by academics and specialists alike. This growing importance of intangibles to organisations has gradually encouraged managers to initiate more value-based brand management systems that can align the management of the brand asset with that of other corporate assets (Lindemann, 2004:39). However, without properly valuing a brand, a manager might know that a brand is good on average but cannot figure out whether current brand building activities are inadequate, excessive, or just right (Brand Finance, 2011:10). These days, firms also need to be able to justify their activities and investments in terms of value creation (Jones, 2005:10). This is why reliable values need to be placed on brands (ISO, 2010:1). Companies across a wide range of industry sectors that are adept at developing and managing brand and intangible assets value are those that reap more sustainable and greater rewards (Krishnan, 2010:62). It is therefore essential for managers to clearly understand what brand valuation is, as well as how to create and capture as much of that value as possible.

According to Salinas (2009:48; 2011:28), a specialist in the field of brand valuation, a valuation is never anything other than an expert opinion: "Asset valuations are essentially expert opinions on the asset's monetary value based on data analysis and assumptions rooted in a particular moment in time; this holds true for the valuation of any kind of asset, work of art, wine or brand." 'Brand valuation' may therefore be defined as the process through which an expert opinion is formed on the value of a brand, which is based on a set of premises or hypotheses and takes into account the objectives and audiences for which the opinion has been asked. Gelb and Gregory (2011:15) see brand valuation as a way of determining the brand's value to compare the value of such an intangible to the value of the tangibles in which it should invest for optimal financial success. Brand valuation is thus also a useful process that captures the present and future value of a brand (Lindemann, 2004:32; Kapferer, 2008:507).

The recently published standardisation on monetary brand valuation states that: 'The valuation of a brand shall directly address the ways in which a brand generates value and shall consider all economic benefits that can be derived from the brand's functions in the context of the branded business' (ISO, 2010:6). Schultz (2004:11) also affirms that brand valuation methodologies are focused on measuring the increased financial returns that the brand generates for an organisation. The purpose of brand valuation is therefore to measure brand value in such a way that value-based systems for brand management can be established and maximum profit can ultimately be obtained. This has driven various brand valuations since its inception, which is discussed in the subsequent section.

3.3 THE ORIGIN OF BRAND VALUATION

The concept of brand valuation first emerged in the late 1980s when corporate raiders and asset strippers exposed the gap between the balance sheet value and market value of numerous companies (Lindemann, 2004:30; Heberden, as cited in Brand Finance, 2011:11). The fact that the full value of branded companies was neither clearly shown in the accounts nor always reflected in stock market values, led to the insight and reconsideration of the importance of intangible assets in general, and brands in particular (Haigh, 2000:5). Undervalued companies with strong brands were being bought at very cheap prices (Salinas, 2009:35). This then led to brand owning companies inquiring how such assets ought to be valued and disclosed appropriately. Practitioners and academics have been investigating various methods of financially valuing brands ever since (Salinas & Ambler, 2009:40; Salinas, 2009:35; Kapferer, 2008:503).

In 1988, Interbrand conducted the first brand valuation for Rank Hovis McDougal (henceforth RHM) as part of a bid defence (Salinas & Ambler, 2009:41; Lindemann, 2004:31; Haigh, 2000:5; Haigh, 2011:3; Stucky, 2010:1). Interbrand originally revealed that brands are highly valuable assets, yet often invisible and undervalued (Haigh (2011:3). Interbrand is thus regarded the pioneer in the specialised industry of brand valuation (Salinas & Ambler, 2009:41; Interbrand, 2013:1; Stucky, 2010:1). RHM, a leading UK food conglomerate at that time, suspected that its brands were being undervalued when Goodman Fielder Wattie (GFW) offered £600 million to take over the company (Roberts, 2011:47). To successfully defend this bid, RHM adopted the strategy of playing heavily on the power of its brands by conducting an exercise that demonstrated the value of RHM's brand portfolio (Lindemann, 2004:31). This exercise succeeded in putting the worth of the company's brands as an 'official' figure on the balance sheet. This was the first independent brand valuation that established that it was possible to value brands not only when they had been acquired or purchased, but also when they had been created by the company itself.

With this brand value information, RHM was able to go back to investors and claim that the bid was too low. After successfully fending off the GFW bid, RHM included the value of both the internally generated and externally acquired brands under intangible assets on the balance sheet in its financial accounts (Lindemann, 2004:28; Roberts, 2011:47). The value of the 'brands' alone amounted to a surprising £680 million (Roberts, 2011:47). Such results further revealed that the amount being paid for the acquisition of a strongly branded company was much higher than the value of the company's net tangible assets (Haigh, 2000:5; Moor & Lury, 2011:440; Laidler-Kylander, 2007:25).

This resulted in substantial levels of 'goodwill' which had to be accounted for in some way. The 'goodwill' included a mixture of 'hidden' intangible assets such as brands, patents, copyrights, customer loyalty, staff knowledge, and so forth. Brands therefore formed a significant part of this 'unexplained value' to account for (Brand Finance, 2011:11). Companies were now being bought more for their intangible assets, than their tangible assets. The basis of a company's assets was therefore not only restricted to the possession of easily quantifiable tangible (material) assets, but the brand in itself now formed an important part of that capital as a long-lived business asset that can have significant financial value (Cole, 2012:2; Calderón, Cervera, Mollá, 1997:294). In 1989, the London Stock Exchange endorsed the idea of brand valuation due to RHM's successful assessment of its brands. This provided the motivation for major branded-goods companies to recognise the value of brands as intangible assets on their balance sheets (Lindemann, 2004:31). At the end of the day, this emphasised the need for a suitable method of accounting for brands and other intangible assets that acknowledged their true value (Salinas, 2009:36; Haigh, 2000:5).

The main problem with brand valuation in the past is that it generally grew out of business valuations where accounting firms employed first class technical knowledge in terms of justifying a discount rate, or appropriate tax rates, but did not possess the needed experience or background knowledge to fully understand how brands operate from consumers' perspectives and competitive market environments (Intangible Business, 2011:1). On the other hand, marketers were also under increasing pressure to account for the results generated from marketing activities and to report those results using the language of finance (Salinas & Ambler, 2009:40). A lack of mutual understanding in this regard therefore meant that any projections were based on a considerable amount of speculation. This ultimately meant that neither the business nor investors could derive real benefits from such an exercise.

However, since then, brand valuation methodologies have developed and improved significantly to include more complex concepts of brand value and are gradually becoming known as a leading edge business tool for long-term organisational profitability (Intangible Business, 2011:1; Laidler-Kylander, 2007:25).

At present, brand valuations are taking place all over the globe. The valuation of brands tends to be primarily in Europe, where International Accounting Standards allow for the capitalisation of acquired brands, and America has also become more accepting to this notion of measurement (Tiwari, 2010:422). According to Gelb and Gregory (2011:16) numerous consulting firms currently offer the service of valuing brands for an organisation's own use by employing survey data, financial data, and statistical analysis. Brands have therefore evolved from only being intangible assets to becoming indispensable assets and major drivers of business' value in the 21st century. The applications of brand valuation are subsequently discussed.

3.4 APPLICATIONS OF BRAND VALUATION

There are many ways in which the value of a brand can be to the benefit a company (Keller, 2008:38). Over the years, brand valuation has become a generally accepted tool with a wide range of applications in various contexts. For this reason, brand valuation is usually divided into two categories of application, technical purposes and/or other brand management purposes. Table 3.1 provides examples of where and how brand valuations are applied within each category. All aspects within each category do not necessarily need to be considered or measured at the same time, but provide useful guidelines for future applications.

3.4.1 Technical valuations

Brand valuations with technical applications are primarily focused on a value at a given time (Salinas, 2009:55). These applications are usually undertaken for financial objectives such as, accounting and transactional (see Table 3.1). The main objective is to establish a realistic and 'fair' financial market value of the brand (Salinas & Ambler, 2009:55).

3.4.2 Brand management valuations

Also commonly referred to as commercial or managerial valuations, these are necessary for brand architecture, portfolio management, defending marketing budgets, measure marketing efficiency, and many other applications indicated in Table 3.1. Such valuations are primarily based on a dynamic model of the branded business and aim to measure the role that the brand plays in the model's key variables (Haigh & Knowles, 2004:27; Salinas, 2009:55).

These applications have the tendency to consider the brand value for different customer segments, products or lines, and the potential use of the brand in different categories and scenarios to make future forecasts accordingly (Salinas & Ambler, 2009:55). Brand valuation in this sense therefore seems to be more useful for planning than for performance management. Given the intricate nature of SATSA as an organisation and as a brand, it is highlighted that this study adopts a brand management valuation approach. This is to gain maximum insight as to what comprises the brand value, how to grow and sustain it effectively (brand development) to better position itself in the tourism industry and enable maximum member satisfaction and loyalty (see Table 3.1):

Table 3.1: Applications of brand valuation

	Technical valuations	**Brand Management valuations**
Category	**Financial (Accounting & Transactional)**	**Brand management**
Examples of applications	• Balance sheet reporting • Litigation support • Tax planning • Financing/Securitization • Merger & Acquisition planning • Licensing and franchising / royalty rate setting • Investor relations	• Brand performance management • Brand portfolio management • Marketing strategy • Measuring marketing efficiency • Marketing budget determination • Return on investment analysis • Organisational brand engagement • Brand positioning • Brand architecture • Brand extension/development/co-branding • Brand launching prospects • Internal communications
Primary Objective(s)	• To provide a robust financial market value with supporting analysis	• To understand the impact that different levels of brand investment will have on business performance (and expected financial results) • To enable once-off/on-going brand management that leads to insight and recommendations to grow brand value

Sources:Adapted from Salinas (2009:50); ISO (2010:2-3); Roberts (2011:47); Salinas & Ambler (2009:55); Haigh & Knowles (2004:27); Rocha (2012:3); Haigh (2000:7); Lindemann (2004:39); Brand Finance (2011:2); Whitwell (2005:2); Raggio & Leone (2007:260); Hupp & Powaga (2004:225).

3.5 OBSTACLES TO BRAND VALUATION

Due to its complexity and various methods available, brand valuation is faced with the following challenges: First of all, intangible assets, such as brands, regularly fall into a more difficult, less clear-cut valuation category (Tiwari, 2010:422; Calderón *et al.,* 1997:296; Jokanovic, 2005:20; Hupp & Powaga, 2004:226). Neal and Strauss (2008:127) assert that, in contrast to tangible, more visible attributes of a brand, the intangible aspects (for example, trust in the brand name, perceived quality, reliability, etc.) are less understood since they are more complex and more difficult to measure.

The brand usually exists in people's minds as a group of thoughts and perceptions associated with a product and often only give the brand meaning when it becomes visible when customers purchase the branded product (Calderón *et al.,* 1997:296).

Secondly, measuring something that is intangible will also inevitably involve some degree of judgment or subjectivity on the part of the 'valuer' or those tasked with valuing a specific brand (Sinclair, 2011:5; Abratt & Bick, 2003:23). Therefore, despite the tangible (figures), intangible or combination of outcomes this process often produces, brand valuation cannot always be considered a precise science.

Another third inherent challenge to valuing brands is the period that lags from the time the data is collected, compiled, and analysed to the time that it is delivered (Cole, 2012:5). Unfortunately, yet unavoidably, this leaves investors and brand managers to make decisions based on data that is a few months to a year old.

Fourthly, though general opinion seems to be that brand valuations are often focused on balance sheet (monetary) valuations, the other side of the matter is that many valuations can be carried out to support both brand management and strategic decisions as well (see Table 3.1). Many marketers and financial professionals believe brand valuation is a vital tool necessary to increase the marketing efficiency and aid effective brand management. Brand valuation should therefore not be seen as just a number, but rather the valuation process itself ought to assist the user with a more comprehensive view of how businesses produce cash flows by understanding their customers, the markets and channels in which they operate, the competitive environment, and operational capability in order to deliver value and growth (Intangible Business, 2011:1; Krishnan, 2010:64). A key benefit in this regard is that a brand valuation model can then be linked to the company's business model and provide a financial measure that is understood throughout the organisation and all its stakeholders (Haigh, 2000:7).

A fifth challenge of brand valuation emerging from the previous one can be ascribed to the contrasting views of how to measure brand value effectively. Similar to the applications of brand valuation (3.2), the required outputs of brand valuations conducted from a financial and marketing perspective differ slightly. The two perspectives are briefly discussed below. From a financial perspective, the notion of value is focused on the economic (monetary) output (Jokanović, 2005:23). Brand investment decisions therefore greatly depend on the contribution brands make to the present value, future economic benefit and eventually to the worth of the company (Sinclair, 2011:3).

The main question to be answered is, 'does this activity generate a sufficient return on investment?' (Knowles, 2003:49; Brand Finance, 2011:11; Intangible Business, 2011:1). The finance perspective therefore recognises the true cost of delivering a product or service (Knowles, 2003:49) and is an internal company concept. Different quantitative variables can be used to allocate a value (for example, profits, market share, price differentials, etc.) (Calderón *et al.,*1997:296). Managers thus ought to know and understand how significant an economic asset their brand represents over a period and what conditions cause the value of their brand asset to increase or diminish (Knowles, 2003:40; Crimmins, 2000:144). Answers to these two questions let them make rational decisions about how much to invest in a brand as opposed to a range of other investment alternatives. As such, the valuation of brands is an important function to present tangible, financial evidence of their status as assets (Brand Finance, 2011:2). However, calculating a financial value for the brand is beneficial, but does not help marketers to understand the process of building brand equity (Kimpakorn & Tocquer, 2010:380; Jokanović, 2005:23).

From a marketing perspective, brand valuations require a wider range of outputs. This is done by balancing the economic output with measures of brand equity and competitive performance. According to Brand Finance (2011:12), the monetary value of a brand on its own is of limited use to a marketer. It can assist in communicating the economic importance of the brand to internal shareholders, but provides insufficient clues to marketing strategy. Cole (2012:5) agrees that a brand valuation is incomplete without an adequate representation of the brand's key asset, the consumer. Marketers still require solid valuations, but are usually more interested in relative value in various scenarios or market segments instead of a single, static value. The variables that need to be quantified are therefore more qualitative in nature, such as associations, preferences and satisfaction (Calderón *et al.,* 1997:296).

The marketing perspective therefore acknowledges that price is irrelevant if there is no other utility to the consumer (Knowles, 2003:49) and is externally focused on the consumer. The question to answer in this regard is rather, 'What is the value from the consumer's point of view?' (Jokanović, 2005:23). This helps marketers to better understand the brand in the minds of customers and design better marketing programmes to build the brand accordingly (Kimpakorn & Tocquer, 2010:380; Cole, 2012:5). Knowing how a branding initiative affects value is also critical in finding branding strategies that successfully target consumers (Schulz, Schroeder & White, 2012:260). Knowledge of brands and the key issues involved in brand valuations can therefore help marketers express the significance of brands in generating and sustaining the financial performance of businesses (Haigh & Knowles, 2004:24).

In marketing terms, brand value can therefore be enhanced through brand management, which can increase the value of an organisation in the eyes of the customer as well as of prospective investors. Marketing efforts can further be respected even when a precise value can't be identified. In other words, just because something (like a brand) cannot be measured as accurately as it is usually required for general commercial brand management purposes, does not necessarily mean that it is not valuable (Grannell, 2013:1).

In this regard Brymer (2004:66) remarks that: '…some practitioners and academics would argue that financial models in isolation are unreliable, given fluctuations in corporate profitability. Some would contend that marketing measures alone are unsuited to the realities of today's management needs. These different points of view mean that today there is a proliferation of measurement approaches that attempt to bridge the traditionally separate considerations of finance and marketing needed to provide a more holistic view of brand performance.' The danger is that the brand valuation industry has now been supplied with various brand value models that offer limited clues to help guide marketing decisions, where brand equity models provide little direction to help organisations maximise financial performance (Gerzema, Lebar, Sussman, Gaikowski, 2007:28).

A sixth challenge faced by brand valuation is the fact that the multitude of existing brand valuation methodologies have the potential to produce significantly skewed results if applied incorrectly (Salinas, 2011:24). The extensive variety of brand valuation methods therefore often produces values that differ considerably (Sinclair, 2011:2; Salinas & Ambler, 2009:57). Although some companies use a brand-specific valuation method, others use less sophisticated valuation procedures that often yield questionable values (Lindemann, 2004:33). This can occur as a result of the different contexts in which the brand operates and the type of company employing the method, even though all of them attempt to measure a brand's value. Greater consistency in brand valuation approaches and better reporting of brand value will result in increased transparency in the methodology. All brand valuations ought to be fully transparent regarding their methods, data and premises (Haigh, 2011:3). Others would argue that no single methodology is sufficiently reliable to include all of a brand's dimensions and complexities for a proper brand valuation to take place (Brymer, 2004:66).

Lastly, as evident in the challenges discussed above (and in 2.3), value is in the eye of the beholder. The concept of 'value' frequently lacks a clear definition, and has become one of the most misused and overused concepts in the social science research field in general and in the management literature in particular (Sánchez-Fernández & Iniesta-Bonillo, 2007:428).

Value will unavoidably have different meanings to different people and therefore cannot be seen as an objective concept (Abratt & Bick, 2003:23). This complicates the process of brand valuation considerably. It is therefore essential to determine whether an asset such as a brand is to be valued from the perspective of a typical purchaser (market value), a specific purchaser (investment value), or an unwilling seller (liquidation value) (Brand Finance, 2011:5). In most commercial situations market value is the best suited premise from which to work. Optimal business success would therefore aim to satisfy both the finance and the marketing meanings of value (Brand Finance, 2011:11; Brymer, 2004:66). This is why each individual brand must be uniquely analysed to determine what is driving its value and what needs attention. As pointed out earlier, this study will value the SATSA brand from a member's perspective, which implicitly refers to the member as being both the 'purchaser' and 'investor', given its non-profit, member-driven nature. Such a perspective can help SATSA better understand how and where value ought to be focused to provide more targeted benefits and attract new members.

It is clear that brand valuation has a number of challenges to manage and overcome. A brand's intangible nature, the inescapable level of judgement required for valuation, the time interval involved in the process, availability of methods and resulting outcomes, as well as the opposing views on how a brand should be measured all contribute to its complexity. The ambiguous, conflicting interpretations and implementations of brand valuation therefore highlight the importance of acknowledging such challenges and clarifying them within the operational context of each brand respectively. This is discussed in the next section of this chapter.

3.6 METHODOLOGICAL CONSIDERATIONS

As previously stated (3.4), brand value and its measurement is a rapidly growing research topic that faces challenges. For this reason, the following aspects regarding the methods and measurement specifically also ought to be kept in mind:

Firstly, it is important to remember that the research conducted on financial or qualitative brand valuation is still incomparably smaller than research done on general branding questions like image, loyalty and so forth (Gerzema *et al.*, 2007:27). Current literature on brand valuation varies from providing a review of available methods (like Salinas, 2009, 2011; Haigh, 2000, 2011; Salinas & Ambler, 2009; Zimmerman *et al.*, 2001; Abratt & Bick, 2003), to adapting certain methods to specific contexts (like Goldfarb, Lu & Moorthy, 2009; Das, Stenger & Ellis, 2009; Herremans, Ryans & Aggarwal, 2000; Gerzema *et al.*, 2007; Chu & Keh, 2006; Arvidsson, 2006; Zauner, Koller & Fink, 2012). Most methods attempt to establish a common industry vocabulary, organise brand activities, and provide benchmarks for measuring organisational success.

Secondly, when it comes to measuring a brand's value, one must be aware that none of the current models is perfect in its nature, and different existing methods will inevitably produce different results (Salinas & Ambler, 2009:44). Haigh (2011:30,32) also asserts that the main reasons for wide-ranging differences in brand value are that different consultancies define the term 'brand' and 'value' in different ways and thus employ different methods and key assumptions. He further states that a person will inevitably get different answers from two professional valuers if they were asked their opinion on asset valuation for any asset, not just a brand. Valuation methods have increased accordingly in response to the academic papers, various uses and the marketing needs of organisations that differentiate their valuation services to clients (Salinas & Ambler, 2009:40).Therefore, like any tool, each method may be suitable for some purposes, but not for others and one must consider its suitability for different types of applications.

A third aspect that adds to this is the fact that most models used to assess the strength and performance of a brand frequently tends to take on one of two forms: either brand value or brand equity (Haigh, 2000:11). Gerzema *et al.* (2007:25) provides an adequate statement in this regard: 'Brand value models are in general less sensitive to the changing and fragile perceptive nature of consumer relationships, while brand equity models struggle to sufficiently quantify the financial impact resulting from brand-building investments.' Both brand value and brand equity models can therefore play important roles in a brand's assessment. Each approach has its strengths and limitations (Herremans *et al.*, 2000:20; Intangible Business, 2011:4; Gerzema *et al.*, 2007:25). In this case, Salinas and Ambler (2009:40) state that, although an asset can be valued in various ways for different purposes, these valuations do not change the asset itself, but give guidelines as to grow and sustain it. Once again, the abstract nature of the SATSA brand has provided a different premise (see 2.4.1 and 2.4.2) for brand value (that is, consisting of multiple value aspects of which financial value and equity forms part). Various value aspects may assist SATSA management in understanding what specific aspects most enable brand value and how to justify investments in services or benefits that can help sustain membership in the long term. This premise will unavoidably affect how this specific brand's value will be measured, compared to other customary methods.

This highlights a fourth aspect to keep in mind: valuation demands the use of a consistent model that can produce comparable results. Many consulting firms like Interbrand, Brand Finance, Intangible Business, and Millward Brown have invested in developing their own exclusive models. A direct consequence is that some models have become directionally similar in their methods, which has led to the possibility of developing standard models accepted across industries for corporate, product, and/or a combination of corporate and product brands

(Gelb & Gregory, 2011:16). The many varying methodologies have thus prompted the call for a greater degree of homogeneity in the brand valuation industry. The recent introduction of the ISO 10668 Standard by the International Standards Organsation has attempted to provide a universally accepted standard for valuing brands in various contexts (ISO, 2010:1; Brand Finance, 2010:32). Despite this positive effort, it still appears as though little agreement or clarity exists on valuation methods that prove to be theoretically sound and empirically verifiable. The debate over an appropriate method of valuation therefore continues in the academic and commercial world. Nonetheless, the most appropriate models for the context of this study are reviewed.

A final consideration is the fact that a lot of brand valuation methodologies have originated from leading commercial consulting organisations like Interbrand, Millward Brown and Brand Finance (Salinas, 2009:110). These organisations apply set approaches to highlight the importance of brand valuation in the business environment (Abratt & Bick, 2003:22). Year after year, global brand rankings made by such organisations receive widespread publicity in the world press by Interbrand, Millward Brown, Brand Finance, Intangible Business, and so forth. However, the methods used by such consultancies are proprietary. This implies that the patented details of the methodology are often not as readily available or clarified as comprehensively by the various sources in the public domain. Many specialists in this field are reluctant to publish their models and subject them to academic debate (Abratt & Bick, 2003:22). For this reason, it is important to note that not all existing models are necessarily accessible for critical industry or academic appraisal. Based on discussion above, these methodological aspects ought to be considered to enable well-informed decisions on how brand value is measured. The next section provides a taxonomy of brand valuation models to simplify the intricate clutter of methods.

3.7 TAXONOMY OF BRAND VALUATION MODELS AND CONTEXTUAL ANALYSIS

Brand valuation models previously proposed in literature can be classified in many ways (Salinas, 2009:294). Extensive research has been conducted on estimating and comparing brand value/equity measurement techniques (for example, Salinas, 2009; Haigh, 2000; Zimmerman *et al.*, 2001; Abratt & Bick, 2003; Salinas & Ambler; Aaker, 1996; Keller, 1993; also refer to Appendix B). However, besides this extended knowledge on general brand measurement, the examination of brand valuation still poses a challenge. This is partly due to the apparent ‘blurred’ and inconsistent use of brand value and the term ‘valuation’ as brand equity, which overlooks the appeal for clarity and homogeneity in this regard (see 2.3).

In addition to this, the unique, yet complex brand structure of SATSA unavoidably creates a boundary on existing literature options for analysing a near-suitable method in its non-profit, *tourism* context. The development and classification of brand *value* measurement specifically appears to be lacking in this particular industry. A comprehensive review of all existing marketing literature and valuation models, financial models in particular, would therefore go beyond the context and scope of this thesis. The focus lies in the assessment of brand value for SATSA. A contextual analysis is therefore deemed appropriate and is divided into three sections. The first section clarifies some measurement terminology, the second section provides a set of proposed criteria whereby models in this context are evaluated, and the last section provides a general classification of brand value models available so as to place brand valuation in perspective.

3.7.1 Brand valuation versus brand evaluation

Regardless of its gaining popularity as a concept in academic literature and industry practice, the perceived lack of agreement on a commonly-accepted description of brand value seems to have influenced how the term brand valuation is referred to as well.

This creates another challenge to valuing brands appropriately, since there seems to be a tendency to confuse the term ‘brand valuation’ with ‘brand evaluation’. According to Salinas (2009:18; 2011:29) and Sinclair (2011:7), the aim of a brand valuation process is to determine a brand’s monetary (economic) value, while a brand evaluation process is done to determine its level of brand equity. This may seem straightforward enough to resolve the present confusion on how to value brands. However, despite extensive efforts towards providing exclusive definitions of brand value and brand equity, little consensus on the exact meanings of each construct exists, since they are often referred to and used as interchangeable constructs. Various other views have also illustrated the confusion regarding these constructs (see 2.3).

In terms of measurement, for example, experts in the field have also placed brand equity into two ‘formal’ brand *valuation* categories (see Figure 3.2), where some of those same authors have stated that brand equity can be regarded as form of *evaluation* instead (Mysicka, 2009; Zimmerman *et al.*, 2001; Salinas, 2009) since it does not produce a monetary output, while some speak of brand equity valuation (Jokanovic, 2005). Whatever the case may be, it appears as though a clear-cut distinction is yet to be made. Neal and Strauss (2008:133) additionally state that the challenge to marketers and researchers, as well as managers is to determine how to measure brand value accurately and unambiguously, along with brand equity and how the measurement of that value is connected to attempts in improving customer loyalty.

Inconsistent use of terminology has almost automatically resulted in a discrepancy between other terms like brand valuation and brand evaluation. Brand valuations can therefore easily be brought into disrepute due to such different perspectives.

In this study, the type of brand being valued mainly contributes to the valuation situation. SATSA is a uniquely fused non-profit tourism brand (see 2.4). The premise for brand value in this case is based on the fact that such a brand ought to encompass multiple other value aspects and not just a monetary value or equity aspects. Brand measurement in this context therefore also demands a unique approach.

To begin with, tourism brands are not primarily products or services *per se* and therefore ought to be valued independently from other brands (Panasiuk, 2006:133). Limited available research on brand value in tourism has also focused on more 'predictable' service providers like hotels and airlines (Linsheng & Pan, 2009; Ross, 2009) or destination brands (Perkov, 2004; Morgan *et al.*, 2002; Mysicka, 2009); where only one study was found to do a brand *valuation* for a destination brand, which provided a monetary output in the end (Mysicka, 2009).

Another distinguishing aspect of the SATSA brand is that it is a non-profit organisation predominantly offering certain benefits and value through membership in the tourism industry and not in the conventional 'charity' or 'relief' environment. Rothschild (2012:1) points out that whether operating for-profit or non-profit, an organisation creates economic value for a shareholder when it eliminates costs or increases revenue, or both. Such benefits are typically generated over a period of time. Non-profits therefore might need to consider taking a more 'commercial' approach towards brand valuations (Daily, 2009:1). Even so, non-profits are not necessarily thought of as brands with significant brand value in the market place (Rusch, 2002:1).

Corporate or for-profit brand valuation alternatively determines the revenue generated by a brand. This figure can then be used to achieve various business goals like investor relations, royalty rate structures, strategic decision making, portfolio tracking and management. Non-profit organisations are set apart from corporate organisations by the fact that non-profits' financial resources are a means to achieve their mission or purpose, and not the end in itself (Daily, 2009:1). Mysicka (2009:70) states that the monetary value of a brand is relevant for the active control of the brand, when various scenarios have to be evaluated and a maximisation of the value (money-wise) is required. The qualitative evaluation of a brand, on the other hand, is much more important for other strategic decisions, as it shows the brand's strengths and weaknesses.

Although brand valuation seems to have gained attention in the non-profit field, methodological approaches based on future cash flow can be flawed and may result in considerable brand inflation perhaps due to its inherent nature (Laidler-Kylander, 2007:35). This suggests that non-profit brands may need to build their brands differently than for profits.

A more relevant, context-specific brand assessment for SATSA may therefore be more appropriate to determine how and where value has been created. This is done by surveys and discussions on what generates the brand's value to reveal what its supporters (SATSA members) really think of it and, more importantly, what is truly meaningful to them (Weisnewski, 2009:4). Through such an assessment, an organisation like SATSA can identify which services or benefits add value and which services need to change, ultimately leading to an efficient mission to improve current service to their contributors (members) (AbsoluteBrand, 2013). The more SATSA understands the value of their brand, the better control they have over what aspects of the brand's value proposition get used and the better they can put members' financial contributions to use where it will deliver the greatest value to the organisation (Rusch, 2002:1; Abratt & Bick, 2003:22). It also enables such a brand to determine reasonable spend on marketing or networking opportunities and offers a point from which to explain the power of the brand (Rusch, 2002:1; Salls, 2005:1). Strong brand value can enable optimal leverage the brand, improve decision making and retain members', thereby increasing overall loyalty.

One could argue that SATSA as an organisation has financing mechanisms that are comparable to those of for-profit corporate entities, like their 'Bonded' scheme for SATSA member companies that protect them from involuntary liquidation of other members. SATSA aims to provide domestic and international tourism buyers with reliable information and quality advice on credible tourism partners (their members) in Southern Africa (SATSA, 2013c:1). They also aim to be an independent voice in the inbound tourism industry, speaking and raising issues on members' behalf. Members make a financial contribution based on SATSA's "promise" that their funds will be applied to their benefit, an implicit trust that ought to be embodied by the brand. However, non-profit brands do not comprise an identifiable profit stream, although they do generate money for a specific cause or reason (Rusch, 2002:1).

Contextually speaking, SATSA's unique characteristics and non-commercial objectives limit its financial value, but this value should not be disregarded entirely. SATSA's main brand value might not lie in an impressive figure on a balance sheet, but may contain some form of financial value in the fact that members are willing to pay an increased membership fee each year, or feel that SATSA membership is good value for money and worth investing in to aid in their business' profitability, or may even be less risky financially than belonging to other industry

organisations. The proceeds derived from membership fees each year can be an *indicator* of SATSA's brand value in terms of membership growth and their level of returns on investment, but cannot be the central *determining* factor of the brand value. Proceeds are mainly important for SATSA for them to plough it back into their members through benefits and other value-adding opportunities, not to determine a monetary value as basis of its value, as is the case with corporate organisations.

Another factor to consider is that lower tariffs could often be offered to attract more members and grow membership, or increased funds could be channelled into better service offerings. This suggests that the monetary amount/figure could increase or remain the same regardless of whether membership is growing. A growth in membership is therefore not necessarily equal to an increase in profit or income for use to members' benefit. As mentioned (in 2.4), SATSA has seen a decrease (22%) in membership over the past two years (2011-2013). Therefore, although a monetary number might be useful for indicating that the brand may or may not be as valued as before, it does not determine what makes the brand valuable or less valuable in the first place.

Viewed differently, even though membership fees need to be paid for annual renewal of membership, SATSA members cannot really purchase 'more' or 'less' of the SATSA brand as they would with a normal product brand like Coke. The 'Rand and cent' value thus seems of limited use to SATSA. In this case the issue may rather be whether members feel their membership fees contribute to them receiving value in various ways. For example, the networking and marketing opportunities SATSA offers its members to increase their own business' profitability might make SATSA membership worthwhile and therefore also generate brand value.In addition to this, should SATSA determine a monetary value for its brand, it may be of little use, since comparable organisations with identified monetary brand values seem to be lacking in a non-profit *tourism* framework and in a South African context in particular. This brand's non-profit tourism elements might create a more 'authentic' brand value from its relationships of trust and loyalty due to members' experience with the brand. A pure monetary value equation with the bottom line as the sole criterion might therefore not be a suitable tool for management. Management's time and energy might possibly be better spent in pursuing additional ways to assess brand value.

SATSA's brand value can clearly not be reduced to a single monetary metric and will inevitably need to consist of multiple value dimensions. The brand value will therefore need to contain context-specific value aspects (of which 'financial' value forms part), as well as equity aspects to produce more relevant results.

As previously stated (2.3), the term 'brand value' is employed for the purpose of this study. Based on the discussion above, an *evaluation of brand value* is considered an appropriate premise to be used for a formal assessment of the SATSA brand. The next section delineates as set of criteria for a more targeted/enhanced evaluation of measurement methods in the case of SATSA.

3.7.2 Criteria for evaluating measurement methods

Salinas and Ambler (2009:58) aptly state that the multitude of brand valuation providers and their apparent methodologies complicates one's choice of a suitable method. While brand measurement in terms of value and/or equity models has been established for products or services (for example, Huang, 2010; Cole, 2012; Jokanovic, 2005; Neal & Strauss, 2008; Das *et al.*, 2009; Goldfarb *et al.*, 2009; Gabay, Moskowitz, Beckley & Ashman, 2009; also refer to Appendix B), a brand *value* method for non-profit member-driven organisations, especially in tourism, including specific dimensions relevant to such a brand appears to be absent. The selection of the brand valuation methodology greatly depends on the specific research project's objectives (Salinas, 2009:50; 2011:28).

Central to this thesis is to present a brand value model for SATSA as non-profit, member-driven organisation in the tourism industry. In addition to the purpose of the valuation, the characteristics of the brand and market, and availability of data will also influence the selection of the most appropriate method for a specific valuation (Brand Finance, 2011:5). Salinas (2011:28) further proposes that if it does not make sense to use a specific method or if various methods produce very different results, they obviously cannot *all* be appropriate for a given situation. In this case, it was difficult to find a suitable model/method specifically for SATSA for two main reasons.

Firstly, brand *value* for SATSA is seen from a different perspective, of which brand equity forms part of. Secondly, this brand has its own unique composition, even though comparable elements to other types of brands may be present to some extent. Thus, for the purpose of this study, it was deemed appropriate to develop/propose a set of criteria proposed for evaluating measurement methods that were able to meet most of or some criteria and could most relate to SATSA's context. The operational context, brand composition, final output and the type of construct of existing models are of particular interest:

- ***Operational context:*** This is the first and most decisive criterion chosen to set a boundary on the types of models to be discussed, since SATSA primarily operates in the *tourism* industry.

- ***Brand composition:*** The second criterion attempts to make provision for SATSA's brand composition as a fusion of tourism and non-profit brand elements. Brand value measurement methods in tourism and the non-profit research field were therefore considered in the process (see Table 3.2).
- ***Output:*** The third criterion focuses on the output that models generally require. As explained in 3.7.3, financial models give a monetary brand value, whereas psychographic/behaviourally-oriented models analyse value-drivers or what is otherwise regarded as the equity of a brand. Combined models tend to do both, but the qualitative aspect does not feature as prominently as in the psychographic/behaviourally-oriented models. However, in the case of SATSA, focus was placed on the latter category in the *tourism* industry, based on the premise for brand value (i.e. consisting of multiple value aspects) and the premise specified for brand value measurement in this context (i.e. evaluation of brand value).
- ***Type of construct:*** Since brand value and brand equity are equally subjective measures, there is bound to be an overlap and correlation between the two constructs. Once again, this is due to the abstract and inconsistent way in which such constructs are viewed and used. It is important to note that while the focus is on measurement methods in tourism, it appears as though most measurement models in tourism have been brand *equity* models only and are mainly concerned with destinations (Pike, 2013; Gartner & Konecnik Ruzzier, 2011; Pike, Bianchi, Kerr & Patti, 2010; Boo, Busser, Baloglu, 2009; Konecnik & Gartner, 2007) or hotels (So & King, 2010; Prasad & Dev, 2000), of which neither fully address the unique structure of SATSA as tourism organisation. Though equity research has been acknowledged (Table 2.1), the type of term used in this study is referred to as brand *value* for which measurements will be discussed. Only one study was found to present a brand *valuation* model for a tourism destination brand using a combined method to determine a monetary brand value (Mysicka, 2009).

These criteria are necessary and beneficial for evaluating potentially relevant measurement approaches available and obtaining an indication of how to design a suitable model for SATSA specifically.

3.7.3 Classification of brand valuation models

According to the researcher's knowledge and investigation of the various authors' approaches, most brand valuation models can generally be divided into three main categories, namely: financial (traditional economic) models; psychographic and behaviourally-oriented models; and combined models (financial and behaviourally-oriented).

Subsequently, Figure 3.1 presents an adaptation from the research endeavours of Salinas (2009), Salinas and Ambler (2009), Zimmerman *et al.* (2001) from BBDO consulting and Haigh (2000; 2011), who are all considered respected research and industry leaders in the field of brand valuation:

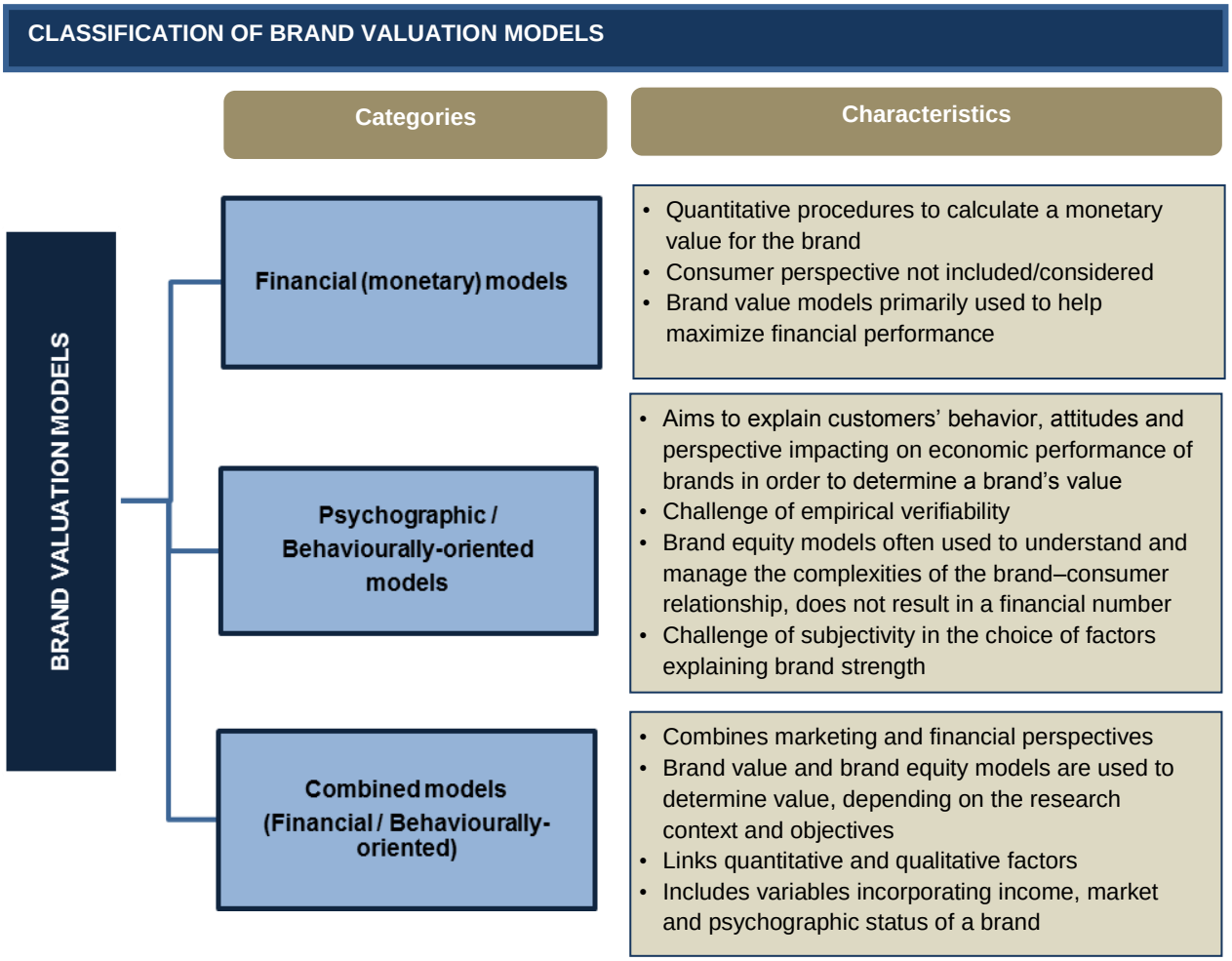


Figure 3.1: Classification of brand valuation models
Sources: Adapted from Salinas (2009:298); Salinas & Ambler (2009:44-52); Zimmerman et al. (2001:20); Haigh (2000:11-12)

3.7.3.1 Financial models

All financial models have a common goal of providing an output in monetary units that can be included in financial statements of a company (Mysicka, 2009:34; Jokanovic, 2005:23). These models focus mainly on financial quantities (Moor & Lury, 2011:440). This is done by employing the cost, market, or income approach. According to Salinas & Ambler (2009:41) most models are variations of these three common approaches to brand valuation.

The latest ISO Standard (IS0:2010:3) also states that the valuation purpose, the concept of value and the characteristics of the brand being valued will dictate which approach can be employed to calculate the value of a brand. Figure 3.2 indicates each approach and its characteristics:

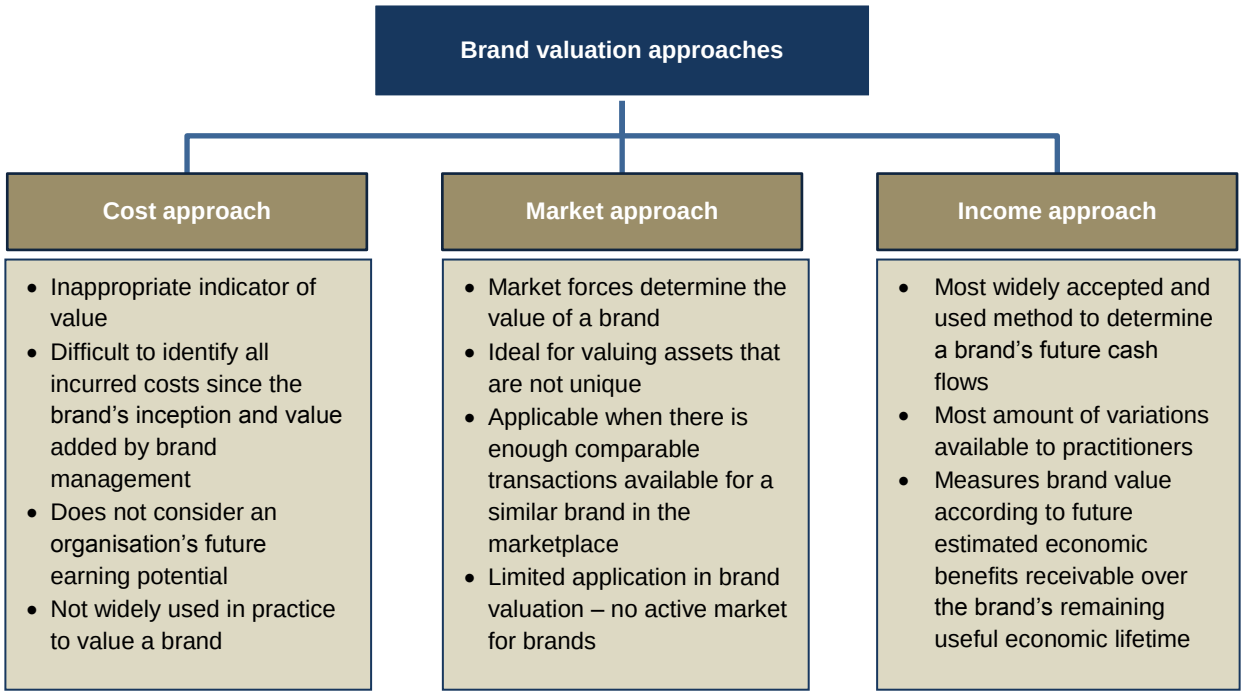


Figure 3.2: Brand valuation approaches

Sources: Adapted from Brand Finance (2010:34); Lindemann (2004:34); Salinas (2009:298); Salinas & Ambler (2009:44-52); ISO (2010:3); Zimmerman et al. (2001:32-42) from BBDO consulting; Haigh (2000:11-12; 2011:34).

3.7.3.1.1 Cost approach

The cost approach measures the value of a brand based on all the costs that were originally acquired in building the brand or what it might cost to replace or reproduce a similar brand all over again (Haigh, 2000:11; Brand Finance, 2011:6; Intangible Business, 2011:1; Salinas & Ambler, 2009:41; Moor & Luy, 2011:442; Salinas, 2009:60). This approach is based on the idea that a sensible investor would not pay more for a brand than the cost it would require to replace or reproduce it. Cost-based approaches explain the value of a brand as the accumulation of all significant costs incurred or replacement costs required in bringing the brand to its current state. This can include the total cost of developing, marketing, advertising and other communication costs (Lindemann, 2004:35).

This approach is not widely used in practice, since the costs incurred to create a brand are more often than not considerably less than the actual value of the brand just like the price of a property is not equal to the cost of the raw materials and labour used in building it (Intangible Business, 2011:1; Brand Finance, 2010:34). Therefore, the economic value of a brand (what a brand can earn) may be of more interest than its costs (Mysicka, 2009:27).

3.7.3.1.2 Market approach

The market approach is based on the amount for which a brand can be sold in the marketplace (Abratt & Bick, 2003:23). Put differently, the market (or sales comparison approach), measures a brand's value in comparison to what consumers would pay for a similar brand with similar attributes (like goods and services or similar economic position) in the market (Brand Finance, 2011:6; 2010:34; Haigh, 2000:11; ISO, 2010:4). Many authors deem it possible to estimate a brand's value based on market transactions with comparable brands.

However, this approach relies on two concerns: the first being that these market transactions are publicly available, which is often not the case, and the second being that relevant comparative data is scarce and brands ought to be differentiated and unique in their nature (Salinas, 2009:61; Intangible Business, 2011:1; Lindemann, 2004:36; Tiwari, 2010:423; Brand Finance, 2010:34; Haigh, 2000:11; Salinas & Ambler, 2009:41;Abratt & Bick, 2003:25). Lindemann (2004:36) further states that value creation of brands in the same category can vary considerably, even though most other aspects of the underlying business are alike (for example, target groups, advertising expenditure, price promotions and distribution channels). The sales transaction comparison (market approach) is therefore not widely used, since there is no active market for brands (Salinas, 2009:62).

3.7.3.1.3 Income approach

This approach is considered to be the most popular and appropriate way to value a brand due to general professional opinion that a brand's value stems from its ability to generate higher profits in the future and therefore generates value to a company (Salinas & Ambler, 2009:44; Brand Finance, 2011:5; 2010:34). The income approach is based on the principle that a brand's future cash flows will dictate its value for its owner or a possible investor. In other words, this approach measures a brand's value according to the economic benefits the company is expected to receive over the brand's remaining useful economic lifetime (Salinas, 2009:63; Moor & Lury, 2011:442; Sinclair, 2011:6). It therefore proposes the present value of the future anticipated cash a flow (profit) of the brand (Tiwari, 2010:423; Kapferer, 2008:24).

This is done by estimating the expected after-tax cash flows attributable to the brand in the future and then converting the after-tax cash flow streams to a present value by using an appropriate discount rate (ISO, 2010:3; Brand Finance, 2011:6; 2010:34; Salinas, 2009:63; Salinas & Ambler, 2009:43). The income approach has many variations, but the 'Royalty relief' method is most widely used because it is aligned with commercial reality and can actually be benchmarked against real world transactions (Brand Finance, 2010:35; 2011:6). This method basically assumes that the brand is not owned by the branded business, but is licensed in from a third party. The value of the brand is thus measured as the net present value of estimated future royalty payments. In brief, it appears as though financial models are beneficial in applying techniques commonly accepted in the economic marketplace to produce a monetary value for a brand.

Zimmerman *et al.* (2001:21) state that financially-oriented methods have the benefit of saving organisations both time and money, since most models are relatively user-friendly enough to calculate a brand value. For these reasons, models in this category are favoured by analysts in the investment banking and accounting field. However, these methods seem to be limited in their capacity to consider brand management aspects of a brand, like consumers' perspectives (Brymer, 2004:67; Jokanovic, 2005:23). When the consumer's role in generating brand value is ignored, some important and often interesting information from a brand management side is lost, or not even noted in the first place (Zimmerman *et al.*, 2001:21). This particular author also mentions that many financial models fail to take the competitive environment into account, which limits the accurate provision of a basis to determine a brand's monetary value.

3.7.3.2 Psychographic/Behaviourally-oriented models

In contrast to the financially focused models, psychographic/behaviourally-oriented models provide those tasked with managing brands an understanding of where a brand's value actually comes from (Zimmerman *et al.*, 2001:22). Such models therefore examine the value drivers of a brand and are not concerned with calculating an explicit number (Mysicka, 2009:11). These types of models therefore often employ brand equity models.

Since Aaker's (1991) and Keller's (1993) pioneering work on brand equity, these measures have acquired an independent existence and are now being used for a range of exploratory purposes, which aim to indicate the relative strength of a brand from the perspective of the consumer and provide insights into their perceptions and preferences (Zimmerman et al., 2001:22; Moor & Lury, 2011:440; Laidler-Kylander, 2007:23; Jokanovic, 2005:23; Salinas, 2011:29).

The information revealed by these types of models helps to detect reasons for damage or improvement in value and to track brand-value trends, which makes them much more suitable for brand management purposes than their counterparts solely based on financial outcomes (Zimmerman *et al*., 2001:22). Not all psychographic or behaviourally-oriented models are regarded as qualitative models, where focus groups or in-depth interviews are employed to identify consumers' impressions, feelings and perceptions (Schultz & Schultz as cited in Tybout & Calkins, 2005:249). This is because some models in this category may also use quantitative research methods for statistically estimating a non-financial output for a brand (Mysicka, 2009:11).

Additionally, although most methods to determine brand equity are based on consumer perception and quantifiable behavioural attitudes, each approach differs in definition, scale and bases of comparison (Salinas, 2011:29). This brand valuation expert highlights some of the best-known models in this category which include Young & Rubicam's Brand Asset Valuator, Total Research's Equitrend, Millward Brown's BranDynamics and David Aaker's The Brand Equity Ten. Such behavioural models commonly include aspects like consumer awareness, loyalty, consumer relationships, and consumer attitudes to the brand (Smith, 2007:103).

Yet, the apparent diverse viewpoints and schools of thought that developed over the years have resulted in wide-ranging arguments on precisely what brand equity consists of (also see 2.3) (Aaker, 1996; Keller, 1993, Neal & Strauss, 2008, Van Aauken, 2002; Laforet, 2010, Raggio & Leone, 2007,2009; Knowles, 2003, Salinas, 2009; Keller, 2008). The lack of an agreed definition of brand equity has automatically resulted in conflicting views and methodologies for measuring this construct (Christodoulides & de Chernatony, 2010:45). As Grannell (2013:1) states: 'Brand equity is a construct which is nearly impossible to measure accurately, since different audiences will respond differently to a single brand. Even if it could be measured, there is no unit of brand equity…'. Brand equity will therefore be difficult to measure and compare even in similar categories of brands. The pioneer of conceptual research on brand equity, David Aaker (1996b:117) summed up this challenge by stating that brand equity can entail a multitude of measures: "Although each potentially has diagnostic value, the use of so many measures is unwieldy. For reporting and tracking purposes it would be useful and convenient to have a single summary measure...". He thus highlights the difficulty in providing a standard according to which various measures can be employed. Ever since, the equity debate and models available in this category across a variety of brands seem to indicate academia and practice have tried to achieve a more robust or widely accepted methodology that provides an appropriate measure of brand equity with limited success (Smith, 2007:103; Christodoulides & de Chernatony, 2010:45).

Based on the above, psychographic or behaviourally-oriented models appear to be useful for determining a brand's equity in particular. The most obvious drawback of these models is the fact that they result in more qualitative outcomes, which makes it difficult or even impossible to convert it into a monetary value. Zimmerman *et al.* (2001:22) also point out three additional disadvantages of such models:

- These models completely ignore certain business management aspects like competitors' strategies or general market developments. These factors could easily affect a brand's development and ought to play a role in the valuation process.
- As indicated in Figure 3.1, behavioural models that usually measure brand equity elements have a considerable degree of subjectivity involved in choosing the factors to explain a brand's strength or value.
- In some models there is also the risk that some of the chosen variables may not actually be mutually independent, which creates a measurement challenge.

In the end, it can be said that psychographic or behaviourally-oriented models are useful for evaluating the customer-brand relationship and in investigating the value drivers of a brand. A monetary value is therefore not considered in these models. It is, however, vital to understand, interpret and measure brand equity indicators to assess the financial value of brands since they help explain consumers' purchasing behaviour, which largely determines the success of a brand (Lindemann, 2013:1). This author asserts that, unless they are integrated into an economic model, they are inadequate for determining the financial value of brands. These models should therefore rather be considered a form of brand evaluation and not brand valuation and must preferably be used in circumstances where a qualitative output is helpful (Mysicka, 2009:25).

3.7.3.3 Combined models

In the attempt to overcome the gap in financial and behaviourally-oriented approaches and their respective disadvantages, several researchers and consultancies have developed brand valuation models known as composite or combined models (Zimmermann *et al.*, 2001:23). A complete and robust assessment of the economic value of brands cannot be provided by approaches that are either driven exclusively by brand equity measures or financial procedures (Lindemann, 2013:1; 2004:36). Combined models are therefore a mixture of clear financial inputs and behavioural aspects (Mysicka, 2009:40). The market share (which results from customer demand that generates revenues for a brand through purchase behaviour) is determined and a comprehensive exploration of customers is performed to analyse the parameters of financial models and ultimately arrive at a brand value (Laidler-Kylander, 2007:26; Mysicka, 2009:11; Jokanovic, 2005:24).

In effect, quantitative and qualitative factors are drawn together in these types of models to calculate a monetary value for the brand (Zimmermann *et al.*, 2001:23). It can therefore be said that combined models rely on income-based approaches but also consider other measures to determine a brand's value. Combined models have been generally well-received, amongst which Interbrand's approach has been most widely cited, adapted and revered by academics and practitioners (Interbrand, 2013:1, 2012:1; Gerzema, *et al.*, 2007:27; Zimmermann *et al.*, 2001:23; Laidler-Kylander, 2007:26; Laforet, 2010:40; Salinas, 2009:221). It was therefore deemed appropriate to briefly discuss this method.

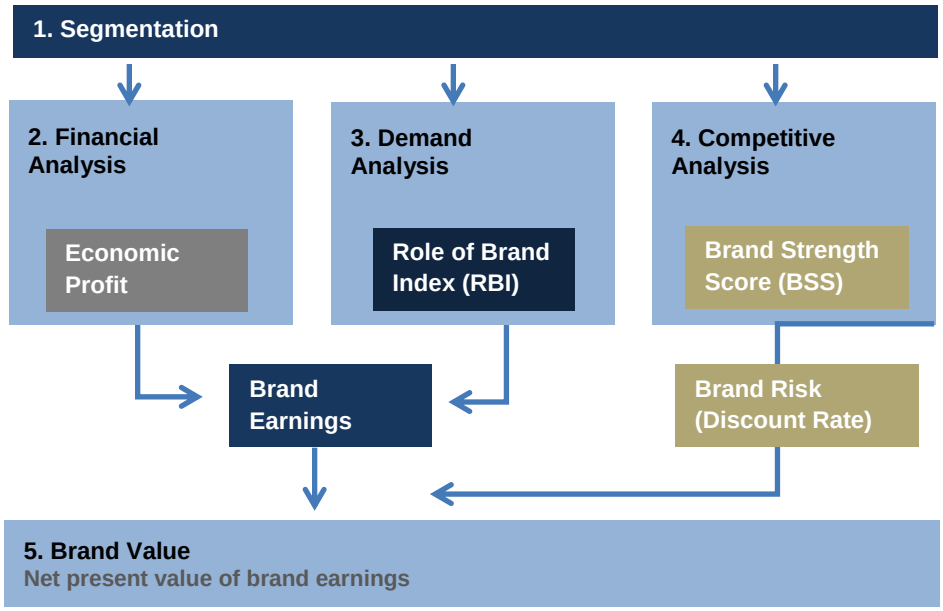


Figure 3.3: Interbrand's brand valuation methodology
Source: ***Rocha (2012:6); Interbrand (2013:1)***

In short, the Interbrand's valuation methodology is a marketing measure that reflects the security and growth prospects of the brand as well as the financial measure that reveals the potential earnings of the brand. The Interbrand model employs an economic-use method to capture the profitability directly due to the brand itself by applying a five-stage process (Salinas, 2009:223; Laidler-Kylander, 2007:26; Lindemann, 2013:1; Interbrand, 2012:1; Rocha, 2012:2-3; Abratt & Bick, 2003:32):

Stage 1 - Segmentation this stage identifies the basis for the financial and demand analysis by determining the main homogeneous client groups. According to Interbrand, brands vary from sector to sector which depends on the product type, its distribution and other market factors. Brand value can thus only be calculated accurately through the separate evaluation of individual market segments that represent a specific group of consumers who display similar characteristics.

Stage 2 - Financial analysis: this is done to arrive at 'intangible earnings' specifically attributable to a brand, where Interbrand determines the EVA or Economic Value Added. This indicates if an organisation has the capability of generating profits that exceed the initial capital costs.

Stage 3 - Demand analysis: in this stage, Interbrand establishes the role of the brand in terms of how much profit it has generated for the company or rather, the percentage of 'intangible earnings' attributable to the brand. Interbrand refers to this as the 'Role of Brand Index', which is expressed as a percentage in the end. This index is based on seven factors with allocated weightings to each namely:

- Market (10% - whether it is stable, growing or has barriers to overcome first)
- Stability (15% - whether it constantly demands customer loyalty because it has been established for a long time)
- Leadership (25% - leading brand in the sector in which it it competes)
- Trend (10% - indicates where the brand is heading)
- Support (10% - extent of support it has received)
- Internalisation/Geography (25% - brand strength in the international arena)
- Protection (5% - capability of the company to protect the brand).

Stage 4 - Brand strength analysis: This analysis is undertaken to arrive at a brand strength (the brand's capacity to generate demand) score. This yields a "brand risk" which is expressed as a discount rate, to the previously calculated brand earnings, resulting in a brand value. The brand strength score (0-100) is identified by ten specific attributes or evaluation criteria namely: clarity, commitment, protection and responsiveness (internal); together with authenticity, relevance, differentiation, consistency, presence and understanding (external). When conducting client valuations, Interbrand considers each criterion and makes the necessary adjustments to reflect the unique context of the specific brand and sector**.**

Stage 5 - Brand value calculation: Finally, the discount rate is now applied to the brand earnings, which then indicates the sum of the present value, which is the brand's value. Brand strength inputs are therefore combined with a financial model of the organisation to determine how capable the brand is in creating economic value for its owner.

The main advantage of this method is that it is widely accepted in practice and academic literature and takes most aspects of branding into account to determine a monetary value for a brand. The major drawback is thus the latter – emphasis is placed on the monetary value, even though other aspects are accounted for.

Demand drivers, their relative importance and the role of brand index is a rather subjective process, even when based on statistical analysis of market research data (Salinas, 2009:230). This author and Aaker (1996a:314) also assert that brand strength factors may be interrelated, which can yield a prejudiced result and influence the reliability. Uniform factors and weights are used across all sectors, regions and categories. This makes Interbrand's methodology less flexible to exceptions in brand environments and unique compositions. This has an effect on calculating the discount rate, as parts of the risks usually included in the discount rate have been factored into the Brand Index score are subjective. Differing views in how discount rate should be calculated also raise some questions to this method. Aaker (1996a:314) finally states that "…the Interbrand system does not consider the potential of the brand to support extensions into other product classes. Brand support may be ineffective; spending money on advertising does not necessarily indicate effective brand building. Trademark protection, although necessary, does not itself create brand value." Thus, though it is practical and effective, the most revered brand valuation methodology also has its inadequacies to take into account.

Concluding on the combined methods, Zimmermann *et al.* (2001:23-24) again provides the most adequate description of the major drawbacks such models may have: Firstly, there seems to be a built-in imbalance between the types of determinants when the brand value is calculated - that is, a lot of models are likely to be dominated either by the business (financial) aspects or by the consumer-oriented perspective. Another disadvantage may be the high degree of subjectivity involved in the choice of factors contributing to brand value within the various models and in the relative weightings of the factors. Lastly, these authors state that such models are often incapable of adapting to differing valuation needs. This implies that the applied method often remains the same regardless of the unique purpose or situation of the brand.

Based on the discussion above, it is clear that a brand can be valued in many ways. Despite the classification of models provided, various models have created considerable heterogeneity in measurement of brand value. For this reason, standardisation has recently been proposed as a way of providing homogeneity, and is discussed in the next section.

3.8 STANDARDISATION

As previously stated, the many existing brand valuation approaches can easily create confusion for organisations that would like to value their brand. It was also mentioned earlier that different consultancies use different methods and key assumptions regarding brand value and its measurement (Haigh, 2011:32). This could possibly damage the credibility of achieved results.

For example, if one were to ask several different global valuation consultancies (like Interbrand, Millward Brown, Brand Finance, Intangible Business) to each determine a specific brand's value based on the same set of data, one would most probably get several different results. This is where the International Organisation for Standardization (ISO) 10688 has recently attempted to provide a solution to this type of situation.

ISO is a global federation of national standard setting bodies. In 2007, a task force was set up to draft an International Standard ('IS') on monetary brand valuation (Brand Finance, 2010:32). The initial foundation document of the Standard was based on a draft document prepared by the German Standards Institute, DIN (Brand Finance, 2011:3). After three years of deliberation, the Standard was released. ISO stipulates principles that ought to be adopted when conducting a monetary brand value measurement specifically (ISO, 2010:1). This Standard also intends to be applicable to various valuation situations (see Table 3.1). The scope of ISO includes the following: objectives and bases of valuation, approaches and methods to valuation, sourcing of quality data and assumptions and guidance regarding reporting results of such valuation (ISO, 2010:1; Brand Finance, 2011:3; Brand Finance, 2010:34-35). Each aspect is discussed below:

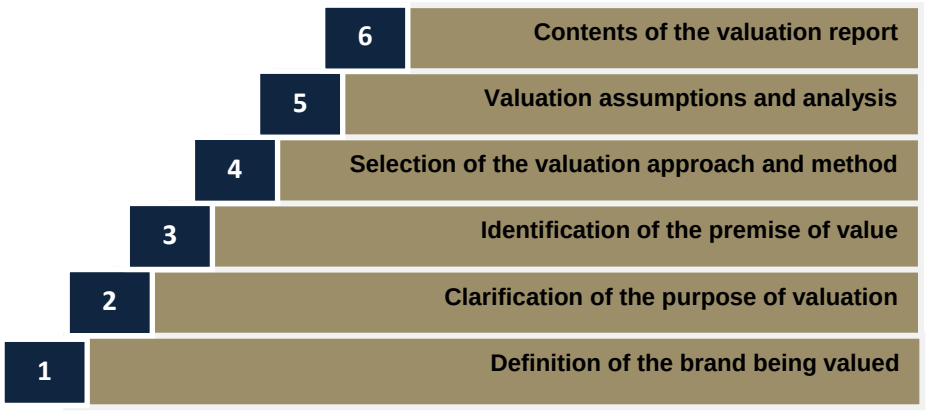


Figure 3.4: Scope of ISO for brand valuation
Source: Brand Finance (2011:4)

- ***Definition of brand being valued:*** A more specific description is required in a valuation report and specific terms for the subject of the valuation ('brand') need to be clarified. Different uses of the term 'brand' heighten the need for clarity in this regard. In some instances it refers to a trade mark, on other occasions it refers to a bundle of intellectual property such as recipes, formulations and design rights, in addition to trade marks.
- ***Purpose of valuation:*** It is important that those valuing the brand should state the purpose of the valuation and the audiences to whom the report is addressed. The purpose of the valuation can guide the premise of value and the scope of the report.

- ***Premise of value:*** The Standard defines the premise of value as “the assumption regarding the most likely set of circumstances that can be applicable to the subject valuation.” Value is in the eye of the beholder, so it is essential to determine whether an asset is to be valued from the perspective of a typical purchaser (market value), a specific purchaser (investment value), or an unwilling seller (liquidation value). In most commercial situations market value is the appropriate premise. The monetary value of a brand shall represent the economic benefit conferred by a brand over its expected useful economic life.
- ***Selection of approach and method:*** The valuer is given the opportunity to select from a range of valuation approaches and methods. The three approaches have been discussed in brief in previous sections above (income, cost, market). The cash flows (or other measures of brand earnings) used in a brand valuation are intended to be those cash flows that can reasonably be attributed to the brand.

  Various methods are available to determine these cash flows, of which the Royalty relief method is preferred amongst many.
- ***Valuation assumptions and analysis:*** The information requirements of the Standard will vary depending upon the approach and method that has been selected. General requirements specify that a valuation must use valid and relevant inputs and sufficient data; it must be based on assumptions and conclusions that are reliable to produce comparable results; and should objectively take financial, behavioural and legal parameters into account. Financial data referred to in the Standard includes aspects such as tax, the discount rate, long term growth rates and the useful economic life of the brand. An assessment of the brand situation in the market and of relevant shareholders’ perceptions of the brand in comparison with its competitors must also be done. In the end, it is important that this information indicates how much of the total cash flow is attributable to the brand and must also consider all economic benefits resulting from the brand's functions in the context of the branded business.
- ***Valuation report:*** The Standard provides a check list with certain aspects that are mandatory to disclose in every valuation report. In addition to the six steps discussed above, these aspects include: the position and status of the valuer; the audience to whom the report is addressed; the date of the report and date at which the brand has been valued; data sources used; and the limitations to the scope of the valuation.

Based on this, it is clear that the Standard aims to provide robust guidelines as to how brands can be valued more plausibly and effectively.

The main advantage of such a standard is that valuation has clearer boundaries to apply and the results could be better compared. However, though standardisation can strengthen and enhance current models' popularity in terms of their usefulness and proven applications, the question is whether it is suitable as a solution for all types of organisations; which has been the initial challenge for many years. There is no doubt that it can provide an organisation like SATSA with some direction to valuing their brand, but SATSA operates in the context of tourism and is uniquely characterised by its non-profit member-driven elements. In this case, monetary brand value is therefore not the most significant determinant of value for brand management.

Though the Standard is a useful barometer for monetary brand valuations, it appears to lack a certain level of flexibility. The provision of sector- and brand-specific guidelines for 'special' brand value measurement situations like SATSA or other tourism brands would be more helpful in this regard. For this reason, a contextual analysis for measuring brand value as it pertains to SATSA was discussed (see 3.7.1 and 3.7.2). The next section provides an evaluation of measurement methods regarded most appropriate to SATSA's unique context.

3.9 EVALUATION OF MEASUREMENT METHODS

The following section provides an evaluation of selected measurement methods regarding brand *value*, which are based on the criteria as previously discussed (see 3.7.2). Table 3.2 outlines the measurement methods and the criteria each could address respectively. The methods are consequently discussed.

Table 3.2: Evaluated measurement methods according to set criteria

Source	Method of measurement	Criteria met
Interbrand as discussed by Daily (2009)	Why not-for-profit businesses should value their brands	• Brand composition (non-profit) • Output (combined) • Type of construct (brand value)
Cone (2009) in collaboration with Intangible Business	The Cone Nonprofit Power Brand 100	• Brand composition (non-profit) • Output (combined) • Type of construct (brand value)
Mysicka (2009)	Designing a model for the valuation of tourism brands based on an empirical study	• Operational context (tourism) • Brand composition (destination brand) • Type of construct (brand value) • Output (combined)
Lisheng & Pan (2009)	Brand value promotion of the hotel service industry – structure framework of a value chain	• Operational context (tourism/ hospitality) • Brand composition (hotel brand) • Output (evaluation) • Type of construct (brand value)

Source: developed by the author

3.9.1 Discussion of evaluated methods

The limited research that has been devoted to non-profit management has extolled the merits of managing the non-profit brand and the significance of brand *equity* for non-profit organisations (for example, Ewing & Napoli, 2005; Ritchie, Swami & Weinberg, 1999; Van Niekerk, 2007; Laidler-Kylander, 2007; Drucker, 1990). However, very little has been written to date, specifically about brand *value* in non-profit organisations. Van Niekerk (2007:31) states that larger non-profit organisations are following a trend similar to many commercial businesses, where the main focus is on financial metrics that can be presented in figures and percentages, but the value of an organisation's intangible assets are not considered.

Many international non-profit organisations' brand values are apparently on par with major international for-profit businesses and they command extraordinary levels of trust (Laidler-Kylander, 2007:42). However, it is important to note that this mainly applies to organisations like the well-known World Wildlife Fund (WWF), the United Nations (UN), Amnesty International, or the Internaitonal Federation of Red Cross, which all receive huge amounts of money as donations to further a cause on an extensive global scale.

Compared to the latter, SATSA is only about 700 members strong and is therefore considered more of a 'niche' non-profit organisation despite its relatively decent member numbers in the industry in which it operates. Even so, brand building activities within non-profit organisations still seem to be limited. This is quite problematic in the non-profit sector where the intangible inherent nature of many of the services provided makes it harder to measure. Laidler-Kylander (2007:42) further provides the following statement on measurement models in the non-profit field: "The lack of an explicit non-profit brand equity model is a problem for international non-profit organisations and may partly explain the reticence to date of non-profits to actively manage their brands." She further states that the apparent differences between non-profits and for-profit organisations would rather permit a new model with explicit guidelines for effective brand equity management, instead of merely applying an existing brand equity model (if one could even decide which one of the countless existing for-profit models is most relevant). There seems to be limited evidence of measuring brand equity and even less indication of brand valuation in this sector.

Interbrand as the pioneer and leading specialist in the field of brand valuation has developed a proprietary approach for valuing non-profit brands by adapting their traditional brand valuation methodology used for commercial businesses (Daily, 2009:1). Central to the method is the concept of 'branded economic advantage'.

This is a measurement to capture how much more resources would a non-profit organisation have for their cause because of their brand. This method involves two steps. They first begin with a benchmark analysis, by comparing the organisation's revenue and cost line performance to other non-profit organisations. This analysis covers aspects such as the amount of revenue generated per unit of capital controlled by the organisation and generated per employee; the pay levels of the employee; as well the extent to which potential resources for the cause are used for overheads. The second step is more in line with Interbrand's traditional brand valuation method. This is to establish the role and strength of the brand in generating and sustaining the advantage (see explanation in 3.6.3). The role of the brand and brand strength are then applied to the economic advantage to create a "net present financial value" for the brand. This method was practically applied to the Royal College of Art. At the end of 2008, the Royal College of Art brand was valued at £57 million. This showed that the brand had created immense economic value, so that the organisation can re-invest resources to build more brand strength and strengthen its case for funding from government.

The main advantage of this method is that it explains the importance of the brand in driving the economic advantage (expressed as a percentage) and its ability to sustain that advantage (expressed as a discount factor). It is also beneficial for identifying brand equity aspects expressed as the factors of brand strength, which has been useful for many types of brands like non-profits, and therefore can also be useful for a brand like SATSA. However, in the South African tourism industry in particular, SATSA does not necessarily have a benchmark for comparing its generated revenue to other member-driven non-profit organisations which limits the acquisition of financial performance data. Placing SATSA among 'competing' organisations in this regard would also not really be plausible, given the lack of publicly available information on 'brands' especially among such types of organisations or other quality assurers (like the Federated Hospitality Association of South Africa, FEDHASA, Guesthouse Association of South Africa, GHASA; Association of South African Travel Agents, ASATA, the Tourism Business Council of South Africa, TBCSA) in South Africa. SATSA also *represents* these types of organisations in the industry and therefore does not really compete with them.

Even with a financial value formally calculated, it is not as relevant to determining brand value in the non-profit context of SATSA as might be other factors. As previously stated, the monetary value gained from membership can be an *indicator* of the brand's value, but is not the ultimate 'be-all-and-end-all' defining factor of its value. This study rather focuses on what SATSA membership is worth in various forms of value provided to members and is therefore of more importance to measure. The monetary calculation of this method was therefore not deemed applicable to this case study.

Companies like Cone (a pioneer in the field of Cause Branding) and Intangible Business (United Kingdom-based brand valuation consultancy) partnered together to determine the top 100 non-profit organisations in America (Cone, 2009:5). Intangible Business initially released 'The UK's Most Valuable Charity Brands' in the years 2005 and 2006 and this approach was replicated for American non-profits. To determine the top 100 non-profit organisations, they began compiling a list of the nation's largest non-profits, resorting to income-based and private support rankings (like 'Nonprofit Times Top 100' and 'Forbes Largest Nonprofits') to identify them. Next, they filtered the list according to certain criteria. These included aspects such as the organisations' tax status; those exclusively dedicated to social, environmental and/or animal services (other organisations like museums, performing arts centres, universities/colleges and non-secular organisations were excluded); their location (in this case, America); geographic reach (delivering services to audiences on local and international level). In this valuation, brand value is driven by three aspects:

- Brand image, which indicates their status and relative strength, derived using a spectrum of measures from consumers (i.e. asking to rate the each non-profit brand based on their familiarity and the personal relevance the brand has for them) and other supplementary aspects (like the percentage of total revenue resulting from direct public support).
- Revenue: which includes, but is not limited to direct and indirect public support, government contributions and alternative revenue streams.
- Inclination to future growth: indicating the compound annual growth rates derived from reported financial data, which is then adjusted to reflect the non-profit brand's long-term capability to grow.

Brand value was then calculated as "…the amount a non-profit would be willing to pay for its brand, if it did not already own it, determined by how much money the brand contributes to the organisation. This approach is called the "relief from royalty methodology" as it calculates how much the brand owner is relieved from paying by virtue of owning the brand. This is the mainstream valuation methodology as it is based on commercial licensing activity and can be benchmarked accurately." (Cone, 2009:31). These specialists assert that non-profit brands are powerful because of their ability to generate incredible amounts of revenue, which puts them on par with some of the nation's largest companies. Brands' earning power played a major role in ranking them from one through to 100 respectively.

Similar to Interbrand's methodology discussed above, these findings present some helpful guidelines that can be offered by combined methodologies regarding the role of revenue and financial performance in assessing a brand's value in the non-profit sector.

The ‘filters’ provided beforehand for choosing relevant non-profits are also beneficial for narrowing down the options. Its equity element, brand image, was presented as an image score, and then ranked as a percentage for each non-profit brand. Even so, this methodology is less useful since it regards financial value as the final value of those brands. Another limitation to this method is the fact that it only focuses on non-profit organisations devoted to environmental, social and/or animal services. This method is therefore not ideal for an organisation like SATSA, since it primarily operates in the tourism industry and is more narrowly focused on providing services and benefits to a specific target audience (members) and not the general public who seek to ‘bond’ with or support a charitable cause.

In terms of tourism, Mysicka (2009) developed a novel model for the brand valuation of destination brands with specific focus on Arosa, a famous Ski Resort in Graubünden, Switzerland. This model used the ‘royalty-relief’ method as basis, which is usually regarded as an income approach to brand valuation focused on the pure income of the brand. In short, the royalty relief method is based on the assumption that if a brand has to be licensed from a third party brand owner (like Arosa), a royalty rate on the income it generates will be charged for the privilege of using the brand. By owning the brand, on the other hand, such royalties are avoided. This method involves estimating expected future sales and then applying an appropriate royalty rate to arrive at the income attributable to brand royalties in future years. The stream of the estimated brand royalty is then discounted back to a net present value, which is the brand value (Haigh, 2000:11). Mysicka defined the license rate with the help of an indicator catalogue, which was made applicable to tourism destination brands. Since the 23 indicators were not all independent, they could be divided into six factors. After an initial interview with selected service providers and managers operating in the tourism industry that had knowledge regarding destination branding and/or valuations, these experts were asked to allocate points to the destination on each indicator.

Some of these indicators were more than just a pure brand evaluation and assessed other important destination characteristics. The reason for this is that “…tourism destination brands are much more imbedded in the destination than a regular brand in its company. It is just more difficult to make a clear cut between a destination and its brand.” (Mysicka, 2009:98). Then the scores were totalled with help of weighted factors. The most important factor was the income source and potential with 25%. The reason behind this is that a license rate should be mostly affected by the financial power of a brand. This total then formed the basis for the conversion into a specific license rate.

The use of the indicator catalogue showed items that were constructed for the qualitative evaluation of the brand (that is brand equity). The highlighted sentences indicate the items that were analysed for each factor, as shown in Table 3.3. These indicators could then translate into a financial value with the conversion of the score on the indicators to the license rates.

Based on the forecast of earnings the brand would bring in, the virtual royalties for the next ten periods could be calculated. The availability of concrete numbers (like sales volumes) to calculate the financial value appeared to be quite a challenge due to information disclosure concerns in the industry. Figures provided for Arosa's brand value are therefore regarded as approximate estimates, but could still provide a good overall picture. The stream of the estimated brand royalties was then discounted back to a net (remaining) present value, which is the brand value for the tourism destination. This method therefore evaluated qualitative elements (indicator factors of brand equity and other destination characteristics) and then transformed them with the help of virtual licenses into a monetary brand value.

Table 3.3: Indicators for tourism destination brands

Indicators	Factor	Factor name	Explanation	Weighting
I, II, III, IV, V, VI	1	Income source and potential	The number of overnight stays, combined with the guest structure, the expenses per day, and all other indicators that give information on the income source and the potential of the brand, in respect to the income belong to this factor.	25%
VII, VIII, IX, X, XI, XII	2	Entire communication	These indicators show the effort and the effectiveness of the online and offline communication.	20%
XIII, XIV	3	Innovation capability	This factor tells how many projects can be and actually were implemented in that destination.	10%
XV, XVI	4	Multi-dimensions of environment	The structure of the wages, construction costs, capital, and the ecology can be summarized in a surrounding environment.	10%
XVII, XVIII, XIX	5	Dealing with customers/customer friendliness	How can the destination organisations satisfy and deal with theircustomers? How 'friendly' is it located?	15%
XX, XXI, XXII, XXIII	6	Distinctiveness of the supply	What makes the supply special? Places of interest, rankings, awards, and events are important here.	20%

Source: Mysicka (2009:99)

This author emphasises that both kinds of value (brand equity and brand value) are key to the management of a destination brand and therefore view this model as a form of a combined brand valuation method. The main advantage of this model is that it is a first of its kind in terms of valuing a destination brand in tourism and not just examining its equity dimensions.

However, the model seems to have been limited to a small number of local experts' opinions that may contribute to the brand's value as various stakeholders; but does not consider what tourists/visitors would ascribe Arosa's brand value to. The latter would maybe be able to provide a better view of brand value, since they are the primary consumers 'using' the destination brand. Yet, internal brand value within the Swiss tourism context can be vitally important for better service offerings to take place. Nevertheless, this model is problematic for the main reason that SATSA is not a regarded a tourism *destination* brand in its essence.

SATSA has unique characteristics relevant to the South African tourism industry and its intrinsic, abstract nature that need to be addressed in determining its brand value (i.e. being a member-driven organisation offering value to specific audiences who belong to it, as opposed to a destination of which SATSA can form part of the whole system functioning in a destination). As with combined models of brand valuation, the focus on a monetary brand value output of this destination brand outweighs the other qualitative aspects. This makes it a less suitable method for SATSA to use, since its members' perspective of the brand value ought to prevail over a monetary value equation.

Linsheng and Pan (2009) compiled a value chain adapted from marketing literature (Michael Porter's value chain theory) and the features of the hotel service industry to analyse the composition of hotel brand value. These authors therefore did not appear to develop a concrete model, but rather provided a framework from which hotel brand value can be analysed. This value chain can apparently be used to decompose a hotel's brand value into distinct value categories of every department and internal relations of the enterprise (hotel). This enables a better understanding of which of these categories or relations are connected to brand value and how the value of each category can be improved to reduce the cost and achieve the goal of improving overall hotel brand value for a better competitive advantage. Brand value is the basis of a differentiation strategy in the face of increasingly fierce market competition.

These authors argue that, to build overall hotel brand value, one has to consider its product value, service value, marketing value, and management value (also including culture value, since its engages employees to assist in building the brand, which aids in increasing customer loyalty). All components must frequently be improved through innovation so that the brand value of the hotel service industry and the overall profitability of the hotel can be increased. This was conveyed by means of a structured frame that showed how brand value progresses on the path of the hotel service industry in terms of its various components (see Figure 3.3):

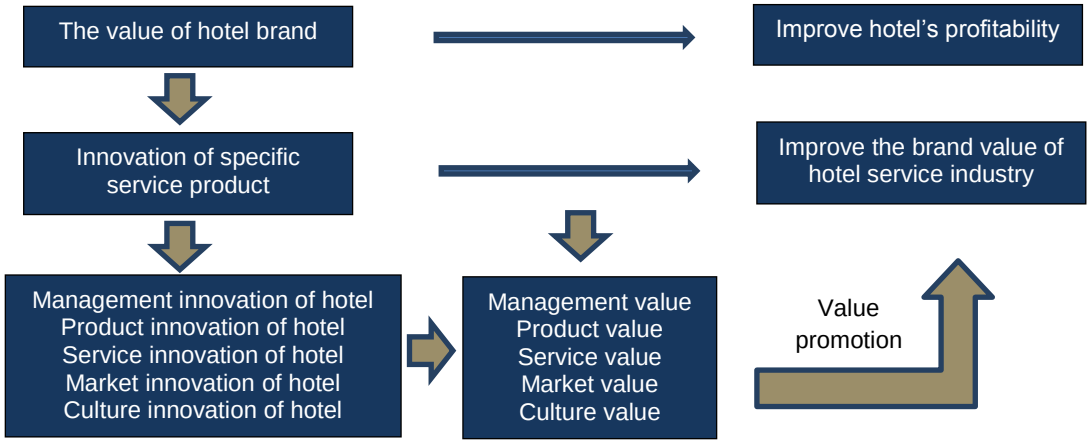


Figure 3.5: The structure frame of hotel service industry brand value
Source: Linsheng & Pan (2009:354)

This framework can prove useful to hotel managers in that it specifies where hotel brand value is created by stating the value categories applicable to such an industry. It is also indicates where value-building activities can take place through innovation, which will ultimately enhance a hotel's overall brand value in terms of its profitability.

Based on the framework, brand value and its promotion in a service-intensive industry is a multi-faceted concept and complex. This framework is limited in that it does not fully capture the brand composition of SATSA as member-driven non-profit tourism brand and has also not been tested on a specific hotel. The whole concept of brand value seems to be well explained in certain parts, where other parts tend to be vague and lacking in context-specific elaborations of the Chinese hotel industry. The theory on which the value chain is based, can also be questionable, since it is not as well known a method, nor is it explicitly explained.

However, the different value categories developed for a hotel's brand value in this study are a useful source for determining value dimensions for a brand like SATSA. This is because SATSA can partially be regarded a type of service to its members in the tourism industry and has many other value facets to consider than just profits, given its unique nature. As a result, this framework does have its merits in terms of adapting selected categories for SATSA's value dimensions, but, at the same time, is not regarded as a sound basis from which to develop an entire brand value model for SATSA.

3.9.2 Concluding remarks on available approaches

Based on the review above, it is evident that even the attempt to place a boundary to brand value as stipulated by the criteria has not been sufficient for obtaining a relevant model that can determine the brand of value of SATSA. The models that have been able to meet some or one of the stipulated criteria, however, have not entirely been able to satisfy all the requirements of SATSA's brand value, though they do, in principle, allow brands to be valued to a greater or lesser extent. This was highlighted in the inadequacies that have been described.

In terms of the operational context criterion, many brand measurement models in tourism are prone to measure brand *equity*, which is limited to destination brands (Pike, 2013; Gartner & Konecnik Ruzzier, 2011; Pike *et al.*, 2010; Boo *et al.*, 2009; Konecnik & Gartner, 2007) or hotel brands (So & King, 2010; Prasad & Dev, 2000). The fact that all measurement models were internationally conducted also highlights the need for research in this field as it applies to the South African tourism industry in particular. With regards to the brand composition criterion, brand valuation appears to have received recognition in both sectors of tourism and non-profits, but is limited and fails to address the unique fusion of these elements in assessing SATSA's brand value specifically. These methods are also adapted from marketing literature or commercial valuation specialists (like Interbrand).

It was also clear that most models use multiple dimensions of brand value/equity to discuss and measure it. Therefore, though some models are quite elegant in their approach, brand value as a construct again seems to be some sort of relative interwoven measure with equity, and is highly dependent on circumstances and perspectives. However, these models, and even more so in tourism, did not make provision for the interdependency between brand value and brand equity. Given the apparent absence of available approaches that can aptly meet SATSA's unique brand context, this study presents a more relevant, new model instead of selecting a single model and adapting it to the case study. This is subsequently discussed.

3.10 HYPOTHESISED MODEL FOR SATSA

As previously emphasised, the primary focus is to develop a brand value model for SATSA. It is also important to note that, to date, no models exist specifically for non-profit membership organisations in the tourism industry or in South Africa and it is this gap that is addressed by this research. Another aspect to take into account is the premise of brand value used in this study, which differs from that of other views due to SATSA's unique brand composition. This makes the process of developing a suitable model quite thought-provoking, but challenging at the same time.

Based on the extensive review and theoretical background of brand value and its measurement approaches, this study proposes a brand value model for a non-profit member-driven organisation in the South African tourism industry which contains context-specific value dimensions that determine its brand value. The model is conceptual in its approach and incorporates a variety of factors that contribute to brand value. This is done to better address issues such as positioning, target marketing, decision making and to meet the needs of SATSA members more effectively. That being said, the following figure illustrates the hypothesised model:

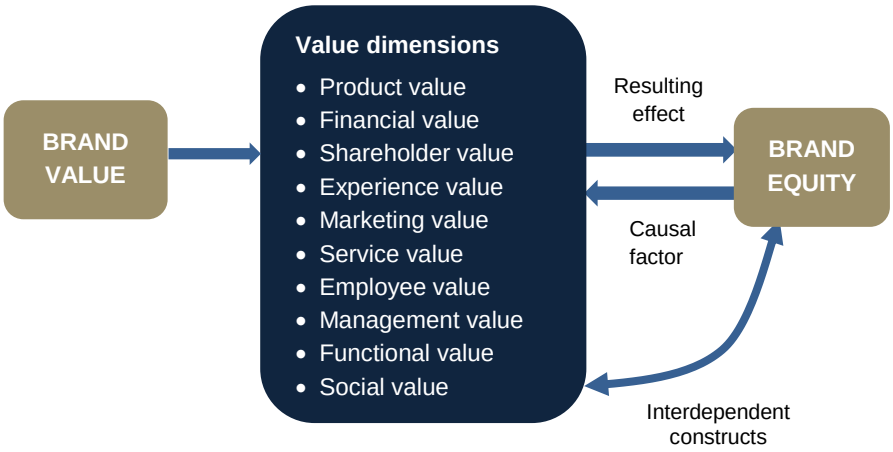


Figure 3.6: Hypothesised brand value model for SATSA

The theoretical groundwork for the model (Figure 3.6) is proposed below:

- As stated in Chapter 2, 'brand value' is conceptually defined as *the value brought forth by multiple identified value dimensions for a non-profit, member-driven tourism brand, as perceived by its consumers (members).* SATSA is not necessarily comprised of multiple shareholders in itself, since the members can collectively be seen as the key 'shareholder', resource and cause for the existence of the organisation for which brand value must be created.
- As concluded in 2.3, brand value and brand equity are regarded as related, yet separate, mutual supporting constructs.
- Brand equity drives brand value and brand value drives brand equity. For this reason, brand equity's role is not disregarded in determining and influencing brand value. Brand equity definitely carries a certain weight in constructing a brand's value and thus needs to be acknowledged.

- No single factor fully captures the richness of brand value. Multiple sets of factors must therefore be employed. Brand equity is seen as one of several aspects contributing to brand value, in the sense that it is an outcome (i.e. positive or negative) and a contributing factor of value, which then impacts on the brand's value.
- Brand value is not totally reliant on a brand's level of equity, but is connected to it. Brand equity should therefore be included in determining SATSA's brand value (e.g. in the questionnaire as a factor contributing to overall brand value).
- Brand value also influences brand equity to a greater or lesser extent through the various value factors (as shown in the figure above). Brand equity is thus the accumulated value of all associations and expectations consumers have of the brand due to all experiences, interaction with, and perceptions of the brand. This, in turn, impacts on the brand's overall value in a positive or negative way.

  Brand equity is therefore a valuable contributing factor in its own right to shaping a brand's value for a company, but SATSA's brand value is reliant on other value factors as essential ingredients to determine its brand's value as well, due to its unique nature. Put simply, brand value cannot be complete without brand equity as a key comprising factor. Brand equity cannot be complete without brand value factors to leverage it so as to impact on the brand's overall value. For example, SATSA as a service provider may have key factors contributing to its brand's value, like its quality assurance. This factor together with the other value factors may positively impact on the brand's equity, in that the quality reinforces consumers' (members') perception of the brand being worth their monthly membership fee and therefore contributes to SATSA being seen as a valuable brand.

  Members' loyalty and preference for the SATSA brand in the industry may then have a more desirable impact on the brand's value in that it can increase membership growth.
- The hypothesised relationships between the components are represented by the two arrows (resulting outcome and causal factor as influence/impact) and the arrow 'loop' (relationships between the constructs).
- In this model, the measurement of brand value is of managerial significance rather than a pure financial accounting exercise. However, it does have some form of 'financial' value that needs to be considered in measurement (see 3.7). Multiple value aspects (i.e. functional value, management value, etc.) *together with* 'financial' value therefore ought to contribute to SATSA's brand value, even though such a value may indirectly impact on the financial value in Rands and cents at the end of the day, (similar to Linsheng and Pan, 2009).

- This model therefore proposes a total of ten value dimensions that appear to be relevant for measuring the value of a non-profit tourism brand like SATSA, as identified in the literature in chapter 2 (see 2.6 for aspects contributing to a brand's value)
- The figure above also represents a dynamic, interactive example of value creation. Brand value creation is dependent on specific value dimensions, together with financial and equity dimensions, which are connected to each other to a greater or lesser extent.

3.11 CONCLUSIONS

This chapter has clearly illustrated that measuring brand value is by no means a straightforward process. Abratt and Bick (2003:35) agree that no single approach will give all the answers to a correct valuation. However, the various approaches, which differ substantially in their orientation, underlying philosophy and methodology, yield up results that vary just as much (Zimmerman *et al.*, 2001:24). An overview of brand value measurement provided insights into the background, origin, applications, challenges and methodological concerns.

Firstly, though brand valuation may be a relatively 'fresh' research concept and practically appealing to many, it is extremely intricate and lacks consensus on a variety of measurement levels. This seems to create more confusion than is conducive to 'hassle-free' measurement. A classification of measurement methods and models also revealed wide-ranging approaches to brand valuation (also see synopsis in Appendix B), indicating the interwoven, yet distinct views in literature and practice. For this reason, a premise for measuring brand value specifically for SATSA was required. This was done by firstly examining the terms brand valuation and brand evaluation. This section once again accentuated the lack of and several appeals to homogeneity between brand value and equity which, by implication, has infiltrated into measurement terminology as well. It was then established that an evaluation of brand value would be the most appropriate term to use for SATSA. Measurement approaches to brand value were subsequently evaluated according to a set of criteria: operational context, brand composition, output and type of construct. The main reason for applying such criteria was to reduce the clutter of methods and place the focus on SATSA's inherently fused nature as non-profit member-driven tourism brand.

There is no doubt that some of the measurement methods or models are well-adapted for their purposes in either typical non-profit or tourism contexts (destinations and the more 'classic' cases of service providers like hotels). However, it is important to note that the models are not based on the uniquely-fused nature of non-profit membership organisations in tourism and particularly in South Africa. These models therefore do not make provision for the specific aspects that could comprise such a brand's value.

Strong focus on cash flows (monetary value) or just equity tends to make existing measurement approaches less suitable to SATSA's context. The absence of a suitable method to examine brand value and its relation to brand equity in a non-profit, membership organisation in the South African tourism industry therefore highlights the need for constructing an original, tailor-made model for SATSA.

The hypothesised brand value model consequently proposes SATSA's brand value to consist of ten value dimensions. These dimensions include: product value (PV); financial value (FV); shareholder value (SHV); experience value (EXV); marketing value (MARV); service value (SERV); management value (MANV); employee value (EMV); functional value (FUV) and social value (SOCV). It is hoped that this model can contribute to helping SATSA understand how they are delivering value and how they can improve that value proposition.

CHAPTER 4



Method of Research

4.1 INTRODUCTION

The present study addressed the research problem regarding brand value in a non-profit, member-driven organisational context, such as the Southern African Tourism Services Association (hereafter, SATSA). The lack of research on brand value in tourism and especially within a South African tourism context has highlighted the need to conduct this study. Chapters 2 and 3 emphasised the unique nature of the SATSA brand, which warrants an alternative, more suitable premise and measurement for brand value. Brand value in this study is therefore considered to contain multiple value aspects of which 'financial' value and brand equity form part. These aspects were identified from marketing and selected tourism/non-profit literature, and were further categorised into value categories (dimensions), together with equity, that were deemed appropriate to SATSA's context. A hypothesised model for brand value for SATSA was consequently proposed so that it could be tested empirically.

This chapter will therefore focus on providing insights into the research methodology used for the empirical study. This is achieved in six sections. Firstly, the research orientation and paradigm of this study is specified, followed by the relevant research design used, as well as the literature review that provided the theoretical background to the study. The structure of the empirical research is then discussed; specifically focusing on the phases involved in conducting the research. This refers to the two phases used in the empirical study: phase 1 focuses on the development of the measuring instrument and phase 2 describes the empirical study/survey. The hypotheses to be tested are then presented, after which the final section of the chapter will discuss the statistical techniques used to analyse the data.

4.2 THE RESEARCH ORIENTATION AND PARADIGM

Research projects will differ in the way they are conducted as a result of a particular assumed research philosophy. A research philosophy is a belief about the way that the data of a particular phenomenon under investigation should be gathered, analysed and used (Wahynui, 2010:69). In the social sciences, researchers frequently study diverse and complex phenomena (Tuli, 2010:98).

Researchers must therefore choose the processes or methods through which sufficient knowledge for the project can be acquired. Within a social science framework, researchers generally employ different methodologies to describe, investigate and understand various social phenomena, which can usually be divided into quantitative and qualitative research approaches (Tuli, 2010:98; Jennings, 2001:20). These methodologies are directed by specific paradigms (Jennings, 2001:20).

Paradigms are usually referred to as fundamental assumptions and beliefs as to how the world is viewed, which provides a framework for guiding a researcher's behaviour and methodological approach (Wahyuni, 2012:69; Jennings, 2001:34). Research paradigms therefore address the philosophical dimensions of social sciences (Wahyuni, 2012:69). Jennings (2001:34) provides an apt description of how paradigms, methodology and methods are linked to one another: "…a paradigm is the overlying view of the way the world works; the methodology is the complementary set of guidelines for conducting research within the overlying paradigmatic view or the world; and the methods are the specific tools of data collection and analysis a researcher will use to gather information on the world and thereby subsequently build 'theory' or 'knowledge' about the world." For this reason, two major research paradigms, positivism and interpretivism, are briefly discussed. The purpose of this section of the chapter is not to investigate each paradigm in detail, but rather aims to provide the reader with a better understanding of the rationale behind the specific methodological approach chosen for the present study.

4.2.1 Positivism

Positivism has been the dominant paradigm of social sciences in the past (Tuli, 2010:98; Jennings, 2001:34). In essence, this research paradigm 'views' the world as being guided by scientific rules that clarify certain behavioural aspects of phenomena by means of causal relationships (Jennings, 2001:35; Trochim, 2006:1). Scientific explanation is therefore the purpose of a positivistic research paradigm (Tuli, 2010:99), which studies, measures and understands social phenomena similar to those of physical objects in the natural sciences. As a result, positivism is mainly grounded in quantitative methods, which are deductive and objective in nature (Jennings, 2001:38; Tuli, 2010:98; Ryan, 2007:20). Research conducted from this perspective therefore explains how variables interact, shape events and cause certain outcomes in quantitative terms (Tuli, 2010:100). The basic characteristics of the positivist paradigm are outlined in Table 4.1.

4.2.2 Interpretivism

The interpretivist paradigm is often regarded the 'anti-positivist' paradigm, since it was developed as a reaction to the objectivism of the positivist paradigm (Tuli, 2010:98; Cohen & Crabtree, 2006:1; Jennings, 2001:38). In contrast to the positivist paradigm, interpretivists argue that reality can only be fully understood if interaction with social phenomena takes place in its natural environment and is interpreted subjectively, thereby implying that social phenomena cannot be quantified or measured like physical objects (Tulli, 2010:100; Jennings, 2001:38; Cohen & Crabtree, 2006:1). Reality in this paradigm is therefore constructed and interpreted subjectively by each individual and becomes meaningful through social and experiential situations or contexts (Cohen & Crabtree, 2006:1; Jennings, 2001:38; Ryan, 2007:16,18). This paradigm therefore contends that multiple realities can exist as a result of multiple perspectives of reality and the world in which it functions (Jennings, 2001:39). Qualitative methods are therefore considered to be better suited to increase the understanding of why things are the way they are in the social world and why people act in certain ways (Tuli, 2010:98). Table 4.1 shows the opposing characteristics of the interpretivist paradigm compared to that of the positivist paradigm.

Table 4.1: Summary of research paradigms

Characteristic	Positivist paradigm (*Scientific*)	Interpretive paradigm (*Anti-positivist*)
Ontological basis *(How is the world perceived?)*	• Universal laws and truths can explain causal relationships/individual behaviour • Founded upon deductive logic • Precise empirical observations • To explain, discover or confirm 'reality' objectively	• Many interpretations and explanations of realities • Truths and meaning suitable to all situations and every research problem • Inductive approach to develop a basis for theory building
Epistemological basis *(Relationship between researcher and subjects /objects of research)*	• Objective • Observable phenomena provides credible data and facts • Value-free interpretations (no impact or influence on the results or findings)	• Subjective • Researcher becomes part of the natural environment • Investigator/researcher and object of investigation are linked
Methodological basis	• Quantitative • *Qualitative methods (e.g. observation) can be used, providing that assumptions and views are based on a reality which can be researched and described objectively*	• Qualitative
General methodological emphases	• Based upon measurable outcomes • Quantifiable observations • Testing of theories • Statistical analysis to evaluate results • Generalisation of findings for application across contexts • Surveys, questionnaires, case studies, experiments to capture primary data • Empirical testing and verification of hypotheses	• Interpretive outcomes • In-depth interviews, focus groups, observation • Theory building • Insider's perspective / expert opinions provided on a research question • Often relies on people's words as primary data
Application in tourism research	• Most dominant paradigm	• Emerging paradigm

Characteristic	Positivist paradigm (*Scientific*)	Interpretive paradigm (*Anti-positivist*)
Potential areas for research in tourism	• Social impact and economic studies • Marketing research studies • Tourism forecasting and modelling • Hospitality satisfaction studies	• Divers applications such as customer service evaluation or cruise-ship experiences, host-guest interactions, where researcher becomes part of that environment

Source: developed by author based on Jennings (2001:35-40); Ryan (200713-20); Tuli (2010:100-103).

Table 4.1 provided the main underlying theoretical assumptions, fundamental views and the methodology associated with each research paradigm. The different research methodologies represent different ways of viewing the world to observe, measure and understand the reality within a social science framework (Tuli, 2010:106). Based on the characteristics displayed above (see Table 4.1), the research paradigm followed in this study reflects principles of positivism. A quantitative approach was therefore employed to determine the brand value for a non-profit, member-driven organisation like SATSA in the tourism industry. This was necessary to address and capture the complexity and intricacy of brand value, as well as the nature of the SATSA brand in a more factual, measurable manner. As partially stated in Table 4.1, quantitative research is useful since it can obtains numerical and measurable information which can be analysed using statistical programs; it is fairly inexpensive and suitable for collecting a wide range of information (Muijs, 2004:7; Hair Wolfingbarger, Ortinau& Bush, 2010:78).

In addition to the highlighted aspects in Table 4.1, the quantitative approach was considered the most suitable method, since a large sample of respondents (members) was involved. The quantitative approach was also useful since every question could be asked in the precise same way for every respondent (Hair, *et al.*, 2010:78). This positivist paradigm was further considered appropriate, since a variety of aspects that contribute to brand value had to be identified to develop a context-specific measuring instrument for SATSA. This information was then used to gain insight into the current brand value structure and to determine factors contributing to brand value accordingly. This was particularly useful in collecting data from a large sample of SATSA's members, since SATSA represents various role players in the Southern African tourism industry. Specific hypotheses regarding the causal relationships between brand value and brand equity also needed to be tested and verified.

Overall, the researcher believes that a positivist paradigm embedded in quantitative methodology was best suited to address the problem under investigation, as well as the objective of this research: to develop a brand value model for SATSA. The various elements of the chosen research approach are provided in the following sections.

4.3 RESEARCH DESIGN

This section specifies the framework that was used to conduct this study, which refers to the research design. Although a quantitative approach to the research problem has already been established, the research design states the details to implementing that approach and thus guides the procedure of collecting and analysing data (Malhorta, 2010:102; Iacobucci & Churchill, 2010:58). According to McDaniel and Gates (2013:66) there is no such thing as a single best research design. The researcher must rather attempt to produce the best information possible together with the various constraints associated with the research project under which he or she must operate.

The research design therefore ensures that a study is relevant to the problem at hand and is cost-effective in executing the research process (Iacobucci & Churchill, 2010:58). Hence, different types of research are frequently applied and are classified into three basic types: descriptive, exploratory and causal. For the purpose of this study, a combination of exploratory, descriptive and causal research was used to meet the particular research objectives as stipulated in Chapter 1(see 1.6.2.1).

4.3.1 Exploratory research

The overall purpose of exploratory research is to gain insights and understanding into the general nature of a problem at hand (Iacobucci & Churchill, 2010:48; Aaker Kumar, Day & Leone, 2011:72; Malhorta, 2010:104; Hair *et al.*, 2010:36). Exploratory research is often used:

- to define or formulate a problem more precisely (Malhorta, 2010:104)
- where limited or no knowledge or data exist for a particular phenomenon that is being investigated (Jennings, 2001:17; Iacobucci, 2010:61; Aaker *et al.*, 2011:72)
- when ambiguous situations need to be explained (Zikmuind & Babin, 2013:48; Iacobucci & Churchill, 2010:61)
- to identify relevant variables and relationships for further examination (Aaker *et al.*, 2011:72; Malhorta, 2010:104)
- to identify possible alternative courses of action (Aaker *et al.*, 2011:73; Malhorta, 2010:104; Hair, Bush & Ortinau, 2006b:64)
- to develop hypotheses (Malhorta, 2010:104; Iacoucci & Churchill, 2010:63)
- to establish priorities for future research endeavours (Aaker *et al.*, 2011:73; Malhorta, 2010:104).

However, this type of research does not provide conclusive evidence and is rather regarded a means to an end in investigating a particular research problem. Examples of exploratory methods are shown in Table 4.2. Exploratory research may also make use of some forms of secondary data sources like conducting a literature review. This study is exploratory since an extensive review of marketing and tourism/non-profit literature (Chapters 2 and 3) was conducted to uncover insights into the nature of brand value, its relation to brand equity, and its key contributing aspects especially in the tourism environment. The fact that no empirical research on brand value seems to exist for non-profit, member-driven organisations in the South African tourism context, also indicates this research to be exploratory. This type of research therefore relates to the first two objectives of the study (see1.4.2 in Chapter 1).

4.3.2 Descriptive research

Descriptive studies aim to answer the who, what, when, where and how questions (Tustin, Ligthelm, Martins & Van Wyk, 2005:86; Hair *et al.*, 2010:36; McDaniel & Gates, 2013:66; Malhorta, 2010:106; Zikund & Babin, 2013:49). Put simply, this type of research attempts to 'paint a picture' of a given situation (Zikmund & Babin, 2013:49). Descriptive research can therefore shed light on relationships and/or the association between two variables and therefore aid the researcher in selecting variables for a causal study (Iacobucci & Churchill, 2010:59; McDaniel & Gates, 2013:67). In contrast to exploratory research, descriptive research necessitates an extensive understanding of the market situation and directs the study towards specific issues (Zikmund & Babin, 2013:51; Hair *et al.*, 2006b:64).

This understanding can partially be established by exploratory research. In descriptive research, specific hypotheses will be formulated prior to empirical testing, which assists in implementing the study, but may be tentative and speculative (Malhorta, 2010:106; Zikmund & Babin, 2013:51; Aaker *et al.*, 2011:73). Hypotheses are discussed in a later stage of this chapter. The main objective of descriptive research is therefore to describe the phenomenon and its relationships under investigation, but does not attempt to explain the reasons for it or the relationships that are present or provide evidence of causality (Jennings, 2001:17; Zikmund & Babin, 2013:51; McDaniel & Gates, 2013:67; Aaker *et al.*, 2011:73).

This study also employed descriptive research to define brand value in the context of a non-profit, member-driven organisation in the tourism industry, as well as providing an appropriate premise for value, given the unique nature of SATSA. It also attempted to answer the question as to what aspects encompass brand value and how value and brand equity are related to each other.

Specific hypotheses concerning the relationship between brand value and brand equity were also proposed. This method specifically addresses the third objective of this study, where descriptive statistical results of members' business profile and the specific factors resulting from the exploratory factor analysis (EFA) are discussed. The relationship between each identified factor and selected business profile aspects are further described.

4.3.3 Causal research

A causal research design is used to obtain evidence of the causal relationships between two or more variables (Hair *et al.*, 2010:36; McDaniel & Gates, 2013:67; Malhorta, 2010:113; Zikmund & Babin, 2013:51). This refers to whether one variable has an effect on or determines the value of another variable (McDaniel & Gates, 2013:67; Aaker *et al.*, 2011:74; Hair *et al.*, 2006b:64). For example, positive perceptions of the SATSA brand result in increased loyalty and length of membership. Causal research therefore provides the opportunity to *assess and explain* the causality between variables.

Broadly speaking, causal research is confirmatory in its approach in that it allows researchers to make causal inferences (Zikmund & Babin, 2013:52). Causal inferences refer to conclusions that are drawn when one thing happens and another specific thing will follow. A causal research design is thus useful, since quantitative methodologies are employed to examine variables and construct hypotheses for supporting or rejecting causal relationships between them (Jennings, 2001:18). Descriptive or exploratory research generally precedes causal research (Jennings, 2001:18; Zikmund & Babin, 2013:52). Causal research is multifaceted and complex, but generally ought to:

- establish appropriate causal order or sequence of events (e.g. x causes y to happen)
- measure the relationship between the presumed cause and the presumed effect or influence
- be conclusive in obtaining managerial results for taking action (Zikmund & Babin, 2013:54 Malhorta, 2010:114).

For the purposes of this study, causal research was also conducted to empirically measure the relationships between brand value and brand equity in the case of SATSA. Specific statistical analysis, such as SEM, was used for this purpose. This also relates to the third objective of this study. Causal inferences as a result of empirical findings can further be used to make specific conclusions and recommendations regarding the brand value of SATSA. Knowledge on this matter can therefore improve SATSA's strategic decision-making processes and value propositions in a more constructive manner for long-term growth and survival. Table 4.2 outlines the different types of research.

Table 4.2: Types of research

	Exploratory	Descriptive	Causal
Objective	• Gain insights and ideas for a research problem	• Describe phenomenon under investigation	• Obtain evidence in terms of causal relationships
Characteristics& uses	• Flexible and versatile with respect to methods • Formulate/define problems more precisely • Investigate phenomenon of which little is known • Develop hypotheses • Establish priorities for research endeavours • Clarification of concepts	• Prior formulation of specific hypotheses • Describe market characteristics • Make specific predictions • Estimate proportion of people who behave in a certain way • Describe relationships between variables • Planned beforehand • Understanding of market situation • Structured design	• Confirmatory/conclusive research • Measure effect on dependent variables • • Determine nature of relationships between variables • Planned, structured design • Substantial understanding of a research problem and its testable relationships
Methods	• Qualitative analysis • Literature search • Projective tests • Expert/ pilot surveys • Interviews • Case studies	• Quantitative analysis • Sample survey • Panels • Observation and other data	• Experimentation/ investigation

Source: developed by author based on Zikmund & Babin (2013:540); Malhorta, (2010:104); Iacobucci & Churchill, (2010:57).

At this point it is important to note that, although exploratory, descriptive and causal research may be classified into different groups of research, they are all interrelated (Iacobucci & Churchill, 2010:58; Malhorta, 2010:114). More than one type of research can thus be involved in a given research situation and the combinations in which research designs are employed will depend on the nature of the problem (Malhorta, 2010:114). The intricate research topic of this study required the use of all three types of research with the ultimate being causal research to develop the model. Additional aspects about how information was obtained and structured for measurement purposes are discussed as separate sections.

4.4 LITERATURE REVIEW

The theoretical framework of brand value and relevant aspects was investigated by means of a literature review. A literature review is a directed search and comprehensive examination of available secondary data information sources that discuss theory and/or present empirical results relevant to the research topic at hand (Zikmund & Babin, 2013:58; Hair *et al.*, 2010:51). A literature review is beneficial, since it:

- provides a contextual framework for the current study
- reveals whether existing information addresses the issue of interest
- assists in defining important constructs of interest to the study

- indicates methodological approaches that have been successful in researching similar topics (Hair *et al*., 2010:51).

In addition to this, a review of literature enables the researcher to generate ideas that can lead to hypotheses (Iacobucci & Churchill, 2010:62; Hair *et al.*, 2010:51). Hair *et al.* (2010:50) therefore assert that a literature review is an important step to better understand a research topic and support the conceptualisation and development of hypotheses. This was particularly important for the present study, due to the complexity of brand value and the unique nature of SATSA as a non-profit, member-driven tourism brand. Though the literature did not provide answers to the specific research question, it did offer insights to investigate specific relationships (i.e. brand value and brand equity) and the importance of aspects creating brand value. The literature for this study was further divided into two parts (chapters):

The first part (Chapter 2) placed brand value in focus. This was achieved by firstly discussing the role of branding in marketing and relevant definitions. Brand value and brand equity were then discussed. The focus shifted to the type of brand under investigation. Brand value for SATSA as a unique non-profit, member-driven brand in the tourism industry was then discussed, subsequent to which various aspects contributing to brand value were identified. Each aspect was applied to the context of SATSA, and was subsequently used to develop a suitable, context-specific measuring instrument. An initial draft set of items for analysis was therefore derived from this part of the literature review. The second part (Chapter 3) focused on the theoretical foundation for brand value measurement in terms of definitions, origin, measurement applications, obstacles to measurement, methodological considerations and classifications of models. Brand value measurement was also contextualised for SATSA and existing models were evaluated according to a set of criteria.

The comprehensive literature review in Chapters 2 and 3 ultimately assisted in gaining insights to develop a hypothesised model that could be tested empirically. Specific keywords were used for this literature review: *branding; brand value*; *tourism brand value*; *valuing brands; brand valuation; building brand value*; *brand management; brand value in non-profits;* and *Southern Africa Tourism Services Association (SATSA)*. Journal articles, books, theses, dissertations, quarterly publications, and other peer reviewed literature related to marketing, brand value, brand value/marketing in tourism and non-profits, were consulted in the information search process. Specific information search engines included indexes, library catalogues, multimedia and the Internet. Scientific databases such as Google Scholar, ScienceDirect, JStor, and Ebscohost were also used to search for the most appropriate publications and information.

Literature for the relevant statistical techniques used in this study (Chapter 4) was obtained from books on marketing research, other peer reviewed literature on statistical analyses, multimedia presentations on statistical techniques, as well as the Internet. This study incorporated both primary and secondary sources, which refers to the empirical survey and the intensive literature review respectively.

4.5 STRUCTURE OF THE EMPIRICAL RESEARCH

As indicated in Chapters 2 and 3, it was evident that a brand value measuring instrument for non-profit, member-driven organisations like SATSA does not seem to exist within the context of the South African tourism industry. It was therefore essential to develop a context-specific questionnaire that could aptly assess members' perceptions of brand value for SATSA. As a result, pretested items for the survey instrument (questionnaire) were primarily generated from a literature review, which identified aspects that could possibly contribute to brand value. The empirical research for this study therefore consisted of two phases (see Figure 4.1).

The purpose of Phase 1 was to develop a suitable measuring instrument (questionnaire) so that the brand value of SATSA could be assessed (see Figure 4.1). This was achieved by means of a pre-test amongst SATSA management, chairpersons and board members, as well as academic experts in the tourism and marketing research field. Brand value items were tested with this panel of experts for face validity purposes. By focusing on construct validity, the questionnaire items were examined based on whether they would correlate with each other as predicted by theory (literature review) with measures of different, but related constructs. This applied to phases 1 and 2, since both theory and data are evaluated when construct validity is examined.

Once the items had been reduced and grouped into the adapted value dimensions, each of these dimensions was empirically assessed (Phase 2). This phase determined the validity and reliability of the data, and thus indicated whether the questionnaire can be used for other types of non-profit, member-driven organisations in the South African tourism industry. As pointed out earlier (see chapters 2 and 3), SATSA members are the key component to sustaining this non-profit, member-driven organisation in the private sector of the tourism industry. The objective of this study was to develop a brand value model for SATSA and thus members' perceptions were primarily examined in the second phase of the research.

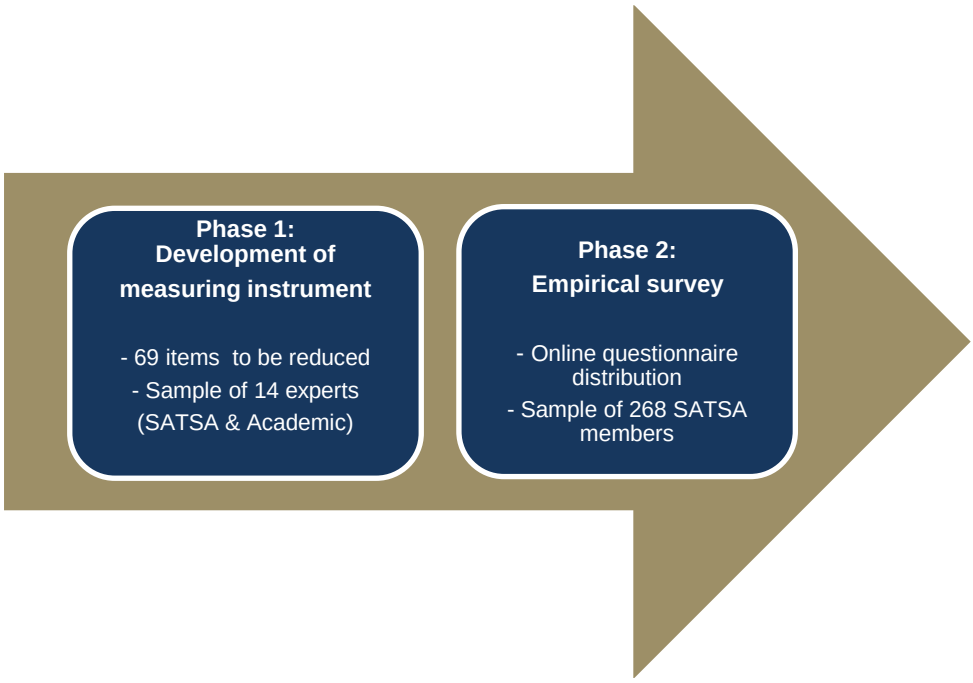


Figure 4.1: Two-phased structure of the empirical research

4.5.1 Phase 1: Development of the measuring instrument

The process of developing the measuring instrument is discussed below.

4.5.1.1 Objective

The objective of phase1 was to develop an appropriate measuring instrument so as to assess the brand value of SATSA.

4.5.1.2 Sampling procedure

In this phase of the study, specific people were approached who were expected to display knowledge and experience with marketing and/or branding aspects, as well as the brand under investigation (SATSA). Judgement sampling was therefore applied in this phase of the study. This approach aims to purposefully target specified respondents who are deemed most appropriate within the study's context (Jennings, 2001:139). The experts of the present study consisted of tourism marketing and marketing communication academia and prominent researchers from different tertiary institutions in South Africa, as well as SATSA experts (management, Chapter chairpersons and board members). This led to a total of 8 SATSA and 6 academic experts who agreed to participate in the first phase of the study. This was considered a suitable number to proceed with this phase given the knowledge and insights of these respondents regarding the topic. All respondents' details and statements in phase 1 further remained anonymous for confidentiality purposes.

4.5.1.3 Items and dimensions considered

Chapter 2 identified an array of aspects that could possibly contribute to brand value. This resulted in an initial set of 69 aspects (items) to be grouped into 10 value 'themes' or categories. As a general guideline to developing a multiple-item scale of measurement, it is commonly accepted that the larger number of initial items are generated, the better the final scale will be (Aaker *et al.*, 2011:265). These items and their value categories are indicated in Appendix A. Though *revenue* (2.6.2.1), *low-priced brands* (2.6.2.7), *sales* (2.6.2.8) and *advertising expenditure (2.6.5.8)* were well-confirmed in literature as aspects that may conventionally contribute to brand value in a more commercial environment, these items were not considered in this study due to the non-profit, member-driven character of SATSA (see Chapter 2). The importance of the remaining 65 items within the 10 value categories (dimensions) was therefore determined in this first phase. The number of items per dimension is depicted in Table 4.3.

Table 4.3: Initial number of items per value dimension

Nr.	Dimension	Number of items
1	Product value (PV)	7 items
2	Financial value (FV)	7 items
3	Shareholder value (SHV)	5 items
4	Experience value (EXV)	11 items
5	Marketing value (MARV)	10 items
6	Service value (SERV)	6 items
7	Employee value (EMV)	7 items
8	Management value (MANV)	5 items
9	Functional value (FUV)	3 items
10	Social value (SOCV)	4 items
Total number of initial items		65 items

4.5.1.4 Operationalisation of dimensions

The measuring instrument (questionnaire) was then constructed to operationalise the dimensions. In this study, 10 different types of value categories (dimensions)were operationalised to assess SATSA's brand value. This was accomplished by considering how the multitude of items identified in the literature relate to each other, and by drawing inspiration from the structural framework of Linsheng and Pan (2009), who also compiled various value dimensions, but in a different context. As applied in Chapters 2 and 3, the operationalisation was adapted and phrased so as to reflect the specific brand being studied (SATSA) and the objectives of the present study (refer to 2.6.1 - 2.6.10 for a description of each value dimension).

4.5.1.5 Questionnaire development

It was imperative that each construct in the brand value model for SATSA consisted of multiple items that were specific to SATSA's unique context. A direct application of branding principles that are often developed for tangible products or services may not only be incompatible with the SATSA brand, but may also neglect specific areas needing attention. For this reason, an initial questionnaire was developed. Given the unique fusion of the SATSA brand, it is important to note that the items were derived from various literature, and were therefore not all suitable for research in the context of SATSA. The items depicted in Appendix A were, unavoidably, reformulated so that they could aptly measure brand value for SATSA. However, effort was made to adapt each item in such a way that its original meaning and essence was not changed. The initial questionnaire contained 65 items to measure the 10 dimensions of brand value. The selected experts were required to indicate the level of importance of each listed item according to its relevance, (and therefore its importance), and contribution to the brand value of SATSA. In other words, this phase did not require respondents to assess the value of the brand, but to evaluate the importance of each item in assessing the value of the SATSA brand from members' perspectives instead.

These expert opinions therefore assisted in reducing the number of items to be included in the final questionnaire, which was distributed amongst all SATSA members at a later stage in the research process. A five-point Likert scale of measurement was used to rate each item with the following options: 1 – Not at all important; 2 – Less important, 3 – Important, 4 – Very important to 5 – Extremely important. Open-ended questions pertaining to brand value for SATSA were also included prior to the assessment of the items. The questionnaire was developed in a user-friendly, protected document in Excel format to enable ease of access and 'hassle-free' completion.

4.5.1.6 Data collection

A preliminary e-mail survey was conducted among the group of SATSA and academic experts. Pre-testing obtains information from people representative of those who will be questioned in the actual survey (Hair *et al.*, 2010:39; Malhorta, 2010:354).In this pre-test, SATSA and academic experts were contacted telephonically and via e-mail, in which the reasons and process of the research were explained, subsequent to which respondents were solicited to participate in the study. The sent questionnaire was accompanied by a letter that once again stated the purpose, question and process of the research (refer to Appendix C). Participants were then asked to complete the initial questionnaire and comment on issues such as the clarity of instructions and questions, and anything that was perceived to be potentially difficult or confusing.

Since a new measuring instrument (questionnaire) was being developed, this phase not only required participants to rate items, but also allowed them to adjust and add items to the questionnaire, and to evaluate the applicability of each value dimension. The questionnaire was therefore pre-tested so as to ensure the relevancy, readability, validity and conciseness of the content (Aaker *et al.*, 2011:265). Given the concise format, participants were given two weeks to complete the questionnaire, of which all responses were collected within the allocated time frame. Each questionnaire was returned upon completion, whereafter the researcher proceeded to make the necessary adjustments. The initial questionnaire with its scale items and other questions is shown in Appendix C.

4.5.1.7 Evaluation and refinement of the questionnaire

According to the layout of the initial questionnaire, respondents in this phase were firstly asked to provide their opinion on what brand value means to an organisation like SATSA. This was done to gain insights and recommendations that could be considered in the design of the measuring instrument (questionnaire) to be sent out to members in phase 2 of the research. Collective statements of respondents regarding brand value included:

- Brand value should represent what the brand stands for in the eyes of members on local and international level
- Brand value is about recognition as a credible business operator
- It is the reason why members want to associate with the brand
- Brand value provides the industry with a collective voice to discuss and address issues that are pertinent to members' needs
- The values associated with the brand such as, unity, lobbying, understanding, trust, community, service, communication, knowledge
- It is an endorsement and promise of quality that influences decision-making and must be promoted

Respondents were also asked to state, from a members' perspective, what they view as the most valuable service/product that SATSA delivers its members, which included statements like: networking opportunities, industry knowledge, credibility, and an endorsement of quality. Based on the experts' assessment in the second section, the initial pool of items for the present study could be modified and reduced. Aaker *et al.* (2011:265) assert that the larger the multiple-item scale, the greater the reliability, but shorter scales are often easier and less intimidating for the respondent to answer. On the other hand, too many items in the item pool eventually result in an 'overload' of items in the questionnaire and can intimidate or exasperate respondents.

This can result in respondents completing the questionnaire less thoroughly or not completing the questionnaire at all. Hence, a balance must be obtained between the reliability and the length of the questionnaire. Multiple scales are also frequently employed in social sciences research to measure abstract constructs (Aaker *et al.*, 2011:264). This applied to the present study in particular, since brand value and the type of brand for which it must be measured is by no means a clear-cut concept (see Chapters 2 and 3).It was therefore deemed appropriate to take the rated mean values for both SATSA and academic experts *and* their combined values into account for optimal refinement and reduction of the items.

The responses from the experts, together with support from the literature, further served as a basis from which final questions (items) could be formulated, restructured and included in the questionnaire for SATSA members. The novelty of this study therefore caused the researcher to direct the focus of the research, but also to rely on experts' opinion for the accurate compilation of a relevant measuring instrument. Tables 4.4 and 4.5 show the results of how items were reduced and/or modified in the item pool and serve as the basis for discussion.

Table 4.4: Item pool for brand value items

ITEM CODE	ITEMS	MEAN VALUE		
		COMBINED	SATSA	ACADEMIC
PRODUCT VALUE (PV)				
PV1	Perceived quality	3.8	3.6	4.0
PV2	Superiority above competing products	3.9	4.0	3.6
PV3	Expansion/development - brand is strong and stable enough to develop	**2.9**	2.5	3.6
PV4	Uniqueness of the product's attributes	3.1	3.1	3.0
PV5	Standards	4.1	4.1	4.0
PV6	Familiarity with the product	4.0	4.1	3.8
PV7	Essence	3.7	3.9	3.4
FINANCIAL VALUE (FV)				
FV2	Price premium a brand enables	3.5	3.1	4.2
FV3	Decreased risk because of the continuity of demand a brand creates	4.0	4.0	4.0
FV4	Cost-effective operations are enabled by brand in order to deliver on the brand promise	3.5	3.4	3.6
FV5	Financial strength contributes to a brand's value	3.5	3.4	3.6
FV6	Impact on volume and price influences a brand's value	4.2	4.0	4.4
FV9	Repeat purchases/usage/visits show customers are brand loyal and brand is valuable	3.7	3.4	4.0
FV10	Viability regarding customers' willingness to pay for a branded product	3.9	3.9	4.0
SHAREHOLDER VALUE (SHV)				
SHV1	Reliance on shareholder relationships with various other shareholders (i.e. employees, suppliers, etc.)	3.9	3.6	4.4
SHV2	Communication with shareholders	4.2	4.0	4.6
SHV3	Relationships between shareholders and across various channels	3.9	3.9	4.0
SHV4	Tailor-made offerings	3.8	3.4	4.4
SHV5	Sponsorship	3.0	2.6	3.6

ITEM CODE	ITEMS	MEAN VALUE		
		COMBINED	SATSA	ACADEMIC
EXPERIENCE VALUE (EXV)				
EXV1	Associations as result of an experience with the brand	4.2	4.3	4.2
EXV2	Emotions as a result of some kind of experience with the brand	3.9	4.0	3.6
EXV3	Loyalty as a result of the trust gained from experience of use	3.8	4.0	3.4
EXV4	Satisfaction	3.6	3.5	3.8
EXV5	Recommendations by customers	3.9	3.9	4.0
EXV6	Feedback	3.6	3.6	3.6
EXV7	Consistency in the product experience/delivering on the promise	3.4	3.4	3.4
EXV8	Impressions impact on a brand's value	3.9	3.9	3.8
EXV9	Benefit variety derived from a brand as opposed to an similar unbranded product	**2.7**	2.4	3.2
EXV10	Brand preference	3.5	3.3	4.0
EXV11	Authenticity a brand is valuable when it is genuine in delivering the brand's promise	3.2	3.0	3.6
MARKETING VALUE (MARV)				
MARV1	Technological developments makes brands more accessible and therefore, more valuable	3.5	3.6	3.2
MARV2	Social media has significant influence on a brand's image and therefore also its value	3.2	3.0	3.4
MARV3	Interactions via various platforms (i.e. FB, Twitter, Internet)	3.2	3.4	2.8
MARV4	Awareness needs	3.8	3.8	3.8
MARV5	Market share – the ability to grow or retain it makes a brand a valuable asset	4.3	4.5	4.0
MARV6	Brand names/acronyms/logos convey a certain brand value	3.9	3.6	4.2
MARV7	Reputation impacts on a brand's value	4.0	4.0	4.0
MARV9	Well-established brand in the market-place makes a brand more reliable, thus valuable	4.4	4.3	4.6
MARV10	Differentiation in the marketplace	3.5	3.4	3.6
MARV11	Publicity - by the way a brand is presented and how the customer remembers it	3.2	3.3	3.2
SERVICE VALUE (SERV)				
SERV1	Service variety available to deliver the brand promise	**2.8**	3	2.6
SERV2	Service excellence needed for conveying value	3.5	3.8	3
SERV3	Information accessibility concerning the product/service at hand	3.4	3.4	3.4
SERV4	Service role – fulfilling a specific service role makes the brand a valuable asset for both organisation and customer	3.8	4	3.6
SERV5	Service relevance- appropriate to a brand's essence to meet customer needs	3.4	3.5	3.2
SERV6	Promptness of service rendered contributes to a brand's value	3.5	3.5	3.4
EMPLOYEE VALUE (EMV)				
EMV1	Competency of employees in delivering the brand promise	3.2	3	3.6
EMV2	Interaction of employees with customers	3.2	3.4	3
EMV3	Relationships of customers with employees	3.3	3.4	3.2
EMV4	Commitment an internal culture of committed employees who live the brand impacts on brand value	3.5	3.5	3.6
EMV5	Knowledge - well-informed about the brand offering for effective assistance of customer requests	3.2	3	3.6

ITEM CODE	ITEMS	MEAN VALUE		
		COMBINED	SATSA	ACADEMIC
EMPLOYEE VALUE (EMV)				
EMV6	Demeanour of an employee can affect a brand's value	3.2	3.4	3
EMV7	Attitude of an employee can affect a brand's value	3.8	4.3	3.2
MANAGEMENT VALUE (MANV)				
MANV1	Strategic focus in terms of managerial decisions	3.3	3.1	3.6
MANV2	Clarity on what the brand stands for internally in order for it to be communicated externally	3.5	3.6	3.2
MANV3	Responsiveness of a brand	3.8	3.5	4.2
MANV4	Internal organisational values	3.8	3.9	3.6
MANV5	*SATSA is well managed…*	3.7	3.5	4
FUNCTIONAL VALUE (FUV)				
FUV1	Time and money saved because of the brand	**2.8**	2.5	3.2
FUV2	Convenience a brand enables	**2.8**	2.8	3.0
FUV3	Product recognition a brand enables to further aid purchase decision	3.7	3.9	3.4
SOCIAL VALUE (SOCV)				
SOCV1	Social responsibility makes a brand valuable in a societal context	**2.8**	2.5	3.4
SOCV2	Socially beneficial products and services - brands' contribution to personal and community well-being	3.4	3.3	3.6
SOCV3	Protection - brands as a reliable mechanism for consumer protection	3.6	3.5	3.8
SOCV4	Social leadership - brands provide the platform to lead on a social level	3.4	3.3	3.6

Table 4.4 depicts the 65 items that were originally compiled from the literature review. The collective responses of the panel experts were evaluated first to gain insights as to which items could be eliminated. Items with a mean value lower than 3.0 were initially eliminated from the item pool. Only 6 of the 65 items could be removed from the list, which resulted in 59 residual items. This led to selecting a mean value of 3.5 as the 'cut-off' point for elimination purposes (see Table 4.4). In this way, a more sufficient number of items could possibly be eliminated. The mean value was rounded off to the closest decimal point (3.5), which resulted in a mean value of 3.0 and higher to be considered important and a rating closer to 4.0 to be very important on the scale. Items above a value of 3.5 were therefore deemed significant and sufficiently applicable to be retained in the item pool.

The high proportion of mean values equal to or above 3.5 suggested that the experts had little difficulty in rating the importance of the various items in their relevant value dimensions. Evidently, a total of 14 items with lower values could be eliminated. However, at this stage, removing all 14 items had to be considered with caution, owing to some of the items' prominence as identified in literature and/or the value ratings each individual group of experts provided them. This prompted the researcher to also consider the ratings of each individual group of experts and the reviewed literature of the items, in order to better retain or eliminate certain items in the item pool.

It is also important to note that specific recommendations provided by experts were considered when examining the significance of the remaining items in the item pool. A general recommendation made by both expert groups was to revise and rephrase some items so that they can still remain in the item pool and eventually be included in the questionnaire. In addition, it was recommended that brand value items and the most relevant brand equity items for SATSA be divided into two separate questions (see final questionnaire in Appendix D). Together with considerations based on literature and the assistance of panel of experts, the most applicable brand equity items could be identified or added to the set of items. The primary reason for this was to better address the interdependency of the concepts for statistical analyses, as well as to limit any clutter of 'look-alike' items or redundancy within a dimension from a respondent's perspective. In this case, at total of 9 equity items were selected, of which most equity items were moved from the experience value (EXV) dimension (5 items) and the financial value (FV) dimension (1 item) to be included in a separate equity question (see Table 4.5) as an outcome of value. These were chosen according to their relevance to SATSA.

Feedback from SATSA experts also featured prominently where the wording and addition of items was concerned. This was particularly useful, since their industry experience assisted in developing phrases and items that more aptly matched the essence of SATSA as an organisation. The academic experts, on the other hand, provided guidance on the type of words or phrases that would best suit a specific item to retain its meaning and still enable accurate measurement of the value dimension it represents. Such opinions were valuable, since a decent, new measuring instrument, in this case, could not mainly rely on literature for generating acceptable results.

The experienced and educated insights from the expert panel (separately and collectively) thus greatly contributed to the reliability and credibility of the final questionnaire. Some items could be eliminated, while others were added and some existing items could be changed to a lesser extent (Aaker *et al.*, 2011:265). In some instances, items were self-generated. This was done to have enough items to measure a specific dimension. These items were discussed and verified with other study leaders, senior academics in the field of marketing research, and statisticians for face validity purposes. The items regarded to be representative of a specific value dimension were kept for further scale development. The final reviewed items to be included in the questionnaire are presented in Table 4.5, which also indicates whether an item has been adapted or added to each value dimension.

Table 4.5: Final reviewed items for the questionnaire

QUESTION CODE	ITEM CODE	I value SATSA membership because….(BRAND VALUE)	EVALUATION	ITEMS REMOVED
PRODUCT VALUE (PV)				**2**
Q13V1	PV1	*SATSA provides a quality product….*	Minor rewording	PV3 PV4
Q13V2	PV2	*SATSA offers more superior products and services than other similar organisations in the industry….*	Retained	
Q13V3	PV5	*SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct…*	Retained	
Q13V4	PV6	*SATSA is a well-known organisation in the industry…*	Retained	
Q13V5	PV7	*I support the vision and mission of SATSA…*	Retained	
FINANCIAL VALUE (FV)				**1**
Q13V6	FV2	*...considering what I pay for membership, I get more than my money's worth…*	Rephrased	FV7 **FV9* *Moved and merged with brand equity (BE)*
Q13V7	FV3	*Being a SATSA member is less risky financially than belonging other similar industry organisations…*	Rephrased	
Q13V8	FV4	*SATSA saves me money through member benefits…*	Minor rewording	
Q13V9	FV5	*SATSA is a sustainable organisation in a volatile tourism industry…*	Minor rewording	
Q13V10	FV6	*SATSA provides guidelines regarding profitable product and service developments for the industry…*	Rephrased	
SHAREHOLDER VALUE (SHV)				**1**
Q13V11	SHV1	*SATSA membership creates mutually supportive industry relationships…*	Retained	SHV5
Q13V12	SHV2	*SATSA membership enables communication with other SATSA members and role players in the industry*	Retained	
Q13V13	SHV3	*…of my long term relationship with SATSA…*	Minor rewording	
Q13V14	SHV4	*SATSA tailors its brand offering to meet industry needs…*	Retained	
Q13V15	NEW	*SATSA membership gives me status in the industry…*	Added from FUV3	
EXPERIENCE VALUE (EXV)				**2**
Q13V16	EXV1	*I associate SATSA with quality business practice in the South African tourism industry…*	Retained	EXV7 EXV11
Q13V17	EXV4	*SATSA meets my expectations…*	Retained	EXV2 EXV3 EXV5 EXV9 EXV10 *Moved to BE*
Q13V18	EXV6	*SATSA encourages member feedback on industry related topics on a regular basis…*	Retained	
Q13V19	EXV8	*SATSA is a dependable brand that goes the extra mile for its members…*	Retained	
Q13V20	NEW	*SATSA is a credible organisation…*	Added	
MARKETING VALUE (MARV)				**4**
Q13V21	NEW	*SATSA is an influential brand in the tourism industry…*	Added	MARV2 MARV3 MARV10 MARV11
Q13V22	NEW	*SATSA provides marketing value for my organisation…*	Added	
Q13V23	NEW	*SATSA lobbies with government to the benefit of members….*	Added	
Q13V24	MARV1	*SATSA uses advanced technology to distribute information effectively (E.g. SATSA Widget/website/ Twitter/Facebook)*	Retained	
Q13V25	MARV4	*I am frequently made aware of industry issues/events……*	Minor rewording	
Q13V26	MARV5	*SATSA is continually growing its membership…*	Rephrased	
Q13V27	MARV6	*SATSA's name and logo guarantee a quality experience to my guests/visitors …*	Retained	
Q13V28	MARV7	*SATSA's reputation enhances my reputation in the industry…*	Retained	
Q13V29	MARV9	*SATSA is a well-established brand in the tourism industry…*	Retained	
SERVICE VALUE (SERV)				**3**
Q13V30	NEW	*SATSA provides me with networking opportunities…*	Added	SERV1 SERV5 SERV6
Q13V31	SERV2	*SATSA delivers excellent service…*	Retained	

QUESTION CODE	ITEM CODE	I value SATSA membership because….(BRAND VALUE)	EVALUATION	ITEMS REMOVED
Q13V32	SERV3	*I receive enough information regarding SATSA and industry-related issues…*	Retained	
Q13V33	SERV4	*SATSA represents me as member by voicing issues on my behalf…*	Retained	
EMPLOYEE VALUE (EMV)				**3**
Q13V34	EMV3	*...of good relationships with SATSA employees and Board members...*	Rephrased	EMV1 EMV2 EMV6
Q13V35	EMV4	*SATSA employees and Board members are committed to meeting my expectations…*	Minor rewording	
Q13V36	EMV5	*SATSA Board members are well informed to assist me with my queries…*	Minor rewording	
Q13V37	EMV7	*SATSA employees and Board members are always willing to help…*	Minor rewording	
Q13V38	NEW	*SATSA Board members look after the needs of members…*	Added	
MANAGEMENT VALUE (MANV)				**2**
Q13V39	MANV3	*SATSA responds to market changes, challenges and opportunities in the industry…*	Retained	MANV1 MANV2
Q13V40	MANV4	*SATSA's core values reflect my company's core values…*	Retained	
Q13V41	MANV5	*SATSA is well managed…*	Retained	
SOCIAL VALUE (SOCV)				**1**
Q13V42	SOCV2	*SATSA offers socially beneficial products and services (e.g. educational programmes) to my organisation's advantage…*	Retained	SOCV1
Q13V43	SOCV3	*….of their tsi initiative (e.g. assists in protecting domestic and international travellers together with other industry partners)…*	Rephrased	
Q13V44	SOCV4	*SATSA leads on a social level (e.g. by guiding prospective entrepreneurs with valuable information on how to start up a tourism business)…*	Rephrased	
Evaluate the following aspects as a result of your SATSA membership… (BRAND EQUITY)				
Q14E1	EXV9	*I value the extensive benefits enabled by SATSA…*	Rephrased	
Q14E2	NEW	*SATSA always come to mind when thinking of industry organisations...*	Added	
Q14E3	NEW	*I highly regard the SATSA brand…*	Added	
Q14E4	EXV3	*I am eager to remain a member of SATSA…*	Retained	
Q14E5	EXV5	*I would recommend SATSA membership to other role players in the industry….*	Minor rewording	
Q14E6	NEW	*SATSA delivers on its promises to me as member…*	Added	
Q14E7	EXV10	*SATSA is my preferred choice for an organisation to belong to…*	Rephrased	
Q14E8	EXV2	*I am proud to be a SATSA member…*	Retained	
Q14E9	FV7	*I am willing to pay a membership fee each year…*	Minor rewording	

After extensive deliberation, the following items of the remaining 59 were definitely eliminated: 2 of the 7 product value (PV) related items; 1 of the 7 financial value (FV) related items; 1 of the 5 shareholder value (SHV) related items; 2 of the 11 experience value (EXV) related items; 4 of the 10 marketing value (MARV) related items; 3 of the 6 service value (SERV) related items; 3 of the 7 employee value (EMV) related items; 2 of the 5 management value items (MANV); and 1 of the 4 social value (SOCV) related items. The originally decided 65 items were therefore narrowed down by 6 initial items (mean value of 3.0 as 'cut-off' point), 19 items (collective and separate values of expert panel), and after items were added or moved, produced 44 remaining brand value items.

Most of the rewording and rephrasing of items occurred in the financial value (FV) dimension, employee value dimension (EMV) and the brand equity dimension (BE). The functional value (FUV) dimension was further not considered a viable dimension measure brand value due to its low mean values (see Table 4.4) and one item (FUV3) could rather be incorporated into the FV dimension.

Based on the above, a total of 53 items (44 brand value items and 9 brand equity items) were included in the scale (see Table 4.5). The final questionnaire was therefore allowed to contain separate, but interrelated dimensions of value together with brand equity. These dimensions did not, however, restrict statistical analysis, since an exploratory factor analysis was initially employed to enhance the input for the structural equation modelling analysis (SEM). After discussions with other study leaders, senior marketing academics and statisticians, consensus was reached that given the intricacy of brand value and the likely sample size, these 53 items were agreed to be the most important and final items to measure brand value for SATSA amongst their members and to conduct the required statistical analyses. This resulted in a unique, multidimensional scale to measure the brand value phenomenon in the context of SATSA.

4.5.1.8 The final questionnaire

Once the items were established, the final questionnaire for the SATSA member sample could be compiled. The focus of the final questionnaire was to measure SATSA's brand value from the members' perspective. Additional profile questions were included for additional statistical analyses. It was therefore important to address any queries or requests from SATSA's side prior to finalising the questionnaire. A draft questionnaire with all the necessary adjustments in terms of the items, questions on members' profile and any other additions was therefore submitted to selected SATSA staff members for approval.

In terms of design, the questionnaire was kept as straightforward and concise as possible, since it was to be distributed online. A covering letter initially stated the purpose of the research, which was followed by a description of the incentive granted by SATSA to all members who participated in the study. Respondents were also assured of the confidentiality of the information requested. The questionnaire further consisted of two sections:

- Section A focused on general profile-related questions to determine the characteristics of the participating members. This also provided information on the type of businesses that participated. Questions in this section included: the length of membership, location of business, category of membership, duration of business operations; how long the

member has been in business, the number of employees employed by the member, the star-grading, the number of beds/seats in their establishment. Respondents were also asked to rate the top 5 benefits they currently received from SATSA.

- Section B focused on the brand value of SATSA by asking open-ended questions regarding the SATSA brand (for example, what the SATSA brand represents to them as member, why they belong to SATSA). These questions were followed by the 53-item Likert-scale questions measuring the 9 dimensions of brand value (44 items) and brand equity (9 items). The respondents were asked to indicate to what extent they agree with all the statements (items) on a five-point scale, where 1 indicates they strongly disagree and 5 shows they strongly agree. This was done to determine why they value SATSA membership (brand value) and what the results of such membership are (brand equity).

The final questionnaire was developed and placed on a software program called Adobe Forms Central®. The advantage of such a program is that it develops the web-based questionnaire with specific features so that the usability of the data in a completed questionnaire can be enhanced (Adobe Forms Central, 2013:1).One advantage for the present study was that nearly every question in the questionnaire required an answer, unless it was not applicable to the specific respondent (for example, a transport operator not indicating the number of beds in their establishment). This contributed to more thorough data collection. The final questionnaire is included as Appendix D.

4.5.2 Phase 2: Empirical survey

The process of phase 2 is subsequently discussed.

4.5.2.1 Objective

The objective of phase 2 was to empirically analyse brand value and its dimensions from SATSA members' perspectives by means of the developed measuring instrument (questionnaire).

4.5.2.2 Sampling procedure

The present study followed a probability sampling procedure in which every member of the defined target population had an equal opportunity of being included in a sample to participate in research (Zikmund & Babin, 2013:322; Hair *et al.*, 2006b:330; McDaniel & Gates, 2013:69; Jennings, 2001:137). In this case, the researcher was permitted to use the entire member database of SATSA, which formed the framework for the sample. An entire population (n=718) was therefore selected for this study, which also refers to saturation/complete sampling. This sample was used to conduct the survey.

Jennings (2001:137) recommends that this method is more appropriate for smaller or 'niche' populations, since all of the sample units or participants can be selected. The recent decrease in the number of members (see 1.3 & 2.5) also prompted the selection of this sampling method to enable the maximum response rate, so that statistical techniques such as an exploratory factor analysis and structural equation modelling (SEM) could be conducted with an adequate sample size. The sampling in this study was based on guidelines by Krejcie and Morgan (1970:607) who recommend that where a population (n) of 700 is concerned, a sample size of 248 is considered acceptable. The final sample size is discussed in the next section.

4.5.2.3 Data collection

For phase 2, data were collected via a self-administered, web-based questionnaire. As previously stated, the software program, Adobe Forms Central®, was used to develop the questionnaire for this purpose. A web-based questionnaire was regarded to be the most suitable method for collecting data, since SATSA members (n=718) operate in all nine provinces of South Africa as well as in other SADC regions like Botswana or Zimbabwe and are therefore not concentrated in one specific geographical area.

As a result, a web-based questionnaire ensured that potential, and therefore the less accessible, respondents were reached simultaneously. This was also a time and cost-effective method to collect data that could be representative of the organisation as a whole. Another advantage of web-based surveys is the fact that real-time data could be captured for the duration of the survey (Tustin *et al.*, 2005:244; Zikmund & Babin, 2013:179). This means that respondents could, in effect, record their own answers directly into a data file, which contributed to more accurate data capturing. SATSA management and board members were informed of the date of commencement, which ensured that they could be prepared for any possible queries from members about the study. They were also updated on the progress of the research on a weekly basis.

The survey took place over a five-week period for the whole duration of August to the first week in September 2013. Questionnaires were sent directly via e-mail to all respondents (member companies) per province in which they were requested and encouraged to participate in the study. This e-mail briefly stated the purpose and process of the research, as well as the incentive to encourage response. It was also mentioned that the study was approved by SATSA and conducted on behalf of SATSA by the North-West University, Potchefstroom campus. Respondents had to click on the provided hyperlink to access the questionnaire for self-completion on the Adobe Forms Central website.

The program used for this study (Adobe Forms Central®) automatically sent each respondent a reply to their e-mail, indicating appreciation for the participation in the research after their completion of the questionnaire. Members of the sample who did not respond within the allocated timeframe were sent an e-mail reminder after the first two weeks of the survey.

Members were also informed about the research project via an announcement that SATSA placed in their RAP (SATSA and industry-related) newsletter together with a hyperlink to the questionnaire. This newsletter is distributed to all members on a regular basis and was therefore considered a useful way of encouraging responses. Of the 718 questionnaires dispatched, only 77 questionnaires were received after 3.5 weeks of running the survey online. This presented a challenge, since such a low (11%) response rate was insufficient for statistically analysing data and no new respondents could be selected for this specific sample frame. This was communicated to SATSA, who assisted in resolving this matter. This challenge was therefore overcome by following alternative routes:

Firstly, the researcher contacted each Chapter chairperson of SATSA personally and asked them whether they would be willing to assist in increasing the current response. The majority of Chapter chairs were keen to provide support and contacted the members in their respective province via e-mail. Chapter chairpersons of SATSA are often the channel through which members communicate with the organisation. This route was therefore deemed appropriate since direct communication from these persons could possibly enhance the importance of the research to members.

Secondly, attendance of chapter meetings within an affordable geographic range was also considered so as to distribute printed questionnaires among members at the meeting. This would not have been a problem in terms of merging the data with that already captured in the Adobe Forms Central program. Since a large proportion of the respondents are located in the Gauteng province, this particular chairperson was asked whether it would be possible to allocate 20 minutes of the meeting to this purpose. The Chapter chairperson agreed and arrangements were made to attend the meeting. Two days before the meeting, however, the researcher was informed that the chapter meeting will be postponed until further notice due to a lack of response from the members. Chapter meetings in the Free-state and North-West were not considered, since only 14 respondents would have been reached this way, which did not make this a time and cost-effective option.

A final route was taken by calling each member company to encourage and solicit them to participate in the survey. This was deemed the most suitable and only possible method left for maximising responses. The member base provided by SATSA contained each member's contact details and was then used to call each member personally. The researcher and various SATSA staff called members from 28 August to 4 September 2013. Several difficulties were experienced with this route:

- Some respondents indicated that they were no longer in operation as a business, or operated under a new name. Others indicated that they no longer belonged to SATSA. These aspects did not always reflect in the database.
- Some e-mails reached the wrong contact person, due to the fact that some contact details were not updated on the database.
- The list with respondents' information was also inaccurate at times with wrong telephone numbers, or numbers that no longer existed.
- Only a few respondents were unavailable or unwilling to participate in the survey.

Despite the difficulties, this last route proved to be a valuable alternative for increasing the response, since an additional 191 questionnaires were gathered in only one week. After extensive efforts, a total of two-hundred and sixty-eight (268) questionnaires were collected. A 37% response rate indicated a drastic improvement compared to the initial responses (11%). This number exceeded the required number of questionnaires and the sample size was therefore deemed representative and acceptable.

4.5.2.4 Data analysis

Data was analysed to report, interpret and draw conclusions about the brand value for SATSA. Adobe Forms Central® and Microsoft© Excel© was used to capture the data and for basic data analysis. The Statistical Package for the Social Sciences (SPSS ™ version 17) was used to process the information and the Statistical Services of the North-West University, Potchefstroom Campus provided assistance in this regard. SPSS is renowned for the fact that it is a valuable tool to transform raw data into interpretable data and usable information. Various data analyses were employed in this study. The data was initially analysed (descriptive statistics) to understand the profile of respondents (members) and so, frequency tables were compiled. These programs also enabled other statistical analyses, including: exploratory factor analysis; correlations, ANOVAs, independent ***t***-test analysis, and structural equation modelling (SEM), in which a confirmatory factor analysis (CFA) was also employed as the measurement model. Each statistical technique is described as it applied to this study in the last section of this chapter (see 4.7).

4.6 HYPOTHESES TO BE TESTED

A hypothesis is an assumption that is made about some characteristic of the population under investigation (McDaniel & Gates, 2013:472). Hair *et al.* (2006b:516) describe a hypothesis as, "…an empirically testable, though yet unproven statement developed in order to explain phenomena". A hypothesis is therefore a formal statement that tentatively explains some outcome (Zikmund & Babin, 2013:60). In hypothesis testing, the researcher can estimate whether a hypothesis relating to some characteristic of the population is likely to be true (accepted), or inconsistent (rejected) with the data, given the evidence often derived from theory. It is important to note that a hypothesis is provisionally accepted, as new emergent data may possibly reject that same hypothesis at a later stage. For the purpose of this study, a hypothesised model for brand value was compiled in Chapter 3, whereafter the refinement of items in phase 1 resulted in certain items being included in the brand equity dimension. Based on the literature and phase 1, the hypothesised model is shown in Figure 4.2:

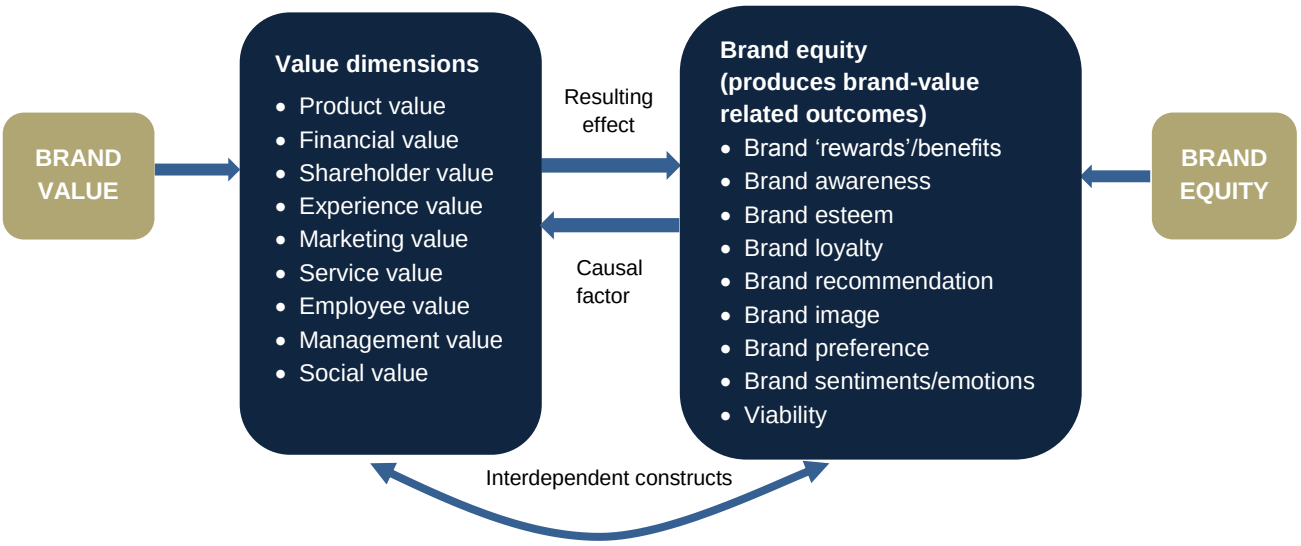


Figure 4.2: Hypothesised brand value model for SATSA

This model reflects the factors that comprise brand value and indicates the interdependency of brand value and brand equity, as evidenced in the literature (Chapters 2 and 3). A total of 18 relationships were initially established in this model: 9 direct relationships between brand value and brand equity and 9 between brand equity and brand value. Table 4.6 presents each of the initial 18 hypotheses to be empirically tested:

Table 4.6: Initial hypotheses for testing brand value

Hypotheses	
H1	There is a direct relationship between *Product value (PV)* and *Brand equity (BE)*
H2	There is a direct relationship between *Financial value* (FINV) and *Brand equity (BE)*
H3	There is a direct relationship between *Shareholder value (SHV)* and *Brand equity (BE)*
H4	There is a direct relationship between *Experience value (EXV)* and *Brand equity (BE)*
H5	There is a direct relationship between *Marketing value (MARV)* and *Brand equity (BE)*
H6	There is a direct relationship between *Service value (SERV)* and *Brand equity (BE)*
H7	There is a direct relationship between *Employee value (EMV)* and *Brand equity (BE)*
H8	There is a direct relationship between *Management value (SHV)* and *Brand equity (BE)*
H9	There is a direct relationship between *Social value (SOCV)* and *Brand equity (BE)*
H10	There is a direct relationship between *Brand equity (BE)* and *Product value (PV)*
H11	There is a direct relationship between *Brand equity (BE)* and *Financial value* (FINV)
H12	There is a direct relationship between *Brand equity (BE)* and *Shareholder value (SHV)*
H13	There is a direct relationship between *Brand equity (BE)* and *Experience value (EXV)*
H14	There is a direct relationship between *Brand equity (BE)* and *Marketing value (MARV)*
H15	There is a direct relationship between *Brand equity (BE)* and *Service value (SERV)*
H16	There is a direct relationship between *Brand equity (BE)* and *Employee value* (EMV)
H17	There is a direct relationship between *Brand equity (BE)* and *Management value (MANV)*
H18	There is a direct relationship between *Brand equity (BE)* and *Social value (SOCV)*

Table 4.6 shows that the hypothesised model (see Figure 4.2) generated a considerable number of parameters to estimate. Exploratory factor analyses were therefore performed on both brand value dimensions and brand equity before implementing SEM. The reason for this was to determine whether the current number of variables could be condensed into a smaller set of underlying factors that could still be used to examine the brand value of SATSA. The EFA therefore demanded the modification of the initial hypotheses. Chapter 5 provides a more detailed discussion of this matter.

4.7 STATISTICAL TECHNIQUES

This section provides an overview of all statistical techniques that were employed in this study. Aspects pertaining to the reliability and validity of the data are firstly discussed according to the measuring instrument (questionnaire) used to assess brand value. Techniques that were performed prior to the SEM model are also described, whereafter the specific techniques used to empirically test the hypothesised model (see Figure 4.2) are subsequently discussed.

4.7.1 Reliability of the questionnaire

A measurement scale that provides consistent results over time is considered to be reliable (McDaniel & Gates, 2013:286). Thus, reliability is the extent to which a measurement scale is free from random error and, therefore, provides consistent results if repeated measures are made on the same concept (Malhorta, 2010:318; Zikmund & Babin, 2013:286).

Reliability specifically examines whether associations between two measures of the same concept are present, when the researcher uses the same measure (Iacobucci & Churchill, 2010:258). In other words, it is necessary to evaluate the reliability of any questionnaire (measurement instrument) used in any type of study to examine whether the questions (measures) are associated with each other and whether they aptly represent the same underlying constructs. High associations indicate the scale yields consistent results and is therefore reliable.

Different approaches for assessing the reliability of a measuring instrument may be used. However, in this study, reliability measures for each brand value dimension and for brand equity was tested for internal consistency by relying on Cronbach Alpha coefficients (α). Given theoretical assumptions of the interdependency of brand value and brand equity, a measure of internal consistency calculated across these dimensions was deemed appropriate. Cronbach Alpha coefficients are also commonly accepted as a suitable measure of reliability in marketing research literature (for example Malhorta, 2010; Zikmund & Babin, 2013; McDaniel & Gates, 2013), was thus considered a suitable measure for this study. Cronbach Alpha values vary from 0 to 1, where a value of 0.6 or less generally indicates unsatisfactory internal consistency reliability (Malhorta, 2010:319). Factor analyses (EFA) were used in this study and indicated the Cronbach's Alpha coefficients were acceptable (above 0.6) for all dimensions of brand value and brand equity. Reliability was therefore supported.

4.7.2 Validity of the questionnaire

In addition to reliability, measurement instruments should be accurate and, thus, valid. Validity addresses the issue of whether a measure (questionnaire) actually measures what it is supposed to be measure (Zikmund & Babin, 2013:258). This term therefore refers to the accuracy of a measure or the extent to which the scores among the variables or objects truthfully represents a concept (Zikmund & Babin, 2013:259; Iacobucci & Churchill, 2010:256). Validity can be assessed in various ways, content (face) validity, criterion-related validity and construct validity. These are briefly discussed as the applied to the present study.

Content or face validity can be regarded the adequacy or degree to which a measurement seems to measure what it is supposed to measure (Aaker *et al.*, 2011:269; McDaniel & Gates, 2013:290; Iacobucci & Churchill, 2010:257). This type of validity is therefore a subjective, but systematic evaluation of how well the scale contents represent a measurement task at hand (Malhorta, 2010:320).The assessment of validity can involve the subjective judgement of experts and people familiar with the specific subject under investigation.

This provides evidence of face validity when these 'judges' agree that the content of the items logically appears to match a particular concept and thus, accurately reflects what it is supposed to measure (Zikmund & Babin, 2013:258; McDaniel & Gates, 2013:290). Validity is therefore assessed by determining whether or not the scale's items sufficiently cover the entire domain of the construct being measured (Malhorta, 2010:320). Though a more informal approach, content validity assists in a common sense interpretation of the scale scores. The panel of experts (SATSA and academic) used in this study served as a face validity measure in developing the questionnaire (phase 1).

Criterion-related validity, on the other hand, examines the extent to which a measurement instrument can predict a variable that is a designated criterion (McDaniel & Gates, 2013:292). The purpose of criterion-related validity is to determine whether the data correlates with other standard measures of a similar construct (Zikmund & Babin, 2013:258). One can further distinguish between two subcategories of criterion-related validity, concurrent and predictive validity. Concurrent validity is assessed when the data that is being evaluated in the scale and on the variable of interest (criterion variable) are collected at the same time (Malhorta, 2010:320). For example, a home pregnancy test can accurately determine whether a woman is pregnant right when she takes it. In this case, low concurrent validity could cause a lot of unwanted stress (McDaniel & Gates, 2013:293). In contrast, predictive validity is the extent to which a current measurement, like a questionnaire, can predict or correlate with a criterion variable at a later stage (when the questionnaire is administered) (McDaniel & Gates, 2013:292; Malhorta, 2010:320). The difference between concurrent and predictive validity is based on a time dimension (Zikmund & Babin, 2013:259). For the purpose of this study, the questionnaire was grounded on the literature review, which indicated associations between brand value aspects and/or their relation to brand equity. Evidence of content and criterion validity may therefore exist if the relationships in the hypothesised model could be supported.

This study focused on the assessment of construct validity, which addresses whether the measurement instrument does, in fact, measure what it is supposed to measure. Construct validity therefore refers to the degree to which a measurement instrument confirms a hypothesis created from theory based on the data (McDaniel & Gates, 2013:290; Iacobucci & Churchill, 2010:257). The difficulty of construct validity lies in the unobservable nature of many constructs such attitudes or perceptions (Aaker *et al.*, 2011:269). Malhorta (2010:321) asserts that construct validity necessitates a sound theoretical knowledge of the nature of the construct and its relation to other constructs. This author also points out that construct validity involves how well and why a given measure works.

Construct validity consists of several components, of which convergent validity, discriminant validity and nomological validity are often assessed (Zikmund & Babin, 2013:259; Malhorta, 2010:321, McDaniel & Gates, 2013:293; Aaker *et al.*, 2011:269):

- Convergent validity is evident when a measure positively correlates with other measures of the same construct
- Discriminant validity reveals the lack of, or low correlation among constructs that are supposed to be different
- Nomological validity is the extent to which a measure correlates with measures of different, but related, constructs in theoretically predicted ways.

The present study showed evidence of construct validity, since both the theory and data were analysed and revealed that items and constructs were measured appropriately. This was achieved through an exploratory factor analysis which is discussed in a subsequent section. Convergent validity was also evident in the measurement model in SEM, where a set of measured items converged on the same construct, thereby indicating they were correlated with each other. This is also discussed in the last section (SEM).

4.7.3 Exploratory factor analysis

A factor analysis is a multivariate statistical technique used to condense the information contained in a large set of variables into to a smaller number of subsets, called factors, by identifying underlying dimensions of the data (McDaniel & Gates, 2013:560; Hair *et al.*, 2006b:590; Malhorta, 2010:630). EFA generally assumes that an underlying combination of the original variables can summarise the original set of variables (items) and, in doing so, can discover certain patterns among the variables (Cooper & Schindler, 2006:533). Therefore, the main purpose of factor analysis is to simplify data. This technique does not distinguish between dependent and independent variables. Instead, all variables under investigation are analysed together to identify the underlying factors (Hair *et al.*, 2010:590).

Factor analysis therefore identifies which statements (items) belong together and therefore examines the extent of correlations among a set of variables in their relation to one or more latent variables (factors) (Aaker *et al.*, 2011:396; Pallant, 2007:179; Malhorta, 2010:636). All these uses are exploratory in nature. For this reason, factor analysis is also called exploratory factor analysis (EFA). In this study, EFA was performed on both brand value and brand equity dimensions to identify a smaller set of variables from the original set (items), so that these could be used in subsequent multivariate analysis. Hence, the present study used EFA as an initial part of SEM for identifying underlying variables of brand value and brand equity.

The EFA for the present study performed two separate principal component analyses on 44 brand value items and 9 brand equity values respectively, using an Oblimin rotation with Kaiser Normalisation, to explain the correlations/variance-covariance structure among a set of variables. The Kaiser-Meyer-Olkin measure of sampling adequacy was also used to determine the appropriateness of the factor analysis. In this analysis, only factors with eigenvalues larger than one were retained, since a significant amount of variation in the data could be explained this way (Field, 2009:647). The Kaiser's criteria were therefore used to enable this extraction. Items with factor loadings of between -1 and 1 were deemed acceptable to be included in a factor (Mazocchi, 2008:229). The items with a factor loading above 0.3 were viewed as correlating with a factor, whereas all items with factor loadings of lower than 0.3 were eliminated, due to their insignificant correlations with other factors. Cross-loadings of a few items on more than one factor were resolved by categorising the item according to where it could best be interpreted. The internal consistency of each factor was calculated by a Cronbach's Alpha reliability coefficient. All factors exceeded the recommended 'cut-off' point (0.6) for reliability coefficients (Malhorta, 2010:319). In addition to this, inter-item correlations were calculated as alternative measure of reliability. According to Clarke and Watson (1995), all inter-item correlations between 0.15 and 0.55, are considered acceptable and correlations higher than 0.5 are more than satisfactory.

4.7.4 Correlations

Correlations generally describe the linear relationship between two variables, or the degree to which changes in one (dependent) variable are associated with changes in another (McDaniel & Gates: 2013:527; Malhorta, 2010:562;Iacobucci & Churchill, 2010:451). Correlations range from -1 to +1, with 0 representing no association between two variables. This indicates the degree of the relationship. Correlation coefficients (denoted *r*) are the indicators that calculate the relationships between variables. The closer *r* is to +1, the stronger the positive correlation and the closer *r* is to -1, a negative correlation may exist. This will depend on the direction of the relationship between two variables. However, it is generally accepted that the larger the correlation coefficient, the stronger the association between two variables (Hair *et al.*, 2010:308). Though no universally accepted rule seems to exist for describing correlational strength, the following guidelines are proposed by Cohen (1988) (as cited by Ellis & Steyn, 2003:3) provides the following guidelines for the interpretation of significant correlations in the current study:

- $|r_s| < 0.1$ (small correlation/relationship)
- $|r_s| < 0.3$ (medium correlation/relationship)
- $|r_s| < 0.5$ (large correlation/relationship)

When two or more variables have been measured by ordinal (rank-order) scales, it is generally recommended that researchers use the Spearman rank order correlation coefficient statistic, which is a more conservative measure to indicate the size and the significance level of each latent variable (factor) (Hair *et al.*, 2006:556; Hair *et al.*, 2010:311). According to Field (2009:794), the Spearman's rank order correlation coefficient (indicated as r_s */rho*), is a standardised measure of the relationship which is not reliant on the assumptions of a parametric test and is a Pearson's correlation coefficient performed on data that have been converted into ranked scores. This statistic was employed for the present study.

A correlation matrix depicted the strength of associations/the relationship between brand value factors and brand equity and the amount of covariance they share. Correlations between brand value factors and the brand equity factor could indicate that as a certain value increases (e.g. financial value), the levels of other value factors or equity may possibly also increase. All correlations were significant and fell within an acceptable range (between -1 and 1). Since correlation does not equate with causation, these correlational relationships were further examined in the SEM model. This statistic was also applied to determine the correlations between selected business profile aspects of members and brand value and brand equity dimensions.

4.7.5 ANOVA analysis (One-way Analysis of Variance)

The purpose of ANOVA is to assess whether statistically significant differences in means between multiple groups occur (Hair *et al.*, 2006:525; Hair *et al.*, 2010:281; Malhorta, 2010:531; Zikmund & Babin, 2013:396). This comparison generally involves one independent variable. For example, the length of SATSA membership (independent variable) can be divided into three categories (1-5 years; 6-9 years; more than 10 years) so that the differences between these three groups regarding their perception of brand value (and equity) can be examined. An ANOVA is therefore often considered an appropriate technique, since it compares the means between two or more groups, where a *t*-test assesses the difference between the means of only two groups.

In this study, ANOVAs were employed to determine any significant differences between groups/members on the identified factors (variables) predictive of brand value, together with equity. These factors were identified in the EFA. The input for the ANOVA analyses specifically included the following profile aspects: length of SATSA membership; their operational region; the category of membership; the number of employees in the member organisation; the length operation in business; as well as their star-grading status.

4.7.6 Independent *t*-test analysis

In contrast to an ANOVA, an independent *t*-test is used to assess the statistical difference between the mean scores of only two different groups on some continuous variable (e.g. male and female) (Aaker *et al.*, 2011:279; Zikmund & Babin, 2013:390; Pallant, 2007:103; 232). The present study conducted an independent *t*-test to determine the differences between the brand value perceptions of star-graded members and those who are not star-graded.

4.7.7 Structural Equation Modelling (SEM)

The final analysis, derived from the sample of SATSA members, made use of SEM to assess the hypothesized relationships in the proposed theoretical model. In this study, SEM was used to model factors encompassing brand value and their interrelations with brand equity. This was done to arrive at unbiased estimates regarding the interdependency (as discussed in Chapters 2 and 3), as well as to make calculated findings regarding the brand value for SATSA. Structural Equation Modelling (SEM) has emerged across a variety of disciplines as one of the techniques of choice for researchers and is increasingly considered an essential statistical technique for researchers in the social sciences (Hooper, Coughlan & Mullen, 2008:53). Research questions in marketing and especially for a subject like branding in *tourism* are often interrelated and intricate in nature. Such questions cannot be aptly examined by a single, univariate analysis, but should rather make use of a more integrated approach like SEM, that can test proposed theoretical relationships of constructs. This section will provide a definition of the SEM concept as well as an overview of key features, and discuss the steps involved when conducting a SEM.

4.7.7.1 Defining SEM

SEM is a widely-accepted multivariate technique used to explain a variety of consumer behaviours, test theoretically-driven models and to compare alternative theories (Mazzochi, 2008:316). It is considered a comprehensive procedure that includes a range of standard multivariate analysis methods such as regression, confirmatory factor analysis and analysis of variance or simultaneous equation systems (Maclean &Gray, 1998:17; Mazocchi, 2008:320). It is also a general term used to describe a large number of statistical models that evaluate the validity of theories with empirical data (Lei & Wu, 2007:33).

SEM enables hypothesised relationships to be translated into testable mathematical models, which provide researchers a robust method for quantifying and analysing theoretical models (Hershberger, Marcoulides & Parramore, 2003:4). In market research specifically, SEM can offer the opportunity to propose models of market activities or behaviour and to test or confirm these models statistically (Maclean & Gray, 1998:18).

Malhorta (2010:722) aptly states that SEM can be defined as "…a procedure for estimating a series of dependence relationships among a set of concepts or constructs represented by multiple measured variables and incorporated into an integrated model". The goal of SEM is therefore to select a model that best explains the data. In the light of this, some key features of SEM are discussed.

4.7.7.2 Key aspects and advantages of SEM

SEM is a favourable statistical method to apply in marketing research, which is characterised by the following key features:

Aspect 1: Large sample sizes apply

Firstly, SEM is a technique used for large sample sizes (usually *n* >200; as claimed by Kline, 2005:12). Lei and Wu (2007:34) further state that the sample size required depends on the complexity of the model, the assessment method used, and the distributional characteristics of observed variables.

Aspect 2: Utilises a confirmatory approach

Another characteristic and advantage of SEM over regression is that it uses factor analysis to confirm the correlations among variables within a common (latent) construct, which recognises that the multiple variables share the underlying construct and that intercorrelations are present (Iacobucci & Churchill, 2010:539; Lei & Wu, 2007:33). Lei and Wu (2007:34) further state that statistical techniques, such as factor analysis, exploratory or confirmatory, have been used extensively to examine how many latent constructs underlie the observed responses and to evaluate the adequacy of individual items or variables as indicators for the latent constructs they are supposed to measure.

As a result, SEM mainly employs a *confirmatory* approach (hypothesis testing) to the multivariate analysis of structural theory (Lei & Wu, 2007:34). SEM is thus regarded a confirmatory method, since it requires the model and the causal relations between multiple variables to be chosen and specified prior to the analysis, based on some pre-existing theory (Mazocchi, 2008:317; Malhorta, 2010:726; Assaker, Vinzi & O'Connor, 2010:4). When a theory is proposed, it can be tested and confirmed against empirical data (Hershberger *et al.*, 2003:4). Lei and Wu (2007:34) consequently state that: "The goal is to determine whether a hypothesised theoretical model is consistent with the data collected to reflect this theory". This consistency is then evaluated through a concept called '*model-data fit'*, which indicates the extent to which the hypothesised interrelationships among variables is acceptable and whether or not the model is good.

Other multivariate procedures commonly used in market research differ from SEM because they are essentially descriptive or exploratory in nature (for example, cluster analysis), which makes the testing of hypotheses problematic or even impossible (Maclean &Gray, 1998:18; Assaker *et al.*, 2010:4). In SEM, the model is therefore more central to the process, since a model is specified first and the uses SEM to test the proposed model, instead of relying on a fixed structure based on an implicit model (such as Regression) (Field, 2000:3).

Aspect 3: Allows for the inclusion of latent constructs

The constructs used in SEM are unobservable or *latent* factors that are represented by multiple variables (Malhorta, 2010:723). Researchers are often interested in variables that cannot be directly observed, such as beliefs, quality or, in this case, brand value and what it consists of in a non-profit member-driven organisation like SATSA. Such unobserved variables are referred to as latent variables or constructs, and are also called factors. The terms 'construct' and 'factor' are frequently used as synonyms. Latent constructs are theoretical and hypothetical because they cannot be seen and thus cannot be measured directly without error, but their existence can be inferred from what one can observe and measure (Field, 2000:3). Researchers thus attempt to obtain information about such latent factors through observable variables (Schreiber, Stage, King, Nora & Barlow, 2006:323). Synonyms used to refer to observed variables also include *indicators, items measured variables*, or *manifest variables* of the construct (Malhorta, 2010; Mazocchi, 2008; Lu & Wei, 2007; Iacobucci, 2010; Schreiber *et al.*, 2003).

An observed variable can be a response to a Likert-scale item that ranges from 5 (*strongly agree*) to 1 (*strongly disagree*) in a questionnaire, for example. Researchers frequently use a number or a 'set' of variables to examine the effects of a theoretical construct or latent variable (Hershberger *et al.*, 2003:4). These authors also point out that researchers are generally recommended to use multiple items (observed variables) for each latent construct so that they can obtain a more complete picture of the construct than that provided by a single indicator. For example, in this study, 'Organisation value' (ORGV) can be depicted as a latent construct in that it is not directly observed or measured. It is, however, represented by several variables that can be measured (for example, 'SATSA's core values reflect my company's core values…'; 'SATSA is well managed'; 'SATSA responds to market changes, challenges and opportunities in the industry…'). This construct therefore relates to the variables used to describe it. Latent constructs are presumed to underlie what can be observed, in the sense that they directly influence or are responsible for the outcome of the observed variables (Maclean &Gray, 1998:19; Hersheberger *et al.*, 2003:4). SEM therefore assumes there is a causal structure among latent constructs (factors), and that the observed variables are indicators of the latent constructs (factors) (Maclean &Gray, 1998:17).

Latent constructs can therefore be seen as the actual components of the causal relationships that are present in SEM (Mazocchi, 2008:319). This provides a better representation of theoretical concepts and improves statistical estimation. In addition to the terms clarified above, two other terms are associated with SEM, exogenous and endogenous constructs. Each term is respectively discussed.

An *exogenous* construct is the latent, multi-item equivalent of an *independent* variable in traditional multivariate analysis (Malhorta, 2010:727). In SEM, exogenous variables refer to constructs that exert an influence on other constructs under study and are not influenced or be explained by other constructs (factors) in the model (Iacobucci & Churchill, 2010:539; Schreiber *et al.*, 2003:325; Malhorta, 2010:725; Field, 2000:4). In other words, exogenous constructs act as independent factors which do not depend on any other construct (Mazocchi, 2008:319).

An *endogenous* construct, in contrast, is equivalent to the latent, multi-item *dependent* variable. It is determined by constructs or variables within the model and is therefore considered dependent on other constructs (Malhorta, 2010:725; Mazocchi, 2008:319; Iacobucci & Churchill, 2010:539). The identified endogenous constructs are affected by exogenous and other endogenous variables in the model (Schreiber *et al.*, 2003:325). Both types of constructs can be observed or unobserved. This will depend on the model being tested. Variables that therefore receive a directional influence from some other variable or construct in the model are referred to as being endogenous. Field (2000:4) points out that endogenous variables may also have their own directional influence on other variables in a model.

Aspect 4: Interrelationships are estimated

SEM is further regarded a powerful method for estimating multiple and simultaneous relationships between each dependent and independent explanatory variable, and allows for the inclusion of latent variables which cannot be measured directly, but can be conveyed as a function of other measurable variables (Mazocchi, 2008:317). The advantage of SEM over running a series of regressions is that the components of the larger model are fit at the same time, so the researcher can statistically estimate all the interrelationships and direct or indirect paths simultaneously (Iacobucci & Churchill, 2010:539; Zikmund & Babin, 2013:543). SEM can therefore indicate the causal relationships between latent variables and also describe the causal effects of the variables on each other. Correlations between independent (explanatory) variables are also allowed. For each dependent variable, the proposed relationships are conveyed by means of structural equations.

SEM is therefore considered a respectable alternative to other multivariate techniques, such as regression analysis, which are limited since these techniques only present single relationships between a dependent and an independent variable at a time (Cooper & Schindler, 2006:626).

Aspect 5: Model components

A conventional SEM model consists of two components, the measurement model and the structural model:

A) *Measurement model:* this model shows how the observed (measured) variables come together to represent a latent construct (Malhorta, 2010:726; Mazocchi, 2008:321; Hair, Black, Babin, Anderson, & Tatham, 2006a:714). This model represents the theory that identifies the observed variables for each construct and allows the validity of each construct to be assessed. These authors also state that the observed variables are usually assumed to be dependent on the constructs they measure, since multiple variables represent the construct instead of a single variable. Put simply, in the measurement model, observed (indicator) variables are selected based on theory and are statistically confirmed to see if they load as predicted on the number of constructs.

B) *Structural model:* in contrast, this model shows how the constructs are interrelated to each other (Malhorta, 2010:727; Hair *et al.*, 2006a:714). The structural model essentially indicates whether or not a relationship exists, by presenting the interrelations among observable variables and latent constructs in the proposed model as a series of structural equations. This is similar to estimating path analysis, a generalisation of various multiple regression equations, in that several variables are used to predict another variable simultaneously (Iacobucci & Churchill, 2010:539; Schreiber *et al.*, 2006:325; Mazocchi, 2008:320). This also provides a more effective and direct way of modelling complex relationships among variables (Lei & Wu, 2007:34).

However, SEM is more complex, since the equations may involve many 'layers' of variables and their interrelationships among constructs (Malhorta, 2010:724; Iacobucci & Churchill, 2010:539). SEM is therefore distinct in that it models the structural relations among observed variables and includes latent constructs. The combination of the latter two components (A and B) makes a whole model that comprehensively describes the relationships between variables that are free of measurement error (that is, the latent variables/constructs) (Lei & Wu, 2007:34; Field, 2000:3).

Aspect 6: Requires a model fit

According to Field (2000:3), a model can be regarded a statement (or set of statements) concerning the relations between variables. Since SEM essentially assesses multiple relationships that are represented by multiple equations, it only makes sense that the 'fit' or predictive accuracy needs to be determined for the model as a whole (Malhorta, 2010:728). SEM determines how well the proposed (hypothesised) theory or model explains or 'fits' the observed correlation or covariance matrix at the item level (Malhorta, 2010:728; Mueller & Hancock, 2008:389).

SEM analysis is therefore commonly based on a correlation or covariance matrix instead of raw data. This means that the model parameters are determined in such a way that the variances and covariances of the variables implied by the model are as close as possible to the observed variances and covariances of the sample (Assaker *et al.*, 2010:4). Once certainty is achieved on these aspects, SEM can be applied through a series of steps. Malhorta (2010:729-737) and Hair *et al.* (2006a:734-759) provide a detailed explanation of the process to be used. The steps used in this study are discussed and their application is provided in Chapter 5 of the empirical results.

4.7.7.3 Graphical terminology

Another component of SEM is that the SEM model is illustrated in a graphical form by means of a path diagram. The path diagram is a simple mathematical representation of the proposed theoretical model and its relationships between the variables and constructs (Mazocchi, 2008:320; Hershberger *et al.*, 2003:5).

Path diagrams are useful in that they conceptualise and communicate the theorised model, but also contribute to creating a suitable input file that is required to test and fit the collected data by using specific software packages (like LISREL or AMOS) (Raykov & Marcoulides, 2000 as cited in Hershberger *et al.*, 2003:5; Mazocchi, 2008:320). Figure 4.3 presents the most widely used graphical notations for SEM models:

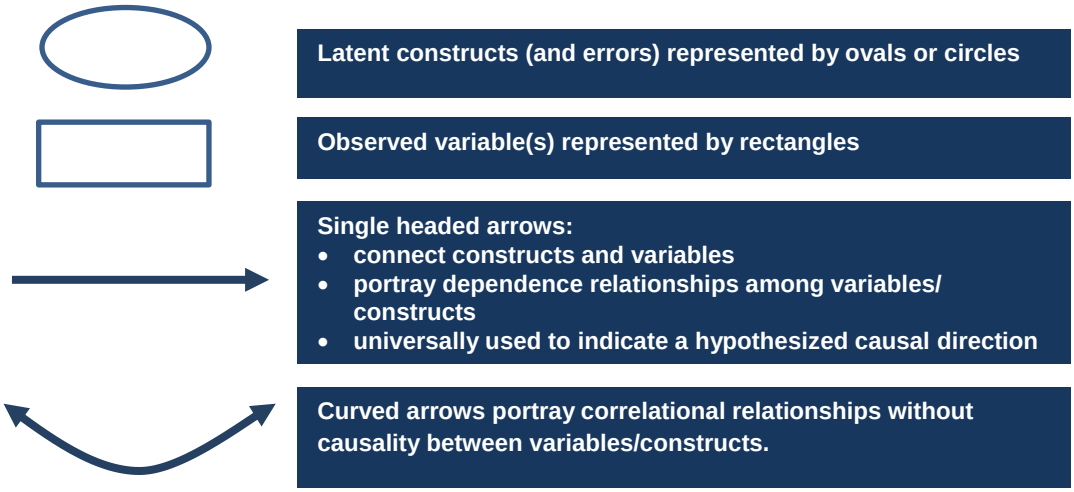


Figure 4.3: Graphical terminology for SEM model
Source: developed by author adapted from Malhorta (2010:730); Mueller & Hancock (2008:493); Mazocchi (2008:320)

4.7.7.4 The process of conducting SEM

The process of conducting SEM is shown in Figure 4.4. Each step and the relevant issues involved are discussed.

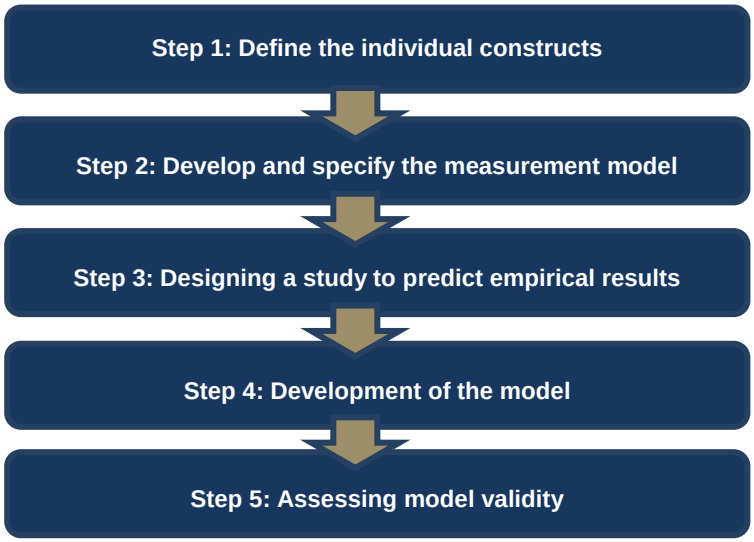


Figure 4.4: Steps in conducting SEM
Source: developed by author

4.7.7.4.1 Step 1: Defining individual constructs

As previously mentioned, a sound model is based on theory in order to obtain useful results (Malhorta, 2010:729; Lei & Wu, 2007:35). For this reason, the specific variables and constructs, how each construct will be defined and measured as well as their interrelations must all be specified based on theory.

In SEM, both measurement theory and structural theory are generally tested. Measurement theory specifies how the constructs are represented, whereas structural theory proposes how the constructs are interrelated (Malhorta, 2010:729). The measurement considerations and development of multiple-item scales were discussed earlier in the chapter (see phase 1). The purpose of this study was to develop a brand value model for SATSA. Chapters 2 and 3 therefore provided insight into (a) the various aspects contributing to brand value and how they may apply to a non-profit, member-driven organisation like SATSA, and (b) the possible relationship between the identified value categories and their relationship with brand equity. As a result, several relationships were hypothesised based on an analysis of the theory (see 4.7) and were consequently tested in the second phase of the empirical study.

Thus, part of the first step in SEM was to operationalise and understand the constructs (see Table 4.5). Each latent construct was measured by multiple observed variables (items). In this study's data set, a total of 6 constructs and 53 observed variables (items) were identified. These constructs represent the five brand value dimensions in which the brand equity dimension is also included, due to the interchangeable usage of terms as discussed in Chapter 2 and the relationships proposed in the hypothesised model provided in Chapter 3.

The value dimensions were further defined as: Financial value (FINV-10 items); Professional trust value (PTV-10 items); Organisation value (ORGV-11 items); Network value (NETV-9 items); and Social engagement value (SEV-4 items). The Brand Equity construct contains 9 items. Each item of both the value dimensions and brand equity was measured on a five-point Likert scale (1 = strongly disagree and 5 = strongly agree). The value dimensions and their items for specifying the measurement model are indicated in Appendix E.

4.7.7.4.2 Step 2: Developing and specifying the measurement model

The second step in SEM formally specifies the measurement model. This is achieved by firstly identifying and including each latent construct for the study, and then assigning relevant measured indicator variables (items) to each latent construct. Figure 4.5 represents an example of a measurement model containing two correlated constructs and four indicators (measured variables) to represent each construct.

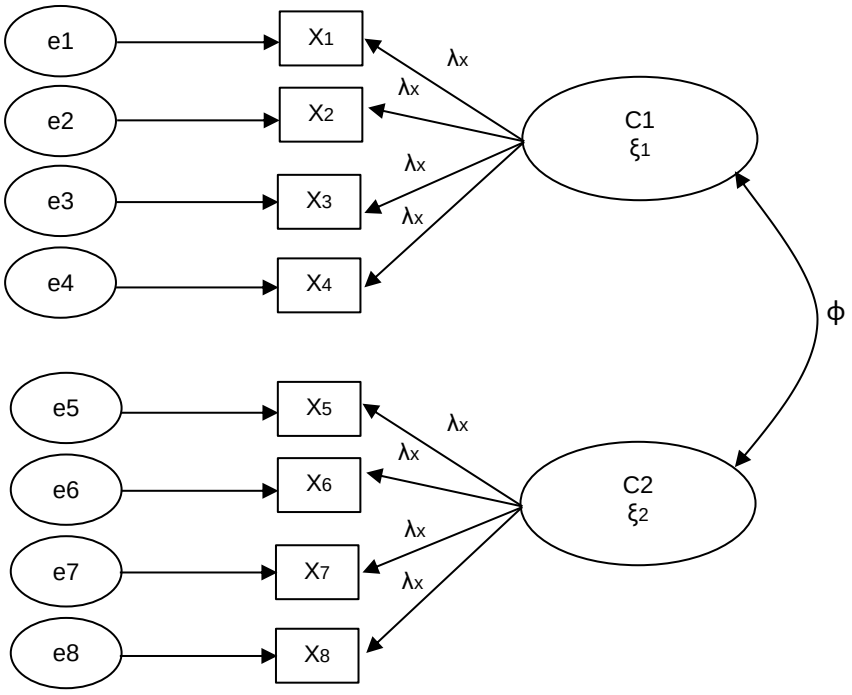


Figure 4.5: Visual representation of a measurement model
Source: Adapted from Malhorta (2010:730) and Hair et al. (2006a:736)

Based on the figure above, the assignment of relevant measured variables to each latent construct is graphically shown as single-headed arrows from each construct to the measured variables that represent each construct. Latent constructs can also be correlated with each other, thereby indicating their relation to each other, as represented by a double-headed arrow. In addition to this, an error term is added, since a latent construct (factor) cannot explain a measured variable perfectly. In this step no distinction is made between exogenous and endogenous constructs and all are treated as being of the same type, which is similar to that in factor analysis (Malhorta, 2010:730).

In this example of a model (Figure 4.5), a total of 17 estimated parameters are indicated. The parameters consist of 8 loading estimates (λ_X), 8 error estimates (e) and 1 inter-construct correlation (ϕ). The figure also specifies 2 latent constructs (C1 and C2), which are measured by 8 observed variables (X1 to X8) (refer to synonyms of variables in 4.7.4.2). The links between each of the constructs (C1 and C2) and the variables (X1- X8) refer to the loading estimates (λ_X), which indicate the degree to which the items are related to each construct. The common notational examples used in a measurement model are provided in Table 4.7 below:

Table 4.7: Notational symbols for a path diagram

Notation symbol	Explanation
C1 and C2	the latent constructs (e.g. *Social engagement* value and *Network value*)
ξ	latent constructs symbol
Φ	correlation between constructs symbol
λ_X	factor loading estimate symbol
X1 – X8	measured variables representing a construct
e1 - e8	measurement errors

A simple structural equation can, therefore, be illustrated as follows: C1 = e1X1 + e2X2 + ∈.

By using the above example, structural equations were developed for each of the possible estimated parameters in the measurement model. In this study, the value dimensions for brand value are specified as the latent constructs which are measured by multiple observed variables (see Appendix E). An exploratory factor analysis (EFA) was conducted to determine whether the items meant to measure the same construct loaded on the specific latent construct as proposed, prior to the SEM analysis. This was also used to assess and verify that the scale measurement items (observed variables) used for each construct were reliable and valid.

The most common measure of reliability is the Cronbach's Alpha, which was previously discussed in this chapter (see 4.7.1). The Average Variance Extracted (AVE) is also a measure of reliability that reveals the amount of variance in the items (observed variables/indicators) that is explained by the latent construct they represent (Malhorta, 2010:734; Assaker *et al.*, 2010:13). AVE varies from 0 to 1, where a value of 0.5 indicates agreeable convergent validity. Convergent validity measures the degree to which the items (observed variables/indicators) of a latent construct measure the same construct (Malhorta, 2010:734). With an AVE value of 0.5 it will mean that, on average, the latent construct explains more than 50% of the variance in the items (observed variables/indicators). Higher AVE therefore occurs when items are truly representative of the latent construct.

High factor loadings can also indicate the items (observed variables) converge on the same construct and ought to be statistically significant. These measures are assessed together with the model-fit, which is further discussed in step 5 of SEM and in Chapter 5. Once it has been established that the measurement model is reliable and valid, the researcher can proceed with the specification of the structural model.

4.7.7.4.3 Step 3: Designing a study to predict empirical results

Step 3 addresses aspects pertaining to research design, sample size and model estimation. Research design implies that a decision needs to be made in terms of the type of data that will be analysed. This could refer to correlations or covariances. As previously indicated (in 4.6), correlations are a useful way of examining the linear relationship and the strength of the association between two variables (McDaniel & Gates, 2013:527). By examining the correlation between the observed variables, it is possible to estimate the adequacy of the model to sufficiently represent the process(es) being studied and to conclude that the proposed theoretical relationships are acceptable, and consistent with the data (Maclean &Gray, 1998:19).

Moreover, with numerical data or ordinal data with Likert categories greater than four, researchers often use correlations instead of covariances as input to estimation (Assaker *et al.*, 2010:10). SEM provides the multivariate, statistical means to quantify such relationships. Another consideration in this step is the sample size. As previously stated, SEM is characterised by the fact that it requires a large sample compared to other multivariate approaches.

Though numerous considerations can influence the sample size, it is generally accepted in research methodology practice that a larger sample size produces more stable solutions, and the researcher should make sure that the SEM model is estimated on an adequate sample size (Malhorta, 2010:731). As a result, this author proposes some guidelines for addressing the effect sample size has on the utilisation of SEM:

- SEM models consisting of five or fewer constructs, each with more than three observable variables (items), and with high-item communalities of at least 0.5 can adequately be estimated with samples of no less than 200.
- For five or fewer constructs, when even some constructs contain less than three observed variables, or if the communalities are slightly less than 0.5, then the minimum sample size of 300 is required.
- When there are more than five constructs, some of which may contain less than three observed variables, and multiple low communalities (less than 0.5) are present, the sample size ought to be at least 400.

Based on this, the first guideline above appears to be significant to the present study. The sample size for this study exceeded 200 (n=718) and was therefore deemed appropriate. The second guideline was not applicable to this study, since six constructs were defined.

Each latent construct was measured by at least four items, which agrees with the recommendation of Hershberger *et al.* (2003:4) to use multiple items for each construct and acceptable communalities were present (all above 0.5). Thus, the last guideline was also not applicable to the present study. The sample size in this study is 268 with six constructs and 53 observed variables. Though many considerations can influence the sample size, it is generally accepted in research methodology that a larger sample size produces more stable solutions that are more likely to be replicated, and the researcher should make sure that the SEM model is estimated on an adequate sample size (Malhorta, 2010:731; Hair *et al.*, 2006a:737).

In addition to research design and sample size, model estimation should be addressed in this step of SEM. This is achieved by focusing on model structure, estimation techniques and the computer software being used. Model structure refers to stipulating the structure of the theoretical model and then communicating it to the specific program that is used for the model. The next part selects the way in which the model will be estimated. A number of options exist such as least squares (LS), unweighted LS, generalised LS, and asymptotic distribution free (ADF) (Weston & Gore, 2006:738). However, Maximum Likelihood Estimation (MLE) is regarded the most dominant, widely applied approach in a variety of SEM programs (Hair *et al.*, 2006:743; Lei & Wu, 2007:36; Weston & Gore, 2006:739; Assaker *et al.*, 2010:9; Mueller & Hancock, 2008:490). MLE as estimation approach assumes that the observed (measured) variables have multivariate normal distributions in the case of primary data that involves Likert scales, where the number of Likert categories is four or higher (Lei & Wu, 2007:36; Assaker *et al.*, 2010:9). It is therefore not dependent on the scale of measurement and is robust enough to regulate violations of the normality assumption that may occur (Anderson & Gerbing, 1984 *as cited in* Weston & Gore, 2006:739). For these reasons, Maximum Likelihood Estimation (MLE) was employed in the present study.

Lastly, many statistical packages are available by which SEM can be performed, such as LISREL (linear structural relationships), EQS (abbreviation for equations), Mplus, Mx (Matrix) and AMOS (Analysis of Moment Structures) (Lei & Wu, 2007:41). Programs differ in the way models are specified. AMOS (version 21.0) was selected to conduct the data analysis for this study due to its flexibility and relevance to a variety of applications.

4.7.7.4.4 Step 4: Development of the model

In this step of SEM, the emphasis is shifted from the relationships between latent constructs and the observed variables, to the nature and magnitude of the relationships between constructs (Malhorta, 2010:735). This step specifies a model by assigning relationships between the constructs based on the proposed theoretical model.

The specification of a structural model therefore enables the identification of the main influencing factors presumed to exist based on the proposed theoretical model. Figure 4.6 provides a simplified graphical explanation of this process.

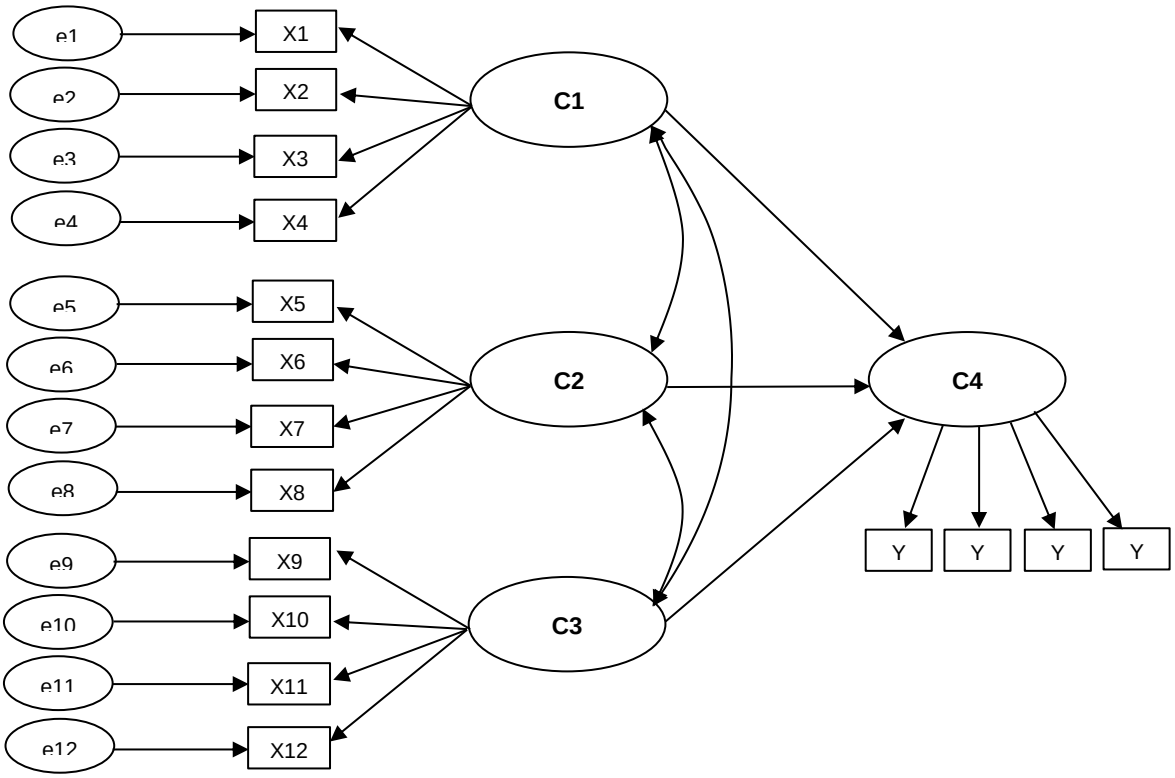


Figure 4.6: Visual representation of a structural model
Source: adapted from Malhorta (2010:736) and Hair et al. (2006a:755)

Based on the above, Figure 4.6 indicates the proposed relationships between the latent constructs, C1, C2, C3 and C4, which is based on the theoretical measurement model. Figure 4.6 therefore displays all the constructs and their set of observed variables indicated in the measurement model and illustrates the structural dependence relationships between the constructs as hypothesised. In this step of SEM, the exogenous and endogenous variables can also be reported. In this example, C1, C2 and C3 are regarded the exogenous variables all influencing C4, the endogenous variable. Hence, the above presented model is ready to be assessed.

4.7.7.4.5 Step 5: Assessing model validity

One of the most important steps in conducting SEM is to assess how well a specified model 'fits' the data. This refers to the goodness-of-fit, which assesses how well the theoretical model is supported by the empirical data. The goodness-of-fit therefore compares how similar or close the estimated correlation matrix is to the observed correlation in the sample data.

The closer the two values are to each other, the better the model is considered to fit. Therefore, the better the structural model estimates the theorised model, the better it is considered to fit. At present, an abundance of measures (fit indices) are available to researchers. However, the lack of agreement on which indices to report and what constitutes acceptable values for various indices ought to be, makes it less simple to select appropriate fit indices (Hooper *et al.*, 2008:53; Weston & Gore, 2006:741). As such, this remains a controversial topic in research methodology. In general, researchers are recommended to consider multiple indices simultaneously when evaluating overall model fit (Lei & Wu, 2007:37). The use of more than one fit index enables the researcher to provide a more complete picture of a model's acceptability (Mueller & Hancock, 2008:505). For each measure of fit, the choice as to what represents a good enough fit between the model and the observed data must reflect other contextual factors, such as sample size, ratio of indicator factors, and the overall complexity of the model.

The model fit indices can usually be grouped into the following three broad categories: absolute fit indices; incremental fit indices; and parsimony fit indices. This study employed the Chi-Square divided by its degrees of freedom (CMIN (χ_2)/DF); Root Mean Square Error of Approximation (RMSEA); and the Comparative Fit Index (CFI). These measures are considered to be grouped into the first two categories of fit indices, which are subsequently discussed.

Absolute fit indices generally measure how well a proposed theoretical model fits the data. Unlike, incremental fit indices, their calculation is not reliant on comparison with a baseline model, but is rather a measure of how well a model fits compares to no model whatsoever (Jöreskog & Sörbom, 1993 , *as cited in* Hooper *et al.*, 2008:54). Examples of measures in this category include the goodness-of-fit index (GFI) and adjusted GFI (AGFI), standardised root mean square residual (SRMR), and the RMSEA and the Chi-Square (Hooper *et al.*, 2008; Malhorta, 2010; Hair *et al.*, 2006; Lei & Wu, 2007; Weston & Gore, 2006). Higher values of GFI and AGFI and lower values of SRMR and RMSEA specify better model-data fit respectively.

The Chi-Square (χ_2) is the most popular and widely reported goodness-of-fit measure and is calculated as the difference between (S) and (Σ_k) (Malhorta, 2010:732; Assaker *et al.*, 2010:13; Mueller & Hancock, 2007:490). This statistic is the most rigid concept of fit, which suggests that the model should exactly replicate the observed data (Weston & Gore, 2006:741). Ideally speaking, the chi-square must not be significant, thereby indicating no significant difference between the model and the data. For this reason, this statistic is often referred to as a 'badness of fit' instead (Malhorta, 2010:732; Hooper *et al.*, 2008:54).

Smaller chi-square values therefore indicate better model fit. However, finding an 'exact' fit is uncommon. Given the restrictiveness of the Chi-Square and its main limitation of sensitivity to sample size, it rarely provides the only basis to assess model fit. This sensitivity is said to create a challenge when the Chi-Square value increases as the sample size and number of observed variables increase above a sample size of 200, which can create a bias in the model fit (Malhorta, 210:732; Assaker *et al.*, 2010:14; Hershberger *et al.*, 2003:18). It is therefore possible that slight differences between the model and the data may produce a statistically significant Chi-Square (Anglim, 2007:32). Researchers therefore consider additional indices to assess the acceptability of model fit.

As a result, a more useful measure of fit particularly relevant to this study is the CMIN/DF (χ^2/df). This entails dividing the Chi-Square statistic (χ^2) by its degrees of freedom (df) (Malhorta, 2010:725). Although little consensus exists on an acceptable ratio for this statistic, Kline (2005:202) and Schreiber *et al.* (2006:330) propose that, in this case, any ratio below 3 is indicative of a well-fitting model with a sample size (critical n>200). Lei and Wu (2007:36) also recommend that the Chi-Square value divided by its degrees of freedom (χ^2/df) should be reported in addition to the other fit indices.

Another accepted measure that statistically estimates how well a model fits the data is the RMSEA fit index. This statistic examines the difference between the actual and predicted covariance. RMSEA therefore measures the extent of errors or deviations in some form and so, lower values are preferably required (Malhorta, 2010:732; Hair *et al.*, 2006a:744). Recommendations for RMSEA cut-off criteria have been debated considerably (Schreiber *et al.*, 2006; Hair *et al.*, 2006; Anglim, 2007; Lei & Wu, 2007; Assaker *et al.*, 2010; Hooper *et al.*, 2008). However, as a general 'rule of thumb', Malhorta (2010:732) suggests that a RMSEA value of less than or equal to 0.08 is conventionally deemed acceptable, but is subject to contextual interpretation. A recent practice in SEM is to also provide the confidence interval value, which incorporates the sampling error associated with the estimated RMSEA. It is generally reported in conjunction with the RMSEA value, where lower limit of this interval ought to be close to 0 while the upper limit should be less than 0.08 (Hooper *et al.*, 2008:54; Schreiber *et al.*, 2006:330; Weston & Gore, 2006:742).

In contrast to the above fit indices, incremental fit indices compare the fit of the researcher's model to a more restricted baseline model, called an independence or null model, which specifies no relationships among measured variables.

Examples of incremental fit indices include the Comparative Fit Index (CFI), the Tucker-Lewis Index (TLI) and the Normed Fit Index (NFI) (Malhorta, 2010; Hair *et al.*, 2006; Lei & Wu, 2007; Mueller & Hancock, 2008; Assaker *et al.*, 2010). The CFI is like the NFI in that it compares the covariance matrix of the sample data with the null/independence model, since it assumes all latent variables to be uncorrelated. Higher values of incremental fit indices indicate larger improvement over the baseline model in fit. CFI vary, however, values of 0.90 are generally accepted as indications of good fit (Lei & Wu, 2007:36; Schreiber *et al.*, 2006:330; Mueller & Hancock, 2008:490; Malhorta, 2010:733). In accordance with good practice in SEM, this study employed multiple fit indices to assess the model fit of brand value for SATSA. In addition to the model-fit, other measures of reliability and validity were also assessed. The most common measure of reliability is the Cronbach's Alpha, which was previously discussed in this chapter (see 4.7.1).

Another measure was included in this analysis - the critical ratio (CR). This refers to the regression weight estimate divided by the estimate of the standard error at $p<0.05$ significance level. A critical ratio between -1.96 and +1.96 is not considered statistically significant. However, all critical ratios for this study were well above +1.96, thereby indicating statistical significance. In addition to this, the squared multiple correlation (SMC) of variables was used to determine the amount of variance accounted for by a particular construct. In other words, SMC refers to the extent to which the variance of an observed variable is explained by the associated latent construct (Malhorta, 2010:735). The higher the value, the more information is explained by the latent construct. Values of 0.4 and higher are considered significant. These two measures are reported in Table 5.17, 5.20 and 5.22 in Chapter 5.

4.8 CONCLUSIONS

This chapter described the methods of research used throughout the different phases of the empirical investigation. Each of the two phases followed in the empirical research process were discussed. The first phase focused on the process of developing the measuring instrument (questionnaire), where the initial 65 items, as theoretically identified, were reduced to a total of 53 items (44 brand value and 9 brand equity items) to measure the brand value for SATSA as contextually accurate as possible. The consideration of items and dimensions, the sampling procedure, as well as the process in finalising the questionnaire was discussed. Phase 2 focused on the methodology employed for the empirical survey. Emphasis was placed on the sampling procedure, data collection and analysis. The next section provided an overview of the hypotheses that needed to be tested, subsequent to which the final section discussed the different statistical techniques used to analyse the results of the data obtained in the empirical survey. The empirical results will be presented in Chapter 5.

CHAPTER 5



Empirical results

5.1 INTRODUCTION

The previous chapter described the research methodology used for developing a measuring instrument (questionnaire), conducting the empirical survey, and statistically analysing the data. The purpose of this chapter is to provide a discussion of how the methodology specified in Chapter 4 was applied to generate empirical results.

This chapter will therefore focus on the results obtained from the second phase of the empirical study and the techniques used to analyse the data. The second phase required SATSA members to indicate their business profile (Section A) and their perception of the value provided to them as members by the SATSA brand (Section B). The results of this phase are therefore presented in four sections. The first section presents the descriptive statistics obtained from the data, which focuses on SATSA members' business profile and their general perceptions of brand value.

The second section focuses on the results of the exploratory factor analyses (EFAs) for both brand value and brand equity items respectively, subsequent to which the correlation matrix is discussed. The results of the Spearman rank order correlations, Analyses of Variance (ANOVAs) and an independent *t*-test are discussed in the third section to indicate the relationship and differences between the identified brand value and equity factors and selected business profile aspects. The final section presents the results of the Structural Equation Modelling (SEM) statistical analysis to discuss the brand value of SATSA from members' perspective.

5.2 DESCRIPTIVE RESULTS

Since full access to, and use of, SATSA's member-base was approved by SATSA management, it was essential that the information contained within it would be treated with utmost discretion. In view of the sensitivity of some of the information, it was therefore agreed that the following information regarding members' business profile would be allowed to be measured and reported for the purpose of this study: the length of membership; the location of

their business; operational category; how long members have been in business; the number of employees in their business; their star-grading status; the number of beds/seats in their establishments (where applicable); as well as the top five benefits currently utilised. Members were further asked to indicate why they belong to SATSA as well as how they would describe SATSA in one word. The frequency tables of why members value the brand (brand value and brand equity rankings) are also provided in this section. This section therefore includes descriptive statistics of both sections A and B of the data obtained.

5.2.1 Section A: Business profile of SATSA members

This section provides the results for selected business profile aspects of members, as indicated in the figures below.

5.2.1.1 Length of membership

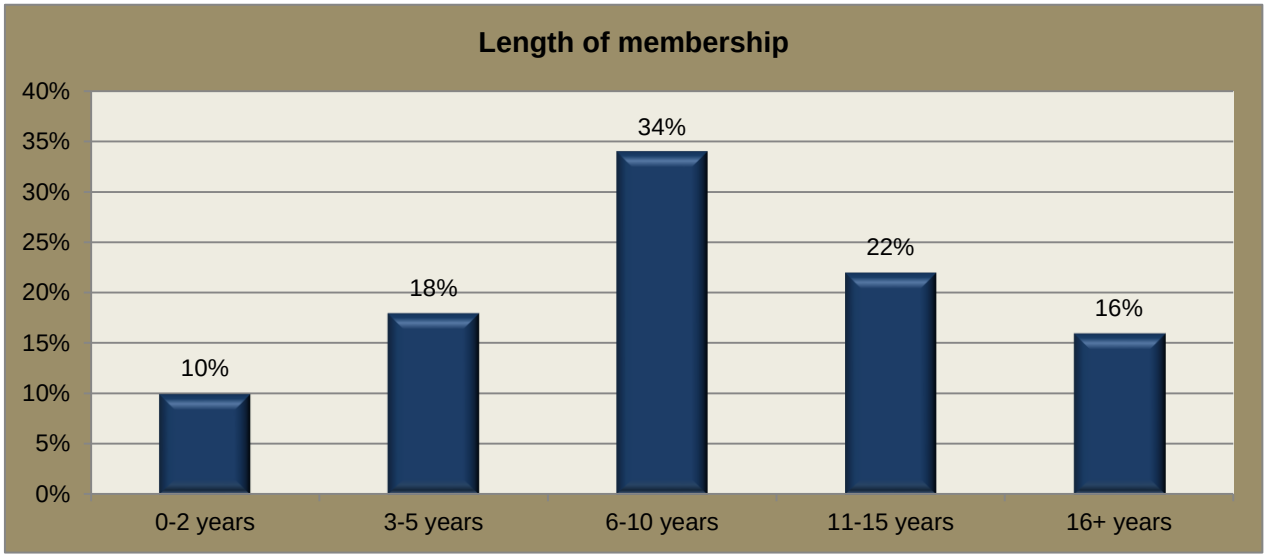


Figure 5.1: Length of membership

The majority of respondents (34.4%) have been members of SATSA for between 6 and 10 years (see Figure 5.1).The mean was 10 years. Twenty-two percent (22%) indicated they have belonged to SATSA for a period of between11 and 15 years and only a limited number of respondents (16.1%) have been SATSA members for longer than 16 years. In only 10.4% of the cases, it was found that respondents established their SATSA membership during the past two years (2011-2013), which is indicated in Figure 5.1 as 0-2 years. Eighteen percent (18%) further indicated they have been SATSA members for between 3 and 5 years. These categories (Figure 5.1) provide insight into the current distribution of the length of membership.

5.2.1.2 Location of the business

Table 5.1 indicates that the majority of respondents' business(es) are located in the Western Cape (38.3%) and Gauteng (30.2%), followed by respondents situated in KwaZulu-Natal (8.5%), Eastern Cape (8.1%) and Mpumalanga (7.6%). Only four per cent (4%) of respondents business(es) are located in the Limpopo province. The smallest proportion of business locations are found in the North West (1.6%), Free State (1.2%) and Northern Cape provinces respectively.

Table 5.1: Location of business

Location	Percentage
Western Cape	38.3%
Gauteng	30.2%
Eastern Cape	8.1%
North West	1.6%
Mpumalanga	7.6%
Northern Cape	0.4%
KwaZulu-Natal	8.5%
Limpopo	4.0%
Free State	1.2%

5.2.1.3 Operational context of the business

Figure 5.2 indicates the diversity of role players that SATSA currently represents in the private sector of the Southern African tourism industry. Most of the respondents were tour brokers (32%), followed by accommodation establishments (19%) and transport operators (19%). No respondents selected the tour operator category, and it was therefore omitted from the results. The accommodation establishments operated on average 565 beds, the transport operators operated on average 730 seats.

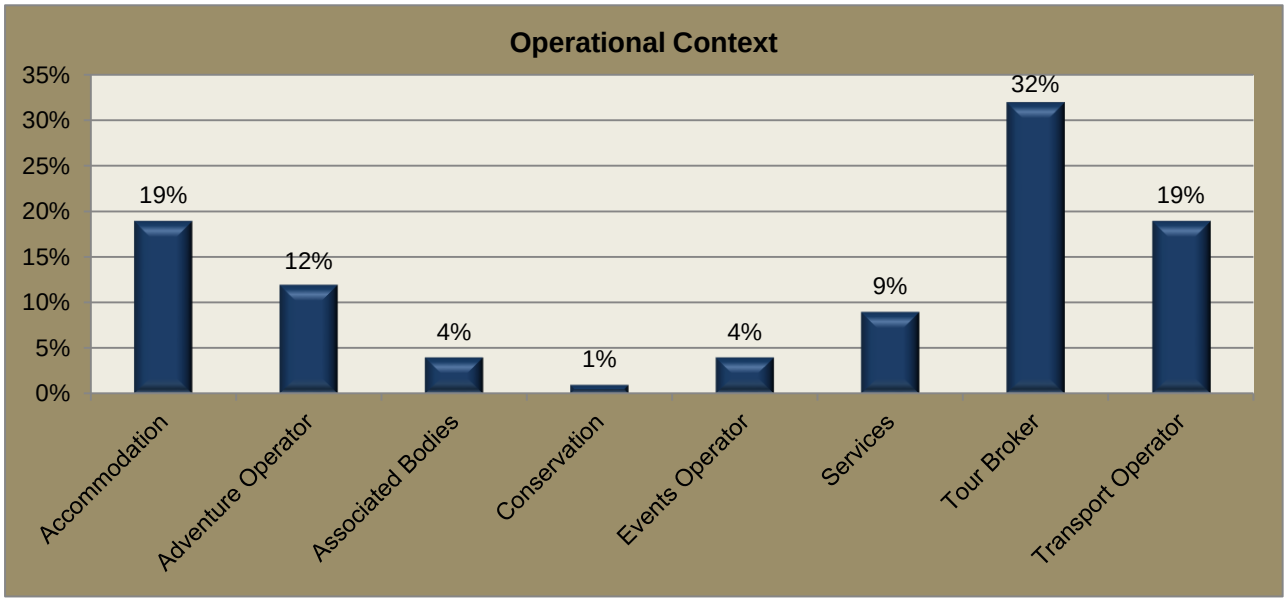


Figure 5.2: Operational context

5.2.1.4 Length of business operation

As shown in Figure 5.3, a large proportion of SATSA members are established businesses that have been operating in the tourism industry for over 20 years (24%), between 16-20 years (23.2%), and 23.2% between 11 and 15 years. Sixteen percent (16.1%) of respondents have been operational for 10 years or less (7-10 years), while 14.2% since they have only started up their business or have been in business for a short while (between 0-6 years). The mean for the length of business operations was 18 years.

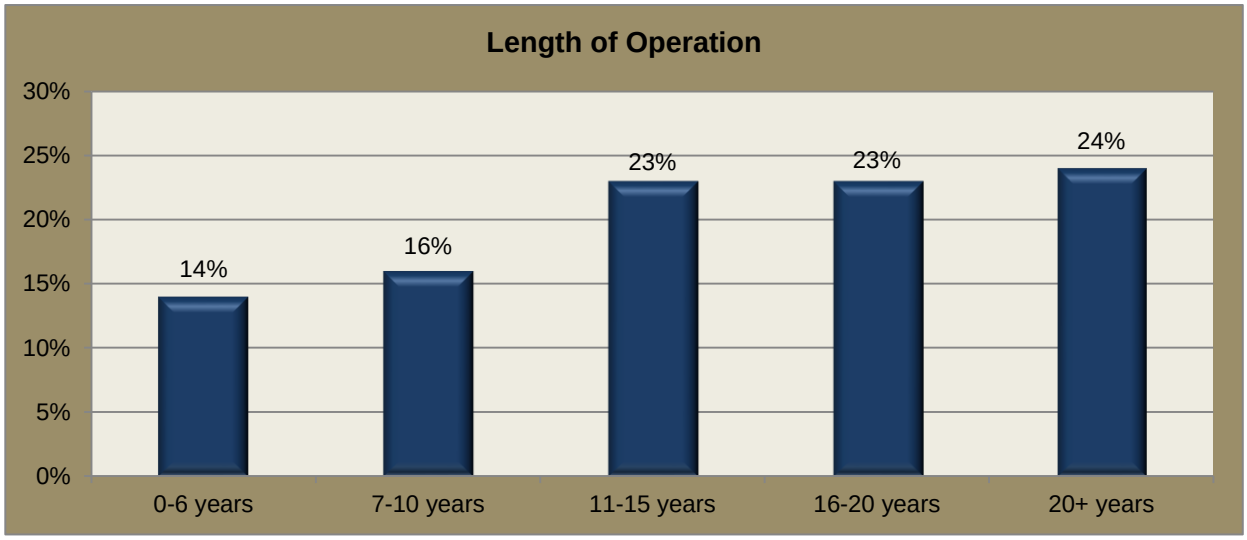


Figure 5.3 Length of operation

5.2.1.5 Number of employees in the business

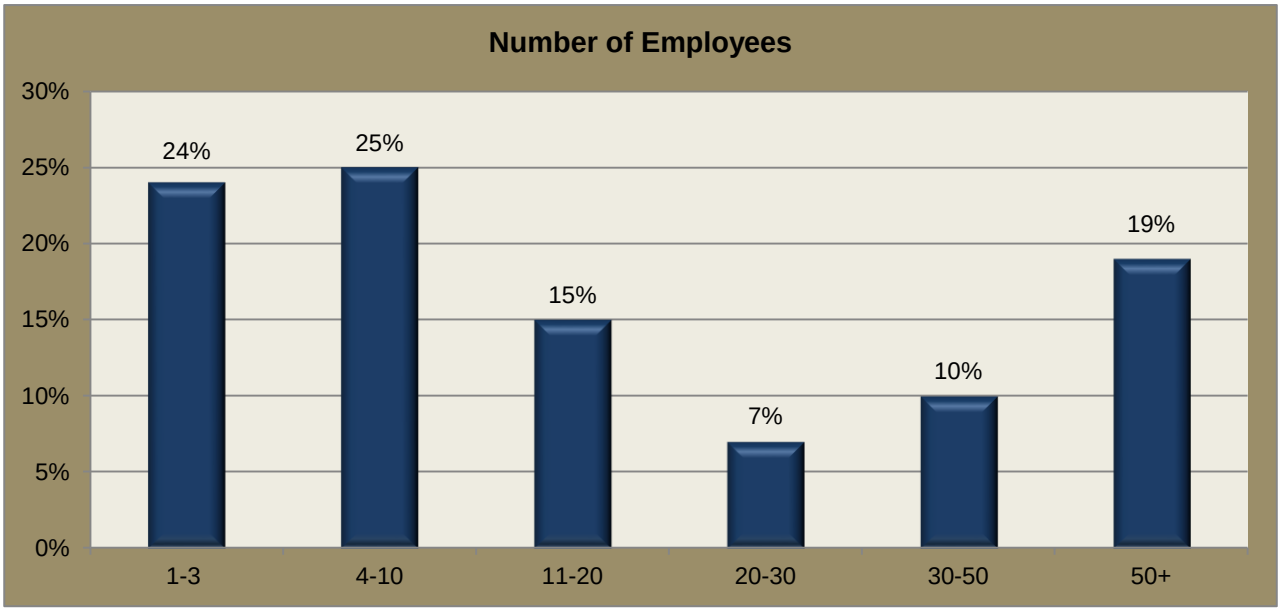


Figure 5.4: Number of employees

From Figure 5.4 above, it is evident that the majority of respondents' businesses consisted of a small number of employees between 1 and 3 people (24%) or between 4 and 10 people (25%). This may partly be ascribed to respondents' operational context, since most respondents were tour brokers, transport operators and/or accommodation establishments (see Figure 5.2). Tour brokers and/or transport operators tend to operate a particular business themselves and are not entirely dependent on a large workforce for optimal functioning, like a hotel, for example.

On the other hand, the local tourism industry is filled with a multitude of smaller accommodation establishments, like guesthouses or country houses, which are often run from peoples' homes to generate extra income and thus do not and/or cannot employ a large number of employees. In this case, the global economic crisis may also have, to some extent, affected the number of employees SATSA members can afford. A large number of employees, however, could typically point to larger accommodation establishments, like hotels, that depend on a larger workforce to operate on various levels. This may, to a certain extent, account for the 19% of respondents' who had over 50 employees working in their business. The mean for the number of employees was 235 people.

5.2.1.6 Star-grading status

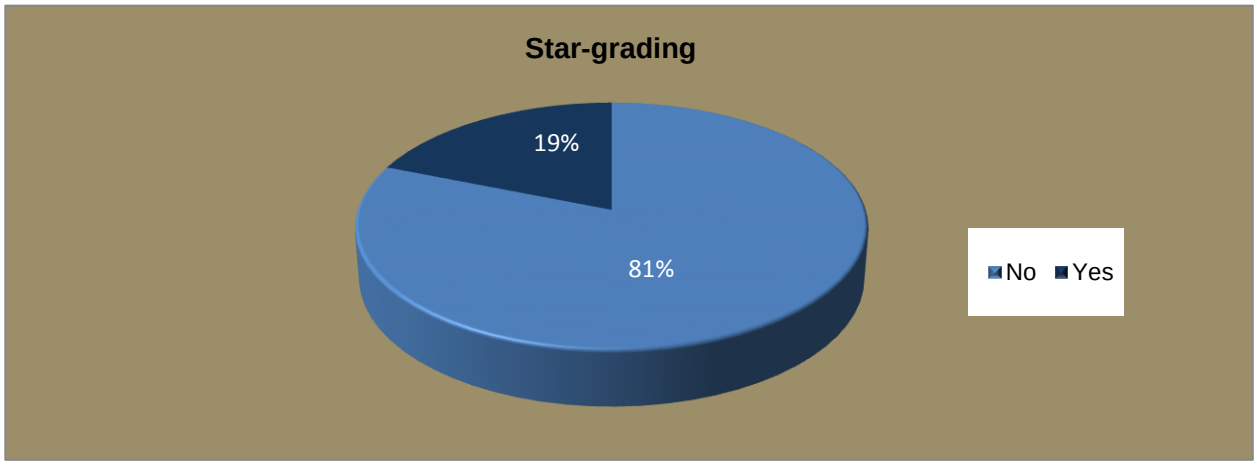


Figure 5.5: Star-grading status

Only 19% of the establishments were graded and 81% were not graded (see Figure 5.5). This may partly be because star-graded businesses in South Africa generally refer to accommodation establishments, and in the case of SATSA, most respondents are tour brokers (see Figure 5.2), who do not have star grading requirements. Those respondents (members) that were graded were mostly 4-star, followed by 5-star and 3-star respectively.

5.2.1.7 Importance of benefits provided by SATSA

According to Table 5.2, the respondents (members) are, in general, neutral towards most of the SATSA benefits currently offered. Though the neutrality of respondents does not necessarily imply negativity towards the benefits, these results ought to prompt further investigations as to why the majority of benefits SATSA currently provides are not as important to members.

Given the recent 22% decline in membership numbers (see Chapter 2, 2.5.2), this could be a useful exercise for SATSA to find out what benefits ought to be revised, added, or removed, so as to better retain current members and attract new ones through more appealing offers as part of the overall value proposition. Two benefits respondents indicated as being very important were the Bonding cover scheme (29%) and the SATSA logo (25%); followed by important benefits of the RAP Newsletter (30%), networking via chapter meetings (24%) and the tourism safety initiative of *tsi* Crime reporting (23%). These were indicated as the top five benefits respondents make use of at present. Table 5.2 presents the results on the next page.

Table 5.2: Importance of benefits provided by SATSA

Benefits	Unimportant	Little importance	Neutral	Important	Very important	Did not rate
AA Roadside Assist	**28%**	6%	23%	6%	4%	33%
ABSA Benefits	**32%**	6%	20%	4%	2%	37%
Arbitration Facility	19%	9%	**22%**	10%	4%	36%
Bonding Cover	9%	5%	17%	18%	**29%**	22%
eJobs (Recruitment)	22%	10%	**23%**	7%	1%	36%
Indaba Stand (Brochures)	21%	7%	**22%**	12%	5%	33%
Insurance Directive Booklet	21%	7%	**22%**	10%	3%	37%
Insurance Discounts	19%	7%	**22%**	12%	6%	34%
Legal Advice Club	15%	6%	**25%**	14%	5%	35%
Lobbying (Task Groups)	13%	3%	**23%**	13%	12%	36%
M2M Discounts	19%	7%	**26%**	6%	2%	39%
Magazine (Tattler)	13%	8%	**23%**	19%	6%	31%
Meeting Room Facility (H/O)	**29%**	5%	22%	4%	1%	38%
Member Directory Ads	15%	8%	19%	**21%**	8%	30%
Member Search Widget	14%	8%	**22%**	14%	7%	35%
Networking (National AGM)	12%	7%	**23%**	18%	10%	30%
Networking (National Conference)	13%	6%	**22%**	16%	12%	32%
Networking (Chapter Meetings)	10%	9%	17%	**24%**	13%	27%
Newsletter (RAP)	7%	8%	20%	**30%**	11%	25%
Presentation (Chapter Meetings)	11%	9%	**23%**	17%	6%	35%
Provident Fund	22%	6%	**24%**	8%	3%	38%
SATSA Charity Auction (Bid or Buy)	20%	9%	**27%**	4%	3%	37%
SATSA ID Card (Staff Discounts)	17%	11%	**25%**	10%	5%	33%
SATSA Logo (website pop-up enabled)	8%	6%	10%	30%	**25%**	22%
SATSA Decals	13%	5%	**19%**	17%	8%	37%
Social Media (Facebook / Twitter)	15%	7%	**26%**	12%	7%	34%
Speed Marketing Sessions (SAT)	15%	5%	**22%**	15%	10%	34%
Tour Operator Training Courses	19%	7%	**24%**	9%	8%	34%
Tourism Safety Initiative (tsi Crime Reporting)	10%	3%	19%	**23%**	12%	32%
Website Banner Ads	15%	4%	**25%**	14%	9%	33%

5.2.2 Section B: Brand value

This section focused on questions pertaining to brand value and how it is perceived by SATSA members (respondents). The results are presented below.

5.2.2.1 Word association with SATSA and main reason for being a member

Respondents generally described SATSA with the following words:

Table 5.3: Word association with SATSA

Word	Number of respondents
Credibility	65 respondents
Quality	20 respondents
Secure	14 respondents
Reliability	10 respondents
Trust	8 respondents
Recognition	7 respondents
Accreditation	6 respondents
Stable	6 respondents
Integrity	5 respondents
Networking	5 respondents
Professional	5 respondents

Based on Table 5.3, it is evident that 'credibility', 'quality', and 'secure' are the three words typically associated with SATSA. Respondents further indicated they belong to SATSA for the following reasons:

- Being a member provides SATSA members with the ability to associate with a credible industry organisation
- The benefits that SATSA offers are also a motivating factor
- The bonding scheme attracts members to SATSA and they see it as an important benefit
- The fact that SATSA shares information with members is also important
- The opportunities provided to network with other SATSA members are also considered as an important reason for being a member
- Clients are more satisfied knowing that the business is a SATSA member

5.2.2.2 Brand value descriptives

Table 5.4 shows that respondents generally seemed to value the brand. Respondents agree to strongly agree with the following brand value items, which appear to be important:

- SATSA is a well-known organisation in the industry (93%)
- SATSA is a well-established brand in the tourism industry (90%)
- SATSA is a credible organisation (89%)

Table 5.4: Brand value descriptives

I value SATSA membership because…	*Strongly disagree*	*Disagree*	*Neutral*	*Agree*	*Strongly Agree*	*Mean*	*Std. dev.*
SATSA provides a quality product….	2%	2%	21%	**51%**	23%	3.9	.8474
SATSA offers more superior products and services than other similar organisations in the industry….	2%	4%	37%	**40%**	17%	3.7	.8892
SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct…	1%	1%	14%	**51%**	34%	4.2	.7544
SATSA is a well-known organisation in the industry…	1%	2%	4%	44%	**49%**	4.4	.7384
I support the vision and mission of SATSA…	1%	-	15%	**49%**	35%	4.2	.7376
...considering what I pay for membership, I get more than my money's worth…	5%	10%	**42%**	32%	11%	3.4	.9634
Being a SATSA member is less risky financially than belonging other similar industry organisations…	2%	4%	38%	**41%**	14%	3.6	.8582
SATSA saves me money through member benefits…	6%	14%	**56%**	16%	7%	3.0	.9111
SATSA is a sustainable organisation in a volatile tourism industry…	2%	2%	30%	**46%**	19%	3.8	.8283
SATSA provides guidelines regarding profitable product and service developments for the industry…	2%	8%	34%	**46%**	10%	3.6	.8542
SATSA membership creates mutually supportive industry relationships…	1%	5%	24%	**54%**	17%	3.8	.8103
SATSA membership enables communication with other SATSA members and role players in the industry	1%	3%	21%	**59%**	16%	3.9	.7609
…of my long term relationship with SATSA…	2%	2%	**41%**	40%	15%	3.6	.8214
SATSA tailors its brand offering to meet industry needs…	2%	6%	38%	**44%**	10%	3.6	.8082
SATSA membership gives me status in the industry…	2%	4%	16%	**54%**	24%	3.9	.8544
I associate SATSA with quality business practice in the South African tourism industry…	2%	1%	12%	**53%**	33%	4.1	.7897
SATSA meets my expectations…	3%	6%	30%	**47%**	14%	3.6	.9059
SATSA encourages member feedback on industry related topics on a regular basis…	2%	3%	30%	**52%**	13%	3.7	.7935
SATSA is a dependable brand that goes the extra mile for its members…	3%	3%	28%	**51%**	15%	3.7	.8519
SATSA is a credible organisation…	1%	1%	8%	**52%**	37%	4.2	.7350

I value SATSA membership because…	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. dev.
SATSA is an influential brand in the tourism industry…	2%	3%	13%	**45%**	37%	4.1	.8537
SATSA provides marketing value for my organisation…	4%	7%	26%	**46%**	16%	3.6	.9767
SATSA lobbies with government to the benefit of members….	2%	2%	27%	**45%**	25%	3.9	.8395
SATSA uses advanced technology to distribute information effectively (E.g. SATSA Widget/website/ Twitter/Facebook)	2%	4%	31%	**49%**	14%	3.7	.8172
I am frequently made aware of industry issues/events……	1%	3%	16%	**60%**	20%	3.9	.7541
SATSA is continually growing its membership…	1%	7%	**49%**	34%	9%	3.4	.7703
SATSA's name and logo guarantee a quality experience to my guests/visitors …	2%	5%	21%	**45%**	28%	3.9	.8968
SATSA's reputation enhances my reputation in the industry…	2%	3%	14%	**51%**	30%	4.0	.8440
SATSA is a well-established brand in the tourism industry…	1%	1%	9%	**52%**	38%	4.3	.7103
SATSA provides me with networking opportunities…	1%	3%	24%	**51%**	21%	3.9	.7904
SATSA delivers excellent service…	1%	4%	28%	**48%**	19%	3.8	.8251
I receive enough information regarding SATSA and industry-related issues…	2%	5%	24%	**55%**	15%	3.8	.8133
SATSA represents me as member by voicing issues on my behalf…	1%	4%	28%	**49%**	17%	3.8	.8027
...of good relationships with SATSA employees and Board members...	1%	3%	**43%**	40%	12%	3.6	.7916
SATSA employees and Board members are committed to meeting my expectations…	1%	4%	38%	**46%**	11%	3.6	.7769
SATSA Board members are well informed to assist me with my queries…	1%	1%	41%	**45%**	12%	3.7	.7332
SATSA employees and Board members are always willing to help…	1%	2%	32%	**47%**	18%	3.8	.7625
SATSA Board members look after the needs of members…	1%	3%	36%	**46%**	14%	3.7	.7698
SATSA responds to market changes, challenges and opportunities in the industry…	2%	2%	31%	**52%**	14%	3.7	.7663
SATSA's core values reflect my company's core values…	1%	2%	26%	**51%**	20%	3.9	.7796
SATSA is well managed…	1%	2%	27%	**49%**	21%	3.9	.8068
SATSA offers socially beneficial products and services (e.g. educational programmes) to my organisation's advantage…	2%	6%	**48%**	34%	10%	3.4	.8271
….of their tsi initiative….(e.g. assists in protecting domestic and international travellers together with other industry partners)…	1%	3%	30%	**52%**	14%	3.7	.7626
SATSA leads on a social level (e.g. by guiding prospective entrepreneurs with valuable information on how to start up a tourism business)…	1%	3%	**48%**	38%	9%	3.5	

Based on the mean value and standard deviations, the following five brand value descriptives were considered most important:

- SATSA is a well-known organisation in the industry (Mean = 4.4; SD=.73)
- SATSA is a well-established brand in the industry (Mean=4.3; SD=.78)
- SATSA ensues high standards of professionalism and service through the SATSA Code of Conduct (Mean=4.2; SD=.75)
- To support SATSA's vision and mission (Mean=4.2; SD=.73)
- SATSA is a credible organisation (Mean=4.2; SD=.73)

5.2.2.3 Brand equity descriptives

In general, respondents agree that brand equity plays a role in the value they from SATSA membership (see Table 5.5). However, respondents agree to strongly agree that SATSA always come to mind when thinking of industry organisations (81%); they highly regard the SATSA brand (81%); and are proud to be a SATSA member (81%).

Table 5.5: Brand equity descriptives

Aspects evaluated as a result of SATSA membership	*Strongly disagree*	*Disagree*	*Neutral*	*Agree*	*Strongly Agree*	*Mean*	*Std. dev.*
I value the extensive benefits enabled by SATSA…	*2%*	*5%*	*40%*	***41%***	*12%*	3.6	.8298
SATSA always come to mind when thinking of industry organisations...	*1%*	*4%*	*14%*	***53%***	*28%*	4.0	.8058
I highly regard the SATSA brand…	*2%*	*2%*	*14%*	***50%***	*31%*	4.1	.8425
I am eager to remain a member of SATSA…	*1%*	*2%*	*17%*	***48%***	*32%*	4.1	.8026
I would recommend SATSA membership to other role players in the industry….	*1%*	*3%*	*16%*	***49%***	*30%*	4.0	.8189
SATSA delivers on its promises to me as member…	*2%*	*3%*	*33%*	***46%***	*17%*	3.7	.8330
SATSA is my preferred choice for an organisation to belong to…	*2%*	*3%*	*16%*	***50%***	*29%*	4.0	.8604
I am proud to be a SATSA member…	*1%*	*2%*	*16%*	***47%***	*34%*	4.1	.8149
I am willing to pay a membership fee each year…	*2%*	*1%*	*18%*	***53%***	*25%*	4.0	.8248

Based on the mean value and standard deviations, the following five brand equity descriptives were considered most important: members highly regard the SATSA brand (Mean=4.1; SD=.84); they are eager to remain members of the organisation (Mean=4.1; SD=.80); and are proud to be a SATSA member (Mean=4.1; SD=.81).

5.3 RESULTS OF THE EXPLORATORY FACTOR ANALYSES (EFAs)

Two separate EFAs were performed on the 44 brand value items (variables) and the 9 brand equity items (variables), to determine whether more compact underlying factors may be present in the data before implementing the SEM analysis and developing the model. The pattern matrix of the first principal axis factor analysis identified 5 brand value factors, which were labelled according to characteristics that collectively represent each factor: Factor 1 = *Financial value* (FINV); Factor 2 = *Professional trust value* (PTV); Factor 3 = *Organisational value* (ORGV); Factor 4 = *Network value* (NETV); Factor 5 = *Social engagement value* (SEV). The factor analysis therefore reduced the initially identified nine value categories (dimensions) (see Table 4.3) to a more condensed set of five factors, all of which were statistically reliable and valid (see Table 5.7 below).

All 44 items originally used to measure the value categories (dimensions) were retained within these newly revealed five factors. For the model investigating the validity of the scales measuring the factors (independent variables), there was theoretical justification for believing that the factors would be correlated, consequently, an Oblimin oblique rotation was performed on the principal components of the EFA (Field, 2009:643). Bartlett's Test of Sphericity yielded a p-value of lower than 0.001, thereby indicating statistical significance and supporting the factorability of the correlation matrix (Field, 2009:660; Pallant, 2007:197). The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of 0.966 also shows compact correlation patterns and that the factor analysis has produced distinct and reliable factors (Field, 2009:647). The five factors accounted for 69.01% of the total variance.

As mentioned in Chapter 4, the Cronbach's Alpha coefficients were examined to serve as a measure of internal consistency among items and to determine the reliability of the data obtained. All five factors exceeded the acceptable 'cut-off' value of 0.6 (Malhorta, 2010) with high reliability coefficients, ranging from 0.864 (lowest) to 0.955 (highest) respectively. All items loaded onto a factor with a factor loading greater than 0.3, thus indicating reasonably high correlations between the identfied factors and their individual items. In addition to this, inter-item correlations were calculated as alternative measure of reliability. All inter-item correlations were acceptable (above 0.5), thereby contributing to the internal consistency in each factor between the items.

Any items that cross-loaded on two factors with factor loadings greater than 0.3, were categorised in the factor where interpretability was most appropriate. In this case, the item 'SATSA membership creates mutually supportive industry relationships' cross-loaded on Factor 1 (FINV) and Factor 4 (PTV). It was decided that this item is best interpreted in Factor 4. This also applied to the item, 'SATSA tailors its brand offering to meet industry needs'. Table 5.6 provides a summary of cross-loadings and where they were best interpreted.

Table 5.6: Summary of cross-loaded items

Item	Cross-loading	Factor interpretability
SATSA membership creates mutually supportive industry relationships	Factors 1 and 4	Factor 4
…of my long term relationship with SATSA	Factors 1 and 3	Factor 1
SATSA provides a quality product	Factors 1 and 2	Factor 1
SATSA provides guidelines regarding profitable product and service developments for the industry	Factors 1 and 4	Factor 1
SATSA is a dependable brand that goes the extra mile for its members	Factors 1 and 3	Factor 1
I receive enough information regarding SATSA and industry-related issues	Factors 3 and 4	Factor 3
SATSA tailors its brand offering to meet industry needs	Factors 1 and 4	Factor 4
SATSA uses advanced technology to distribute information effectively	Factors 4 and 5	Factor 4

Factor scores were further calculated as the average of all items contributing to a specific factor, so that interpretation the mean scores of the factor can take place on the original 5-point Likert scale of measurement ranging from 1 = strongly disagree to 5 = strongly agree. As displayed in Table 5.7, the following brand value factors are discussed, of which factors 1, 2, and 3 obtained the highest loadings. The predictive groupings of nine value categories[1] (dimensions) based on the initial analysis of literature and the input from the panel of experts, were reduced by the exploratory factor analysis which revealed five factors of brand value. These factors were, however, deemed appropriate and even more practical to suit the context of the brand under investigation, due to the exploratory nature of this phase of the study. The factor analysis therefore assisted in producing relevant and useful factor structures.

Factor 1: Financial value

Financial value (Factor 1) revealed a mean value of 3.59, a reliability coefficient of 0.94 and an inter-item correlation of 0.61. This factor refers to the extent to which the SATSA brand is regarded as financially valuable to meet members' needs and included items such as: 'SATSA saves me money through member benefits'; '…being a SATSA member is less risky financially than belonging to other similar industry organisations'; and 'SATSA provides a quality product'. A total of 10 items loaded onto the factor (see Table 5.7). Refer to Appendix F for the phrasing of the statements (items) measuring the factors.

[1] For the purpose of the subsequent discussion, the term 'category' will be used to refer to a value dimension originally included in the hypothesised model (see Figure 4.2).

The two value categories (dimensions) Financial value (FV) and Product value (PV) originally included in the hypothesised model mainly combined to form one factor. Some items from the Shareholder value category (SHV) also loaded onto this factor. These items and categories (dimensions) were considered to be interpretable in this factor, since they all connectedly point to members' financial perspective of the SATSA brand as a 'product', because it has met and still meets their needs on a financial level, and is therefore worth spending on in terms of membership.

Factor 2: Professional trust value

Factor 2 was labelled *Professional trust value (PTV)* and indicated the highest mean value (4.01), with a reliability coefficient of 0.94 and an inter-item correlation of 0.63. This factor consequently reveals the extent to which the brand is trusted in terms of its professionalism in the industry and is regarded as the most important factor of brand value based on the results. A total of 10 items loaded onto this factor, which included a combination of items from various initially predicted Marketing value (MARV), Product value (PV) and Experience value (EXV) categories (see Appendix F).

All items signify, to a certain extent, whether members perceive SATSA as brand in which they can put their confidence for various performance levels of professionalism in the tourism industry. One item that was added to the Shareholder value (SHV) category loaded onto this new factor namely, 'SATSA gives me status in the industry' (refer to Appendix F). This item was considered to make sense within this new factor, since it may indicate members' degree of trust in the brand's ability to enable a level of prestige or status for its members in the industry. For example, reputation (MARV7) indicates a brand's 'prestige' to its consumers (see 2.6.5.7). A positive reputation may influence SATSA's value as a sought-after endorsement of good business practice and quality, and therefore, the extent to which the brand is/can be trusted and is deemed sufficiently professional to be linked to the members' own reputation in the industry.

Factor 3: Organisational value

A mean value of 3.75 was measured for Factor 3, *Organisational value* (ORGV), with a reliability coefficient of 0.96 and inter-item correlation of 0.66. Eleven items loaded onto this factor, which included items like 'SATSA Board members look after the needs of members'; 'SATSA's core values reflect my company's core values'; and 'SATSA delivers excellent service'. Though initially predicted to represent three separate value categories, these items are sufficient to collectively refer to the brand's organisational competence in providing value to its members in the form of services, member-employee/board relations and operational proficiency (see Appendix F).

Factor 4: Network value

Network value (NETV) (Factor 4) had the second highest mean value of 3.84. The reliability coefficient was 0.92 and the inter-item correlation 0.56. A total of nine items loaded onto this factor, including items such as: 'SATSA provides me with networking opportunities'; 'SATSA membership enables communication with other SATSA members and role players in the industry'; and 'SATSA encourages member feedback on industry related topics on a regular basis'. Appendix F contains the remainder of items in this factor. This factor therefore refers to the extent to which members perceive the SATSA brand to provide value in terms of connecting and interacting within the private sector of the tourism industry through various means. One item from the Product value category (PV) loaded onto this factor and refers to a product's essence that makes a brand valuable (see 2.6.1.7). In the case of SATSA, its vision and mission, together with its quality assurance, is regarded its essence. This item loading was considered applicable for this factor (NETV), since SATSA's role as a mouthpiece and quality assurer for members on a global and local level in the tourism industry may provide them some form of network value to benefit from, and is therefore supported.

Factor 5: Social engagement value

This factor revealed a reliability coefficient of 0.86 and an average inter-item correlation of 0.62, with a total of four items all relating to the brand's level of engagement on a social level in the industry. For this reason, the factor was labelled *Social engagement value* (SEV).The SEV factor further indicated the lowest mean value of 3.54, compared to the mean values of the other five factors. However, even though respondents rated SEV the lowest of all five brand value factors, they may still perceive some form of value in terms of the brand's level of social engagement, since 3.54 is not considered a weak value.

One item of the Marketing value category (MARV) loaded on this factor, 'SATSA is continually growing its membership'. As previously stated in 2.6.5.5, strong, favoured brands grow markets, which ultimately increases their value. As a non-profit, member-driven brand in the tourism industry, SATSA needs to increase the number of members to sustain the brand and survive in the private sector of the tourism industry. In this case, if members perceive SATSA to engage on a social level for their benefit in the tourism industry, this may enable increased membership, and thus, contribute to the brand's value. As a result, this item could be interpreted within this factor.

Table 5.7: Factor analysis results for identifying brand value constructs

Factor label	Factor				
	1. FINV	2. PTV	3. ORGV	4. NETV	5. SEV
SATSA saves me money through member benefits…	.709				
Considering what I pay for membership, I get more than my money's worth	.663				
Being a SATSA member is less risky financially than belonging other similar industry organisations	.559				
SATSA meets my expectation	.466				
SATSA is a sustainable organisation in a volatile tourism industry	.403				
SATSA offers more superior products and services than other similar organisations in the industry	.396				
…of my long term relationship with SATSA	.389				
SATSA provides a quality product	.389				
SATSA provides guidelines regarding profitable product and service developments for the industry	.370				
SATSA is a dependable brand that goes the extra mile for its members	.361				
SATSA is a well-established brand in the tourism industry		.838			
SATSA is an influential brand in the tourism industry		.801			
SATSA is a well-known organisation in the industry		.727			
SATSA's name and logo guarantee a quality experience to my guests/visitors		.714			
SATSA is a credible organisation		.693			
SATSA's reputation enhances my reputation in the industry…		.687			
I associate SATSA with quality business practice in the South African tourism industry		.666			
SATSA membership gives me status in the industry		.540			
SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct		.508			
SATSA provides marketing value for my organisation		.442			
SATSA Board members look after the needs of members			.909		
SATSA employees and Board members are always willing to help			.801		
SATSA employees and Board members are committed to meeting my expectations			.769		
SATSA Board members are well informed to assist me with my queries			.712		
SATSA responds to market changes, challenges and opportunities in the industry…			.662		
...of good relationships with SATSA employees and Board members..			.635		
SATSA is well managed			.540		
SATSA's core values reflect my company's core values			.538		
SATSA represents me as member by voicing issues on my behalf			.514		
SATSA delivers excellent service			.432		
I receive enough information regarding SATSA and industry-related issues			.384		
I am frequently made aware of industry issues/events				.600	
SATSA encourages member feedback on industry related topics on a regular basis				.594	
SATSA membership enables communication with other SATSA members and role players in the industry				.527	
SATSA lobbies with government to the benefit of members				.504	

Factor label	Factor				
	1. FINV	2. PTV	3. ORGV	4. NETV	5. SEV
SATSA tailors its brand offering to meet industry needs				.366	
I support the vision and mission of SATSA				.347	
SATSA provides me with networking opportunities				.296	
SATSA uses advanced technology to distribute information effectively				.351	
SATSA membership creates mutually supportive industry relationships				.432	
SATSA leads on a social level					.534
SATSA offers socially beneficial products and services					.474
….of their tsi initiative					.418
SATSA is continually growing its membership					.372
Statistics	**Factor**				
	1. FINV	**2. PTV**	**3. ORGV**	**4. NETV**	**5. SEV**
Cronbach Alpha coefficients	0.94	0.94	0.96	0.92	0.86
Average inter-item correlation	0.61	0.63	0.66	0.56	0.62
Mean value	3.59	4.01	3.75	3.84	3.54
Total variance explained	69.01%				
Kaiser-Meyer-Olkin measure of sampling adequacy	0.966				

Note: FINV=Financial value; PTV=Professional trust value; ORGV=Organisational value; NETV=Network value; SEV= Social engagement value

Based on the above, it can be said that all five factors can be considered as distinctive factors of brand value for non-profit, member-driven organisations in the Southern African tourism industry such as SATSA, since the assemblage of brand value items (factors) has not yet been identified in previous research and especially in such a context. This also shows that specific factors of brand value could be revealed through the way in which the questionnaire was compiled and the items that were included.

Table 5.8 depicts the one brand equity factor that was produced from the pattern matrix of the second principal axis factor analysis, using Oblimin rotation with the Kaiser Normalisation. This factor was labelled Brand equity (BE), of which all nine items originally intended to measure brand equity in the second phase of the empirical study, were included (see Table 5.8). Bartlett's Test of Sphericity also reached statistical significance ($p<0.001$), with the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy of 0.934, thereby indicating a distinct and reliable factor structure. This factor accounted for 72.5% of the total variance. The Cronbach's Alpha coefficient yielded an acceptable value of 0.8, thereby confirming reliability for this factor. All items in this factor displayed factor loadings of above 0.3 and thus indicated adequate correlations between the factor and its items. The average inter-item correlation for this factor was 0.69, thereby indicating satisfactory correlations between items in a factor.

Table 5.8: Factor analysis results for identifying brand equity constructs

Factor label	Factor
	Brand equity (BE)
I value the extensive benefits enabled by SATSA…	.682
SATSA always come to mind when thinking of industry organisations...	.747
I highly regard the SATSA brand…	.868
I am eager to remain a member of SATSA…	.886
I would recommend SATSA membership to other role players in the industry….	.909
SATSA delivers on its promises to me as member…	.824
SATSA is my preferred choice for an organisation/association to belong to…	.880
I am proud to be a SATSA member…	.905
I am willing to pay a membership fee each year…	.761
Statistics	
Cronbach Alpha coefficients	0.95
Average inter-item correlation	0.69
Mean value	3.97
Total variance explained	72.5%
Kaiser-Meyer-Olkin measure of sampling adequacy	0.934

The results of both exploratory factor analyses (EFAs) provide sufficient evidence of convergent, and therefore, construct validity for the measuring instrument (questionnaire). As indicated in Table 5.9 below, the Cronbach's Alpha coefficients for all factors (constructs) were reported to be well over 0.8 and evidence is therefore provided that reliable measuring scales were used to measure the factors (constructs) under investigation. The data for this study is therefore deemed appropriate for further statistical analyses.

Table 5.9: Cronbach's Alpha coefficients for all constructs

Factor	Cronbach's Aplha coefficients
Financial value (FINV)	0.94
Professional trust value (PTV)	0.94
Organisational value (ORGV)	0.96
Network value (NETV)	0.92
Social engagement value (SEV)	0.86
Brand equity (BE)	0.95

5.3.1 Modified hypotheses and model

As a result of the EFAs, it was deemed necessary to reformulate the original hypotheses of the hypothesized model, which are outlined in Table 5.10 below:

Table 5.10: Modified hypotheses for SEM analysis

Modified hypotheses	
H1a	There is a direct relationship between *Financial value* (FINV) and *Brand equity (BE)*
H2b	There is a direct relationship between *Professional trust value (PTV)* and *Brand equity (BE)*
H3c	There is a direct relationship between *Organisational (ORGV) value* and *Brand equity (BE)*
H4d	There is a direct relationship between *Network value* (NETV) and *Brand equity (BE)*
H5e	There is a direct relationship between *Social Engagement (SOCV) value* and *Brand equity (BE)*
H6f	There is a direct relationship between *Brand equity (BE) and Financial value* (FINV)
H7g	There is a direct relationship between *Brand equity (BE) and Professional trust value (PTV)*
H8h	There is a direct relationship between *Brand equity (BE) and Organisational value(ORGV)*
H9i	There is a direct relationship between *Brand equity (BE) and Network value* (NETV)
H10j	There is a direct relationship between *Brand equity (BE) and Social engagement value (SEV)*

As a result of the modified hypotheses, a modified hypothesised model is illustrated in Figure 5.6.

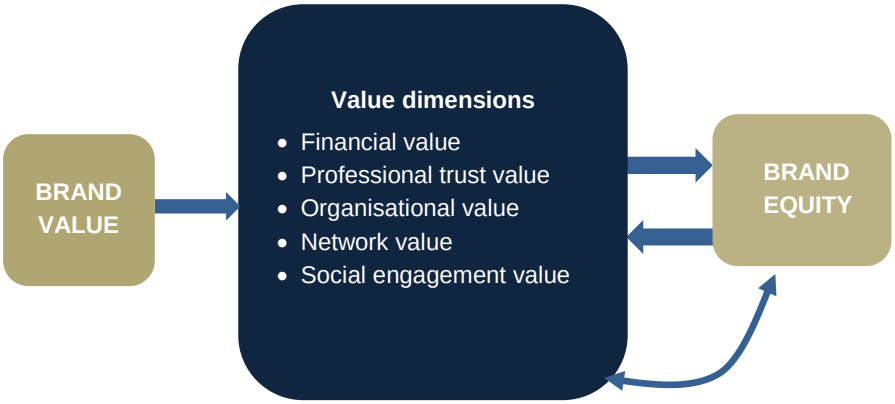


Figure 5.6: Modified hypothesised model
Source: Compiled by author

5.4 INPUT/CORRELATION MATRIX

After determining the appropriateness of the data, it was possible to create a correlation matrix by calculating the correlations between each identified factor (see Table 5.11 below). The Spearman rank order correlation matrix was used to examine the correlations between the identified constructs (factors) (refer to 4.8.4 in Chapter 4). This matrix was used as input to the SEM analysis. Once this matrix was compiled, the model in the SEM analysis could specify the extent of the influence between the identified constructs. Table 5.11 presents the correlation matrix used for this study.

Table 5.11: Correlation matrix

Construct		Correlation matrix					
		FINV	TPV	ORGV	NETV	SEV	BE
1. FINV	Correlation Coefficient	1.000	.722**	.812**	.836**	.748**	.813**
	Sig. (2-tailed)	-	.000	.000	.000	.000	.000
	N	267	267	267	267	267	267
2. PTV	Correlation Coefficient	.722**	1.000	.683**	.750**	.568**	.814**
	Sig. (2-tailed)	.000	-	.000	.000	.000	.000
	N	267	267	267	267	267	267
3. ORGV	Correlation Coefficient	.812**	.683**	1.000	.822**	.762**	.785**
	Sig. (2-tailed)	.000	.000	-	.000	.000	.000
	N	267	267	267	267	267	267
4. NETV	Correlation Coefficient	.836**	.750**	.822**	1.000	.732**	.785**
	Sig. (2-tailed)	.000	.000	.000	-	.000	.000
	N	267	267	267	267	267	267
5. SEV	Correlation Coefficient	.748**	.568**	.762**	.732**	1.000	.689**
	Sig. (2-tailed)	.000	.000	.000	.000	-	.000
	N	267	267	267	267	267	267
6. BE	Correlation Coefficient	.813**	.814**	.785**	.785**	.689**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	-
	N	267	267	267	267	267	267

Note: ** indicates correlation is significant at the p<0.01 level; Constructs: 1. FINV = Financial value; 2. PTV = Professional trust value; 3. ORGV = Organisational value; 4. NETV = Network value; 5. SEV = Social engagement value; 6. BE = Brand equity.

This correlation matrix (Table 5.11) provides details about the strength of relationships between the identified factors (constructs). Based on the above, it is evident that all constructs are significantly correlated and show strong to very strong relationships with each other, with correlation coefficients well above 0.5.

For example, the correlation between Financial value (FINV) and Network value (NETV) is 0.836, which indicates that a change in Financial value (FINV) will imply a corresponding change in Network value (NETV) as well. This also applies to Brand equity (BE) and all five factors of brand value (FINV; PTV; ORGV; NETV; SEV), showing significantly strong relationships with each other, which may point to the interdependence as proposed in literature and in the hypothesised model (see Figure 4.2).

It is therefore necessary to compare the observed correlation matrix to the estimated correlation matrix in a more quantifiable manner, whereafter the degree to which the estimated correlation matrix fits the observed matrix is assessed by means of fit indices. The SEM analysis was used for these purposes. With the brand factors identified, it was necessary to determine which aspects influenced respondents' assessment of these factors. These aspects are analysed in the following section.

5.5 BUSINESS PROFILE ASPECTS INFLUENCING BRAND VALUE

This study also employed a number of statistical techniques to determine whether selected business profile aspects of SATSA members have an influence on brand value:

- This was firstly achieved by using Spearman rank order correlations to examine any correlations between the designated business profile aspects and brand value dimensions[2], as well as the brand equity dimension.
- Secondly, ANOVA's and Tukey's post hoc multiple comparisons were used to determine the differences between selected member characteristics and their perception of brand value.
- Thirdly, an independent *t*-test was performed to compare the mean scores between businesses that were star-graded and those that were not and to determine any significant differences between them with regards to brand value.

5.5.1 Results of Spearman rank order correlations

Spearman rank order correlations were used to describe the strength and direction of the linear relationship between two variables. In this case, the correlations between brand value and selected business and membership characteristics, as well as the extent of the influence were examined. A correlation of 0 indicates no relationship at all, where a correlation of 1.0 indicates a perfect positive correlation, and a value of -1.0 indicates a perfect negative correlation. The correlations were interpreted according to the guidelines of guidelines of Cohen (1988) that suggested; small rho = .10-.29, medium rho = .30-.49 and large rho = .50-1.0.

Table 5.12: Spearman rank order correlations for selected business profile aspects influencing brand value

Business aspect		Brand value					
		1. FINV	2. PTV	3. ORGV	4. NETV	5. SEV	6. BE
Length of SATSA membership	Correlation Coefficient	-.034	**-.167****	.014	-.077	-.098	-.091
	Sig. (2-tailed)	.583	.006	.823	.208	.109	.137
	N	267	267	267	267	267	267
Length of business operations	Correlation Coefficient	.024	**-.197****	.022	-.034	-.030	-.106
	Sig. (2-tailed)	.691	.001	.718	.579	.626	.085
	N	267	267	267	267	267	267

[2] For discussion purposes in this section, the term 'dimension' will be used, since it refers to the identified factor of brand value or brand equity as evidenced in the exploratory factor analyses.

Business aspect		Brand value					
		1. FINV	2. PTV	3. ORGV	4. NETV	5. SEV	6. BE
Number of employees	Correlation Coefficient	-.011	**-.230****	**-.151***	-.119	-.073	**-.155***
	Sig. (2-tailed)	.863	.000	.013	.053	.232	.011
	N	267	267	267	267	267	267
Number of beds available	Correlation Coefficient	-.019	**-.139***	-.094	-.072	.019	**-.138***
	Sig. (2-tailed)	.754	.023	.124	.244	.753	.024
	N	267	267	267	267	267	267
Number of seats available	Correlation Coefficient	.092	.106	.043	.082	.026	.098
	Sig. (2-tailed)	.161	.107	.511	.214	.689	.135
	N	233	233	233	233	233	233

Note: * small r_s = .10-.29; ** medium r_s =.30-.49; *** large r_s =.50-1.0. Brand value: 1. FINV = Financial value; 2. PTV = Professional trust value; 3. ORGV = Organisational value; 4.NETV = Network value; 5. SEV = Social engagement value; 6. BE = Brand equity.

Table 5.12 shows a small negative correlation (r_s = -0.167) between Professional trust value (PTV) and length of SATSA membership. Thus, the longer respondents have been members of SATSA the less trust they have in this organisation. The same was found for the correlation between length of business operations and PTV. The small negative correlation (r_s =-0.197) thus indicates that the longer the respondents' business(es) has been in operation, the less trust they have in SATSA. The small negative correlation (r_s =-0.230) between PTV and the number of employees in the business also indicates that the more employees the respondents' business(es) have, the less trust they have in this organisation. A small negative correlation (r_s =-0.151) between the number of employees and Organisational value (ORGV) was also evident (see Table 5.12). This shows that the more employees a business has, the less organisational value they perceive SATSA to provide.

Table 5.12 further shows a small negative correlation between the number of employees in respondents' businesses and Brand equity (BE) (r_s =-0.155), thereby indicating that the larger the number of employees, the less brand equity respondents perceive the brand to have. This was also evident for the correlation between the number of beds available in members' businesses and BE. The small negative correlation (r_s =-0.138) thus shows that respondents with a larger number of beds available in their business, are more likely to perceive less brand equity in the SATSA brand. Table 5.12 further indicates that the larger number of beds available in respondents' businesses, the less trust they have in SATSA.

This is shown by the small negative correlation (r_s =-0.139). From Table 5.12, it appears that the majority of significant differences were found when analysing professional trust value (PTV) in relation to selected business profile aspects. Professional trust of the SATSA brand therefore seems to be an important facet of value for respondents in terms of membership and business operations. This is consistent with previous findings by Ritchie, Swami & Weinberg (1999) who state that the role of the brand for non-profits is critical in every aspect of its operations, since it has to provide its audience with a motion of trust. No other statistical differences were found between the selected business profile aspects in relation to other brand value dimensions or brand equity.

5.5.2 Results of the ANOVA analyses

Two separate ANOVAs and Tukey's post hoc multiple comparisons were employed to investigate any significant differences between selected business profile aspects and brand value dimensions, also including the brand equity dimension. The first ANOVA was used to examine the difference between respondents' location of business with respect to each brand value and brand equity dimension. Tukey's post hoc multiple comparison was further used to explore the differences between the specified business locations with regard to each dimension. The second ANOVA was performed to determine whether significant differences between respondents' operational context and each brand value and brand equity dimension could be revealed. Once again, Tukey's post hoc multiple comparison was conducted to investigate the differences between each type of operational context relating to each brand value and brand equity dimension. In addition, Cohen's *d*-values were calculated as a measure of the effect size, which indicates the extent to which the aspects differ from each other. The following guidelines for interpretation of the effect size are provided: small effect is indicated by *d* = below 0.4, a medium effect is *d* = 0.4 – 0.7 and *d* = 0.8 and above indicates a large effect (Ellis & Steyn, 2003:3). Both analyses are subsequently discussed.

5.5.2.1 ANOVA results for comparing members' location of business by brand value and brand equity dimensions

Table 5.13 presents the differences between respondents' location of business and brand value and brand equity dimensions. Statistically significant differences were identified at a p-value<0.05 significance level. The means for each business location and dimension of brand value and brand equity were further calculated to explain the identified differences.

Table 5.13: Results of ANOVA results and Tukey's multiple comparisons of the location of business to brand value and brand equity dimensions

Dimension	Location of business	N	Mean	Std. dev.	F-value	p-value
FINV	Eastern Cape	20	3.3850	.57517	2.263	.049
	Gauteng	75	3.7640	.70147		
	KZN	21	3.5429	.87896		
	Limpopo	10	3.9000	.97068		
	Mpumalanga	19	3.5789	.56919		
	Western Cape	95	3.4737	.64712		
	Total	240	3.5892	.70036		
PTV	Eastern Cape	20	3.8900	.66086	1.225	.298
	Gauteng	75	4.1933	.65209		
	KZN	21	4.2524	.62659		
	Limpopo	10	4.1200	1.07373		
	Mpumalanga	19	3.9368	.59274		
	Western Cape	95	4.0674	.62133		
	Total	240	4.1000	.65724		
ORGV	Eastern Cape	20	3.6045	.48310	2.343	.042
	Gauteng	75	3.9370	.66937		
	KZN	21	3.7879	.78695		
	Limpopo	10	3.9182	.75630		
	Mpumalanga	19	3.6794	.60178		
	Western Cape	95	3.6354	.58414		
	Total	240	3.7557	.64168		
NETV	Eastern Cape	20	3.6278	.49333	3.843	.002
	Gauteng	75	4.0430	.57384		
	KZN	21	3.8783	.68844		
	Limpopo	10	4.0889	.57090		
	Mpumalanga	19	3.7661	.64139		
	Western Cape	95	3.7018	.57490		
	Total	240	3.8389	.60138		
SEV	Eastern Cape	20	3.3375	.42360	1.399	.226
	Gauteng	75	3.6600	.74394		
	KZN	21	3.4405	.67502		
	Limpopo	10	3.7500	.80795		
	Mpumalanga	19	3.5395	.51548		
	Western Cape	95	3.4763	.60039		
	Total	240	3.5354	.64991		
BE	Eastern Cape	20	3.6722	.67391	3.477	.005
	Gauteng	75	4.1837	.66979		
	KZN	21	4.1323	.80785		
	Limpopo	10	4.1111	.90571		
	Mpumalanga	19	3.9825	.44639		
	Western Cape	95	3.8211	.67319		
	Total	240	3.9741	.69819		

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree); Statistically significant difference: $p \leq 0.05$; Std. dev./SD = Standard deviation.

As shown in Table 5.13, a significant difference is evident in the mean scores between businesses located in the Gauteng province and the Western Cape province with regard to the brand value dimension, Organisational value (ORGV) (p-value=.042; d=0.45). Respondents whose business(es) are located in the Western Cape province (Mean=3.63, SD=.58) seem to derive less organisational value from SATSA than those situated in the Gauteng province (Mean=3.93, SD=.67). A significant difference was further found between respondents who are located in the Gauteng province and those located in the Western Cape province based on their rating of the brand value dimension, Network value (NETV) (p-value=.002; d=0.59). Based on these ratings, it therefore appears that SATSA currently provides more networking value for business(es) located in Gauteng (Mean=4.04, SD=.57), than those who are located in the Western Cape (Mean=3.70, SD=.57). This result may partly be ascribed to the fact that Gauteng is generally regarded one of the largest 'business hubs' of South Africa, and SATSA members whose business(es) are based in this province may thus derive more networking opportunities possibly created by Chapter meetings or events in the area. SATSA's head office is also located in this province, which makes networking opportunities more readily accessible to members in Gauteng, compared to those in the Western Cape.

Table 5.13 shows that respondents whose business(es) are located in the Gauteng province rated the brand equity dimension (BE) higher (Mean=4.18, SD=.67) than those situated in KwaZulu-Natal (Mean=4.13, SD=.80). This shows that respondents whose business(es) are located in Gauteng are more inclined to value SATSA in terms of its brand equity (BE), than those in the KwaZulu-Natal and other provinces like Mpumalanga (Mean=3.98, SD=.44). Once again, the accessibility of the organisation as well as the number of respondents in a province may play a role here, despite the technologically advanced environment in which the tourism industry currently operates. There were further no statistically significant differences found between the location of business and the following brand value dimensions: Financial value (FINV); Professional trust value (PTV); and Social engagement value (SEV).

It is, however, worth noting that most significant differences between business locations with regard to ORGV; NETV; and brand equity (BE) were evident amongst the Gauteng province and the Western Cape provinces. Based on the these three dimensions, it can be said that the respondents (members) whose business(es) are located in the Gauteng are likely to value the SATSA brand more compared to other provinces and the Western Cape in particular.

5.5.2.2 ANOVA results for comparing members' operational context by brand value and brand equity dimensions

Table 5.14 outlines the differences between members' operational context and brand value and brand equity dimensions. Statistically significant differences were identified by a p-value lower than 0.05. The identified differences could further be explained by the calculating the means for each operational context category and brand value and brand equity dimension.

Table 5.14: Results of ANOVA results and Tukey's multiple comparisons of the operational context to brand value and brand equity dimensions

Dimension	Operational context	N	Mean	Std. dev.	F-value	p-value
FINV	Accommodation	50	3.5160	.63450	1.053	.391
	Adventure operator	31	3.6548	.71360		
	Associated bodies	10	3.6800	.46857		
	Events operator	12	3.4417	.90700		
	Services	24	3.5083	.82563		
	Tour broker	87	3.5483	.68248		
	Transport operator	50	3.7900	.67257		
	Total	264	3.5970	.69484		
PTV	Accommodation	50	3.9160	.52852	2.188	.045
	Adventure operator	31	4.1968	.61724		
	Associated bodies	10	3.9300	.56970		
	Events operator	12	3.9500	.63461		
	Services	24	3.9542	.85617		
	Tour broker	87	4.1207	.71237		
	Transport operator	50	4.3160	.51838		
	Total	264	4.0977	.65129		
ORGV	Accommodation	50	3.6055	.58097	.850	.532
	Adventure operator	31	3.7478	.61376		
	Associated bodies	10	3.6909	.45596		
	Events operator	12	3.6742	.69175		
	Services	24	3.8144	.78957		
	Tour broker	87	3.7722	.68493		
	Transport operator	50	3.8818	.62019		
	Total	264	3.7548	.64866		
NETV	Accommodation	50	3.7178	.52271	1.403	.214
	Adventure operator	31	3.8495	.51444		
	Associated bodies	10	3.8556	.62207		
	Events	12	3.7222	.90329		

Dimension	Operational context	N	Mean	Std. dev.	F-value	p-value
	operator					
	Services	24	3.8519	.69710		
	Tour broker	87	3.8033	.65355		
	Transport operator	50	4.0467	.55718		
	Total	264	3.8413	.61688		
SEV	Accommodation	50	3.4750	.57199	.459	.839
	Adventure operator	31	3.4677	.60808		
	Associated bodies	10	3.5500	.55025		
	Events operator	12	3.4167	1.01317		
	Services	24	3.6146	.54163		
	Tour broker	87	3.5316	.69863		
	Transport operator	50	3.6400	.66463		
	Total	264	3.5369	.65462		
BE	Accommodation	50	3.7444	.64016	1.615	.143
	Adventure operator	31	4.0538	.69677		
	Associated bodies	10	3.9000	.50089		
	Events operator	12	3.9074	.75483		
	Services	24	3.8935	.85030		
	Tour broker	87	4.0166	.71438		
	Transport operator	50	4.1378	.60840		
	Total	264	3.9718	.69331		

Note: Respondents were asked to indicate the extent to which they agree with each item on the scale (1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree); Statistically significant difference: $p \leq 0.05$; Std. dev./SD = Standard deviation.

The results of this ANOVA revealed only one significant difference between all operational context categories and the brand value and equity dimensions. As shown in Table 5.14, the main significant difference was found between respondents within the context of adventure operators and transport operators, based on their ratings of Professional trust value (PTV) (p-value=.045, d=0.75). Table 5.14 clearly indicates that respondents in the transport operator category rated PTV higher (Mean=4.31, SD=.52) than respondents in the adventure operator category (Mean=4.19, SD=.61).

This may be because, since its inception, SATSA has placed a strong focus on tour and/or transport operators, by acting as their 'voice' in the private sector of the Southern African tourism industry. Respondents in this the transport operator category may therefore be more likely to have more trust in SATSA, than other operational categories, like adventure operators, that have become part of SATSA's member-base at a later stage.

5.5.3 Independent *t*-test results

A t-test assesses the statistical significance of the difference between two independent sample means for a single dependent variable (Hair, Bush & Ortinau, 2006b:388). This study employed an independent *t*-test to compare the identified brand value dimensions for businesses that are star-graded and those that are not star-graded, as well as whether any significant differences exist in this regard. Table 5.15 presents the results of this analysis. Two significant differences were found.

Table 5.15: T-test results for comparing brand value factors by star-grading status

Variables	Star Graded (N = 216)	Not Star Graded (N = 51)	t-value	P-value
	Mean & Std dev	Mean & Std dev		
Brand value dimensions				
FINV	3.51 (± 0.72)	3.61 (± 0.69)	0.95	0.341
PTV	3.86 (± 0.66)	4.14 (± 0.66)	2.69	0.007*
ORGV	3.60 (± 0.61)	3.79 (± 0.66)	1.87	0.063
NETV	3.76 (± 0.49)	3.86 (± 0.64)	1.08	0.280
SEV	3.52 (± 0.57)	3.54 (± 0.69)	0.12	0.902
Brand equity dimension				
BE	3.69 (± 0.71)	4.02 (± 0.69)	3.09	0.002*

Note: SD = Standard deviation; *p<0.05 significance level; Brand value: 1. FINV = Financial value; 2. PTV = Professional trust value; 3. ORGV = Organisational value; 4.NETV = Network value; 5. SEV = Social engagement value; 6. BE = Brand equity.

Table 5.15 shows significant differences ($p<0.05$) between the scores of businesses that are graded and those that are not graded for the following brand value factor: Businesses that were not graded regarded Professional trust value (PTV) (Mean=4.14; SD=0.66) as more important than businesses that were graded (Mean=3.86; SD=0.66). Businesses that are not star-graded may therefore have more trust in SATSA to enhance their own business' security and credibility for their clients in various ways, such as displaying the SATSA logo or using the Bonded scheme, whereas those businesses who are star-graded can provide the stars as quality assurance to their clients. No other statistical significant differences were found between the value items and members being star-graded or not.

However, a significant difference between the scores of businesses that are graded and those that are not graded was found on the brand equity dimension. Business that are not graded regarded brand equity (BE) (Mean=4.02; SD=0.69) more important than businesses that are graded (Mean=3.69; SD=0.71). As mentioned earlier in 5.2.1.5, star-grading mostly applies to accommodation establishments in the South African tourism industry. The bulk of respondents were tour brokers, who do not necessarily have a star-grading framework.

Based on the results, the establishments that are graded may view SATSA as more of a 'nice-to-have' brand than a necessity, like that of the TGCSA (Tourism Grading Council of South Africa), and therefore did not regard equity to be important. On the other hand, those who are not star-graded may view SATSA as the preferred alternative to star-grading and may therefore recommend the brand to other businesses in a similar situation.

5.6 STRUCTURAL EQUATION MODELLING (SEM) RESULTS

The present study employed the statistical technique of SEM with the aim of empirically testing the brand value model developed within the context of SATSA, and the proposed relationships between brand value and brand equity as shown in Figure 5.6. This enabled the evaluation of how well the data supports the hypothesised model. The previous chapter provided a discussion of SEM as a statistical technique for multivariate analysis, as well as the steps to follow when conducting an SEM (see Chapter 4). These steps, as indicated in Figure 4.4, were implemented in the following manner:

5.6.1 Step 1: Defining individual constructs

The first step of the process was to identify and define the different constructs to be used in the study. The purpose of this study was to develop a brand value model for SATSA. A review of the literature indicated a lack of research with regards to brand *value* within a tourism context and even more so in a South African context. The uniquely fused character of the SATSA brand also warranted an alternative approach to brand value and, thus, the measurement required.

Chapters 2 and 3 provided insight into (a) the various items (variables) contributing to brand value and how they may apply to a non-profit, member-driven organisation like SATSA, and (b) the possible relationships between the identified value categories (latent constructs) and their relation to brand equity (see 3.9). The hypothesised model initially specified nine value categories and one equity category to be measured by multiple items in the questionnaire. The exploratory factor analysis (EFA) reduced the original number of categories and yielded five underlying factors of brand value, and one brand equity factor respectively.

These identified factors did not agree completely with the initial classification of value categories as predicted in literature (Chapters 2 and 3). However, the Cronbach's Alpha Values (α=all above 0.8) added to the reliability of the items and these were therefore considered to be an appropriate, and even a more practical, set of brand value and brand equity factors relevant to the context of SATSA to be used in the SEM model.

The constructs[3] for SEM are therefore defined as: Financial value (10 items); Professional trust value (10 items); Organisation value (11 items); Network value (9 items); and Social value (4 items). The brand equity (BE) construct contains 9 items. Each item of both brand value and equity constructs was measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Appendix E provides a complete list of the constructs and their respective items (observed variables) for specifying the measurement model.

5.6.2 Step 2: Developing and specifying the measurement model

A total of 6 constructs and 53 observed variables (items) were identified. These constructs represent the five factors of brand value in which the one brand equity factor is also included, given the interchangeable usage of terms as discussed in Chapter 2 and the relationships proposed in the hypothesised model provided in Chapter 3.

The factors and all their respective items as determined by the EFA were deemed appropriate to use in the SEM analysis, since the Cronbach's Alpha (α) of internal consistency were well above 0.8 for all factors (see EFA results in 5.3), thereby providing evidence of construct reliability. The five brand value factors accounted for 69.01% of the total variance, while the brand equity factor accounted for 72.5% of the total variance. These measurement values therefore evidenced acceptable reliability for the six-construct model. As a result, multiple observed variables (items) were assigned to each of the latent constructs as shown in Appendix E.

The present study also showed evidence of construct validity, due to the high level of correlations between the factors (correlation matrix). Results of the EFA and the correlation matrix indicated that the correlation coefficients were significant among all factors. The proposed scale items correlated with each other and loaded on the respective factor they measured with loadings greater than 0.3. These indicated a reasonably high correlation between the delineated factors and their individual items and were therefore deemed reliable and valid for testing the structural model. It can therefore be concluded that overall, for all constructs, the measurement model adequately agrees with the sample data and was appropriate for use (see Table 5.16).

[3] For discussion purposes, the term 'construct' is used in the SEM analysis, which represents the five brand value factors and the one brand equity factor as derived from the exploratory factor analysis (EFA).

Table 5.16: Appropriateness of measurement model

Construct	Construct reliability (α)	Amount of variance (%)	Correlation matrix					
			FINV	TPV	ORGV	NETV	SEV	BE
1. FINV	0.938	54.85	1.000					
2. PTV	0.943	5.41	.722**	1.000				
3. ORGV	0.955	3.47	.812**	.683**	1.000			
4. NETV	0.918	2.89	.836**	.750**	.822**	1.000		
5. SEV	0.864	2.44	.748**	.568**	.762**	.732**	1.000	
6. BE	0.952	72.51	.813**	.814**	.785**	.785**	.689**	1.000

Note: *FINV = Financial value; PTV = Professional trust value; ORGV = Organisational value; NETV = Network value; SEV = Social Engagement value; BE = Brand equity; (α) = Cronbach Alpha; **p<0.01.*

5.6.3 Step 3: Designing a study to predict empirical results

The third step addresses specific aspects pertaining to research design and model estimation. Research design focuses on the type of data used and the sample size, of which the latter aspect was discussed in Chapter 4. Model estimation focuses on estimation techniques and the computer software used.

In terms of the type of data, this SEM was based on correlation data, which indicated the degree to which the variation in one variable is related to the variation in another variable (Malhorta, 2010:562). A correlation matrix of all the factors was used as input in the SEM model. This refers to the observed correlation matrix, which is presented in Table 5.11. A range of estimation methods has been employed in SEM to indicate the degree to which the correlation matrix implied by a particular set of trial values conforms to the observed data, and thus to guide attempts to find best-fitting models.

As previously indicated in Chapter 4, Maximum Likelihood estimation (ML) was used as model estimation method due to its flexibility in its assumptions of data normality, using the statistical software program, AMOS (version 21.0). The relationships between the latent constructs were further examined by the inspection of the standardised coefficients for the regression paths, critical ratios, and the squared multiple correlations between observed variables and the associated latent constructs, as shown in Tables 5.18, 5.21 and 5.23. Three model-fit indices were used to examine the fit of the model, which is discussed in step 5 of the SEM.

5.6.4 Step 4: Development of the structural models

Brand value for SATSA was initially viewed as a consisting of multiple aspects, of which financial value and equity are included, given its unique nature. It was therefore hypothesised that brand value may influence brand equity, and brand equity may contribute to brand value, due to an interdependent relationship between the two concepts that was deduced from literature (see Chapters 2 and 3). The purpose of this step was therefore to develop a context-specific model for brand value based on theoretical considerations. In this case, the initial measurement model was divided into two structural models to be discussed in the next section.

5.6.4.1 Development of Model A

Model A specified the interrelations between brand value constructs and the brand equity construct, as indicated in Figure 5.7. The empirical results of Model A are displayed in Table 5.17 and 5.18:

Table 5.17: Correlations between constructs

Constructs			Estimate
FINV	⟷	PTV	.853***
FINV	⟷	ORGV	.864***
FINV	⟷	NETV	.919***
FINV	⟷	SEV	.821***
PTV	⟷	ORGV	.767***
PTV	⟷	NETV	.840***
PTV	⟷	SEV	.658***
ORGV	⟷	NETV	.853***
ORGV	⟷	SEV	.849***
NETV	⟷	SEV	.824***
BE	⟷	FINV	.873***
BE	⟷	PTV	.886***
BE	⟷	ORGV	.781***
BE	⟷	NETV	.809***
BE	⟷	SEV	.688***

Note: *FINV = Financial value; PTV = Professional trust value; ORGV = Organisational value; NETV = Network value; SEV = Social Engagement value; BE = Brand equity; ***p<0.001.*

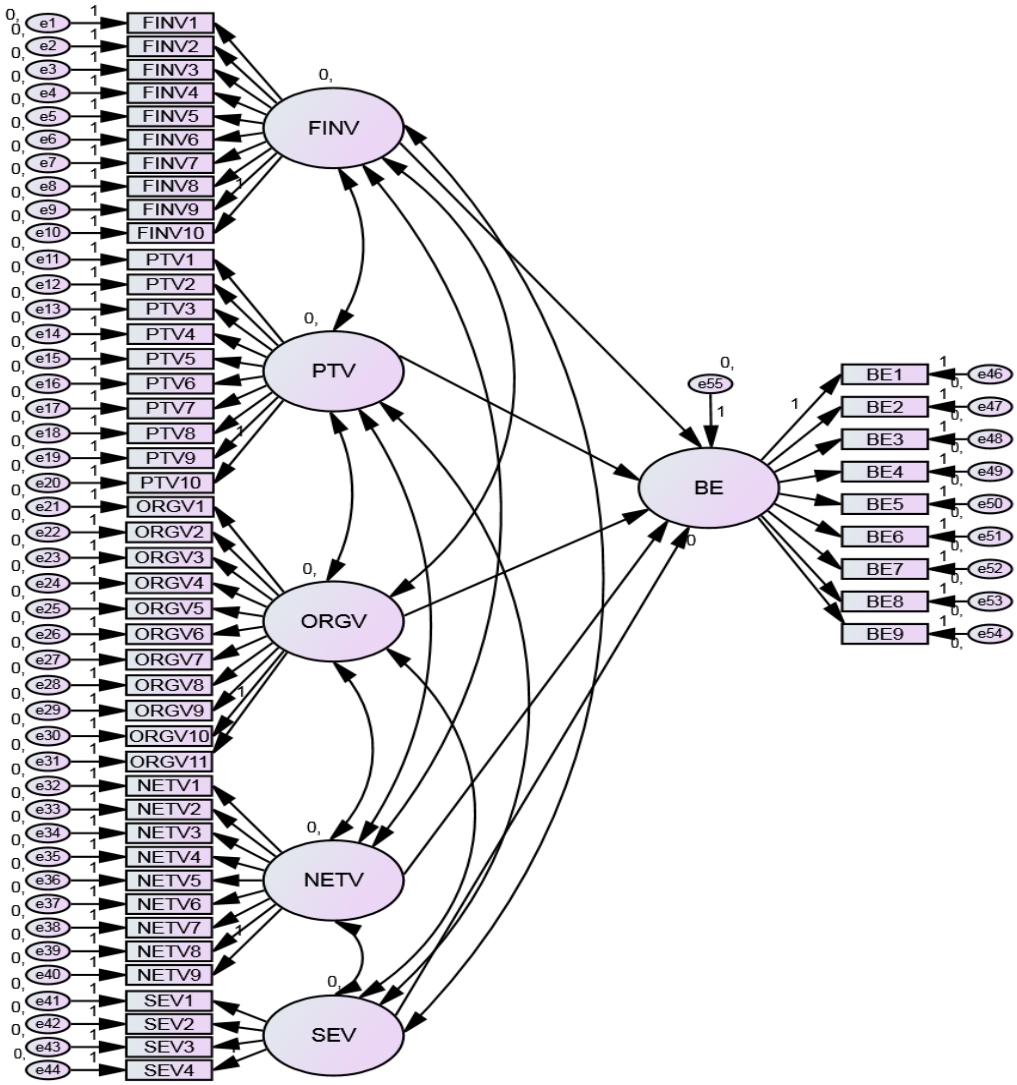


Figure 5.7: Model A

Table 5.18: Maximum likelihood estimates – regression weights for Model A

Construct & Items	Standardised regression weights	Standard error	C.R.	P-label	SMC
FINANCIAL VALUE (FINV) – 10 items					
FINV1	.852	.084	13.442	***<0.001	.725
FINV2	.748	.084	11.846	***<0.001	.560
FINV3	.821	.084	12.975	***<0.001	.674
FINV4	.702	.081	11.122	***<0.001	.492
FINV5	.794	.088	12.559	***<0.001	.631
FINV6	.782	.082	12.365	***<0.001	.611
FINV7	.871	.090	13.743	***<0.001	.759
FINV8	.709	.085	11.231	***<0.001	.502
FINV9	.760	.095	12.028	***<0.001	.578
FINV10	.702	-	-	-	.493

Construct & Items	Standardised regression weights	Standard error	C.R.	P-label	SMC
PROFESSIONAL TRUST VALUE(PTV) – 10 items					
PTV1	.751	.097	13.527	***<0.001	.565
PTV2	.817	.073	15.072	***<0.001	.667
PTV3	.765	.084	13.839	***<0.001	.585
PTV4	.837	.076	15.576	***<0.001	.700
PTV5	.822	.082	15.218	***<0.001	.676
PTV6	.827	.071	15.343	***<0.001	.685
PTV7	.777	.088	14.132	***<0.001	.604
PTV8	.719	.074	12.787	***<0.001	.516
PTV9	.855	.081	16.035	***<0.001	.731
PTV10	.787	-	-	-	.620
ORGANISATIONAL VALUE (ORGV) – 11 items					
ORGV1	.745	.062	14.790	***<0.001	.555
ORGV2	.827	.059	17.543	***<0.001	.684
ORGV3	.744	.061	14.749	***<0.001	.553
ORGV4	.791	.058	16.270	***<0.001	.626
ORGV5	.806	.059	16.788	***<0.001	.650
ORGV6	.797	.058	16.445	***<0.001	.634
ORGV7	.840	.054	18.009	***<0.001	.705
ORGV8	.843	.052	18.144	***<0.001	.711
ORGV9	.890	.052	20.069	***<0.001	.791
ORGV10	.805	.056	16.723	***<0.001	.647
ORGV11	.856	-	-	-	.732
NETWORK VALUE (NETV) – 9 items					
NETV1	.747	.090	12.254	***<0.001	.558
NETV2	.734	.090	12.025	***<0.001	.539
NETV3	.753	.087	12.358	***<0.001	.567
NETV4	.685	.082	11.184	***<0.001	.470
NETV5	.796	.089	13.109	***<0.001	.633
NETV6	.737	.093	12.077	***<0.001	.543
NETV7	.771	.084	12.675	***<0.001	.595
NETV8	.759	.088	12.456	***<0.001	.575
NETV9	.731	-	-	-	.535
SOCIAL ENGAGEMENT VALUE (SEV) – 4 items					
SEV1	.696	.064	12.861	***<0.001	.484
SEV2	.810	.059	16.115	***<0.001	.656
SEV3	.796	.065	15.700	***<0.001	.634
SEV4	.861	-	-	-	.741
BRAND EQUITY (BE) – 9 items					
BE1	.689	-	-	-	.475
BE2	.751	.091	11.693	***<0.001	.564
BE3	.875	.096	13.473	***<0.001	.765
BE4	.879	.091	13.541	***<0.001	.773
BE5	.910	.093	13.966	***<0.001	.827
BE6	.829	.094	12.828	***<0.001	.688
BE7	.877	.098	13.513	***<0.001	.770
BE8	.905	.093	13.895	***<0.001	.818
BE9	.758	.093	11.789	***<0.001	.574

Note: C.R. = critical ratio indicating acceptance (CR>1.96; SMC = squared multiple correlation with acceptable amount of variance (>0.4); ***p<0.001.

Table 5.18 clearly indicates that all constructs were significant (p<0.001) with high inter-construct correlations between 0.658 (lowest) to 0.919 (highest), which is within the accepted range (between -1 and 1). Individual items loaded onto a specific latent construct further revealed high inter-item correlations, which varied between 0.685 and 0.910.

All regression estimates were therefore statistically significant at the $p<0.001$ significance level (see Table 5.18). Model A therefore illustrates that brand value and brand equity are strongly associated with each other, and are therefore interrelated, as found in the literature review (for example, Goldfarb, Lu & Moorthy, 2009, in 2.3). These presented interrelations are also consistent with Tiwari (2010:421) that views brand value and brand equity as two different, yet intricately linked concepts.

Though Model A provided evidence of the correlational relationships between brand value and brand equity, this model did not formally indicate the effect or influence of each of these relationships on one another. The extent of the hypothesised relationships and, therefore, the interdependency, between these constructs still needed to be established. Given the intricacy of the initial model and the proposed number of relationships to be tested (see Table 5.10), it was thus decided to develop two structural models where one would examine the effect of brand value on brand equity, and the other would examine the effect of brand equity on brand value. The novelty of brand value research for a unique brand like SATSA, also partly contributed to this decision.

The path diagrams for both models B and C therefore needed to be indicated in a proper manner. Relationships between one construct and another based on the theoretical model were therefore specified. The relevant structural relationships (paths) are shown in Figures 5.8 and 5.9 respectively. Since these models are interrelated, an endogenous construct (set of variables) can also be used as an exogenous, predicting construct for other endogenous constructs in another model (Field, 2000:4). For example, brand equity (BE) (endogenous construct) can become a predicting construct for the five brand value constructs. The specific items (observed variables) used to measure each of the constructs (endogenous and/or exogenous) were also contained within these models. A summary of the exogenous (independent) constructs used to predict each of the endogenous (dependent) constructs for each model is tabulated below.

Table 5.19: Summary of endogenous and exogenous constructs

Model	Endogenous constructs	Exogenous constructs
B	Brand equity (BE)	FINV; TPV; ORGV; NETV; SEV (Brand value)
C	FINV; TPV; ORGV; NETV; SEV (Brand value)	BE;

Note: *FINV = Financial value; PTV = Professional trust value; ORGV = Organisational value; NETV = Network value; SEV = Social engagement value; BE = Brand equity.*

5.6.4.2 Structural Model B: brand value (BV) to brand equity (BE)

This model specified brand equity (BE) as the endogenous (dependent) construct. The five value constructs (brand value), FINV; PTV; ORGV; NETV; and SEV, were used as the exogenous constructs (independent variables). Figure 5.8 illustrates the direct relationships resulting from the empirical SEM analysis for this model by means of single-headed arrows, which connect the BV constructs (FINV; PTV; ORGV; NETV; SEV) to BE as the dependent construct. Maximum likelihood estimation was used to estimate the model and the relationships between latent constructs and variables were examined by means of the standardised coefficients for the regression paths.

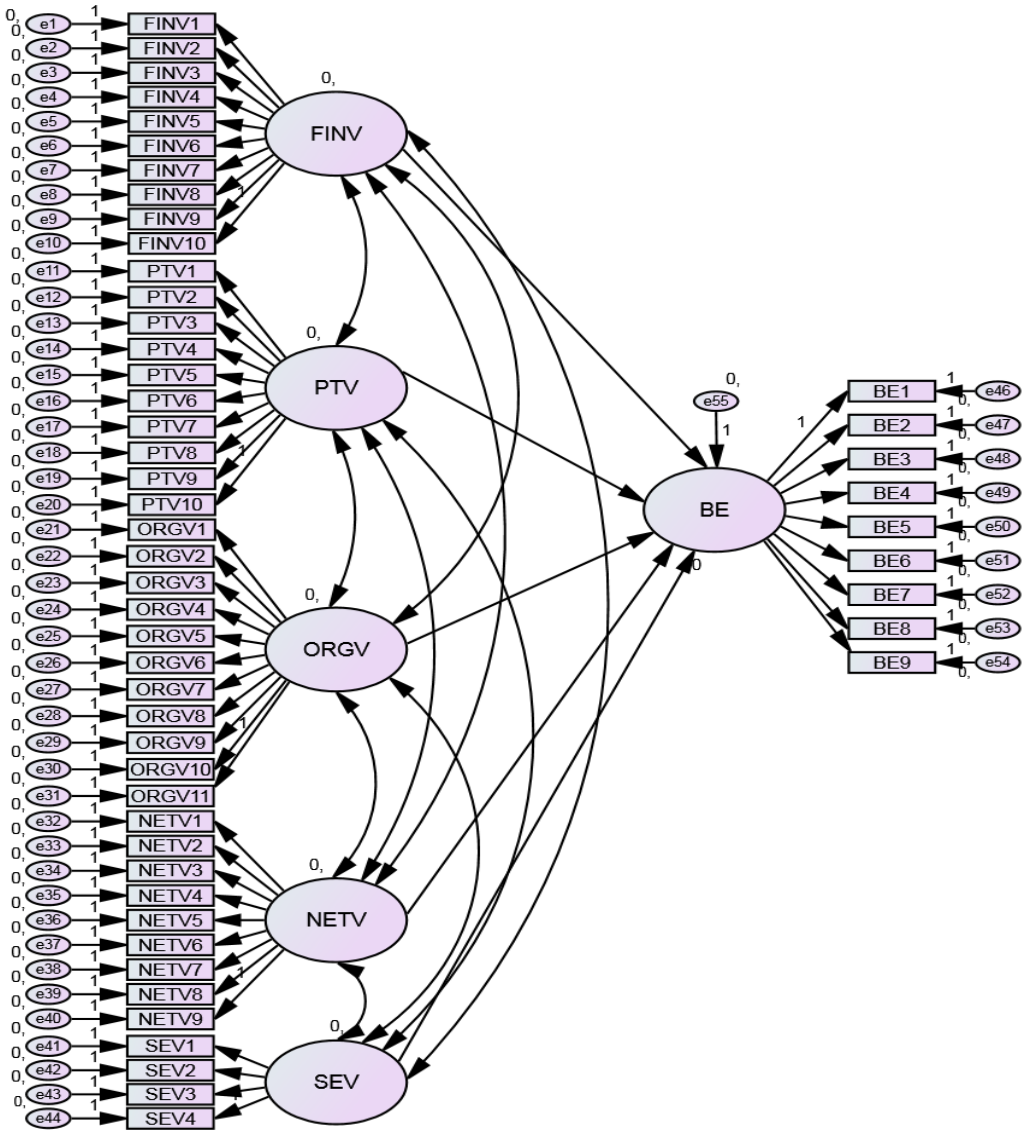


Figure 5.8: Model B: the effect of brand value (BV) on brand equity (BE)

Table 5.20 indicates the hypothesised relationships and measurement specified for model B:

Table 5.20: Hypotheses for model B

Hypotheses for model B	
H1a	There is a direct relationship between *Financial value* (FINV) and *Brand equity (BE)*
H2b	There is a direct relationship between *Professional trust value (PTV)* and *Brand equity (BE)*
H3c	There is a direct relationship between *Organisational (ORGV) value* and *Brand equity (BE)*
H4d	There is a direct relationship between *Network value* (NETV) and *Brand equity (BE)*
H5e	There is a direct relationship between *Social engagement value* (SEV)and *Brand equity (BE)*

The empirical results of the SEM analysis conducted for the BV to BE model are depicted in Table 5.21 below:

Table 5.21: Model B: Maximum likelihood estimates – regression weights

Codes	Paths & Items (observed variables)	Standardised regression weights	S.E.	C.R.	P-label	SMC
H1a	FINV ⟶ BE	.511	.114	4.015	***<0.001	-
H2b	PTV ⟶ BE	.543	.088	6.299	***<0.001	-
H3c	ORGV ⟶ BE	.091	.072	1.105	.269	-
H4d	NETV ⟶ BE	.-179	.123	-1.513	.130	-
H5e	SEV ⟶ BE	.-019	.074	-0.231	.817	-
FINV1	Financial value variable	.745	.084	13.442	***<0.001	.725
FINV2	Financial value variable	.827	.084	11.846	***<0.001	.560
FINV3	Financial value variable	.744	.084	12.975	***<0.001	.674
FINV4	Financial value variable	.791	.081	11.122	***<0.001	.492
FINV5	Financial value variable	.806	.088	12.559	***<0.001	.631
FINV6	Financial value variable	.797	.082	12.365	***<0.001	.611
FINV7	Financial value variable	.840	.090	13.743	***<0.001	.759
FINV8	Financial value variable	.843	.085	11.231	***<0.001	.502
FINV9	Financial value variable	.890	.095	12.028	***<0.001	.578
FINV10	Financial value variable	.805	-	-	-	.493
PTV1	Professional trust value variable	.856	.097	13.527	***<0.001	.565
PTV2	Professional trust value variable	.747	.073	15.072	***<0.001	.667
PTV3	Professional trust value variable	.734	.084	13.839	***<0.001	.585
PTV4	Professional trust value variable	.753	.076	15.576	***<0.001	.700
PTV5	Professional trust value variable	.685	.082	15.218	***<0.001	.676
PTV6	Professional trust value variable	.796	.071	15.343	***<0.001	.685
PTV7	Professional trust value variable	.737	.088	14.132	***<0.001	.604
PTV8	Professional trust value variable	.771	.074	12.787	***<0.001	.516
PTV9	Professional trust value variable	.759	.081	16.035	***<0.001	.731
PTV10	Professional trust value variable	.731	-	-	-	.620
ORGV1	Organisational value variable	.696	.062	14.790	***<0.001	.555
ORGV2	Organisational value variable	.810	.059	17.543	***<0.001	.684
ORGV3	Organisational value variable	.796	.061	14.749	***<0.001	.553
ORGV4	Organisational value variable	.861	.058	16.270	***<0.001	.626
ORGV5	Organisational value variable	.689	.059	16.788	***<0.001	.650
ORGV6	Organisational value variable	.751	.058	16.445	***<0.001	.634
ORGV7	Organisational value variable	.875	.054	18.009	***<0.001	.705
ORGV8	Organisational value variable	.879	.052	18.144	***<0.001	.711
ORGV9	Organisational value variable	.910	.052	20.069	***<0.001	.791
ORGV10	Organisational value variable	.829	.056	16.723	***<0.001	.647
ORGV11	Organisational value variable	.877	-	-	-	.732

Codes	Paths & Items (observed variables)	Standardised regression weights	S.E.	C.R	P-label	SMC
NETV1	Network value variable	.905	.090	12.254	***<0.001	.558
NETV2	Network value variable	.758	.090	12.025	***<0.001	.539
NETV3	Network value variable	.745	.087	12.358	***<0.001	.567
NETV4	Network value variable	.827	.082	11.184	***<0.001	.470
NETV5	Network value variable	.744	.089	13.109	***<0.001	.633
NETV6	Network value variable	.791	.093	12.077	***<0.001	.543
NETV7	Network value variable	.806	.084	12.675	***<0.001	.595
NETV8	Network value variable	.797	.088	12.456	***<0.001	.575
NETV9	Network value variable	.840	-	-	-	.535
SEV1	Social engagement value variable	.843	.064	12.861	***<0.001	.484
SEV2	Social engagement value variable	.890	.059	16.115	***<0.001	.656
SEV3	Social engagement value variable	.805	.065	15.700	***<0.001	.634
SEV4	Social engagement value variable	.856	-	-	-	.741
BE1	Brand equity variable	.747	-	-	-	.475
BE2	Brand equity variable	.734	.091	11.693	***<0.001	.564
BE3	Brand equity variable	.753	.096	13.473	***<0.001	.765
BE4	Brand equity variable	.685	.091	13.541	***<0.001	.773
BE5	Brand equity variable	.796	.093	13.966	***<0.001	.827
BE6	Brand equity variable	.737	.094	12.828	***<0.001	.688
BE7	Brand equity variable	.771	.098	13.513	***<0.001	.770
BE8	Brand equity variable	.759	.093	13.895	***<0.001	.818
BE9	Brand equity variable	.731	.093	11.789	***<0.001	.574

Note: C.R. = critical ratio indicating acceptance (CR>1.96; SMC = squared multiple correlation with acceptable amount of variance (>0.4); ***p<0.001.

From Table 5.21, it is evident that the path coefficients of all individual items (observed variables) were statistically significant. In terms of analysing the path coefficients for the hypotheses specified in Table 5.21, it is clear that H1 and H2 were statistically significant, where H3, H4 and H5 indicated no statistical significance. The findings of support or non-support for each hypothesis in model B are consequently discussed.

5.6.4.2.1 Hypotheses supported for model B

H1a was confirmed at the 5% significance level, thereby indicating support for the hypothesised relationship between *financial value* (FINV) and *Brand equity* (BE). This is supported by the path coefficient of 0.511 and evident statistical significance (p-value < 0.001). Therefore, the fact that SATSA members perceive the SATSA brand to have some form of financial value is likely to indicate a certain level of positive brand equity. This is consistent with previous findings and brand value/equity theory that suggests brand value can influence brand equity, which can thus be regarded a resulting outcome (Goldfarb *et al.*, 2009).

This also opposes the one side of the theory proposed by Raggio and Leone (2007;2009), Grannell (2013) and Hallward (2005), which suggest that consumers may hold positive perceptions of a brand and its value, but may not necessarily respond favourably to it or have 'high' levels of equity.

Though this hypothesis may be consistent with general previous findings to some extent, it needs to be emphasised that the specific relationship between FINV and BE has not yet been determined or investigated, which makes this relationship unique. It is therefore important for an organisation like SATSA to capitalise on all aspects that collectively represent 'financial' value of their brand, so as to ensure that SATSA membership is financially worth members' while. This may ultimately result in increased equity in the forms of renewal of membership, loyalty, recommendation to prospective members, and so on.

H2b was supported at p-value<0.001 significance level, indicating the relationship between professional trust value (PTV) and brand equity (BE). This is also supported by the path coefficient of 0.543 and thus provides evidence of a direct, significant relationship between PTV and BE. Therefore, the extent to which SATSA members trust the SATSA brand and its proficiency and/or professional conduct in the tourism industry, is likely to have an effect on brand equity. This is consistent with the view of Goldfarb *et al.* (2009), where equity is regarded an outcome of value, and contradicts the theory proposed by Raggio and Leone (2007;2009), Grannell (2013) and Hallward (2005) in the case of SATSA, since relatively high levels of brand value appear to enable higher or more positive levels of equity. Once again, it is important to note that the specific relationship between PTV and BE has not yet been determined or investigated, in contrast to general findings, thereby emphasising the novelty of the relationships under investigation in this study. The level of professional trust is vital to SATSA's operation, since it operates as a non-profit, member-driven organisation. In this case, support for H2 suggests that the SATSA brand provides members some assurance of professionalism and trust, which enables an increase in equity. Sources of professional trust value therefore ought to be developed and exploited by SATSA to positively enhance levels of equity.

5.6.4.2.2 Hypotheses not supported for model B

The hypothesised relationship (H3c) between organisational value (ORGV) and brand equity (BE) was not supported at p-value=.269 significance level. The corresponding path coefficient of 0.091 also provides evidence of the insignificant effect of ORGV on BE. This is consistent with the view of Neal and Strauss (2008), where the experience with the brand after use/purchase has an effect on brand equity. This also suggests that SATSA members' perception of organisational value in terms of service delivery, employee/board member-relations or the overall management of the brand, do not necessarily result in or contribute to in increased levels of equity (for example, increased loyalty or sentiment towards the brand). This supports the view on brand value/equity theory in the sense that value does not necessarily dictate equity (Hallward, 2005), but also opposes the view that brand value and equity levels are not always equivalent in all instances (Raggio & Leone, 2007; 2009; Grannell, 2013).

The effect of ORGV on BE is insignificant, indicating relatively low levels of both brand value and brand equity, of which the implications are discussed more thoroughly in Chapter 6.This relationship between ORGV and BE is unique, since it has not yet been determined or investigated, as opposed to the general influence of brand value on brand equity.

H4d was also not supported at p-value =.130 significance level regarding the relationship between network value (NETV) and brand equity (BE). This was also evident by the low path coefficient (-.179), thereby indicating that SATSA's perceived network value was not significant in its effect on brand equity. This contradicts the theoretical views of Raggio and Leone (2007;2009), Grannell (2013) and Hallward (2005) who state that brand value and brand equity do not always produce the same outcome levels, but is consistent with Neal and Strauss' (2008) findings that the perception of value impacts on brand equity. In contrast to general findings of brand value and brand equity, this specific relationship between NETV and BE has not yet been determined or investigated, which is unique to this study. Members do not seem to perceive the SATSA brand to provide networking value, which impacts on brand equity. It is therefore important to investigate how network value can be positively increased for members to ensure an increase in equity (for example, increased renewal of membership, preference, loyalty, recommendation, and so forth).

Table 5.21 further shows that H5e was not supported at p-value = .817 significance level, thereby indicating a direct, insignificant relationship between social engagement value (SEV) and brand equity (BE). This was further evidenced by a low path coefficient (-.019). This finding contradicts that of Raggio and Leone (2007;2009) and Grannell (2013), since both brand value and equity levels seem to be low as a result of the insignificant relationship. However, it is consistent with theoretical views on brand value/equity in the sense that brand value does not always have a significant effect on brand equity (Hallward, 2005), and equity can be regarded a resulting outcome of brand value (Goldfarb *et al.*, 2009). This unique relationship has not yet been determined or investigated.

It is therefore important to examine the current social value the SATSA brand provides, so as to ensure an increase in this brand's equity. For example, equity in this sense can refer to an increase in preference for the SATSA brand because of its social initiatives that members and their employees can benefit from (i.e. Aids programs or entrepreneurial advice), which can also facilitate positive recommendations to other prospective members, and so on.

Based on the above discussion, it is evident that financial value (FINV) and professional trust value (PTV) are the two components of brand value that exert the strongest influence on brand equity. This makes sense, since the non-profit nature of SATSA demands a level of trust from its members, while assuring them that their membership is a practical and profitable investment. These forms of value need to be exploited.

Even though hypotheses 3c, 4d and 5e are not statistically significant, it does point to areas of value that require attention. Therefore, the organisational value (ORGV), network value (NETV) and social engagement value (SEV) of the SATSA brand need to be improved to enhance overall member loyalty and other equity features. The relationships between specific brand value facets (FINV; PTV; ORGV; NETV; SEV) and brand equity investigated in this model are also unique, since these have not been examined and estimated before, thereby contributing to the novelty of this model in terms of brand value in general and for non-profit, member-driven organisations such as SATSA. This is more thoroughly discussed in Chapter 6.

5.6.4.3 Structural model C: brand equity (BE) to brand value (BV) model

Contrary to model B, model C specified the brand value constructs FINV; PTV; ORGV; NETV; and SEV, as the dependent (endogenous) constructs. Brand equity was therefore used as the independent variable (exogenous construct). The single-headed arrows in Figure 5.9 show how the BE construct is connected to brand value (FINV; PTV; ORGV; NETV; SEV) as the dependent constructs, thereby indicating the direct structural relationships resulting from the SEM analysis for this model. Maximum likelihood estimation was employed. The estimates of the standardised coefficients for the regression paths provided the basis for testing the proposed relationships between latent constructs and variables.

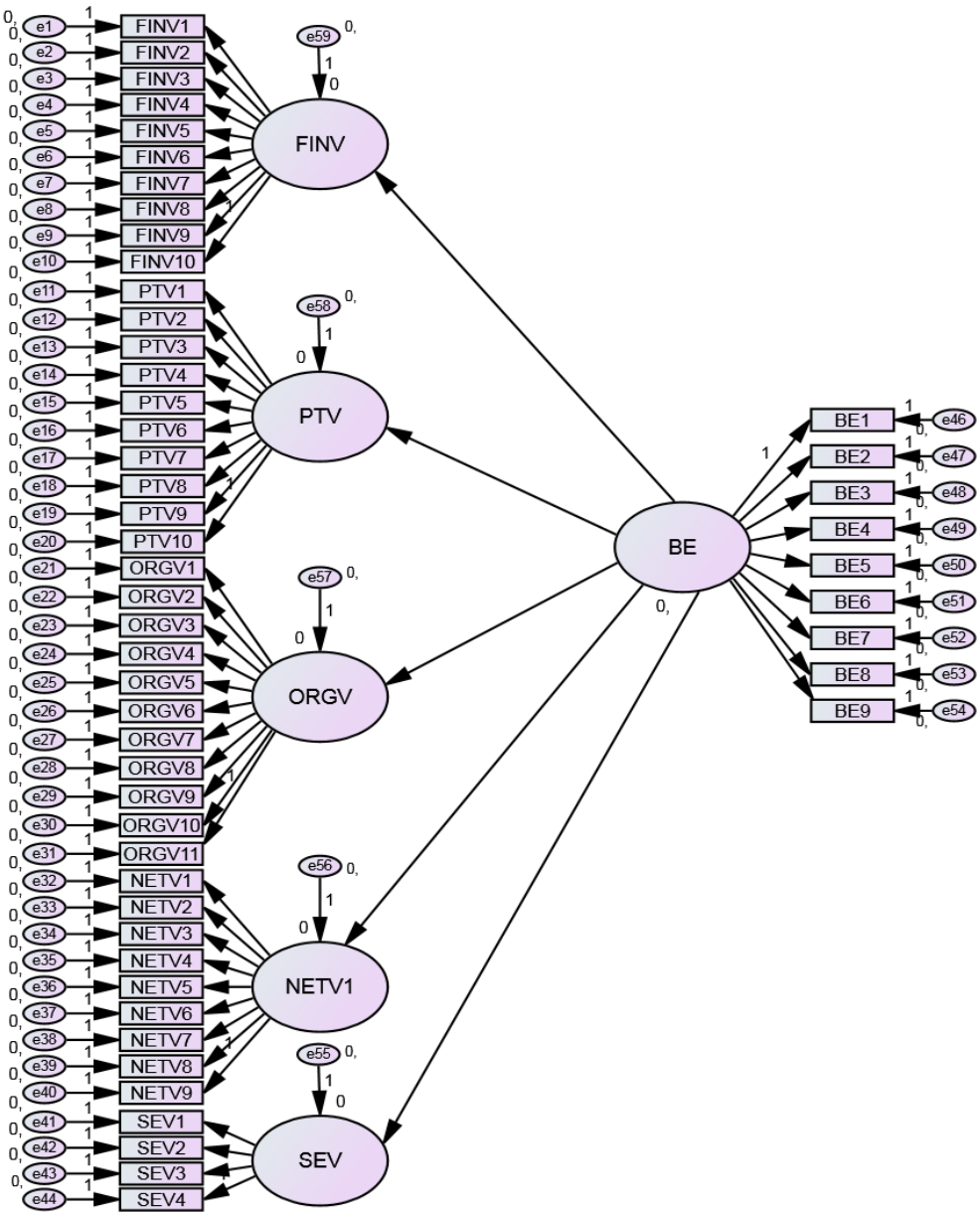


Figure 5.9: Model C: the effect of brand equity (BE) on brand value (BV)

Table 5.22 presents the hypothesised relationships and measurement specified for model C:

Table 5.22: Hypotheses for model C

Hypotheses for model C	
H6f	There is a direct relationship between *Brand equity (BE) and Financial value* (FINV)
H7g	There is a direct relationship between *Brand equity (BE) and Professional trust value (PTV)*
H8h	There is a direct relationship between *Brand equity (BE) and Organisational value(ORGV)*
H9i	There is a direct relationship between *Brand equity (BE) and Network value* (NETV)
H10j	There is a direct relationship between *Brand equity (BE) and Social engagement value (SEV)*

The empirical results of the SEM analyses conducted for the BE to BV model are indicated in Table 5.23 below:

Table 5.23: Model C: Maximum likelihood estimates – regression weights

	Paths & Items (observed variables)	Standardised regression weights	S.E.	C.R.	P-label	SMC
H6	BE ⟶ FINV	.929	.087	11.204	***<0.001	-
H7	BE ⟶ PTV	.906	.067	12.371	***<0.001	-
H8	BE ⟶ ORGV	.850	.073	12.716	***<0.001	-
H9	BE ⟶ NETV	.883	.071	11.291	***<0.001	-
H10	BE ⟶ SEV	.773	.072	11.393	***<0.001	-
FINV1	Financial value variable	.848	.084	13.367	***<0.001	.719
FINV2	Financial value variable	.734	.084	11.612	***<0.001	.539
FINV3	Financial value variable	.828	.084	13.059	***<0.001	.685
FINV4	Financial value variable	.696	.081	11.013	***<0.001	.484
FINV5	Financial value variable	.797	.088	12.585	***<0.001	.635
FINV6	Financial value variable	.782	.082	12.358	***<0.001	.612
FINV7	Financial value variable	.872	.090	13.733	***<0.001	.760
FINV8	Financial value variable	.715	.085	11.310	***<0.001	.511
FINV9	Financial value variable	.764	.095	12.077	***<0.001	.584
FINV10	Financial value variable	.703	-	-	-	.494
PTV1	Professional trust value variable	.754	.096	13.636	***<0.001	.568
PTV2	Professional trust value variable	.811	.073	15.608	***<0.001	.658
PTV3	Professional trust value variable	.764	.084	13.876	***<0.001	.583
PTV4	Professional trust value variable	.834	.075	15.608	***<0.001	.696
PTV5	Professional trust value variable	.827	.081	15.430	***<0.001	.685
PTV6	Professional trust value variable	.823	.070	15.332	***<0.001	.678
PTV7	Professional trust value variable	.786	.087	14.401	***<0.001	.618
PTV8	Professional trust value variable	.715	.074	12.769	***<0.001	.512
PTV9	Professional trust value variable	.853	.081	16.104	***<0.001	.728
PTV10	Professional trust value variable	.791	-	-	-	.626
ORGV1	Organisational value variable	.742	.061	14.975	***<0.001	.550
ORGV2	Organisational value variable	.827	.058	17.756	***<0.001	.685
ORGV3	Organisational value variable	.745	.060	14.908	***<0.001	.555
ORGV4	Organisational value variable	.789	.057	16.356	***<0.001	.623
ORGV5	Organisational value variable	.805	.058	16.929	***<0.001	.648
ORGV6	Organisational value variable	.792	.057	16.467	***<0.001	.628
ORGV7	Organisational value variable	.838	.053	18.156	***<0.001	.702
ORGV8	Organisational value variable	.843	.051	18.366	***<0.001	.710
ORGV9	Organisational value variable	.890	.051	20.397	***<0.001	.791
ORGV10	Organisational value variable	.807	.055	17.008	***<0.001	.652
ORGV11	Organisational value variable	.863	-	-	-	.744
NETV1	Network value variable	.752	.088	12.378	***<0.001	.565
NETV2	Network value variable	.720	.089	11.814	***<0.001	.518
NETV3	Network value variable	.754	.086	12.414	***<0.001	.568
NETV4	Network value variable	.699	.081	11.439	***<0.001	.488
NETV5	Network value variable	.777	.088	12.835	***<0.001	.604
NETV6	Network value variable	.738	.092	12.130	***<0.001	.544
NETV7	Network value variable	.783	.083	12.495	***<0.001	.614
NETV8	Network value variable	.758	.086	12.494	***<0.001	.575
NETV9	Network value variable	.738	-	-	-	.545
SEV1	Social engagement value variable	.701	.065	12.813	***<0.001	.491

	Paths & Items (observed variables)	Standardised regression weights	S.E.	C.R.	P-label	SMC
SEV2	Social engagement value variable	.806	.060	15.657	***<0.001	.650
SEV3	Social engagement value variable	.791	.066	15.233	***<0.001	.626
SEV4	Social engagement value variable	.866	-	-	-	.750
BE1	Brand equity variable	.736	-	-	-	.542
BE2	Brand equity variable	.753	.078	12.656	***<0.001	.566
BE3	Brand equity variable	.845	.081	14.382	***<0.001	.714
BE4	Brand equity variable	.844	.077	14.368	***<0.001	.712
BE5	Brand equity variable	.890	.078	15.261	***<0.001	.793
BE6	Brand equity variable	.861	.080	14.702	***<0.001	.742
BE7	Brand equity variable	.850	.083	14.490	***<0.001	.723
BE8	Brand equity variable	.874	.078	14.940	***<0.001	.764
BE9	Brand equity variable	.737	.080	12.365	***<0.001	.543

Note: C.R.= critical ratio indicating acceptance (CR>1.96; SMC = squared multiple correlation with acceptable amount of variance (>0.4); ***p<0.001.

Table 5.23 shows that the path coefficients for all the individual items (observed variables) were statistically significant. The analysis of the path coefficients for the hypotheses clearly revealed that H6, H7, H8, H9 and H10 were all statistically significant. These are consequently discussed.

5.6.4.3.1 Hypotheses supported for model C

H6f was confirmed at the 5% significance level, thereby supporting the hypothesised relationship between brand equity (BE) and financial value (FINV). This is supported by the standardised path coefficient of .929 (p<0.001). Therefore, brand equity definitely impacts on the financial value of the SATSA brand from the members' perspectives. Since FINV forms part of the overall brand value for SATSA, this is consistent with authors that have suggested brand equity can impact on a brand's value (Haigh & Knowles, 2004; Raggio & Leone, 2007, 2009; Grannell, 2013; Hallward, 2005), but also partially contradicts some of these authors' view that the outcome levels of brand equity and brand value may differ (Raggio & Leone, 2007, 2009; Grannell, 2013; Hallward, 2005). However, this specific relationship of brand equity's effect on financial value has not yet been determined or investigated and therefore is unique to this study. Brand equity can therefore contribute to the financial value of the SATSA brand in that it can enable indirect financial outcomes for the brand to sustain the brand. For example, members who perceive benefits as a result of belonging to the SATSA brand, or who are loyal to SATSA, or who regard the SATSA brand highly (all referring to equity items), will most likely perceive the brand to have financial value in the form of value for money, decreased financial risk or cost-effective membership (FINV items). This can indirectly lead to increased financial outcomes for the SATSA brand in the form of membership renewal as a result of positive levels of brand equity.

Viewed in this sense, this result can be consistent with brand value/equity theory suggesting that brand equity facilitates value and impacts on value to contribute to more favourable financial outcomes in support of the brand (Raggio & Leone, 2007:388; Arvidsson, 2006; Das, Stenger & Ellis, 2009; Gabay, Moskowitz, Beckley & Ashman, 2009; Neal & Strauss, 2008). It is therefore important for an organisation like SATSA to be mindful of this specific link between brand equity (BE) and financial value (FINV) to optimally increase their overall brand value for both the organisation and members.

Support for H7g was evident at the p-value <0.001 significance level, with a corresponding path coefficient of .906, thereby supporting the hypothesised relationship between brand equity (BE) and Professional trust value (PTV). This is consistent with the views of Raggio and Leone (2007, 2009), Grannell (2013), Hallward (2005) and Haigh and Knowles (2004) who suggest that brand value is impacted by brand equity. Brand equity therefore has a direct effect on the trust members place in the SATSA brand and its professionalism in the industry. For example, members who are proud to be a SATSA member (equity), may most likely perceive SATSA as an influential and credible brand, whose reputation enhances members' reputation in the tourism industry (PTV). This implies that the level of brand equity may directly influence members' level of trust, and therefore, brand value. Once again, this specific relationship has not yet been determined or investigated, thereby highlighting the uniqueness of this relationship.

H8h was supported at p-value <0.001 significance level, thereby showing the relationship between brand equity (BE) and organisational value (ORGV). This is also supported by the standardised path coefficient of .850. Evidence was therefore found to support the direct relationship between brand equity (BE) and organisational value (ORGV). This is consistent with the views of Raggio and Leone (2007, 2009), Grannell (2013), Hallward (2005) and Haigh and Knowles (2004) who suggest that brand value is impacted by brand equity. The level of brand equity may thus have an effect on members' perception of organisational value of the SATSA brand. Therefore, brand equity influences the way in which members view SATSA as an organisation, and therefore as a brand, in terms of service provision, as well as managerial and operational capabilities. This relationship between brand equity (BE) and organisational value (ORGV) has not been determined or investigated before and is therefore unique, in contrast to the effect of brand equity on brand value in general.

H9i was confirmed at the 5% significance level, thereby supporting the hypothesised relationship between brand equity (BE) and Network value (NETV). This is also supported by the standardised path coefficient of .883.

This is consistent with authors that have suggested that brand equity can impact on a brand's value (Raggio & Leone, 2007, 2009; Grannell, 2013; Hallward, 2005; Haigh & Knowles, 2004). This specific relationship is unique in that brand equity, in the case of SATSA, has a direct effect on the networking value the brand specifically provides to its members. For example, SATSA acts as the 'voice' of members in the private sector of the tourism industry and promotes various networking opportunities as benefit of being a member (SATSA, 2013a:1). However, the networking value members currently perceive is likely to be influenced by their associations towards the brand or the benefits they perceive to obtain as a result of their membership (i.e. equity). Therefore, the promotion of networking value and members' actual perceptions of networking value may be similar or may differ, due to the influence of brand equity on this facet of brand value.

H10j was supported at the 5% significance level, with a corresponding path coefficient of .773, showing the hypothesised relationship between brand equity (BE) and Social engagement value (SEV). Once again, this is consistent with authors' statements that brand equity can impact on a brand's value (Raggio & Leone, 2007, 2009; Grannell, 2013; Hallward, 2005). This specific relationship (BE to SEV) is unique, since it has not been examined before. Brand equity is likely to have a direct effect on the extent to which members' perceive the brand to engage in the industry on a social level. It is therefore important that SATSA understands how to leverage equity in a way to increase the perceived social value in a positive manner.

Based on the above hypotheses (H6f, H7g, H8h, H9i, H10j), it can be said that brand equity contributes to all collective facets of brand value (FINV, PTV, ORGV, NETV, SEV) for SATSA. This is consistent with some views on brand value/equity theory that suggest brand equity as being part of brand value in various ways (Neal & Strauss, 2008; Wood, 2000; Grannell, 2013; Keller & Lehmann, 2006; Neal & Strauss, 2008; Strauss, 2011; Raggio & Leone, 2009). However, these specific relationships have not been examined or measured before and are therefore contribute to the novelty of this model and this study. The direct relationships between brand equity (BE) and financial value (FINV), as well as professional trust value (PTV) seem to be the most significant, which ought to require attention.

It is therefore important for SATSA to know how to leverage equity in members to maximise various facets of their brand's value. This is consistent with the opinions of Raggio and Leone (2007:386) and Tiwari (2010:421) on brand value/equity. The fit indices for each model are subsequently presented.

5.6.5 Step 5: Assessing model validity

The measures of fit assess how well a model fits the observed data. Numerous proposed indices to assess model fit have been discussed in Chapter 4 (Malhorta, 2010; Hair *et al.*, 2006; Assaker, Vinzi & O'Connor, 2010; Mueller & Hancock, 2008; Weston & Gore, 2006;). Since the Chi-square (χ^2) value is a stringent measure sensitive to sample size, the Chi-square divided by its degrees of freedom is often used to examine the model fit instead. The present study evaluated the model fit for models A, B and C based on the following three measures: Chi-Square divided by its degrees of freedom (χ^2/df); root mean square error of approximation (RMSEA); and the comparative fit Index (CFI). As stated earlier in Chapter 4, the views on acceptable cut-off criteria for fit indices are inconclusive. The statistics for the fit indices for all three models are presented in Table 5.24:

Table 5.24: Fit indices for models A, B and C

Measurement	Model A	Model B	Model C
Chi-Square	3338.511	3338.511	3624.424
Degrees of Freedom	1310	1310	1320
Chi-square (CMIN)/DF (χ2/df)	2.548	2.548	2.746
p-value	p<.000	p<.000	p<.000
CFI	.851	.851	.831
RMSEA	.076	.076	.081
90% confidence interval for RMSEA	.073 - .079	.073 - .079	.078-.084

Note: Paths included for each model:
Model A: Brand value (BV)$\longleftrightarrow$ Brand equity (BE)
Model B: Brand value (BV = FINV; PTV; ORGV; NETV; SEV) $\longrightarrow$ Brand equity (BE)
Model C: Brand equity (BE) $\longrightarrow$ Brand value (BV = FINV; PTV; ORGV; NETV; SEV)

According to Table 5.24, reasonable support was found for models A and B. The Chi-square/df (χ^2/df) ratio of less than 3 was used as the decision rule of an acceptable overall model fit in this study (Schreiber, Nora, Stage, Barlow & King, 2006:330; Kline, 2005:202), and the first two models (A and B) indicated an acceptable value of CMIN/DF = 2.548. The fit indices further indicated CFI = .851 and the RMSEA value within an acceptable range (.076) below 0.08. The fit indices therefore suggest an acceptable model fit for models A and B and provide evidence of construct validity.

Model C showed a reasonably acceptable model fit, with CMIN/DF=2.746; CFI=.831 and the RMSEA=.081. This model was, however, considered admissible for the purpose of this study since the relationships between brand equity and *specific* value constructs have not yet been conducted. Overall, the results of SEM show that this specified, novel approach to brand value has yielded noteworthy results, which SATSA can tap into and use to develop and improve specific facets of their brand value.

The structural relationships, and therefore, the interdependence of brand value (FINV; PTV; ORGV; NETV and SEV) and brand equity are evidenced by models B and C. However, for the purpose of this study, model B was considered the most appropriate to account for the current situation of SATSA and its members' perception of brand value. In the same sense, this does not entirely disregard the influence of brand equity on all specific facets of brand value, and does also not neglect the fact that all six constructs are associated with each other, as confirmed in model A and evident in the correlation matrix. Conclusions and recommendations in this regard are discussed in Chapter 6.

5.7 SUMMARY OF TESTED RELATIONSHIPS

Figures 5.7, 5.8 and 5.9 provided evidence for the existence of empirical relationships between several latent constructs and variables. This evidence provides support for the majority of hypothesised relationships as previously stipulated in Table 5.10. Table 5.25 outlines the support for the hypothesised relationships. The implications for these findings are further discussed in Chapter 6.

Table 5.25: Summary of tested relationships

Hypotheses		Supported / Not supported
H1a	There is a direct relationship between *Financial value* (FINV) and *Brand equity (BE)*	Supported
H2b	There is a direct relationship between *Professional trust value (PTV)* and *Brand equity (BE)*	Supported
H3c	There is a direct relationship between *Organisational (ORGV) value* and *Brand equity (BE)*	Not supported
H4d	There is a direct relationship between *Network value* (NETV) and *Brand equity (BE)*	Not supported
H5e	There is a direct relationship between *Social engagement value* (SEV)and *Brand equity (BE)*	Not supported
H6f	There is a direct relationship between *Brand equity (BE) and Financial value* (FINV)	Supported
H7g	There is a direct relationship between *Brand equity (BE) and Professional trust value (PTV)*	Supported
H8h	There is a direct relationship between *Brand equity (BE) and Organisational value(ORGV)*	Supported
H9i	There is a direct relationship between *Brand equity (BE) and Network value* (NETV)	Supported
H10j	There is a direct relationship between *Brand equity (BE) and Social engagement value (SEV)*	Supported

5.8 CONCLUSIONS

This chapter presented the empirical results of the study in four sections. The first section provided insight into the business profile and characteristics of SATSA members and their general perceptions of brand value. The second section focused on the results of the exploratory factor analyses (EFAs), which revealed five brand value factors and one brand equity factor, and were all acceptable for use in subsequent analyses, as indicated by several measures of reliability and validity.

This resulted in the modification of the hypotheses initially formulated in Chapter 4, which formed the basis for further empirical estimations. The correlation matrix showed that all factors significantly correlated with each other, thereby indicating that the data was appropriate.

Selected business profile aspects of members that influence brand value were revealed in the third section by employing Spearman rank order correlations, one-way ANOVAs with Tukey's post hoc multiple comparisons, and an independent *t*-test. These results provided insights into the relationships and differences of the business profile aspects as they apply to each brand value and brand equity dimension. It was evident that the length of membership, location of business, operational context, number of employees and beds available respectively influence brand value to a greater or lesser extent.

The final section presented the results of the SEM analysis and discussed SATSA's brand value from members' perspective, based on the six construct model that contained the supported and non-supported hypothesised relationships between brand value and brand equity. Due to the complexity of the initial model and the proposed relationships, it was deemed appropriate to further divide the model into two structural models to better describe the respective paths (models B and C). Overall results for the SEM analysis indicated that the significance of the loading estimates and overall model fit show reasonable support for the estimated relationships. These tested relationships are unique in the sense that specific facets of brand value (FINV; PTV; ORGV; NETV and SEV) were tested in relation to brand equity, as opposed to the literature studied in this regard. The influence of brand value on brand equity (model B) was chosen to be of more practical significance and relevance to the context of SATSA and its members, but does not disregard the fact that brand value and brand equity are strongly associated with each other. The implications of the empirical results will be addressed in Chapter 6. This chapter will also provide recommendations as to how brand value can be managed for an organisation like SATSA as a non-profit, member-driven organisation in the South African tourism industry.

CHAPTER 6



Conclusions and Recommendations

6.1 INTRODUCTION

The aim of the study was to develop a brand value model for the Southern African Tourism Services Association (SATSA). To achieve this aim, the following objectives were identified in Chapter 1 and were achieved in their respective chapters.

- The first objective was to discuss and describe brand value by providing a relevant theoretical foundation of definitions and the contextual framework in which it is applied and to identify aspects contributing to brand value by means of literature review. This was achieved in Chapter 2 of the study. The research clearly indicated that brand value is a contextual construct which tends to vary depending on the use of terminology, the brand's operational context and its composition. It was also evident that an extensive variety of aspects contribute to a brand's value.

- The second objective was to discuss and describe the measurement of brand value by providing a relevant theoretical background regarding the definitions, origin, applications, obstacles, methodological aspects, classification of models; and a measurement contextualisation for SATSA. This was achieved in Chapter 3 of the study. Research clearly indicated that measuring brand value is an intricate, multifaceted process predominantly focused on financial value and/or equity. This also highlighted the absence of a suitable measurement instrument for assessing brand value for a non-profit, member-driven organisation in the South African tourism industry.

- The third objective was to provide an in-depth discussion on the development of the research process. This was achieved in Chapter 4 by discussing the selected approaches and methods deemed appropriate for the study, in order to provide a holistic view on the research process.

- The fourth objective was to empirically assess the value dimensions of the SATSA brand and test the relationship among the identified value dimensions and their relation to brand

equity, as well as the business profile aspects influencing brand value. This was achieved in Chapter 5 by applying selected statistical methods such as factor analyses, ANOVAs, *t*-tests, correlations and structural equation modelling (SEM). Significant findings with regard to brand value dimensions were discussed in chapter 5.

- The fifth and final objective was to draw conclusions and make recommendations regarding the understanding and the application of the brand value model in a South African tourism context. This is achieved in chapter 6. The purpose of this chapter is thus to conclude the research findings and use the research results from Chapters 2, 3 and 5 to make recommendations to assist SATSA in maximising its brand value for sustainable growth in the South African inbound tourism industry. Recommendations for further research on brand value in a non-profit tourism context and are also made.

6.2 CONCLUSIONS

The conclusions will be discussed relating to the literature review and the empirical survey as reported in Chapters 2, 3, 5.

6.2.1 Conclusions with regard to the discussion and description of brand value as analysed in Chapter 2 (Objective 1)

The following conclusions can be drawn in terms of brand value:

- In an attempt to define brand value, it was found that the term 'brand' has several definitions of which most refer to the brand as a unit or process (c.f. 2.1)
- Due to the uniquely-structured brand under investigation (i.e. SATSA), the term 'brand' in this study more aptly refers to the 'business' unit definition, thereby implying that the brand encompasses more than just the trademark or logo and is also associated with the organisational culture, people and programmes provided by the organisation (c.f. 2.1).
- Brands are significant intangible assets that create value for organisations, since they represent a specific value proposition and a promise, which can result in (c.f. 2.2& 1.2):
    - increased profits for an organisation
    - stronger customer relationships
    - influencing consumers' decision making process
    - improved overall loyalty and repeat usage
- In the light of this, branding has becomes a top priority for management (c.f. 2.2).
- Knowing a brand is valuable without knowing how valuable it is in the volatile marketplace is detrimental to the brand's growth and ultimate survival (c.f. 2.2).
- A brand's value therefore ought to be identified and understood so that it becomes an indispensable necessity instead of being a 'nice-to-have' intangible asset (c.f. 2.2).

- A review of literature revealed a discrepancy between the use of terminology regarding 'brand value' and 'brand equity', which complicates the process of providing a clear-cut definition for brand value (c.f. 2.3).
- In differentiating between the two concepts to arrive at an appropriate premise for brand value in this study, it was interesting to note the following (c.f. 2.3):
    - Brand value and brand equity are closely related concepts which share some common ground, and may influence, or be influenced by each other, but are not necessarily identical.
    - A great deal of ambiguity exists between purely consumer-based (brand equity) and economic (brand value and/or brand equity) perspectives, all revolving around the word 'value', which results in different meanings for both concepts
    - A brand's value can consist of elements other than equity or even price
    - There consequently seems to be a general lack of consensus on an accepted framework for brand value, due to the interchangeable use of terminology (brand value and/or brand equity)
    - Defining brand value may greatly depend on the context in which it is used, due to varying perspectives
- Due to the apparent relations and interdependence of the two concepts, brand value for this study was established as consisting of *multiple* aspects, where brand equity contributes to and is an outcome of brand value (c.f. 2.3).
- The above mentioned paradox between terms further poses a challenge to understanding brand value in a tourism framework (c.f. 2.4).
- As indicated in the literature review, most research studies in tourism notably focus on brand equity for either destinations or service providers like hotels, with limited research on brand value in particular (c.f. 2.4& 1.2).
- With the exception of a few studies, the research that is available on brand value in the tourism industry is extremely limited and has been conducted on an international level, with exclusive focus on destinations, hotels and airlines – it is clear that research with regard to brand value, and especially in a non-profit, membership organisation like SATSA, does not seem to exist within a South African tourism context and merits further investigation (c.f. 2.4& 1.2).
- Though some research has been able to elaborate on factors that may contribute to brand value in the tourism industry, only one study (Mysicka, 2009) has, in fact, empirically tested brand value in a tourism framework (c.f. 2.4& 1.2).
- With this in mind, brand value in the context of SATSA had to be clarified. From the discussion in the literature review, it was evident that the inconsistent use of terminology

once again, challenges the creation of a universally accepted definition in tourism and more so a non-profit framework (c.f. 2.5).

- The distinct fusion of tourism and non-profit elements necessarily demands an alternative, unique approach to brand value for SATSA (c.f. 2.5).
- This combination of elements distinguishes SATSA from that of more traditional product or service brands, and even other conventional service providers in the tourism industry (c.f. 2.5).
- Central to this non-profit characteristic in particular, is the fact that brand value cannot be composed of financial value alone, and unavoidably needs to consist of other value aspects as well (c.f. 2.5).
- The notion of brand value can be interpreted from members' perspective, since they are the key users of the brand and the primary sustainers of its existence in the inbound tourism industry (c.f. 2.5).
- Drawing from previous literature and the unique composition of the SATSA brand, 'brand value' is theoretically defined as *the value brought forth by multiple identified value dimensions for a non-profit, member-driven tourism brand, as perceived by its consumers (members).*
- As discussed in the literature review, an investigation into the aspects contributing to brand value indicated that (c.f. 2.6):
    - Literature does not clearly indicate which aspects are the key contributors of brand value, apart from financial value
    - A lack of consensus also exists on which aspects may be viewed as brand equity or brand value dimensions
    - Many sources do not necessarily consider a variety of aspects at the same time, but rather tend to mention or focus on individual and/or only a few aspects at a time
    - Limited consensus exists as to which aspects are the most important and research in this field specifically for brand value in a non-profit, tourism context is inadequate.
    - An array of aspects across various categories (financial, product, social, marketing, etc.) evidently contribute to brand value and not only single specific aspects
- Aspects contributing to brand value in a non-profit, member-driven organisation in tourism have not yet been identified (c.f. 2.6) and thus information was drawn from marketing and other relevant literature.
- Results from the research studies discussed in the literature review indicated that aspects contributing to brand value for SATSA can be divided into 10 initial categories (2.6.):
    - Product value (PV – e.g. product quality, standards, development, etc.)
    - Financial value (FV – e.g. financial strength, impact, decreased risk, etc.)
    - Shareholder value (SHV – relationships, communication, reliance, etc.

- Experience value (EXV – feedback, consistency, impressions, etc.)
- Marketing value (MARV – e.g. technological developments, interactions, etc.)
- Service value (SERV – e.g. service variety, excellence, information availability, etc.)
- Employee value (EMV – e.g. competence, commitment, knowledge, etc.)
- Management value (MANV – e.g. strategic focus, clarity, responsiveness, etc.
- Functional value (FUV – e.g. convenience, product recognition, etc.)
- Social value (SOCV- e.g. social leadership, responsibility, protection, etc.)

- Based on the literature review, it is evident that no official measuring instrument currently exists for determining the brand value for a unique brand like SATSA in the South African tourism industry (c.f. 2.7).

6.2.2 Conclusions with regard to the measurement of brand value as achieved in Chapter 3 (Objective 2)

The following conclusions can be drawn in terms of measuring brand value:

- It is essential that management understands and implements brand valuation as a tool to create and capture as much of the value as possible (c.f. 3.2).
- Brand valuation, in general, aims to enable value-based brand management systems and profitable operations (c.f. 3.2).
- This study adopts a brand management valuation application because of the insights it can reveal to grow brand value (c.f. 3.3).
- Despite its development as a useful managerial tool, brand valuation currently faces various obstacles that contribute to the complexity of brand valuation (c.f. 3.5):
    - A brand's intangible nature
    - The inevitable level of judgement required for valuation
    - Time interval influencing results
    - Availability of methods and outcomes
    - Inconsistent and contradictory views on brand value measurement
- As with brand value, the wide-ranging interpretations and implementations of brand valuation need to be clarified within the operational context of the brand under investigation. This study adopts more of a marketing perspective, since brand value for SATSA ought to consist of multiple value aspects and not be confined to a monetary output, due to its unique nature (c.f. 3.5).
- Different perspectives on brand value result in different methods to measure the value (c.f. 3.6).
- Brand valuation is an intricate process that lacks consensus on a variety of measurement levels (c.f. 3.6).

- Based on the literature, brand valuation can generally be divided in three categories (c.f. 3.7):
  - Financial (traditional economic) models
  - Psychographic and behaviourally-oriented models
  - Combined models (financial and behaviourally-oriented)
- This classification of models revealed wide-ranging approaches to brand valuation, indicating different and/or linked views on this concept in literature and practice (c.f. 3.7).
- It was interesting to note that even recently introduced standardisation efforts to brand valuation do not seem to aptly address the unique context of tourism or the brand under investigation (c.f. 3.8).
- The highlighted paradox between brand equity and brand value (c.f. 2.3) inevitably presents ambiguous views and a lack of homogeneity in the jargon used with regard to measuring brand value. An *evaluation of brand value* is thus considered a suitable premise to use for a formal assessment of the SATSA brand (c.f. 3.9).
- Given the unique characteristics and non-commercial objectives of this organisation, it is necessary to approach the measurement of brand value from a different angle, compared to that of product or service brands and other conventional brand value models (c.f. 3.9).
- It is useful to evaluate brand value models according to a set of criteria, thereby reducing the clutter of wide-ranging methods, which include (c.f. 3.9):
  - Operational context
  - Brand composition
  - Output
  - Type of construct
- Based on the criteria, it was clear that though some measurement methods contain useful insights, they are restricted to more typical non-profit or tourism profit contexts, and/or are exclusively focused on equity or a monetary output (c.f. 3.9).
- A gap was therefore identified in that none of the discussed models seemed to make provision for specific aspects that comprise and determine brand value for the uniquely-fused nature of a non-profit, member-driven organisation in tourism, like SATSA, and even more so in a South African context (c.f. 3.9).
- It was clear that some evaluated models use multiple dimensions of equity and/or value for measurement purposes, given the complexity of the research subject at hand. This highlights that current practices employ multiple value dimensions which should therefore also be applied when measuring brand value for SATSA (given its distinctive character) (c.f. 3.9).

- The need to develop a suitable empirically tested model to assess brand value in a non-profit, membership organisation in the South African tourism industry is therefore confirmed (c.f. 3.10).
- Based on the unfolding of the literature and identified aspects (c.f. 2.6), the hypothesised brand value model consequently proposed that brand value creation is dependent on specific value dimensions, together with financial value and equity, which are associated with each other and influence each other to a greater or lesser extent (c.f. 3.10).
- The construction of a context-specific model can contribute to understanding brand value and developing more strategic value propositions for a non-profit, member-driven organisation like SATSA, in the South African tourism industry (c.f. 3.10).

6.2.3 Conclusions with regard to the in-depth discussion of the development of the research process as achieved in Chapter 4 (Objective 3)

The following conclusions can be drawn in terms of providing an in-depth discussion of the development of the research process:

- A discussion regarding the specific phases involved in this novel type of research on brand value in a non-profit, member-driven, tourism context, is essential to providing a clear, unambiguous layout of the empirical implementation of the study (c.f. 4.5). Such a layout can assist future researchers in terms of applying such phases in various tourism/non-profit contexts for which brand value needs to be determined.
- In-depth discussions regarding specific methodological selections are also beneficial to future researchers in terms of applying the chosen methods of research to the same context, but a different organsation, and even a different context (c.f. 4.6 & 4.7).

6.2.4 Conclusions with regard to the empirical assessment of brand value dimensions of SATSA as achieved in Chapter 5 (Objective 4)

In accordance with the third objective of this study and the results obtained in Chapter 5, the following conclusions can be drawn in terms of the empirical assessment of brand value:

a. Measuring instrument

- Since this study was primarily focused on developing a brand value model, it is essential that the items (brand value and brand equity) to be measured in the questionnaire should be carefully considered and formulated.
- For this reason, previous research from experts on brand value, such as the work of Salinas (2009, 2011) and Haigh (2000; 2011) as leaders in the field must be considered, for example.

- Based on the literature and the suggestions from the panel of experts as discussed in Chapter 4, items ought to be adapted according to the unique characteristics of a non-profit, membership organisation in the tourism industry such as SATSA, which therefore makes the questionnaire design an intensive, time-consuming process.

b. Business profile of respondents

Specific business profile aspects were selected to construct a general business profile of SATSA members, as well as to determine their influence on brand value. The variables (i.e. length of membership, length of business operations, location of business, operational category, number of employees, the number of beds/seats in their establishments (where applicable), and star grading status) were included for this purpose.

The results revealed that the majority of respondents have been members of SATSA for more than 6 to less than 10 years (Mean=10 years), thereby indicating a degree of loyalty to the organisation. Most respondents are tour brokers, followed by an equal distribution of transport operators and accommodation establishments. Accommodation establishments operated on average of 565 beds and transport operators operated on average of 730 seats. A large proportion of respondents have been operating in the tourism industry for over 10 years, thereby indicating they are knowledgeable role players in this industry.

This can influence the way in which they currently perceive the brand value SATSA provides (compared to that of members only starting up in the industry) and, can influence the manner in which this organisation ought to implement their value proposition in the future. The majority of respondents' businesses consisted of a small number of employees which is a typical characteristic of tourism businesses since most respondents were tour brokers and accommodation establishments, which could include smaller establishments like guest houses or country houses. A small proportion of respondents are star-graded, which can be explained by the operational context of respondents, where accommodation establishments have the option to be star-graded, as opposed to the majority of respondents who are tour brokers.

c. Identifying brand value and brand equity dimensions

Brand value and brand equity dimensions were identified with two separate factor analyses in Chapter 5. Five brand value dimensions emerged from the results and were labelled as *Financial value (FINV)* (Factor 1)*, Professional trust value (PTV)* (Factor 2)*, Organisational value (ORGV)* (Factor 3)*, Network value (NETV)* (Factor 4) and *Social engagement value (SEV)* (Factor 5). One brand equity (BE) dimension was revealed.

All the Cronbach's Alpha coefficient values of the five brand value dimensions and the brand equity dimension were well above 0.8, thereby indicating acceptable validity. Though these factors did not agree entirely with the initial classification of value dimensions as predicted in literature chapters 2 and 3, they were still deemed appropriate and effective to measure brand value.

All five brand value factors and the brand equity factors revealed relatively high mean values (all above 3.5), which indicate that members consider all factors as important facets of brand value to some degree. However, the factors that had the highest mean values (and were therefore considered by members as the most important factors contributing to the brand value of SATSA) were factors 2 (PTV) and 4 (NETV), together with brand equity (BE):

- *Professional trust value (PTV)* is regarded the most important facet of brand value, with the highest mean value (4.01) of all factors. PTV refers to the trust members have in the brand's professionalism on various levels to assist them in the tourism industry. All items signify, to a certain extent, whether members perceive SATSA as a brand in which they can put their confidence (high standards of professionalism and service through the SATSA Code of Conduct; provides status, marketing value, and enhances reputation of members in the industry, associated with quality business practice, is credible, well-known, influential, well-established, name and logo guarantees a quality experience to members' guests/visitors). From the results, it is evident that PTV is a critical factor that ought to be developed and improved on a continual basis, especially given the non-profit nature of the SATSA brand (c.f. 2.5), where trust can direct the development or deterioration of a brand.
- *Network value (NETV)* revealed the second highest mean value of 3.84. This factor refers to the value members perceive the SATSA brand to provide in terms of connecting and interacting within the private sector of the tourism industry through various means (SATSA membership creates mutually supportive industry relationships, enables communication with other SATSA members and role players in the industry, supporting the vision and mission of SATSA, SATSA provides networking opportunities, lobbies with government to members' benefit, tailors its brand offering to meet industry needs, encourages regular feedback on industry related topics, frequently makes members aware of industry issues/events). This information enables management to develop and improve NETV as a critical factor members rely on, since a large part of the operative essence and survival of businesses in the tourism industry consists of the networking between various role players. *Brand equity (BE)* revealed a high mean value of 3.97, thereby indicating its importance to members.

All items refer to elements of brand equity that SATSA can use to track the extent of the brand value they provide (benefits enabled, the awareness and esteem of the brand as perceived by members, whether they would recommend the brand, whether SATSA delivers on its promises, preference for SATSA, and the viability of the brand in terms of their willingness to pay a membership fee each year).

d. Business profile aspects influencing brand value

This study employed selected statistical techniques to determine the influence of selected business profile aspects of SATSA members on brand value. Conclusions significant to the study from each technique used will be discussed.

- **Examining relationships between selected business profile aspects and brand value**

Spearman rank order correlations were used to examine the strength of the relationship between selected business profile aspects and brand value dimensions (brand value and brand equity). From the results, it is evident that Professional trust value (PTV) is the brand value dimension that is most influenced by a variety of aspects pertaining to the business profile of members:

- The longer respondents have been members of SATSA the less trust they have in this organisation and its professional capability on various levels. This is alarming, since one would expect that the relationships, and therefore the trust, between a brand and its users (members) would be strengthened as membership continues. The lack of trust in this regard clearly suggests a discrepancy, especially for a non-profit membership organisation like SATSA that must gain and sustain members' trust to ensure member satisfaction and growth and ultimate survival in the industry. This information can assist management in asking some critical questions like: if trust in the organisation decreases as the length of membership increases, what aspects affect members' lack of trust and what exactly drives their loyalty? Knowledge in this regard can enable management to revise current benefits provided and improve the value proposition to increase the current level of trust.
- The longer respondents have been operating in the industry themselves, the less trust they have in SATSA. In this sense, members may know the 'ins and outs' of the industry and are already established businesses that may be less reliant on the SATSA for their operational success. The same applies to the fact that the larger number of employees and beds available in respondents' businesses, the less trust they have in SATSA.

Results further revealed that the more employees a business has, the less organisational value they perceive SATSA to provide.

It was also evident that the greater the number of employees and the larger number of beds available in respondents' business(es), the less brand equity respondents perceive in the brand. In both cases this may, once again, be ascribed to the fact that large business are less reliant on other organisations to assist in their success in the industry and may therefore not perceive loyalty, recommendation of the brand, benefits received, and other facets of equity to be as important to them.

- **Differentiating between members' location of business and brand value**

An ANOVA analysis with Tukey's post hoc multiple comparisons was used to examine the difference between respondents' location of business with regard to each brand value and equity dimension (overall brand value). Significant differences for this study was highlighted between business locations and brand value were evident amongst the Gauteng province and the Western Cape province with regard to organisational value ORGV; NETV; and brand equity (BE). Members whose business(es) are located in the Gauteng are likely to derive more value from the SATSA brand with regard to these dimensions compared to those situated in the Western Cape in particular.

The reason for this may be that Gauteng is generally regarded one of the largest 'business hubs' of South Africa in which SATSA's head office is also located, which makes networking opportunities (NETV) and service delivery or personal connections with Chapter chairs via Chapter meetings (ORGV) more readily accessible to members in this province, which can also influence brand equity (BE) in terms of recommending the brand, being loyal to the brand, renewing their membership, and so on.

- **Differentiating between members' operational context and brand value**

An ANOVA analysis with Tukey's post hoc multiple comparisons was also used to examine the difference between respondents' operational context with regard to each brand value and equity dimension (overall brand value). Results revealed only one significant difference between adventure operators and transport operators, based on their ratings of Professional trust value (PTV). Respondents in the transport operator category appear to place more trust in SATSA than respondents in the adventure operator category. This may be due to the fact that, since its inception, SATSA has placed a strong focus on tour and/or transport operators, by fulfilling the role of their 'voice' in the private sector of the Southern African tourism industry. This information can assist management to increase the professional trust value for members in the adventure operator category. However, it is important for SATSA to also focus on all the different types of members they currently represent in the industry.

- **Discriminating between star-graded and non-star-graded businesses with regard to brand value**

An independent *t*-test was used in Chapter 5 to compare the identified brand value and equity dimensions with businesses that are star-graded and those who are not star-graded, to determine any significant differences in this regard. Results revealed the following differences:

- Businesses that are not star-graded appear to display more trust (PTV) in SATSA than those that are star-graded. This may be because businesses that are star-graded can provide the stars as quality assurance to their clients, which mostly refer to accommodation establishments. However, the majority of respondents are tour brokers, followed by transport operators, which may need to secure their business' credibility to clients in other ways, such as displaying the SATSA logo or using the Bonded scheme.
- The same applies to the fact that businesses that are not star-graded regard brand equity (BE) as more important than those that are star-graded. Star-graded businesses may view SATSA as a 'nice-to-have', where the opposite may be true for businesses that do not bear the stars as quality assurance.

e. The brand value model

The primary objective of this study was to develop a model through which a non-profit membership organisation in tourism, like SATSA, can manage their brand value and to fill the gap in academic research in this regard. Structural Equation Modelling (SEM) was deemed an appropriate analysis to use, since it provided an integrated approach to test the relationships between brand value and brand equity, as proposed in literature (c.f. 2.3 & c.f. 3.10). In this SEM, the construction of the model posed a challenge, given the intricacy of the initial model and the proposed number of relationships to be tested.

Due to its unique nature, brand value for SATSA was originally viewed as consisting of multiple aspects, which includes financial value and brand equity. It was therefore theorised that brand value may influence brand equity, and brand equity may contribute to brand value, due to an interdependent relationship between the two concepts that was deduced from literature. The theoretical separation of brand value and brand equity in chapter 2 proved a useful way of describing the interrelations and apparent interdependency. Hence, the same notion with regard to the development of a suitable brand value model was considered. The novelty of brand value research for a brand like SATSA, also partly contributed to this decision.

Results from this SEM analysis revealed that:

- Model A initially provided evidence of the correlational relationships between brand value and brand equity.

However, this model did not formally indicate the extent of the hypothesised relationships and, therefore, the interdependency, between these constructs.

- It was then decided to divide model A into two structural models (B and C), where the effect of brand value on brand equity, and the effect of brand equity on brand value could be examined.
- While both models are supported, model B, as shown in Figure 6.1, was considered to be more appropriate to enable a better understanding of brand value from members' perspective for a non-profit, member-driven organisation like SATSA. This model forms an integral part of the recommendations originating from the study.
- However, this does not entirely disregard the confirmed interrelations between brand value and brand equity (model A), or the confirmed significant influence of brand equity (BE) on all brand value dimensions (model C) (c.f. 5.6.4.3).
- Model B provides useful information that can enable management to determine which brand value dimensions are the most influential in influencing members' perceptions of value. This can also provide insight into decisions that must be altered or monitored so as to enhance brand value.
- The model developed in this study can assist managers in evaluating their existing value offering, and in developing future value offerings.
- This model can also enable management to leverage brand equity (loyalty, recommendation, preference, esteem, perceived benefits, willingness to pay membership fees, etc.) which, in turn, can increase value.
- More importantly, for a non-profit membership organisation like SATSA, this model can assist in the strategic allocation of resources to improve the current value proposition, thereby increasing member satisfaction and membership numbers.

Significant to this study, the results for model B revealed the following:

- Financial value (FINV - for example, value for money, cost-effective benefits, decreased risk, etc.) and professional trust value (PTV - for example, credibility, professionalism through the SATSA Code of Conduct, influential, etc.) are the two components of brand value that exert the strongest influence on brand equity. This is consistent with the non-profit character of SATSA, since it needs to command a level of trust from members in the process of persuading them to invest in the brand for the mutual benefit of the organisation and its members, to increase brand equity (for example, loyalty, recommendation, preference, esteem, brand sentiment, etc.) (See Figure 6.1).
- Organisational value (ORGV), network value (NETV) and social engagement value (SEV) are not statistically significant components of value in influencing brand equity,

which indicates areas of value that may require some attention to enhance facets of brand equity, like loyalty or recommendation, to improve overall brand value.

The final proposed model (B) resulting from SEM can be viewed as a novel approach to brand value within a non-profit, member-driven organisational context within the South African tourism industry; given the limited, to even absent, extent of brand ***value*** research and measurement in a non-profit and tourism context. Few similarities and differences could be identified in terms of previously evaluated methods (c.f. 3.9). The model proposed in this study is similar to Linsheng and Pan's (2009) proposed framework in the sense that brand value is primarily multidimensional, consisting of a variety of categories/dimensions; and is applicable to the tourism industry.

However, the final proposed model in this study also differs from this specific framework in terms of the types of categories, given the fact that it is specifically designed for non-profit, member-driven organisations, though the framework was initially helpful for compiling specific value categories in the hypothesised model (c.f. 3.10). In addition, this study's proposed model differs from the method used by Mysicka (2009), in that it is not primarily designed for a destination brand, although it is presented as being applicable to the tourism industry as well. Although financial value forms part of brand value for this proposed model, the financial output as primary determinant of brand value, which outweighs the qualitative indicators in Mysicka's approach, is also a key differentiating aspect. This revenue-driven aspect is also true for methods applied by Interbrand (2009) and Cone (2009), even though they place brand value, as is the case with SATSA, within a non-profit context. The non-profit aspect of this study (member-driven organisations in the tourism industry) and the model it proposes further differs from the more 'traditional' non-profit milieu (like Cone, 2009), where brand value is determined for an environmental, social, and/or animal cause or formal institution (Royal Colleg of Art, as in Interbrand's approach). Based on the above, the model proposed in this study can be considered context-specific and unique to the South African tourism industry.

Figure 6.1 provides the statistical model (B) as originally indicated (c.f. 5.6.4.2). Figure 6.2 indicates a simplified version of the model, which can serve as a reference to SATSA and highlights the value areas that influence equity as discussed above.

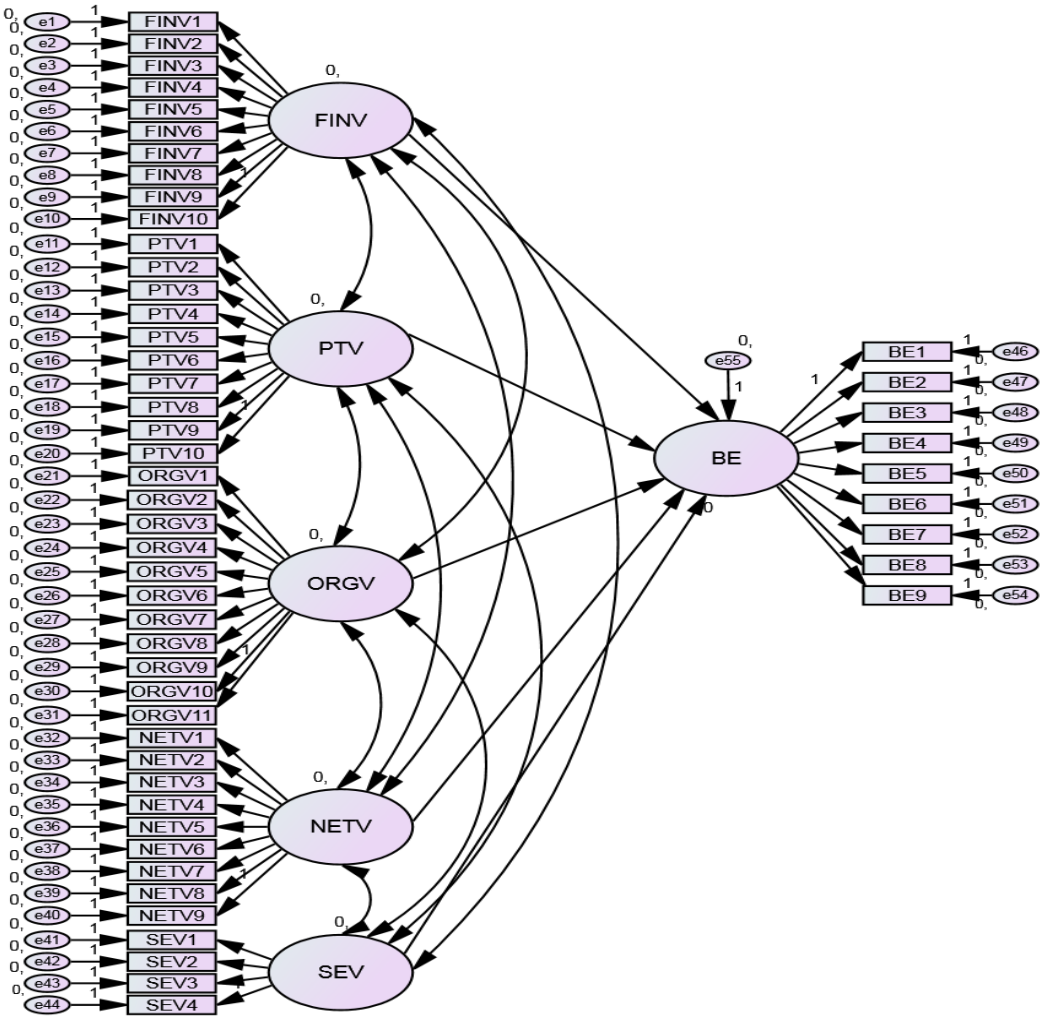


Figure 6.1: Proposed brand value model for SATSA

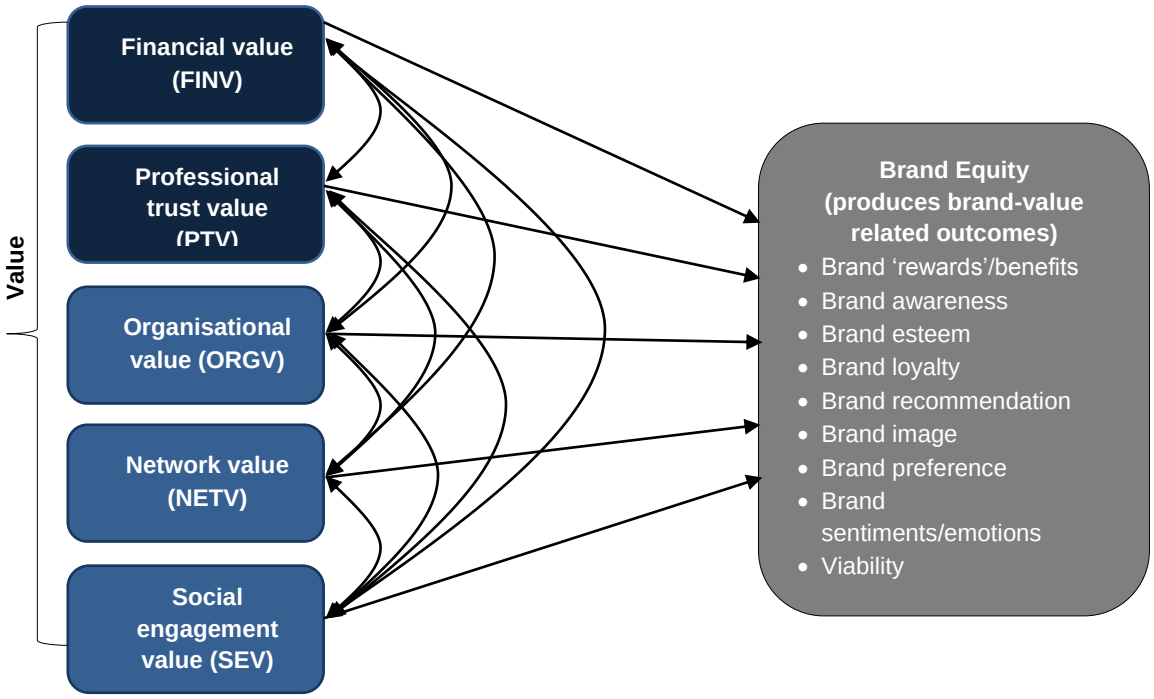


Figure 6.2: Simplified version: proposed brand value model for SATSA

Table 6. 1: Symbols and explanations of simplified model

Symbol / Colour	Explanation
	- Indicates that all five value dimensions are interrelated and are dependent on each other to provide value to members. - Items within each value dimension are described in Appendix E
	- Indicates that each value dimension exert san influence on brand equity - Brand equity produces brand value related outcomes to a greater or lesser extent, depending on the significance of each dimension's influence.
	- Indicates the value dimensions that exert the strongest influence on brand equity namely, financial value (FINV) and professional trust value (PTV) - These have thus been revealed to be the most prominent dimensions of value, which is consistent with the non-profit character of this specific organisation, and ought to be nurtured and developed for optimal value enhancement.
	- Indicates the value dimensions that were not statistically significant in their influence on brand Equity namely, organisational value (ORGV), network value (NETV) and social engagement value (SEV). - These dimensions may require more attention to leverage brand equity and thus improve overall value of the brand.
	- Indicates the value offering - Though value dimensions may differ in their extent of influence, all dimensions ought to be approached as a whole to enable an optimal value offering to members.

6.3 CONTRIBUTIONS OF THIS STUDY

As indicated in Chapter 1 (see 1.5) and based on the above-mentioned objectives, the contributions of this study lie in the following:

Theoretical contributions:

- From a theoretical point of view, the present study is, as far as could be ascertained, the first of its kind to identify multiple aspects that specifically contribute to brand value for a non-profit member-driven organisation in the context of tourism, and even more so in a South African context. Knowledge regarding the specific aspects of value is useful to assist in developing a brand such as SATSA on more clearly defined value-building blocks.
- The inputs of experts in a non-profit context, who assessed the aspects contributing to brand value, is a significant contribution to a more tailored approach to brand value in comparison to current existing models. Experts also asserted that certain items such as convenience and benefit variety were not applicable in a non-profit framework and therefore this model highlights the importance of alternative, more specific aspects such as trust in the non-profit context.
- This study further makes a significant contribution to the limited existing tourism literature regarding brand value, since it provides a specific premise for brand value for non-profit, member-driven tourism brands such as SATSA. This premise can be employed to clarify the current use of ambiguous terminology between brand value and brand equity. In this case, a multidimensional, member-based perspective on brand value provides useful

insights into its unique nature as a broader construct incorporating financial value *and* brand equity along with other aspects. This can be investigated in other non-profit, member-driven contexts in tourism. Setting boundaries for the brand value construct in the context of non-profit member-driven organisations in tourism, such as SATSA, is particularly useful to avoid redundancy with other constructs and conflicting terminology.

Methodological contributions:

- The methodological aspects used to develop a brand value model were not only applied for the first time in this study, but also in South African tourism context. The following methodological aspects can therefore be seen as a benchmark in South African brand value research:

    - The study makes a significant contribution through the development of a scale for measuring brand value in a non-profit, member-driven tourism context, since no such instrument currently exists. Reliability and validity of the scale were well confirmed. The brand value dimensions and brand equity dimension proposed in this study are valid conceptualisations and measures that can more aptly assess brand value for an organisation like SATSA, in contrast to measures used for pure profit driven product or service-driven brands. This measuring instrument can also contribute to addressing the current decline in membership numbers and, ultimately, the sustainability of this organisation in the South African tourism industry. This scale can be a useful measure that can potentially be adapted and implemented by other non-profit, member-driven organisations in the South African tourism industry (such as FEDHASA, GHASA, BABASA and so on) to assess their members' perceptions of brand value.
    - This study further contributes to the theoretical and empirical advancement of brand value modelling, in that this model is the only model that collectively captures *multiple* facets of brand value for a non-profit, member-driven tourism brand, especially in a South African tourism context. Using this model to determine the most significant facets of brand value for a uniquely structured brand like SATSA proved a viable way of recognising aspects that require management's attention and can be improved to give members what they want, thereby increasing membership numbers.
    - The empirically tested interdependence between brand value and brand equity is a novel approach to brand value measurement.
    - Another contribution of the study lies in the uniqueness of the tested and confirmed relationships between *specific* facets of brand value (FINV; PTV; ORGV; NETV and

SEV) and brand equity (BE). Literature on brand value research tends to focus only on the general relationship between brand value and brand equity. However, results in this study confirm that specific brand value facets have a significant influence on brand equity and that brand equity has a significant influence on all specified brand value facets. These relationships can not only assist non-profit, member-driven organisations in the evaluation of their existing value proposition, but also in the calculated, strategic development of future value offerings, based on specific value facets to better meet members' needs.

- The findings in this study ultimately indicate that, from a members' perspective, financial value is not the only dimension that encompasses brand value and is important for a non-profit tourism brand. Based on the results, it is clear that organisations like SATSA should focus on financial value in combination with specific value dimensions which are interrelated with and influence brand equity for effective enhancement of overall brand value.
- Results also confirm that specific aspects of members' business profile also influence brand value to an extent. This makes a significant contribution, since organisations like SATSA are now able to place their emphasis on specific provinces and operational categories of membership, and length of membership to better address and improve the current value proposition that are tailored to members' needs, thereby enabling an increase in overall loyalty and membership numbers.

Practical contributions:

- On a practical level, this brand value model can serve as a means through which an organisation like SATSA provides its members with what they are looking for in the brand so as to thrive in the private sector of the tourism industry, and develops a competitive advantage based on the strategic orientation of the value proposition. In other words, the brand value model provides a template from which SATSA can create and deliver financial value, professional trust value, organisational value, network value and social engagement value to its members, to ultimately ensure member satisfaction, loyalty and growth. This instrument and model enable SATSA to repeat this study in a few years to determine any changes from the current assessment of brand value. This will be an important step for this organisation to determine whether their brand value has improved or deteriorated.
- This study may also contribute to the development of tourism management in the South African tourism industry in the sense that, improved brand value, recognition and support of SATSA as a quality assurer may encourage brand valuations of other non-profit, member-driven tourism brands in various sectors of the industry to improve their own value offering

and credibility. Improved value offerings can increase the level of general trust, and therefore investments (local and international) in such brands, which can contribute to the sustainable growth and development of the tourism industry.

- This model can thus also be tested for other membership organisations in the tourism industry (like the Federated Hospitality Association of South Africa, [FEDHASA] to establish their brand value from members' perspective.
- Practically speaking, this study has shown that organisations such as SATSA should therefore take both brand value and brand equity into account when developing and improving the brand.
- Though limited empirical research on brand equity in the South African tourism industry exists, there seems to be no evidence of published works on brand value in the South African tourism industry. This study therefore contributes to the body of knowledge with regard to brand value and its novel approach to brand value measurement for non-profit, member-driven organisations in the South African tourism industry will be published in peer reviewed sources. This study provides a platform for future tourism scholars to build on in the field of brand value research.

6.4 RECOMMENDATIONS

Based on the conclusions discussed above and the research results, the following recommendations can be made:

6.4.1 Recommendations with regard to the study

Based on the evaluation of dimensions discussed in the previous section (6.2.3), it is recommended that the brand value and equity dimensions indicated in Figure 6.1 (model B) are collectively used to effectively and comprehensively determine and improve the brand value for non-profit membership organisations, like SATSA, in the South African tourism industry.

- It is clear that the SATSA brand is valued by its members to some extent, given the results from various analyses. However, given the current downtrend of membership numbers, the following guidelines are suggested from a managerial point of view for improving and managing brand value in this organisation:

    - Firstly, it is evident from the analyses that Professional trust value (PTV) is a major component of brand value that requires management's attention on a variety of levels: (i) It is especially important that SATSA should focus on the reliability of their services and benefits to rekindle the trust in members who have been SATSA members for a long time and who have been operating in the industry for many years.

This, in principle, implies that promises should be kept on a practical contact level. SATSA should also focus on identifying the reason for this lack of trust in the organisation's professional adeptness in the industry, since loyalty in this case, does not seem to indicate that members necessarily value the brand. (ii) Communication with adventure operators in particular also ought to be initiated to identify aspects that would reinforce their trust in SATSA. (iii) PTV is important to the bulk of members who are not star-graded (with the exception of accommodation establishments). This needs to be further developed through various means to increase membership loyalty, word-of-mouth marketing, preference for the brand, and other brand equity facets. For example, though the Bonding scheme is unique to SATSA, in that it is the only non-government organisation that protects its members against involuntary liquidation of other member companies in the tourism industry, it does not necessarily indicate members' trust in the organisation. In this case, this benefit may cause members to view the brand as a 'nice-to-have' or more of an obligation instead of a 'want-to-have' and meaningful brand they can really engage with. Therefore, it is advisable for management to revise current benefits provided and to initiate communication with members via Chapter meetings or even telephonically, to determine what would rekindle their confidence in the brand other than the Bonding scheme and other seemingly important benefits. Increased trust in the brand's proficiency in the industry will ultimately lead to a growth in membership numbers, thereby securing the brand's position in the industry.

- Secondly, it may be a constructive exercise to reconsider the value SATSA provides to members who have larger businesses, since they may be less reliant on this particular brand to deliver value (professional trust and organisational value) for operational success in the industry. This may explain why they do not seem to perceive a lot of equity in the brand, as the less value they perceive, the less they will be likely to be loyal to the brand, or recommend SATSA to other potential members, or have much sentiment towards it, for example. This also poses a challenge, since SATSA, as a non-profit, may particularly count on monetary 'investments' made by large, reputable SATSA members in the industry (for example, Southern Sun International) to drive the value proposition for members and to be sustained. However, SATSA must ensure that, as organisation, they do not necessarily derive more value from these members, compared to the value they provide them in return. In this case, the benefits and services that are currently offered can serve as a guideline to examine which of those would make SATSA membership a more viable investment for larger organisations.

- Thirdly, findings suggest that managers should place emphasis on the value offering as a whole, by taking all brand value and equity dimensions into account. However, targeted value propositions can also be considered, since members' location of business influences their perceptions of value to a certain extent. In this case, members in Gauteng perceive more network and organisational value and equity in the brand, whereas members in the Western Cape do not seem to derive as much value in this regard. The Western Cape contains one of the largest proportions of members for this organisation. This shows that the proportional size of the member base does not necessarily imply that the brand is deemed as valuable as it seems. It is therefore recommended that these specific value components (ORGV, NETV, BE) be exploited in this province in particular, as well as in other provinces, to enhance brand value and increase member satisfaction, word-of-mouth and loyalty. For example, the role of the Chapter chairperson is critical here, since he/she is one of the main channels through which SATSA is represented, information is distributed, and relationships with SATSA are built, which can influence members' perceptions of value. Regular 'brainstorming' and feedback sessions with Chapter chairs can also be implemented to specifically discuss the implementation and improvement of the value proposition in each province, since the Chapter chairs are generally in regular contact with members and may bring useful insights on behalf of members.

- In the light of this, it is advisable that management strategically address the value offering by carefully considering the potential contributions of each specific component of brand value in the model to enable an effective value-based management system. If the value offering is structured according to these components, non-profit membership organisations like SATSA have a good starting point for implementing a successful value offering strategy. Therefore, in terms of using the model to enhance brand value, the following guidelines are proposed:
  - **Financial value (FINV):** at present SATSA does provide some form of financial value to its members. However, it is recommended that this value not only be maintained, but be enhanced for the mutual benefit of SATSA and its members. This can be done through implementing a 'loyalty-pays' system for members who have been part of SATSA for quite some time (5 or 10 years), in the form of discounts on annual membership renewal, or when current members are able to recruit a certain number of new members for the organisation over a period, for example. Though SATSA as non-profit membership organisation greatly depends on its members' investments to provide value, the recent support of ABSA as a sponsor also alleviates the risk to a certain extent, so that this option may potentially be pursued

to leverage equity and, therefore, improve overall brand value. Viewed in another way, assuming the financial value provided for members is enough can be an expensive activity for all role players in this specific context – members (membership fees) and SATSA (management and allocation of members' resources). Members can also be prompted to share how they currently experience the benefits provided and whether the most important perceived benefits like the Bonded scheme, SATSA logo and networking via Chapter meetings are 'paying off' in terms of members' success or sustainability in the industry. This can be done through additional market research and/or communication in the RAP Newsletter, or Chapter meetings.

- **Professional trust value (PTV)**: though PTV is provided to some extent, it is recommended that management be attentive to this component of value, since this is a critical component to non-profits in the industry and directly influences members' loyalty, preference, recommendations, sentiments, and willingness to pay for membership, and other facets of equity. As previously stated, PTV ought to be enhanced according to specific aspects of their members' business profile. Members will only engage in a relationship with SATSA if the organisation is viewed as generally competent, professional and trustworthy in the industry.
- **Organisational value (ORGV)**: members' perception of organisational value in terms of service delivery, employee/board member-relations or the overall management of the brand, do not seem to currently result in or contribute to increased levels of equity. For this reason, it is recommended that SATSA not only conduct their value-based management practice based on 'what we can do for you as member', but also according to 'what we can do *with* you as member' to improve the current perception of organisational value. Though board members play more of a strategic decision-making and management role in this organisation, the role of Chapter chairs can be revisited to identify which aspects can positively contribute to better relations and service delivery. In addition to this, SATSA can consider teambuilding events and workshops for staff and management on an annual basis. This can enhance the way in which the organisation collectively strives to provide an improved value proposition in terms of service delivery, relations with members and overall management of the organisation.
- **Network value (NETV):** though network value is considered an important component of brand value to members, it does not seem to have much influence on brand equity at present. Management therefore ought to investigate how the NETV provided can more aptly meet members' expectations to ensure an increase in loyalty, recommendations, esteem for the brand, and other facets of equity. This can

be done by revising the way in which networking opportunities, like Chapter meetings, are currently implemented and communicated to increase the engagement of members and therefore increase the networking value.

- **Social engagement value (SEV):** due to its non-profit, member-driven nature, the extent of this organisation's engagement on a social level may be limited, since its primary engagement and funds are focused on members, for enabling them to thrive in the inbound tourism industry. Though the SATSA ID card has been implemented to enable discounted offers for members' staff at other member organisations, it is recommended that SATSA focuses on providing value in the form of a socially-oriented benefit to members. The main motive for such benefit can be to improve the quality of life and working environment for members' staff through the provision of training or health programmes, or at least providing a platform from which members can be socially engaged in the industry. In this way the social engagement value for members can be increased because their staff also benefit from membership. Management can also consider examining the effectiveness of the guidance currently provided to prospective entrepreneurs in the industry. Feedback from entrepreneurs who have been assisted in the past can be used to improve the content of the information they provide in this regard. Such actions can potentially convey the message that SATSA not only cares about its members, but also about its members' staff and those who wish to enter the tourism industry, which can enhance equity (like recommendations, sentiment towards the brand, brand preference, and other equity facets).

- Market research should be conducted on a regular basis for managers to keep up with new trends and changes in members' preferences so they can adapt their value proposition accordingly. By tracking the progress of brand value and its specific components over time, managers may gain a better understanding of the long-term effect of their efforts, as well as the areas in which the brand succeeds or fails. This ultimately enables the efficient allocation of resources to meet members' needs and thrive in the South African tourism industry as a non-profit, member-driven organisation.

6.4.2 Recommendations with regard to future research

Based on this research, the following aspects can be considered for further research:

- Additional research is recommended for broadening the scope with regard to brand value in non-profit, member-driven organisations in the South African tourism industry. In this way, the measuring instrument and model can be adjusted and implemented, thereby improving external generalisability and enabling further comparative studies to be carried out.

- It is recommended that the model developed in this study be expanded and tested in different non-profit member-driven organisations of the tourism industry such as GHASA, FEDHASA, and so on, to determine which components are effective in measuring brand value and which may require improvement to provide the model with even higher levels of scientific rigour. This will also allow for comparisons with other non-profits in the tourism industry based on the differences and/or similarities in the way respondents evaluated the experienced levels of brand value.
- In terms of the measuring instrument, it is recommended that the standardisation of the measuring instrument be considered by future scholars in this field of research, so that it can possibly be used to measure brand value from members' perspective for any non-profit, member-driven organisation in the national or international tourism industry. Though already proven to be a valid instrument with exceptional Cronbach's Alphas (all above 0.8), it would be beneficial to re-investigate the items that can be improved to increase these values. This would imply the restructuring and elimination of certain items/questions. Once again, the type of statements and questions included must be carefully considered and previous research should be consulted in the process. A pilot study/pre-test must preferably be done to determine whether the questions are understood correctly and are suitable for subsequent analyses.
- Data collection should require careful consideration as to which alternative routes may be taken to encourage and increase response rates of members, given the challenge researchers may encounter in this regard. Incentives, such as membership discounts, can also be considered. Although, this will depend on whether permission for this is granted and the costs do not outweigh the number or quality of responses that can be obtained, especially in a non-profit framework.
- For effective analysis to take place, a significant number of respondents are required. It is therefore important to ensure that every possible effort is made to encourage maximum completion of questionnaires, especially where respondents are dispersed across a range of geographical areas; as is the case with SATSA and other potential membership organisations in the South African tourism industry.
- With regard to the multi-faceted research topic at hand and the unique nature of the SATSA brand, it is recommended that a combination of statistical analyses is considered. This proved to be a useful approach for this study in obtaining a more comprehensive view of brand value for a non-profit, member-driven organisation in the tourism industry.
- Non-members can also be considered in future research to determine why they do not belong to a specific non-profit membership organisation.

Though members are the focal point of such organisations, insights from potential respondents who are not members can also point to existing gaps in the current value offering, as well as what might persuade them to commit to membership.

6.5 LIMITATIONS OF THE STUDY

The findings of this study should be set within the context of limitations, which are related to data collection and measurement approach:

- Firstly, due to the size of the organisation (and therefore the sample size), and the empirical setting (geographical distribution of members), data collection is susceptible to low response rates. Though representative for this study, the population does not represent all members of non-profit, member-driven organisations, since the number of respondents posed challenges in the generalisation of this model to the tourism industry. Despite this limitation, this study has shown that, with intensive effort, response rates can be increased to produce reliable and valid results.
- Finally, given the apparent lack of a standardised model for non-profit, member-driven organisations in tourism specifically, the model developed in this study needs to be subjected to additional evaluations to increase generalisability.
- The evident discrepancy between brand value and brand equity remains a challenge not only in this study, but also for future similar research endeavours. This is due to the variety and ever-changing range of perspectives and applications of these concepts.

From this study, it is evident that brand value is an intricate concept that ought to be determined and enhanced through a combination of specific value facets to enable optimal value propositions, especially for non-profit, member-driven organisations like SATSA, that operate in the South African tourism industry. The results provided by this pioneering study are therefore instrumental to future brand value research in a highly competitive environment such as tourism.

APPENDIX A: Aspects contributing to brand value

VALUE CATEGORY (Dimension)	ASPECTS CONTRIBUTING TO BRAND VALUE (Items/variables)	SOURCE(S)
Product value (PV)	**PV1: Perceived quality**	Haigh & Knowles (2004); Zauner, Koller & Fink (2012); Huang (2010); Calderón, Cervera & Mollá (1997); Brymer (2004); Cole (2012); Haigh (2000); Panasiuk (2006); Gabay, Moskowitz, Beckley & Ashman (2009); Laforet (2010); Kimpakorn & Tocquer (2010); Gelb & Gregory (2011); Das, Stenger & Ellis (2009); Crimmins (2000); Aaker (1996)
	PV2: Superiority/competitiveness above competing products	Brymer (2004); Haigh & Knowles (2004); Zauner *et al.* (2012); Huang (2010); Perkov (2004); Calderón *et al.* (1997).
	PV3: Expansion/development - brand is strong and stable enough to develop	Krishnan (2010); VanAuken (2002); Haigh & Knowles (2004); Delloite & Touche (2006); Huang (2010); Gabay *et al.* (2009); Kapferer (2008)
	PV4: Uniqueness of the product's attributes	Cole (2012); Gabay *et al.*, (2009); Deloitte (2010)
	PV5: Product standards	SATSA (2013e)
	PV6: Familiarity with the product	Gabay *et al.* (2009); Rocha (2012); Aaker (1996); Das *et al.* (2009)
	PV7: Essence	Knowles (2003); Gabay *et al.* (2009); Jerome & Stull (2009)
Financial value (FV)	**FV1: Revenue** generated by a brand and what it will generate over its useful life	Tiwari (2010); Salinas (2009); Raggio & Leone (2007;2009); VanAuken (2002); Gelb & Gregory (2011); Arvidsson (2006); Knowles (2003); Huang (2010); Intangible Business (2011); Lindemann (2004); Brandchannel (2013); Rocha (2012); Krishnan, 2010); Laforet (2010)
	FV2: **Price premium** that a brand enables	Chu & Keh (2006); Knowles (2003); Salinas (2009); Raggio & Leone (2007); Haigh & Knowles (2004); Haigh (2000); Arvidsson (2006); Laforet (2010); Tiwari (2010); Das *et al.* (2009); Gabay *et al.* (2009); Goldfarb, Lu & Moorthy (2009) Cole (2012); Kim, Kim & Lee (2010); Zauner *et al.* (2012); Brand Finance (2011); Haigh (2000); Rocha (2012); Deloitte (2010); Kapferer (2008); Arvidsson (2007)

VALUE CATEGORY (Dimension)	ASPECTS CONTRIBUTING TO BRAND VALUE (Items/variables)	SOURCE(S)
(FV-continued)	**FV3: Decreased risk** because of the continuity of demand a brand creates	Rocha (2012); Haigh & Knowles (2004); Haigh (2000); ISO (2010); Herremans, Ryans & Aggarwal (2000); Salinas (2009); Kapferer (2008); Aaker (1996)
	FV4: Cost-effective operations are enabled by brand in order to deliver on the brand promise	Salinas (2009); Raggio & Leone (2007); Haigh & Knowles (2004); ISO (2010); Chu & Keh (2006); Haigh (2000); Aaker (1996)
	FV5: Financial strength contributes to a brand's value	Intangible Business (2011); SATSA (2013e); Gerzema, Lebar, Sussman & Gaikowski (2007); Ross (2009); Rusch (2002); Krishnan (2010)
	FV6: Impact on volume and price influences a brand's value	Intangible Business (2011); Haigh (2000); Salinas, (2009) Keller & Lehman (2006)
	FV7: Low-priced brands	Kim *et al.* (2010:290); Huang (2010:46)
	FV8: Sales	Cole (2012); Rocha (2012); Salinas (2009); Haigh & Knowles (2004); Haigh (2000)
	FV9: Repeat purchases/usage/visits show customers are brand loyal and brand is valuable	Haigh & Knowles (2004); Deloitte & Touche (2006); VanAuken (2002); Gerzema, *et al.* (2007); Deloitte (2010)
	FV10: Viability regarding customers' willingness to pay for a branded product	Haigh & Knowles (2004); Weisnewski (2009)
Shareholder value (SHV)	**SHV1: Reliance** on shareholder relationships with various other shareholders (i.e. employees, suppliers, etc.)	Jones (2005); Gabay *et al.* (2009); Panasiuk (2006); Delloite & Touche (2006); ISO (2010)
	SHV2: Communication with shareholders	Jones (2005); Gabay *et al.* (2009)
	SHV3: Long-term relationships between shareholders and across various channels	Jones (2005); Krishnan (2010); Rocha (2012); Raggio & Leone (2007, 2009); Deloitte & Touche (2006); Ross (2009)
	SHV4: Tailor-made offerings	Brymer (2004); Gabay *et al.*, (2009)
	SHV5: Sponsorship	Chu & Keh (2006); Alexander (2009); Zauner *et al.* (2012)
Experience value (EXV)	**EXPV1: Associations** as result of an experience with the brand	Gelb& Gregory (2011); Morgan, Pritchard & Paggot (2002); Cole (2012); Rocha (2012); Aaker (1996); Tybout & Calkins (2005); ISO (2010); So & King (2010) Kimpakorn & Tocquer (2010); Panasiuk (2006); Calderón, *et al.* (1997)
	EXPV2: Emotions/sentiment as a result of some kind of experience with the brand	Kim *et al.* (2010); Weisnewski (2009); Deloitte & Touche (2006); Ross (2009); Haigh (2000); Aaker (1996); Kimpakorn & Tocquer (2010)

VALUE CATEGORY (Dimension)	ASPECTS CONTRIBUTING TO BRAND VALUE (Items/variables)	SOURCE(S)
(EXV – continued)	**EXPV3: Loyalty** as a result of the trust gained from experience of use	Aaker (1996); Haigh & Knowles (2004), Deloitte & Touche (2006); VanAuken (2002); Zauner *et al.* (2012); Panasiuk (2006); Herremans *et al.* (2000); Gerzema *et al.* (2007); Kimpakorn & Tocquer (2010); Calderón, *et al.* (1997)
	EXPV4: Satisfaction	Cole (2012); Linsheng & Pan (2009); Deloitte (2010); Aaker (1996)
	EXPV5: Recommendations by customers	Cole (2012); Kimpakorn & Tocquer (2010)
	EXPV6: Feedback	Weisknewski (2009); Deloitte (2010)
	EXPV7: Consistency in the product experience/delivering on the promise	Deloitte & Touche (2006); Raggio & Leone (2007); Brymer (2004); Rocha (2012); Deloitte (2010); Haigh & Knowles, (2004); Tybout & Calkins (2005); Kimpakorn & Tocquer (2010); So & King (2010) Jerome & Stull, 2009
	EXPV8: Impressions impact on a brand's value	Zauner *et al.* (2012); Kim *et al.* (2010); Ross (2009); Haigh & Knowles (2004); Jones (2005); Cole (2012); Jerome & Stull (2009)
	EXPV9: Benefit variety derived from a brand as opposed to an similar unbranded product	Haigh (2000); Cole (2012); Das *et al*. (2009); Knowles (2003); Raggio & Leone (2007) SATSA (2013c
	EXPV10: Brand preference	Haigh (2000); Deloitte (2010)
	EXPV11: Authenticity a brand is valuable when it is genuine in delivering the brand's promise	Rocha (2012); SATSA (2013c)
Marketing value (MARV)	**MARV1: Technological developments** makes brands more accessible and therefore, more valuable (more w-o-m) or not (duplication)	Knowles (2003); SATSA (2013c); Gabay *et al.* (2009); Zauner *et al*. (2012); Deloitte (2010); SATSA (2013)
	MARV2: Social media has significant influence on a brand's image and therefore also its value	Zauner *et al.* (2012); Deloitte (2010)
	MARV3: Interactions via various platforms (i.e. FB, Twitter, Internet)	Zauner *et al.* (2012); Deloitte (2010)
	MARV4: Awareness needs	Haigh & Knowles (2004); Kimpakorn & Tocquer (2010); Keller & Lehmann (2006); Kapferer (2008)
	MARV5: Market share – the ability to grow or retain it makes a brand a valuable asset	Haigh & Knowles (2004); Herremans *et al.* (2000); Kimpakorn & Tocquer (2010); Linsheng & Pan (2009); Goldfarb *et al.* (2009); Cole (2012); VanAuken (2002)

VALUE CATEGORY (Dimension)	ASPECTS CONTRIBUTING TO BRAND VALUE (Items/variables)	SOURCE(S)
(MARV-continued)	**MARV6: Brand names/acronyms/logos** convey a certain brand value	Crimmins (2000); Cole (2012); Ross (2009); Gelb & Gregory (2011); Laforet (2010); SATSA (2013c)
	MARV7: Reputation impacts on a brand's value	Zauner *et al.* (2012); Cole (2012); Chu & Keh (2006); Ross (2009); Brandchannel (2013); Jones (2005); Calderón *et al.* (1997)
	MARV8: Advertising expenditure and investments aids in increasing financial returns for the company	Chu & Keh (2006); Herremans *et al.* (2000);(Cole, 2012) ; Gabay *et al.* (2009); Crimmins (2000)
	MARV9: Extent of establishment in the market-place makes a brand more reliable, thus valuable	Jerome & Stull (2009); Goldfarb *et al.* (2009)
	MARV10: Differentiation in the marketplace	Deloitte & Touche (2006); Brandchannel (2013); Rocha (2012); Knowles (2003); Zauner *et al.* (2012); ISO (2010); Brymer (2004); Deloitte (2010); Linsheng & Pan (2009); Morgan *et al.*, (2002); Calderón *et al.* (1997); Weisknewski (2009); Tiwari (2010); Kimpakorn & Tocquer (2010); Jerome & Stull (2009)
	MARV11: Publicity - by the way a brand is presented and how the customer remembers it	Chu & Keh (2006); Knowles (2003); Zauner *et al.* (2012)
Service value (SERV)	**SERV1: Service variety** available to deliver the brand promise	Neal & Strauss (2008); Linsheng & Pan (2009); Deloitte (2010)
	SERV2: Service excellence needed for conveying value	Haigh & Knowles (2004); Linsheng & Pan (2009); So & King (2010); Berry (2000)
	SERV3: Information accessibility concerning the product or service at hand	Haigh & Knowles (2004); So & King (2010)
	SERV4: Service role – fulfilling a specific service role makes the brand a valuable asset for both organisation and customer	SATSA (2013c)
	SERV5: Service relevance- appropriate to a brand's essence to meet customer needs	Kimpakorn & Tocquer (2010); Deloitte & Touche (2006); Deloitte (2010); So & King (2010)
	SERV6: Promptness of service rendered contributes to a brand's value	Kimpakorn & Tocquer (2010)
Employee value (EMV)	**EMV1: Competency** of employees in delivering the brand promise	Deloitte (2010); Deloitte & Touche (2006); So & King (2010); Brymer (2004); Punjaisri & Wilson (2007)
	EMV2: Interaction of employees with customers	Knowles (2003); Deloitte & Touche, (2006); Deloitte (2010)

VALUE CATEGORY (Dimension)	ASPECTS CONTRIBUTING TO BRAND VALUE (Items/variables)	SOURCE(S)
(EMV-continued)	**EMV3: Relationships** of customers with employees	Jones (2005); Deloitte (2010)
	EMV4: Commitment an internal culture of committed employees who live the brand impacts on brand value	Brymer, (2004); VanAauken (2002); Jones, (2005); Rocha (2012); Deloitte (2010); Kimpakorn & Tocquer (2010); Punjaisri & Wilson (2007)
	EMV5: Knowledge - well-informed about the brand offering for effective assistance of customer requests	Deloitte & Touche (2006); So & King (2010); Kimpakorn & Tocquer, (2010)
	EMV6: Demeanour of an employee can affect a brand's value	Kimpakorn & Tocquer (2010)
	EMV7: Attitude of an employee can affect a brand's value	Kimpakorn & Tocquer (2010); Punjaisri & Wilson (2007)
Management value (MANV)	**MANV1: Strategic focus** in terms of managerial decisions	Raggio & Leone (2009); Gabay *et al.* (2009); Holcomb, Holmes & Connelly, (2009)
	MANV2: Clarity on what the brand stands for internally in order for it to be communicated externally	VanAuken (2002); Wesinewski (2009); Linsheng & Pan (2009); Brymer (2004); Haigh & Knowles (2004); Rocha (2012)
	MANV3: Responsiveness of a brand	Rocha (2012); Brymer (2004) VanAauken (2002); Linsheng & Pan (2009)
	MANV4: Internal organisational values	Brymer (2004); VanAauken (2002); Gelb& Gregory (2011); Kimpakorn & Tocquer (2010)
	MANV5: Managerial ability	Holcomb *et al.* (2009)
Functional value (FUV)	**FUV1: Time and money** saved because of the brand	Haigh (2000); Tybout & Calkins (2005); Zauner *et al.* (2012)
	FUV2: Convenience a brand enables	SATSA (2013e); Gabay *et al.* (2009)
	FUV3: Product recognition a brand enables to further aid the purchase decision	Haigh (2000); Gaby *et al.* (2009)
Social value (SOCV)	**SOCV1: Social responsibility** makes a brand valuable in a societal context	Lindemann (2004); Hilton (2004); Jones (2005)
	SOCV2: Socially beneficial products and services - brands' contribution to personal and community well-being	Hilton (2004)
	SOCV3: Protection - brands as a reliable mechanism for consumer protection	Hilton (2004); SATSA (2013e)
	SOCV4: Social leadership - brands provide the platform lead on a social level	Hilton (2004); Jones (2005)

APPENDIX B: Outline of brand valuation models

(Business) Finance brand valuation models					
Author/ Developer	**Year**	**Model name/ ownership**	**Type**	**Characteristics**	**Comments**
BBDO (Zimmerman)	2001	BEES, Brand Equity Evaluation System ®	Commercial	• Income approach – income capitalization based on brand strength analysis • Multi-phase factor model of brand valuation • Monetary value of brand equity is the product of the average pre-tax earnings (last 3 years)	• Within context of model, brand equity is synonymous with brand value • Claims to value corporate brands exclusively, but majority of determinants involved refer to product brands
BBDO (Zimmerman *et al.*)	2002	BEE, Brand Equity Evaluator®	Commercial	• Income approach • Cash flow discount and demand/brand strength analysis • Four stages: Measurement of brand 'equity' or brand value determinants; calculation of discount rate, present value of gross cash flow, calculation of present value	• Based on the BEES model • Like previous model, it uses brand equity to mean brand value • Determinants used to calculate monetary brand equity (brand value) • More applicable to product than to corporate brands
BBDO (with Ernst & Young)	2004	BEVA, Brand Equity Valuation for Accounting®	Commercial	• Mixed (income/market approach) • Royalty savings method applied to determine a monetary value	• Model created to satisfy accounting and marketing requirements • Attempt to fuse both perspectives
Simon & Sullivan	1993	Stock price movements model	Academic	• Financial market-based approach • Stock price used as basis to determine brand value • The value of brand equity is extracted from the value of the firm's assets • Focus: financial aspects of brand value	• Brand 'equity' is synonymous with brand 'value' defined as the incremental cash flows accrued to branded products over and above cash flows which would result from the sale of unbranded products • Pioneered model to derive brand value from a firm's stock market capitalization/market value • Not applicable to individual brands due to models' macro approach
Sinclair, R. & de Villiers, J.	1998	BrandMetrics		• Income approach • Driver/brand strength analysis • Four key stages to determine economic profit (financial analysis); brand premium profits (expert workshops); expected life of the brand (category & brand strength analysis) and final brand value calculation	• Attempts a 'no-frills' methodology • Based on the accounting definition of the brands as resources that will likely generate future income for the entity it is controlled by • Lacks in specific criteria for some stages

Author/ Developer	Year	Model name/ ownership	Type	Characteristics	Comments
Whitwell	2001	Intangible Business	Commercial	• Mixed (income/market approach) • Applies Royalty savings/'relief' method • Components: brand strength (consumer research); royalty rate; sales forecast; brand earnings; taxation; discount rates	• Royalty savings method has the disadvantage that very few brands are actually comparable • Model can easily be assumed to work on 'all' brands, which is often not the case.
Whitwell	2003	AbsoluteBrand	Commercial	• Mixed (income/market approach) • Applies Royalty savings method in key markets and segments	• Uses the model developed by Intangible Business with whom it has a joint venture • Monetary brand value determined based on key assumptions: forecasted annual revenues, royalty rates, marketing related information, value drivers, taxes, discount rates, growth rates beyond forecasts
Psychographic/behaviourally-oriented models					
Author/ Developer	**Year**	**Model name/ ownership**	**Type**	**Characteristics**	**Comments**
Aaker	1996	Brand Equity Ten	Academic	• Five main categories: loyalty, perceived quality, differentiation, awareness, and market behavior • No monetary value calculated • Widely-cited conceptual approach to determine what builds brand equity from consumers' perspectives	• Potentially 'flawed' in that the determinants are not independent of each other • Identified categories are not only determinants, but also outcomes of brand equity – intermix of input and outputs occurs • Hypotheses not empirically tested, but reviewed by various researchers
Icon Research & Consulting	2000	'Icon/Brand Iceberg model'	Academic/ Commercial	• Brand strength (i.e.brand value) is results from brand image and brand assets. • Iceberg analogy used to illustrate the value of a brand • Brand image – 'visible' to consumers (e.g. packaging) • Brand asset – 'underwater' part (e.g. trust)	• Indicates 'realms' in which a brand is perceived • Relative brand value determined, not absolute brand value • Interdependence between aspects indicates they ought not be combined to determine brand value • Brand strength index can be calculated when using industry reference values from a proprietary database like Brand Rating.
Ipsos group	2006	Equity Builder	Commercial	• Focus on establishing emotional component of brand equity: differentiation, relevance, popularity, quality and familiarity	• Addresses how brand equity translates into perceived value and price

Author/ Developer	Year	Model name/ ownership	Type	Characteristics	Comments
Kapferer	1992	Brand equity model	Academic	• Financial perspective to customers • The 'contract' between customer and the brand produces financial rewards for the producer while it reduces the customer's cost of obtaining security. • Reinvested brand earnings create increased long-term financial earnings, thereby establishing continuous brand management	• The consumer and his/her purchasing behavior are key in this brand system • No consideration for changing consumer values, competition or other factors inhibiting brand equity growth • Hypotheses not empirically tested, but adapted by other researchers
Keller	1993	Customer-based brand equity (conceptual framework)	Academic	• Conceptual framework only • Building brand loyalty through strong brand knowledge base: brand awareness, image and associations	• Main assumption: consumer-oriented brand value (he calls "customer-based brand equity") • Interdependency of determinants potentially problematic • Unclear how qualitatively based brand evaluation can be converted into monetary units • Reviewed by various researchers
Keller	1993	Brand Score Card	Academic	• Sources of brand equity • Pyramid of engagement: mixture of rational and emotional consumer relationship to a brand	• Attitudinal in nature • No monetary output
Millward Brown	1996	BranDynamics	Commercial	• Focus: 1) Consumer value (measure of sales value to the brand) 2) Brand Pyramid based on five stages: presence, relevance, performance, advantage and bonding	• Indicates customer-brand relationship • Uses the relationships in the data for the clients' brand, instead of assuming that it is like all the other brands in its category
Young & Rubicam	1993	Brand Asset Valuator (BAV)	Commercial	• Four pillars: differentiation, relevance, esteem, knowledge • Categorized into: 1) Brand strength (differentiation, relevance); 2) Brand stature (esteem, knowledge) • Brands analyzed by BAV are graphed based on their brand strength and brand stature as points within a four-field matrix (known as the "Power Grid")	• Measure of future potential and current status/health of a brand • Fifty-two criteria are analyzed to define what the individual components are and what they add up to – nothing really known about the *guidelines* as to how it is done • Fails to convert resulting brand values into a monetary output • Reviewed by various researchers

Combined models					
Author/ Developer	**Year**	**Model name/ ownership**	**Type**	**Characteristics**	**Comments**
Biesalski (with Dr. Wieselhuber & Partner, Icon Added Value)	2000	Brand Rating	Commercial	• Three-component model: 1) Icon 'Iceberg' (consumer perspective, qualitative) 2) Discounted price differential (monetary value creation) 3) Brand future score (future value)	• Consumer-oriented, monetary model for determining brand value • Key assumption: brand value must be "measured above all in the heads of consumers."
Haigh	1996	Brand Finance	Commercial	• Mixed (income/market) for the primary methodology • Income for the second methodology • Royalty savings method and driver/brand strength analysis	• Different methodologies are applied to suit different types of objectives
Interbrand	1988	Interbrand	Commercial	• Financial analysis • Income approach for monetary value: future discounted cash flow model; determining earnings attributable to brand through demand drivers; discount rate • Five stage process (see 3.6.3)	• At least two different models have been developed by this renown organization: original multiplier ('Annuity') model and a more recent model based on demand driver analysis – first model no longer in use • Subjective concerns in choosing demand drivers • Identical factors and weights used across all sectors, regions and categories, thereby neglecting diverse brand frameworks
Sattler	1997	Satller's model	Academic	• Income approach for monetary value • Brand strength/demand driver analysis • Indicator model allowing for long-term brand valuation • Assumes a constant market volume and similar objective product quality from brand to brand - not always the case with other product brands	• Relatively subjective model, since it is based exclusively on expert surveys which guides each step of the model • Inexact forecasts of real brand value and generalization of results can only be applicable to product brand groups with the same structure as those the model analyzes

Author/ Developer	Year	Model name/ ownership	Type	Characteristics	Comments
Shulz & Brandmeyer; Ac Nielson (renamed The Nielson Company)	1989, 2001	Brand Balance Sheet and Brand Performance	Commercial	• Income approach for monetary value • Brand strength/driver analysis • Brand Balance Sheet has four modules: determination of brand value criteria; determination of brand income; discount factor; brand value estimation • Brand Performance also has four modified modules: brand monitor; brand value share/brand earnings; discount rate; brand value calculation	• Brand Balance Sheet apparently flawed in terms of subjective determination and weighting of criteria and scoring systems' validity are questioned throughout the other modules • Brand Performance was then developed to provide a more advanced model • After modification, unrealistic and subjective assumptions still seem to prevail for criteria and financial measures (e.g. brand earnings)
Semion Brand Broker GmbH	1996	Semion model	Commercial	• Income approach for monetary value • Brand strength/demand driver analysis • Defines four brand value drivers/evaluation criteria to determine brand value: brand protection, financial value, brand strength, brand image	• Limited information disclosed about the model • No empirical evidence to justify subjective relationships or potential correlations between brand value and the four factors • Model neglects to consider indications of development potential and brand sustainability / forward-looking values
Stern Stewart & Co. and Young & Rubicam	2002	Brand Economics	Commercial	• Income approach • Drivers/brand strength analysis • Combines BAV with another model	• Key assumption: strong correlation between brand strength and business value

***Note: this is a synopsis of relatively well-established academic and commercial models available and is by no means an exhaustive list. Different models are based on different perspectives.*

Sources: developed by author (adapted from Salinas, 2009; BBDO report by Zimmerman et al., 2001; Salinas & Ambler, 2009; Knowles, 2003; Haigh, 2000; Abratt & Bick, 2003; Smith, 2007).

APPENDIX C: Phase 1 questionnaire

This appendix contains the cover letter and the questionnaire initially sent to the panel of experts in phase 1 of the research. These are consequently included in the next four pages.

NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOM CAMPUS

Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: http://www.nwu.ac.za

SATSA

School of Business Management:
Programme: Tourism Management
Tel: 018 2991806 /
Fax: 018 2994140
Email: marnatourism@gmail.com /
elmarie.slabbert@nwu.ac.za

To whom it may concern,

PARTICIPATION IN BRAND VALUE RESEARCH FOR SATSA

I am currently in the process of completing my Doctoral degree in Tourism Marketing and Management at the North-West University, Potchefstroom campus, with Professor E Slabbert as my promoter. I am investigating the ***value created by a brand such as SATSA and how it is experienced by its members.*** The research process will consist of two phases:

Phase 1 (Current phase of the research)
The development of an appropriate questionnaire for members to complete is essential. However, a thorough literature analysis revealed various factors to consider when evaluating a brand and even more so in a tourism context. The challenge is that the analyses of the literature highlighted too many factors for the questionnaire and these have to be limited for optimal completion of the questionnaire. Thus the input from experts and valued members of SATSA, such as yourself, is crucial. This will require from you to partake in a process where the developing questionnaire has to be completed by yourself, sent back to the researcher who will then adapt the questionnaire according to the responses from the experts and verify it for final comments. *In this phase it is not required from you to assess the value of the brand as a member but it is required to assess the importance of each item in assessing the value of the SATSA brand.*

Phase 2
The questionnaire formulated in Phase one will then be sent to the SATSA–members in phase 2. This phase is thus focused on analysing SATSA's brand value from the members' perspective. After completion of this phase a report will be written to SATSA where the value of the brand will be analysed and recommendations made on sustaining and improving the current brand.

Thus, in order to learn more about SATSA's overall brand value I kindly request you to set aside approximately ten minutes of your time to complete the questionnaire. Your insight and answers will greatly contribute to this thesis.

Guidelines:

- Download the EXCEL document to complete the questionnaire – this may take a few seconds.
- Once opened, *click on the yellow 'ENABLE CONTENT' sign just above the heading*, ('Brand value research for SATSA: Phase1).
- Please answer ***all questions*** by selecting only ***one option*** per statement.
- SAVE the questionnaire.
- Send the saved, completed questionnaire back to **marnatourism@gmail.com**

Thank you in advance for your time!

Yours Sincerely

Marna Laurens
PhD Candidate

Prof E Slabbert
Supervisor

BRAND VALUE RESEARCH FOR SATSA: PHASE 1

Copyright 2013

1) The brand is one of the most valuable assets a company owns. In your opinion, what does the concept 'brand value' mean to SATSA as organisation?

2) What is the most valuable service/product that SATSA delivers to you as member?

3) How important do you consider the following brand value aspects to be in assessing the brand value of SATSA? ***Please consider each aspect carefully and provide your honest opinion.***

Extremely important
Very important
Important
Less important
Not at all important

	1	2	3	4	5
PRODUCT VALUE:					
SATSA provides a quality product and service….	1	2	3	4	5
SATSA offers a more superior product and service than other similar organisations in the industry….	1	2	3	4	5
SATSA develops their product and service offering on a regular basis…	1	2	3	4	5
SATSA is a unique organisation…	1	2	3	4	5
SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct…	1	2	3	4	5
SATSA is a well-known organisation in the industry…	1	2	3	4	5
I support the vision and mission of SATSA…	1	2	3	4	5
FINANCIAL VALUE					
As a member, I get more than my money's worth…	1	2	3	4	5
SATSA is a credible organisation…	1	2	3	4	5
SATSA provides ***cost-effective*** *member benefits…*	1	2	3	4	5
SATSA is a strong, resilient organisation in a volatile tourism industry…	1	2	3	4	5
SATSA is an influential brand in the tourism industry…	1	2	3	4	5
I am willing to pay an increased membership fee each year…	1	2	3	4	5
I am eager to remain a member of SATSA…	1	2	3	4	5
SHAREHOLDER VALUE					
SATSA membership creates mutually supportive industry relationships…	1	2	3	4	5
SATSA membership enables communication with other SATSA members and role players in the industry on a regular basis…	1	2	3	4	5
I value my long term relationship with SATSA…	1	2	3	4	5
SATSA tailors its brand offering to meet industry needs…	1	2	3	4	5
As a member, I enjoy the benefits negotiated for members by SATSA…	1	2	3	4	5

EXPERIENCE VALUE					
I associate SATSA with quality business practice in the South African tourism industry…	1	2	3	4	5
I am proud to be a SATSA member…	1	2	3	4	5
I am loyal towards SATSA...	1	2	3	4	5
SATSA meets my expectations…	1	2	3	4	5
I recommend SATSA membership to other role players in the industry….	1	2	3	4	5
SATSA encourages member feedback on industry related topics regularly…	1	2	3	4	5
SATSA delivers a consistent product and service experience…	1	2	3	4	5
SATSA is a dependable brand that goes the extra mile for its members…	1	2	3	4	5
*SATSA offers its members a wide **variety** of benefits…*	1	2	3	4	5
I prefer SATSA compared to other similar organisations in the tourism industry….	1	2	3	4	5
SATSA is consistently providing me with advice and assistance…	1	2	3	4	5
MARKETING VALUE					
SATSA uses advanced technology to distribute information effectively (e.g. SATSA Widget /website)….	1	2	3	4	5
SATSA makes use of social media platforms (like Facebook or Twitter) to keep me informed and engaged on a frequent basis…	1	2	3	4	5
I support SATSA via the Internet/Twitter/Facebook/other social media platforms…	1	2	3	4	5
It is important that I am frequently made aware of SATSA issues/events…	1	2	3	4	5
SATSA should retain and/or grow its current member-base…	1	2	3	4	5
SATSA's name and logo guarantee a quality experience to my guests/visitors …	1	2	3	4	5
SATSA's reputation enhances my reputation in the industry…	1	2	3	4	5
SATSA is a well-established brand in the tourism industry…	1	2	3	4	5
SATSA is one-of-its-kind in the South African tourism industry…	1	2	3	4	5
I benefit from SATSA's promotions/advertising…	1	2	3	4	5
SERVICE VALUE					
SATSA offers a wide variety of services…	1	2	3	4	5
SATSA delivers excellent service…	1	2	3	4	5
I receive enough information regarding SATSA and industry-related issues…	1	2	3	4	5
SATSA represents me as member by voicing issues on my behalf and communicating issues that impact the inbound tourism industry…	1	2	3	4	5
SATSA delivers the appropriate service to its members…	1	2	3	4	5
SATSA provides prompt service…	1	2	3	4	5
EMPLOYEE VALUE					
Employees of SATSA are competent in the product and service delivery…	1	2	3	4	5
I consider it important to be in regular contact with SATSA staff/ employees…	1	2	3	4	5
It is important that I maintain a good relationship with SATSA employees…	1	2	3	4	5
SATSA employees are committed to meeting my expectations…	1	2	3	4	5
SATSA employees are well-informed to assist me with my queries...	1	2	3	4	5
SATSA employees are polite…	1	2	3	4	5
SATSA employees are always willing to help…	1	2	3	4	5
MANAGEMENT VALUE					
SATSA is strategically focused on assisting me to remain profitable…	1	2	3	4	5
I belong to SATSA because they are transparent…	1	2	3	4	5
SATSA responds to market changes, challenges and opportunities in the industry…	1	2	3	4	5
SATSA's core values reflect my company's core values…	1	2	3	4	5
SATSA is well managed…	1	2	3	4	5

FUNCTIONAL VALUE					
SATSA membership saves me time and money…	1	2	3	4	5
Being a SATSA member is convenient…	1	2	3	4	5
SATSA membership gives me status in the industry….	1	2	3	4	5
SOCIAL VALUE					
SATSA is socially responsible (e.g. AIDS programs)…	1	2	3	4	5
*As a member, I enjoy **socially beneficial** products and services SATSA offers (e.g. Educational programs)*	1	2	3	4	5
I consider it important for SATSA to help protect domestic and international travellers together with other industry partners (e.g. marketing the tsi initiative on the SATSA website) for the tourism industry…	1	2	3	4	5
SATSA guides prospective entrepreneurs with valuable information on how to start up in the tourism industry…	1	2	3	4	5

Any other suggestions or comments that you would like to bring to my attention?

APPENDIX D: Phase 2 questionnaire

This appendix contains the final designed questionnaire that was distributed online to SATSA members in phase 2 of the research. These are included in the subsequent pages.

NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOM CAMPUS

How valuable is the SATSA brand to YOU as member?

SATSA
Southern Africa Tourism Services Association
BONDED

Participation in this research automatically grants you a Mobile Website Page on the new SATSA website AND a hyperlinked logo to your organisation's website that SATSA will place as an Economic Impact article in the Tourism Tattler Trade Journal.

The brand is one of the most valuable assets a company owns. In order to learn more about the brand value of SATSA, we kindly ask you as a SATSA member to provide us with the following information: * (The information contained herein will be treated as confidential).

1. How long have you been a SATSA member?

2. Indicate in which province / SADC region your business is currently located:

South Africa	
Western Cape	1
KwaZulu-Natal	2
Eastern Cape	3
Gauteng	4
Northern Cape	5
Limpopo	6
Mpumalanga	7
Free State	8
North West	9

Angola	10
Botswana	11
DR Congo	12
Lesotho	13
Madagascar	14
Malawi	15
Mauritius	16
Mozambique	17
Namibia	18
Seychelles	19
Swaziland	20
Tanzania	21
Zambia	22
Zimbabwe	23

3. Which of the following tourism categories best describes your organisation's current operational context?

Accommodation	1
Adventure Operator	2
Tour Broker	3
Tour Operator	4
Transport Operator	5
Events Operator	6
Conservation	7
Services	8
Associated Bodies	9

4. How long has your organisation been in business?

5. How many employees do you currently have?

(Rough estimate)

6. a) Is your organisation(s) star-graded?

Yes **No**

7. How many beds do you have in your accommodation establishment?

(Rough estimate)

8. How many seats do you have for the transport of passengers (land, rail and marine)?

(Rough estimate)

9. Are you BEE rated?

Yes **No**

10. Rank the top 5 SATSA benefits you currently make use of (1=most important benefit and 5=least important).

AA Roadside Assist
ABSA Benefits
Arbitration Facility
Bonding Cover
eJobs (Recruitment)
Indaba Stand (Brochures)
Insurance Directive Booklet
Insurance Discounts
Legal Advice Club
Lobbying (Task Groups)
M2M Discounts
Magazine (Tattler)
Meeting Room Facility (H/O)
Member Directory Ads
Member Search Widget
Networking (National AGM)
Networking (National Conference)
Networking (Chapter Meetings)
Newsletter (RAP)
Presentation (Chapter Meetings)
Provident Fund
SATSA Charity Auction (Bid or Buy)
SATSA ID Card (Staff Discounts)
SATSA Logo (website pop-up enabled)
SATSA Decals
Social Media (Facebook / Twitter)
Speed Marketing Sessions (SAT)
Tour Operator Training Courses
Tourism Safety Initiative (tsi Crime Reporting)
Website Banner Ads

b) If yes, please indicate the star rating

1-Star	☐
2-Star	☐
3-Star	☐
4-Star	☐
5-Star	☐

11. Provide <u>ONE WORD</u> that best describes what the SATSA brand represents to you as member.

_____

12. Why do you belong to SATSA?

_____

13. I value SATSA membership because….	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
SATSA provides a quality product….	1	2	3	4	5
SATSA offers more superior products and services than other similar organisations in the industry….	1	2	3	4	5
SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct…	1	2	3	4	5
SATSA is a well-known organisation in the industry…	1	2	3	4	5
I support the vision and mission of SATSA…	1	2	3	4	5
…considering what I pay for membership, I get more than my money's worth…	1	2	3	4	5
Being a SATSA member is less risky financially than belonging other similar industry organisations…	1	2	3	4	5
SATSA saves me money through member benefits…	1	2	3	4	5
SATSA is a sustainable organisation in a volatile tourism industry…	1	2	3	4	5
SATSA provides guidelines regarding profitable product and service developments for the industry…	1	2	3	4	5
SATSA membership creates mutually supportive industry relationships…	1	2	3	4	5
SATSA membership enables communication with other SATSA members and role players in the	1	2	3	4	5
…of my long term relationship with SATSA…	1	2	3	4	5
SATSA tailors its brand offering to meet industry needs…	1	2	3	4	5
SATSA membership gives me status in the industry…	1	2	3	4	5
I associate SATSA with quality business practice in the South African tourism industry…	1	2	3	4	5
SATSA meets my expectations…	1	2	3	4	5
SATSA encourages member feedback on industry related topics on a regular basis…	1	2	3	4	5
SATSA is a dependable brand that goes the extra mile for its members…	1	2	3	4	5
SATSA is a credible organisation…	1	2	3	4	5
SATSA is an influential brand in the tourism industry…	1	2	3	4	5
SATSA provides marketing value for my organisation…	1	2	3	4	5
SATSA lobbies with government to the benefit of members….	1	2	3	4	5
SATSA uses advanced technology to distribute information effectively (E.g. SATSA Widget/website/ Twitter/Facebook)	1	2	3	4	5
I am frequently made aware of industry issues/events……	1	2	3	4	5
SATSA is continually growing its membership…	1	2	3	4	5
SATSA's name and logo guarantee a quality experience to my guests/visitors …	1	2	3	4	5
SATSA's reputation enhances my reputation in the industry…	1	2	3	4	5
SATSA is a well-established brand in the tourism industry…	1	2	3	4	5
SATSA provides me with networking opportunities…	1	2	3	4	5
SATSA delivers excellent service…	1	2	3	4	5
I receive enough information regarding SATSA and industry-related issues…	1	2	3	4	5
SATSA represents me as member by voicing issues on my behalf…	1	2	3	4	5
…of good relationships with SATSA employees and Board members…	1	2	3	4	5
SATSA employees and Board members are committed to meeting my expectations…	1	2	3	4	5
SATSA Board members are well informed to assist me with my queries…	1	2	3	4	5
SATSA employees and Board members are always willing to help…	1	2	3	4	5
SATSA Board members look after the needs of members…	1	2	3	4	5
SATSA responds to market changes, challenges and opportunities in the industry…	1	2	3	4	5
SATSA's core values reflect my company's core values…	1	2	3	4	5
SATSA is well managed…	1	2	3	4	5
SATSA offers socially beneficial products and services (e.g. educational programmes) to my organisation's advantage…	1	2	3	4	5
….of their tsi initiative….(e.g. assists in protecting domestic and international travellers together with other industry partners)…	1	2	3	4	5
SATSA leads on a social level (e.g. by guiding prospective entrepreneurs with valuable information on how to start up a tourism business)…	1	2	3	4	5

14. Evaluate the following aspects as a result of your SATSA membership…	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
I value the extensive benefits enabled by SATSA…	1	2	3	4	5
SATSA always come to mind when thinking of industry organisations…	1	2	3	4	5
I highly regard the SATSA brand…	1	2	3	4	5
I am eager to remain a member of SATSA…	1	2	3	4	5
I would recommend SATSA membership to other role players in the industry….	1	2	3	4	5
SATSA delivers on its promises to me as member…	1	2	3	4	5
SATSA is my preferred choice for an organisation to belong to…	1	2	3	4	5
I am proud to be a SATSA member…					
I am willing to pay a membership fee each year…	1	2	3	4	5

THANK YOU FOR YOUR TIME!

APPENDIX E: Complete set of items and dimensions

Question code	Item code	Item (Observed variable)
Dimension/ construct:	**Financial value (FINV)**	
Q13V19	FINV1	SATSA is a dependable brand that goes the extra mile for its members…
Q13V10	FINV2	SATSA provides guidelines regarding profitable product and service developments for the industry…
Q13V1	FINV3	SATSA provides a quality product….
Q13V13	FINV4	…of my long term relationship with SATSA…
Q13V2	FINV5	SATSA offers more superior products and services than other similar organisations in the industry….
Q13V9	FINV6	SATSA is a sustainable organisation in a volatile tourism industry…
Q13V17	FINV7	SATSA meets my expectations…
Q13V7	FINV8	Being a SATSA member is less risky financially than belonging to other similar industry organisations…
Q13V6	FINV9	...considering what I pay for membership, I get more than my money's worth…
Q13V8	FINV10	…saves me money through member benefits…
Dimension/ construct:	**Professional trust value (PTV)**	
Q13V22	PTV1	SATSA provides marketing value for my organisation…
Q13V3	PTV2	SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct…
Q13V15	PTV3	SATSA membership gives me status in the industry…
Q13V16	PTV4	I associate SATSA with quality business practice in the South African tourism industry…
Q13V28	PTV5	SATSA's reputation enhances my reputation in the industry…
Q13V20	PTV6	SATSA is a credible organisation…
Q13V27	PTV7	SATSA's name and logo guarantee a quality experience to my guests/visitors …
Q13V4	PTV8	SATSA is a well-known organisation in the industry…
Q13V21	PTV9	SATSA is an influential brand in the tourism industry…
Q13V29	PTV10	SATSA is a well-established brand in the tourism industry…
Dimension/ construct:	**Organisational value (ORGV)**	
Q13V32	ORGV1	I receive enough information regarding SATSA and industry-related issues…
Q13V31	ORGV2	SATSA delivers excellent service…
Q13V33	ORGV3	SATSA represents me as member by voicing issues on my behalf…
Q13V40	ORGV4	SATSA's core values reflect my company's core values…
Q13V41	ORGV5	SATSA is well managed….
Q13V34	ORGV6	..of good relationships with SATSA employees and Board members...
Q13V39	ORGV7	SATSA responds to market changes, challenges and opportunities in the industry…
Q13V36	ORGV8	SATSA Board members are well informed to assist me with my queries…
Q13V35	ORGV9	SATSA employees and Board members are committed to meeting my expectations…
Q13V37	ORGV10	SATSA employees and Board members are always willing to help…
Q13V38	ORGV11	SATSA Board members look after the needs of members…

Dimension/ construct:	Network value (NETV)	
Q13V11	NETV1	SATSA membership creates mutually supportive industry relationships…
Q13V24	NETV2	SATSA uses advanced technology to distribute information effectively (E.g. SATSA Widget/website/ Twitter/Facebook)
Q13V30	NETV3	SATSA provides me with networking opportunities…
Q13V5	NETV4	I support the vision and mission of SATSA…
Q13V14	NETV5	SATSA tailors its brand offering to meet industry needs…
Q13V23	NETV6	SATSA lobbies with government to the benefit of members….
Q13V12	NETV7	SATSA membership enables communication with other SATSA members and role players in the industry
Q13V18	NETV8	SATSA encourages member feedback on industry related topics on a regular basis…
Q13V25	NETV9	I am frequently made aware of industry issues/events……
Dimension/ construct:	**Social engagement value (SEV)**	
Q13V26	SEV1	SATSA is continually growing its membership…
Q13V43	SEV2	….of their tsi initiative….(e.g. assists in protecting domestic and international travellers together with other industry partners)…
Q13V42	SEV3	SATSA offers socially beneficial products and services (e.g. educational programmes) to my organisation's advantage…
Q1344	SEV4	SATSA leads on a social level (e.g. by guiding prospective entrepreneurs with valuable information on how to start up a tourism business)…
Dimension/ construct:	**Brand equity (BE)**	
Q14E1	BE1	I value the extensive benefits enabled by SATSA…
Q14E2	BE2	SATSA always come to mind when thinking of industry organisations...
Q14E3	BE3	I highly regard the SATSA brand…
Q14E4	BE4	I am eager to remain a member of SATSA…
Q14E5	BE5	I would recommend SATSA membership to other role players in the industry….
Q14E6	BE6	SATSA delivers on its promises to me as member…
Q14E7	BE7	SATSA is my preferred choice for an organisation to belong to…
Q14E8	BE8	I am proud to be a SATSA member…
Q14E9	BE9	I am willing to pay a membership fee each year…

* Note: Q13/14 = Question number in questionnaire, V(nr.) = Value item number; E(nr.) = Equity item number.

* The items that appear in this table are organised according to the sequence in which the dimensions (constructs) appear in Chapter 5 for statistical analysis.

APPENDIX F: Items of factor analyses

Question code	Original code	Aspect of brand value	Statement / Phrasing (Item / measured variable)
Factor 1: Financial value			
Q13V19	EXV8	Impressions	SATSA is a dependable brand that goes the extra mile for its members…
Q13V10	FV6	Financial impact	SATSA provides guidelines regarding profitable product and service developments for the industry…
Q13V1	PV1	Product quality	SATSA provides a quality product….
Q13V13	SHV3	Long-term relationships	…of my long term relationship with SATSA…
Q13V2	PV2	Superiority/ competitiveness	SATSA offers more superior products and services than other similar organisations in the industry….
Q13V9	FV5	Financial strength	SATSA is a sustainable organisation in a volatile tourism industry…
Q13V17	EXV4	Satisfaction	SATSA meets my expectations…
Q13V7	FV3	Decreased risk	Being a SATSA member is less risky financially than belonging other similar industry organisations…
Q13V6	FV2	Price premium	...considering what I pay for membership, I get more than my money's worth…
Q13V8	FV4	Cost-effectiveness	SATSA saves me money through member benefits…
Factor 2: Professional trust value			
Q13V22	NEW	Added	SATSA provides marketing value for my organisation…
Q13V3	PV5	Product standards	SATSA ensures high standards of professionalism and service through the SATSA Code of Conduct…
Q13V15	NEW	Added	SATSA membership gives me status in the industry…
Q13V16	EXV1	Associations	I associate SATSA with quality business practice in the South African tourism industry…
Q13V28	MARV7	Reputation	SATSA's reputation enhances my reputation in the industry…
Q13V20	NEW	Added	SATSA is a credible organisation…
Q13V27	MARV6	Brand names/logos/ acronyms	SATSA's name and logo guarantee a quality experience to my guests/visitors …
Q13V4	PV6	Familiarity	SATSA is a well-known organisation in the industry…
Q13V21	NEW	Added	SATSA is an influential brand in the tourism industry…
Q13V29	MARV9	Well-established brand	SATSA is a well-established brand in the tourism industry…
Factor 3: Organisational value			
Q13V32	SERV3	Information accessibility	I receive enough information regarding SATSA and industry-related issues…
Q13V31	SERV2	Service excellence	SATSA delivers excellent service…
Q13V33	SERV4	Service role	SATSA represents me as member by voicing issues on my behalf…
Q13V40	MANV4	Internal organisational values	SATSA's core values reflect my company's core values…
Q13V41	MANV5	Well-managed brand	SATSA is well managed…
Q13V34	EMV3	Relationships	...of good relationships with SATSA employees and Board members...
Q13V39	MANV3	Responsiveness	SATSA responds to market changes, challenges and opportunities in the industry…

Question code	Original code	Aspect of brand value	Statement / Phrasing (Item / measured variable)
Q13V36	EMV5	Knowledge	SATSA Board members are well informed to assist me with my queries…
Q13V35	EMV4	Commitment	SATSA employees and Board members are committed to meeting my expectations…
Q13V37	EMV6	Demeanour	SATSA employees and Board members are always willing to help…
Q13V38	NEW	Added	SATSA Board members look after the needs of members…
Factor 4: Network value (NETV)			
Q13V11	SHV1	Reliance among shareholders	SATSA membership creates mutually supportive industry relationships…
Q13V24	MARV1	Technological developments	SATSA uses advanced technology to distribute information effectively (E.g. SATSA Widget/website/Twitter/Facebook)
Q13V30	NEW	Added	SATSA provides me with networking opportunities…
Q13V5	PV7	Product essence	I support the vision and mission of SATSA…
Q13V14	SHV4	Tailor-made offerings	SATSA tailors its brand offering to meet industry needs…
Q13V23	NEW	Added	SATSA lobbies with government to the benefit of members….
Q13V12	SHV3	Communication with shareholders	SATSA membership enables communication with other SATSA members and role players in the industry
Q13V18	EXV6	Feedback	SATSA encourages member feedback on industry related topics on a regular basis…
Q13V25	MARV4	Awareness needs	I am frequently made aware of industry issues/events……
Factor 5: Social engagement value (SEV)			
Q13V26	MARV5	Market share	SATSA is continually growing its membership…
Q13V43	SOCV3	Protection	….of their tsi initiative….(e.g. assists in protecting domestic and international travellers together with other industry partners)…
Q13V42	SOCV2	Socially beneficial products/services	SATSA offers socially beneficial products and services (e.g. educational programmes) to my organisation's advantage…
Q1344	SOCV44	Social leadership	SATSA leads on a social level (e.g. by guiding prospective entrepreneurs with valuable information on how to start up a tourism business)…
Brand equity (BE) factor			
Q14E1	EXV9	Benefit variety	I value the extensive benefits enabled by SATSA…
Q14E2	NEW	Awareness	SATSA always come to mind when thinking of industry organisations...
Q14E3	NEW	Esteem	I highly regard the SATSA brand…
Q14E4	EXV3	Loyalty	I am eager to remain a member of SATSA…
Q14E5	EXV5	Recommendations	I would recommend SATSA membership to other role players in the industry….
Q14E6	NEW	Image	SATSA delivers on its promises to me as member…
Q14E7	EXV10	Brand preference	SATSA is my preferred choice for an organisation to belong to…
Q14E8	EXV2	Emotions/ sentiment	I am proud to be a SATSA member…
Q14E9	FV9	Viability	I am willing to pay a membership fee each year…

BIBLIOGRAPHY

Aaker, D. 1996a. Building strong brands. New York: Free Press.

Aaker, D. 1996b. Measuring brand equity across products and markets. *California management review*, 38(3):102-120.

Aaker, D.A., Kumar, V., Day, G.S. & Leone, R.P. 2011. Marketing research. 10th ed. Hoboken, N.J.: Wiley.

Abratt, R. & Bick, G. 2003. Valuing brands and brand equity: methods and processes. *Journal of applied management and entrepreneurship*, 8(1):21-39.

AbsoluteBrand. 2013. Brand valuation: non-profits. http://www.absolutebrand.com/services/brand-valuation/non-profit.asp Date of access: 3 Oct. 2013.

Adobe Forms Central®. 2013. Adobe forms central. https://www.acrobat.com/formscentral/en/home.html Date of access: 25 Jul. 2013.

Alexander, N. 2009. Defining brand values through sponsorship. *International journal of retail and distribution management*, 37(4):346-357.

American Marketing Association (AMA). 1960. A glossary of marketing terms. http://www.marketingpower.com/_layouts/dictionary.aspx Date of access: 24 Oct. 2013.

Andreasen, A.L. & Kotler, P. 2003. Strategic Marketing for Nonprofit Organizations. 6th ed. New Jersey: Pearson Prentice Hall.

Anglim, J. 2007. Structural equation modelling. http://web.psych.unimelb.edu.au/jkanglim/IntroductiontoSEM.pdf . [PowerPoint presentation.] Date of access: 25 Oct. 2013.

Abratt, R. & Bick, G. 2003. Valuing brands and brand equity: methods and processes. *Journal of applied management and entrepreneurship*, 8(1):21-36.

Arvidsson, A. 2006. Brand value. *Brand management*, 13(3):188-192.

Arvidsson, A. 2007. The logic of the brand. *European journal of economic and social systems*, 20(1):99-115.

Assaker, G., Vinzi, V.E. & O'Connor, P. 2010. Structural equation modeling in tourism demand forecasting: acritical review. *Journal of travel and tourism research*: 1-27.

Berry, L. 2000. Cultivating service brand equity. *Journal of the academy of marketing science,* 28(1):128-137.

Bianchi, C. & Pike, S. 2011. Antecedents of attitudinal destination loyalty in a long-haul market: Australia's brand equity among Chilean consumers. *Journal of travel & tourism marketing*, 28(7):736-750.

Boo, S., Buser, J. & Baloglu, S. 2009. A model of customer-based brand equity and its application to multiple destinations. *Tourism management*, 30(2):219-231.

Brand Finance. 2010. New international standard on brand valuation. *Brand Finance plc*: 31-37.

Brand Finance. 2011. Overview of ISO 10668: brand valuation requirements for monetary brand valuation. http://brandfinance.com/images/upload/iso0668_overview_ami_ brandfinance.pdf Date of access: 1 Dec. 2012.

Brandchannel. 2013. Branding glossary. http://www.brandchannel.com/education_ glossary.asp Date of access: 10 May. 2013.

Brymer, C. 2004. What makes brands great? (*In* Clifton, R. & Simmons, J., *eds.* Brands and branding: an economist book. London: Profile Books. p. 65-73.)

Calderón, H., Cervera, A. & Mollá, A. 1997. Brand assessment: a key element of marketing strategy. *Journal of product and brand management*, 6(5):293-304.

Crimmins, J.C. 2000. Better measurement and management of brand value. *Journal of advertising research*, 40(6):36-144.

Christodoulides, G., & De Chernatony, L. 2010. Consumer-based brand equity conceptualization and measurement: a literature review. *International journal of research in marketing*, *52*(1):43-66.

Chu, S. & Keh, H.T. 2006. Brand value creation: analysis of the Interbrand-Business Week brand value rankings. *Marketing letters*, 17(4):323-331.

Clifton, R. & Simmons, J. 2003. Brands and branding. London: Profile books.

Cohen, D. & Crabtree, B. 2006. Qualitative research guidelines project. http://www.qualres.org/HomeInte-3516.html Date of access: 2 Nov. 2013.

Cole, M.S. 2012. Is your brand going out of fashion? A quantitative, causal study designed to harness the web for early indicators of brand value. Atlanta, Ga.: Georgia State University. (Thesis - PhD.)

Cone. 2009. The Cone Nonprofit Power Brand 100. http://www.coneinc.com/nonprofitpowerbrand100 Date of access: 6 Oct. 2013.

Cooper, D.R. & Schindler, P.S. 2006. Marketing research. New York: McGraw-Hill.

Crimmins, J.C. 2000. Better measurement and management of brand value. *Journal of advertising research*, 40(6):36-144.

Daily, J. 2009. Why not-for-profit businesses should value their brands. http://www.interbrand.com/en/knowledge/blog/post/2009-09-14/Why-not-for-profit-businesses-should-value-their-brands.aspx Date of access: 28 Aug. 2013.

Das, S., Stenger, C. & Ellis, C.H. 2009. Managing tomorrow's brands: moving from measurement towards an integrated system of brand equity. *Brand management*, 17(1):26-38.

Dawar, N. 2004. What are brands good for? *Management review,* 46(1):31-37.

Deloitte. 2010. Hospitality 2015: game changers or spectators? London: Deloitte.

Deloitte & Touché, L.L.P. 2006. Hospitality 2010: a five year wake up call. An in-depth report into driving shareholder value in the hospitality sector. London: Deloitte & Touché, L.L.P. 26 p.

Drucker, P.F. 1990. Managing the nonprofit organization: principles and practices. New York: HarperCollins.

Ellis, S.M. & Steyn, H.S. 2003. Practical significance (effect sizes) versus or in combination with statistical significance (*p* values). *Management dynamics***,** 12(4):51-53.

Ewing, M.T. & Napoli.J. 2005. Developing and validating a multidimensional nonprofit brand orientation scale. *Journal of business research*, 58(2):841-853.

Field, A. 2000. Structural equation modeling. (Unpublished lecture.) 9 p.

Field, A. 2009. Discovering statistics using SPSS. 3rd ed. London: Sage.

Fyall, A. & Garrod, B. 2005. Tourism marketing: a collaborative approach. Clevedon, Oh: Channel View.

Gabay, G., Moskowitz, H.R., Beckley, J. & Ashman, H. 2009. Consumer centered "brand value" of foods: drivers and segmentation. *Journal of product & brand management*, 18(1):4-16.

Gabbott, M. & Jevons, C. 2009. Brand community in search of theory: an endless spiral of ambiguity. *Marketing theory*, 9(1):119-122.

Gartner, W.C. & Konecnik Ruzzier, M. 2011. Tourism destination brand equity dimensions: renewal versus repeat market. *Journal of travel research*, 50(5):471-481.

Gartner, W.C., Schneider, I.E., Templin, E., Schlueter, A., Meyer, C. & Bengston, P. 2013. Assessing the state of customer-based brand equity among select Minnesota Historical Society stakeholders. University of Minnesota Tourism Center. A collaboration between the College of Food, Agricultural & Natural Resource Sciences & University of Minnesota Extension. 207 p.

Gelb, B.D. & Gregory, J.R. 2011. Brand value: does it belong on the balance sheet? *Journal of business strategy*, 32(3):13-18.

George, R. 2011. Marketing tourism in South Africa. Cape Town: Oxford University Press.

Gerzema, J. & Lebar, E. 2008. The brand bubble: the looming crisis in brand value and how to avoid it. San Francisco, Calif.: Jossey-Bass.

Gerzema, J., Lebar, E., Sussman, M. & Gaikowski, J. 2007. Energy: igniting brands to driveenterprise value. *International journal of market research*, 49(1):25-45.

Goldfarb, A., Lu, Q. & Moorthy, S. 2009. Measuring brand value in an equilibrium framework. *Marketing science*, 28(1):69-86.

Grannell, C. 2013. Untangling brand equity, value, assets and health. http://www. brandchannel.com/papers_review.asp?sp_id=1460. Date of access: 17 Sept. 2013.

Grimaldi, V. 2003. The fundamentals of branding. http://www.brandchannel.com/features_ effect.asp?pf_id=183 Date of access: 12 February 2011.

Haigh, D. 2000. Brand valuation: measuring and leveraging your brand. (A report prepared for the Institute of Canadian Advertising. Brand Finance. 58 p.)

Haigh, D. 2011. Campaign for independent brand valuation. *Brand finance journal*, 1(1):3, 30-36.

Haigh, D. & Knowles, J. 2004a. How to define your brand and determine its value. *Marketing management*, 13(3):22-28.

Haigh, D. & Knowles, J. 2004b. Brand valuation: what it means and why it matters. *Intellectual asset management*, 6(1):18-21.

Hair, J.F., Black, W.C., Babin, B.J., Anderson R.E. & Tatham, R.L. 2006a. Multivariate data analysis. 6th ed. Englewood Cliffs, N.J.: Pearson Prentice Hall.

Hair, J., Bush, R. & Ortinau, D. 2006b. Marketing research within a changing environment. 3rd ed. New York: McGraw-Hill.

Hair, J.F. Jr., Wolfingbarger, M.F., Ortinau, D.J. & Bush, R.P. 2010. Essential of marketing research. 2nd ed. New York: McGraw-Hill.

Hallward, J. 2005. Understanding brand value: a review of price, performance, equity and category dynamics. (White Paper, February 2005.) Advertising Research Company (Ipsos-ASI.) 7 p.

Heath, J. 2011. The difference between marketing and branding. http://www.tronviggroup.com/the-difference-between-marketing-and-branding/ Date of access: 24 Oct. 2013.

Herremans, I.M., Ryans, J.K. Jr., & Aggarwal, R. 2000. Linking advertisingand brand value. *Business horizons*, 43(3):19-26.

Hershberger, S.L., Marcoulides, G.A. & Parramore, M.M. 2003. Structural equation modeling: an introduction. (*In* Pugesek, B. H., Tomer, A., & Von Eye, A., *eds*. Structural equation modeling: applications in ecological and evolutionary biology. Cambridge: Cambridge University Press. p. 3-41)

Hilton, S. 2004. The social value of brands. (*In* Clifton, R. & Simmons, J., *eds.* Brands and branding: an economist book. London: Profile Books. p. 47-64.)

Holcomb, T.R., Holmes, M.R. Jr., Connelly, B.L. 2009. Making the most of what you have: managerial ability as a source of resource value creation. *Strategic management journal*, 30(5):457-485.

Holt, D.B. 2003. Brands and branding. Boston, Mass.: Harvard Business School Publishing. 12 p.

Hooper, D., Coughlan, J. & Mullen, M. 2008. Structural equation modelling: guidelines for determining model fit. *Electronic journal of business research methods*, 6(1):53-60.

Huang, B. 2010. Brand value and new product quality: measurement, theory and evidence. Ann Arbor, Mich.: University of Michigan. (Thesis - PhD).

Hupp, O. & Powaga, K. 2004. Using consumer attitudes to value brands: evaluation of the financial value of brands. *Journal of advertising research*, 44(3):225-231.

Iacobucci, D. & Churchill, G.A. Jr. 2010. Marketing research: methodological foundations. 10th ed. Mason, Oh.: South-Western Cengage Learning.

Intangible Business. 2011. Viewpoint: Understanding brand equity and brand valuation. Intangible Business. 4 p.

Interbrand. 2012. 10 principles of brand strength. http://www.interbrand.com/en/best-global-brands/2013/best-global-brands-methodology.aspx Date of access 1 Jan. 2012

Interbrand. 2013. Our work-by discipline. http://www.interbrand.com/en/our-work/disciplines/brand-valuation.aspx Date of access: 28 Aug. 2013.

International Standards Organization (ISO). 2010. Brand valuation- requirements for monetary brand valuation. Geneva: ISO. 18 p.

Jennings, G. 2001. Tourism research. Milton: Wiley.

Jerome, B. & Stull, P. 2009. How associations can create an indispensable brand…and why most don't. Marketing General Inc. (White Paper, Summer. 12 p.)

Jokanović, J. 2005. Corporate brand equity valuation in the food and beverage industry in Slovenia. Ljubljana: University of Ljubljana. (Dissertation – Mcom.)

Jones, R. 2005. Finding sources of brand value: developing a stakeholder model of brand equity. *Brand management*, 13(1):10-32.

Kapferer, J.N. 2008. The new strategic brand management: creating and sustaining brand equity long term. 4th ed. London: Kogan Page.

Kayaman, R. & Arasli, H. 2007. Customer based brand equity: evidence from the hotel industry. *Managing service quality*, 17(1):92-109.

Keller, K.L. 1993. Conceptualizing, measuring, and managing customer based brand equity. *Journal of marketing,* 57(1):1-28.

Keller, K.L. 2008. Strategic brand management: building, measuring, and managing brand equity. 3rd ed. Upper Saddle River, N.J.: Pearson Prentice Hall.

Keller, K.L. & Lehmann, D.R. 2003. How do brands create value? Value emerges through a unique chain of events. *Marketing management*, 12(3):26-31.

Keller, K.L. & Lehmann, D.R. 2006. Brands and branding: research findings andfuture priorities. *Marketing science*, 25(6):740-759.

Kim, H.B. & Kim, W.G. 2005. The relationship between brand equity and firms' performance in luxury hotels and chain restaurant. *Tourism management*, 26(4):549-560.

Kim, M., Kim, S. & Lee, Y. 2010. The effect of distribution channel diversification of foreign luxury fashion brands on consumers' brand value and loyalty in the Korean market. *Journal of retailing and consumer services*, 17(4):286-293.

Kimpakorn, N. & Tocquer, G. 2010. Service brand equity and employee brand commitment. *Journal of services marketing*, 24(5):378-388.

Kline, R.B. 2005. Principles and practice of structural equation modelling. 2nd ed. New York: Guilford Press.

Knowles, J. 2003. Value-based brand measurement and management. *Interactive marketing*, 5(1):40-50.

Konecnik, M. & Gartner, W.C. 2007. Customer-based brand equity for a destination. *Annals of tourism research*, 34(2):400-421.

Krejice, R.V. & Morgan, D.W. 1970. Determining sample size for research activities. *Educational and psychological measurement*, 30(1):607-610.

Krishnan, U. 2010. Value creation through brands. *Tata review:* 62-64.

Laforet, S. 2010. Managing brands: a contemporary perspective. Berkshire, UK: McGraw-Hill.

Laidler-Kylander, N.K. 2007. Brand equity in international nonprofit organizations: a systems dynamic approach. Ann Arbor, Mich.: Fletcher School, Tufts University. (Thesis - PhD).

Lamb, C.W. Jr., Hair, J.F. Jr. & McDaniel, C. 2002. Marketing. 6th ed. Mason, Oh.: South-Western Publishing.

Lei, P.W. & Wu, Q. 2007. Introduction to structural equation modeling: issues and practical considerations. *Educational measurement: issues and practice*, 26(3):33-43.

Lindemann, J. 2004. Brand valuation. (*In* Clifton, R. & Simmons, J., *eds.* Brands and branding: an economist book. London: Profile Books. p. 27-45.)

Lindemann, J. 2013. The financial value of brands. http://www.brandchannel.com/papers_review.asp?sp_id=357 Date of access: 2 Jul. 2013.

Linsheng, F., & Pan, X. 2009. Study on the brand value promotion of hotel service Industry. (Proceedings of the 1st International Conference on "Wireless Networks and Information Systems". p. 354-357.)

MacLean, S. & Gray, K. 1998. Structural equation modelling in market research. *Journal of the Australian Market Research Society*, 6(1):17-32.

Malhorta, N.K. 2010. Marketing research: an applied orientation. 6th ed. Upper Saddle Hill, N.J.: Prentice Hall.

Mazzochi, M. 2008. Statistics for marketing and consumer research. London: Sage.

McDaniel, J.R. & Gates, R. 2013. Marketing research: international student version. 9th ed. Singapore: Wiley.

Middleton, V.T.C., Fyall, A., Morgan, M. & Ranchhod, A. 2009. Marketing in travel and tourism. 4th ed. Oxford: Elsevier.

Moor, L. & Lury, C. 2011. Making and measuring value: comparison, singularity and agency in brand valuation practice. *Journal of cultural economy*, 4(4):439-454.

Morgan, N., Pritchard, A. & Piggot, R. 2002. New Zealand, 100% Pure. The creation of a powerful niche destination brand. *Brand management*, 9(4-5):335-354.

Morrison, A.M. 2010. Hospitality and travel marketing. 4th ed. New York: Cengage Learning.

Mueller, R.O. & Hancock, G.R. 2008. Best practices in structural equation modeling. (*In* Osborne, J. Best practices in quantitative methods. Thousand Oaks, Calif.: Sage. p. 488-508.)

Mujis, D. 2004. Doing quantitative research in education with SPSS. London: Sage.

Mysicka, N. 2009. Designing a model for the valuation of tourism brands based on an empirical study. Switzerland: Università della Svizzera italiana. (Dissertation – Mcom.)

Neal, W. & Strauss, R. 2008. Value creation: the power of brand equity. Mason, Oh.: South-Western Cengage Learning.

Nel, J.D.W., North, E.J., Myburg, T. & Hern, L. 2009. A comparative study of customer-based brand equity across selected South African hotels. *International retail and marketing review,* 5(1):15-24.

Pallant, J. 2007. SPSS Survival manual: a step-by-step guide to data analysis using SPSS version 15. 3rd ed. New York: McGraw-Hill.

Panasiuk, A. 2006. Marketing the concept of the brand in tourism. *Economics and management issues and perspectives*, 1(6):130-134.

Perkov, D. 2004. Brand building of Croatian tourism destinations. (Proceedings of the Sixth International Conference on "Enterprise in Transition". p. 499-514.)

Pike, S. 2013. Measuring a destination's brand equity between 2003 and 2012 using the consumer-based brand equity (CBBE) hierarchy. (Paper presented at the 8th Consumer Psychology inTourism, Hospitality & Leisure Research Symposium, Istanbul, June 2013.) http://eprints.qut.edu.au/58285/1/Pike_-_CPTHL.pdf Date of access: 17 September 2013.

Pike, S., Bianchi, C., Kerr, G. & Patti, C. 2010. Consumer-based brand equity for Australia as a long haul tourism destination in an emerging market. *International marketing review,* 27(4):434-449.

Prasad, K. & Dev, C.S. 2000. Managing hotel brand equity: a customer-centric framework for assessing performance. *Cornell hotel and restaurant administration quarterly*, 41(3):22-31.

Punjaisri, K. & Wilson, A. 2007. The role of internal brandingin the delivery of employee brand promise. *Brand management*, 15(1):57-70.

Raggio, R.D. & Leone, R.P. 2007. The theoreticalseparation of brand equity and brandvalue: managerial implications for strategicplanning. *Brand management*, 14(5):380-395.

Raggio, R.D. & Leone, R.P. 2009. Chasing brand value: fully leveraging brand equity to maximise brand value. *Brand management*, 16(4):248-263.

Ritchie, R.J.B., Swami, S. & Weinberg, C.B. 1999. A brand new world for nonprofits. *International journal of nonprofit and voluntary sector marketing,* 4(1):26-42.

Roberts, S. 2011. Brand valuation: the methodologies. *Intellectual property magazine*: 47-49.

Rocha, M. 2012. Brand valuation: a versatile strategic tool for business. *Interbrand:* 1-7. (Creating and managing value.)

Ross, P.S. 2009. Building brand value and influence in the airline industry. DDB. (Yellow Paper Series.) 11 p.

Rothschild, S. 2012. How nonprofit economic value creates new capital sources. http:// www.ssireview.org/articles/entry/how_nonprofit_economic_value_creates_new_capital_sources Date of access: 13 Sept. 2013.

Rusch, R. 2002. Do nonprofits have value? http://www.brandchannel.com/features_effect. asp?pf_id=110 Date of access: 13 Aug. 2013.

Ryan, A.B. 2006. Post-positivist approaches to research. (*In* Antonesa, M., Fallon, H., Ryan, A.B., Ryan, A., Walsh, T. & Borys, L., *eds*. Researching and writing your thesis: a guide for postgraduate students. Maynooth, Ireland: Adult and Community Education (MACE). p. 12-28.)

Saayman, M. 2000. En route with tourism: an introduction. Potchefstroom: Leisure Consultants and Publications.

Saayman, M. 2001. Tourism marketing in South Africa. 2nd ed. Potchefstroom: Leisure Consultants and Publications.

Saayman, M. 2006. Marketing tourism product and destinations: getting back to basics. Potchefstroom: Leisure Consultants and Publications.

Salinas, G. 2009. The international brand valuation manual: a complete overview and analysis of brand valuation techniques, methodologies and applications. Sussex: Wiley. 420 p.

Salinas, G. 2011. The brand valuation minefield: avoiding the most common mistakes. *World trademark review*: 24-30, April/May.

Salinas, G. & Ambler, T. 2009. A taxonomy of brand valuationpractice: methodologies andpurposes. *Brand management*, 17(1):39-61.

Salls, M. 2005. The tricky business of non-profit brands. http://hbswk.hbs.edu/item/4686. html Date of access: 19 Aug. 2013.

Sánchez-Fernández, R., & Iniesta-Bonillo, M. Á. 2007. The concept of perceived value: a systematic review of the research. *Marketing Theory*, *7*(4):427-451.

SATSA ***see*** Southern African Tourism Services Association (SATSA).

Schreiber, J.B., Nora, A., Stage, F.K., Barlow, E.A. & King, J. 2006. Reporting structural equation modeling and confirmatory factor analysis results: a review. *Journal of educational research*, *99*(6):323-338.

Schultz, D.E. 2004. Understanding total brand value. *MM*: 10-11, March/April.

Schulz, L. L., Schroeder, T. C., & White, K. L. 2012. Value of beef steak branding: hedonic analysis of retail scanner data. *Agricultural and resource economics review*, *41*(2):260-273.

Sexton, D. 2008. Trump university branding 101: how to build the most valuable asset of any business. Hoboken, N.J.: Wiley.

Simões, C. & Dibb, S. 2001. Rethinking the brand concept: new brand orientation. *Corporate communications: an international journal*, 6(4):217-224.

Simon, C. & Sullivan, M. 1993. The measurement and determinants of brand equity: a financial approach. *Marketing science*, 12(1):28-52.

Sinclair, R. 2011. A rationale and proposed set of principles for brand valuation. (Commissioned by the Association of National Advertisers, August, 2011. 13 p.)

Smith, D.J. 2007. An analysis of brand equity determinants, gross profit, advertising, research, and development. *Journal of business & economics research*, 5(11):103-116.

So, K.K.F. & King, C. 2010. When experience matters: building and measuring hotel brand equity-the customers' perspective. *International journal of contemporary hospitality management*, 22(5):589-608.

Southern African Tourism Services Association (SATSA). 2013a. Membership ID cards. http://www.satsa.com/pages/Membership_IDCards.asp Date of access: 17 May. 2013.

Southern African Tourism Services Association (SATSA). 2013b. Membership directory. http://www.satsa.com/widget/ Date of access: 17 May. 2013.

Southern African Tourism Services Association (SATSA). 2013c. About SATSA. http:// www.satsa.com/pages/About.asp Date of access: 17 May. 2013.

Southern African Tourism Services Association (SATSA). 2013d. Executive summary. http://www.satsa.com/pages/About_ExecutiveSummary.asp Date of access: 17 May. 2013.
Southern African Tourism Services Association (SATSA) 2013e. Why use a SATSA member. http://www.satsa.com/pages/About_Why.asp Date of access: 17 May. 2013.

SPSS Inc. 2007. SPSS® 16.0 for Windows, Release 16.0.0, Copyright© by SPSS inc., Chicago, Illinois. www.spss.com.

Strauss, R. 2011. Measurement: brand value vs. brand equity. http://www.polarismr.com/ TMD/bid/79039/Measurement-Brand-Value-vs-Brand-Equity Date of access: 17 Sept. 2013.

Stucky, N. 2010. ISO 10668: Requirements for monetary brand valuation. http://www. interbrand.com/en/knowledge/blog/post/2010-09-28/ISO-10668-Requirements-for-monetary-brand-valuation.aspx Date of access: 1 Dec. 2012.

Theobald, W.F. 2005. Global tourism. 3rd ed. New York: Butterworth-Heinemann.

Tiwari, M.K. 2010. Separation of brand equity and brand value. *Global business review*, 11(3):421-434.

Trochim, W.K. 2006. Positivism and post-positivism. http://www.socialresearchmethods. net/kb/positvsm.php Date of access: 2 Nov.2013.

Tsiotsou, R. & Ratten, V. 2010. Future research directions in tourism marketing. *Marketing intelligence & planning*, 28(4):535-544.

Tustin, D.H., Ligthelm, A., Martins, J.H. & Van Wyk, H. de J. 2005. Marketing research in practice. Pretoria: Unisa Press.

Tuli, F. 2010. The basis of distinction between qualitative and quantitative research in social science: reflection on ontological, epistemological and methodological perspectives. *Ethiopian journal of education and sciences*, 6(1): 89-108.

Tybout, A.M. & Calkins, T. 2005. The challenge of branding. (*In* Tybout, A.M., Calkins, T & Kotler, P., *eds*. Kellogg on branding: the marketing faculty of the Kellogg School of Management. Hoboken, N.J.: Wiley. p. 1-8.)

VanAuken, B. 2002. The brand management checklist: proven tools and techniques for creating winning brands. London: Kogan Page.

Van Niekerk, E. 2007. Not-for-profit marketing: branding, brand equity and marketing of smaller charities. (A research report presented to the Graduate School of Business Leadership, in partial fulfilment for the requirements for the Masters degree in Business Leadership. Pretoria: University of South Africa. p. 119.)

Wahyuni, D. 2012. The research design maze: understanding paradigms, cases, methods and methodologies. *Journal of applied management accounting research,* 10(1):69-80.

Weisnewski, M. 2009. Why should nonprofits invest in brand? And where to begin. http:// www.kitebrandstudio.com. Date of access 3 Jun. 2010.

Westergaard, N. 2013. Branding vs. marketing. http://www.branddrivendigital.com/ branding-vs-marketing/ Date of access: 24 Oct. 2013.

Weston, R. & Gore, P.A. 2006. A brief guide to structural equation modeling. *Counseling psychologist*, 34(5):719-751.

Whitwell, S. 2005. Brand valuation: why & how. http://www.intangiblebusiness.com/store/ data/files/216-Viewpoint_Brand_Valuation_whyandhow.pdf Date of access: 3 Oct. 2012.

Wood, L. 2000. Brands and brand equity: definition and management. *Management decision*, 38(9):662-669.

WRAPPA. 2012. The difference between branding and marketing. http://www. bizcommunity.com/Article/196/111/70807.html Date of access: 24 Oct. 2013.

Zauner, A., Koller, M. & Fink, M. 2012. Sponsoring, brand value and social media. *Revista de Administração de Empresas*, 52(6):681-691.

Zikmund, W.G. & Babin, B.J. 2013. Essentials of marketing research. 5th ed. Canada: Cengage Learning.

Zimmermann , R., Klein-Bölting, U ., Sander , B. & Murad-Aga, T. 2001. Volume 1: brand equity review. (A report prepared for the BBDO Group Germany. Brand equity excellence. 74 p.)