The Effects of Brand Equity on Satisfaction in Health Tourism

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Abstract

This research proposes a comprehensive model that investigates the relationships between Brand Awareness, Perceived Quality, Brand Association, Brand Loyalty, and satisfaction. This study aims better to understand the determinants of satisfaction throughout Health Tourism services and outline why and how Brand Equity is essential to satisfaction in Health Tourism. Respondents were chosen from hospitals in Tehran by using a stratified random sampling method. A total of 390 questionnaires were used for data analysis. Structural equations modeling using LISREL was performed to test the relationships between this study's constructs empirically. The research results have shown that Brand Awareness, Perceived Quality, Brand Association, and Brand Loyalty positively and significantly affect satisfaction in Health Tourism. Finally, it suggests that health Tourism managers should improve their hospital's service offerings to satisfy patients.

Keywords: Marketing, Health Tourism, Brand Equity, satisfaction.

1- Introduction

Tourism is a sector whose income keeps increasing (Batista et al., 2018). It forms a major part of many economies, while also having a considerable impact on human (including inter-generational) relationships and on global international connections. At a global level, tourism is viewed as a sector of extreme importance, as it benefits the economy. Each year, it generates ca. 10% of the global GDP, making it the third largest sector of the economy. In this context, it mostly performs a macroeconomic function, as it stimulates the socioeconomic development of a country by adding value, which translates into an increase in gross domestic product. By

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creating jobs, driving revenues from exports, and boosting investments and infrastructural development, tourism both directly and indirectly contributes in a significant way to socioeconomic processes (Roman et al., 2022).

Tourism has a series of important social functions . Because of the number of purposes it serves, there are ten to twenty classifications of tourism traffic, which are additionally sub-divided into subtypes, kinds, or specific forms .

One of the most important fields of tourism is health tourism. Health means a state of physical, mental, and social well-being that improves life socially, economically, mentally, and spiritually.

health tourism, often referred to as therapeutic tourism.

This is why health tourism has recently become increasingly popular. Society needs some rest and support in the physical, mental, emotional, and spiritual dimensions, which members can find in several locations, including rural areas (e Silva et al., 2018).

Indeed, as people are always in a hurry, they look for ways to alleviate the stress and take care of their mental and physical health. The increased interest in healthy lifestyles, combined with physical and intellectual activity, has directly contributed to changing the existing patterns of spending free time.

Health is believed to be the most important and precious thing for human life and development, and it can be neither purchased from nor sold to another person. It represents individual wealth and a private value attributed to a particular human being. For working people to maintain their health in physical, mental, spiritual (related to individual and social awareness), and social terms, they need to relax in their free time because, otherwise, their bodies may become weaker and exposed to illnesses in the long run.

The development of health and medical tourism in modern practice is often associated with the SPA industry. These wellness programs consist of special hydrotherapy procedures using mineral or fresh water combined with the healing effects of therapeutic mud, algae, plant products and other components of natural origin. The Annual Medical Tourism Report presents the range of treatment options available to potential tourists and includes cosmetic surgery, dentistry, cardiology/cardiac surgery, orthopedic surgery, stomach treatment, reproductive system, organ, cell, and tissue transplantation, eye surgery, diagnostics, and screening (Nozari et al., 2021).

Brand equity is the top-line concept when talking about marketing. Brand equity refers to the quality of a brand that reflects how a brand gives consistent results to the consumers and the firm as well. It is the more important concept as it is applied by the all the firms to create the value of their brands. The brand equity might be known as "the increased in the brand consistent performance and availability the product known itself as a brand". Also, one researcher defines Brand equity as "the various impact of brand knowledge on the consumer reactions in that brand market". Brand equity may elaborate in many ways, one can say that "the strength of a brand that is already available in the existing market is co related with the company's both (marketing and financial) beliefs and having its quality brand assets, brand awareness with association, its loyalty and having the quality of brand." It is also described as "the attitude, behavior and perception in the consumer's mind increases the sales of the brand

and earn higher profits in the market" . As the consumer gives positive response to the brands on the basis of the brand quality and its image that is built in other consumers related to the brand that has never happen before . Due to the variance in consumer minds, brand equity also shifts as consumers purchase specific products. According to the quality of the Customer's understanding, brand equity can be measured. Brand equity makes the firm more valuable along with its customers.

Perceiving a brand in the aspect of its value, i.e., equity, is very important for the process of creating a competitive advantage of an enterprise, and its market position in comparison to other brands. A review of the literature on the subject indicates various approaches to defining brand equity. Usually, they assume two different points of reference as a theoretical basis of their considerations. The first one is related to financial aspects of brand equity, and the second one – to improving and increasing the effectiveness and efficiency of marketing activities, especially in the field of communication. A common feature of both approaches is the fact that brand equity is an added value, which is obtained through the use of a trademark (Nozari et al., 2023).

The primary objective of this study is to develop an integrated conceptual model, which investigates the effects of Brand Equity on satisfaction in the health Tourism.

This study is organized as follows: We first review the conceptual framework and concepts which are associated with our study. Second, we present a conceptual model and discuss the relationships among model constructs, research methodology and data collection. Finally, we present the findings, discuss implications, and suggest future research directions.

2-Conceptual framework and hypotheses

2.1 Brand Awareness

According to the work of Romaniuk, Wight, & Faulkner (2017), brand awareness is the capacity of a given customer to recognize or recall that a given brand belongs to a particular category of products. Brand awareness is strongly related to the power with which the presence and traces of a brand in customers' minds result in their capacity to recognize (identify) the brand under various market conditions.

From the definitions provided above, it can be concluded that brand awareness means being aware of its existence and relationship with a particular product. According to Kahneman (2012), current research proves that even one appearance of a brand name in the surroundings of a customer causes that when the customer comes across it again, in his/her mind, a thought will occur: "I know this brand." It should also be added that numerous advertising campaigns are based on this assumption and their messages aim to consolidate the brand name in the minds of actual and potential buyers.

In the literature of brand management, brand awareness is one of the most important factors determining brand strength and, as a consequence, leading to its competitive advantage.

Practically, brand awareness indicates the effectiveness of marketing activities of each company. Based on these, the following hypothesis is proposed in this study:

H1: Brand Awareness is positively related to satisfaction.

2.2 Perceived Quality

According to Aaker (1991), perceived quality lends value to a brand in several ways: high quality gives consumers a good reason to buy the brand and allows the brand to differentiate itself from its competitors, charge a premium price, and have a strong basis for brand extension. Perceived quality is "the customer's perception of the overall quality or superiority of a product or service concerning its intended purpose, relative to alternatives." on other hand, Aaker (1991) defines perceived quality reflects upon "the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose relative to alternatives". Swinker and Hines (2006) further classify perceived quality into four categories as intrinsic, extrinsic, appearance and performance. Based on these, the following hypothesis is proposed in this study:

H2: Perceived Quality is positively related to satisfaction.

2.3 Brand Association

Brand association might be achieved through the help of benefits, attitudes, and attributes. Brand association is a thing that is strongly connected with brand performance. Brand association plays its role and collects data as an instrument to measure brand extension. The consumer knows the definition of brand association well, and it is already in their thoughts. Increasing brand awareness will directly increase consumer attention towards the specific brand. Brand Association can also create brand loyalty for a particular brand. To create a brand association, customers should know the brand first. It is also described as the Brand Association creating a positive impact to make efficient brand equity. In customer-based brand equity, brand association is as significant as other factors in marketing strategies. Brand awareness is correlated with brand association, and both have a direct impact on each other if Brand awareness is up, Brand association also goes up, and if Brand Association is higher, it indicates that Brand equity is also higher, and it is seen by the trademark of commitment and desired. Based on these, the following hypothesis is proposed in this study:

H3: Brand Association is positively related to satisfaction.

2.4 Brand Loyalty

Brand loyalty can provide both consumer and company essential benefits. Like brand loyalty, brand loyalty is a complex construct in itself, which needs to be disaggregated to be clearly understood? Researchers have been challenged to define and measure brand loyalty because this dimension is formed by two different components: attitudinal and behavioral. and both components explain the formation of brand loyalty. On the one hand, the attitudinal component indicates that loyalty formation stems from a positive bond or commitment between the consumer and the brand, and this attitude, in turn, arises from the coincidence between the brand attributes and the consumer's preferences. On the other hand, from the behavior component, loyalty formation is explained by the consumer's prior purchases, resulting in a certain habit. Brand loyalty is defined as "a situation which reflects how likely a

customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features. Based on these the following hypothesis is proposed in this study:

H4: Brand Loyalty is positively related to satisfaction.

3- Research model

Based on preceding literature, the hypothesized relationships are shown in the conceptual framework in Fig. 1, which investigates the effects of Brand Equity on satisfaction
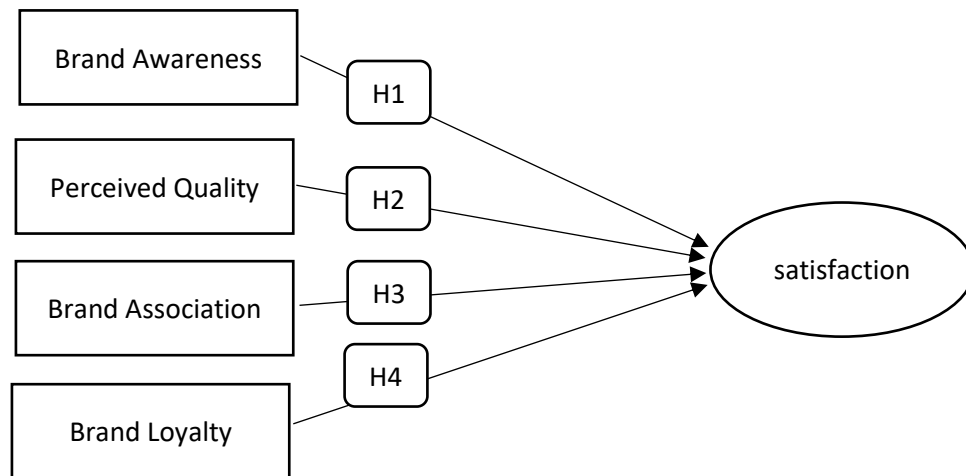

Fig. 1: Research conceptual model

4-Measurement items, Sample population and Data Collection Procedure

In order to test the hypotheses empirically, multi-item scales were used to evaluate all variables to adequately capture the domain of constructs. All constructs were measured using a 5-point Likerttype scale. However, we modified the wording of specific items to reflect the focus of our investigation.

4.1 Population & Sample

In this research, 4 hospitals setting were selected in order to test the conceptual model and the hypothesized relationships empirically. Data were obtained from patients in Tehran city. Stratified random sampling was used; however, the method of selecting respondents was random sampling. Data collected from 418 patients and 390 usable questionnaires were retained (Veselinova et al., 2017).

5-Analysis and results

To test the relationships between constructs in this study, structural equations modeling (SEM) using LISREL for Windows was performed. In this model, as suggested by Anderson and Gerbing (1988), data were analyzed using the two-step approach, in which the measurement model was first confirmed and then the structural model tested.

5.1 Measurement model estimation

Confirmatory factor analysis (CFA) was directed to examine the factor structure of the measurement model in this paper (Anderson & Gerbing, 1988). Table 1 presents the factor loadings and Cronbach's alphas of the items on the latent constructs as estimated by the CFA. Cronbach's alphas of latent constructs were acceptable for all ten constructs (0.73-0.89). Values were all above 0.70, as suggested by Nunnally (1978), and therefore indicated internal consistency.

Table 1: Confirmatory factor analysis results

Constructs	Standardized loadings	t- value	Cranach's α
Brand Awareness	0.80	20.28	0.73
Perceived Quality	0.73	24.89	0.78
Brand Association	0.79	20.73	0.87
Brand Loyalty	0.75	19.18	0.90

The overall evaluation of the model fit was based on multiple indicators. These indicators included Chi-Square test; the normed fit index (NFI), the non-normed fit index (NNFI), the comparative fit index (CFI), the root mean squared error of approximation (RMSEA), the Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI).The fit statistics showed that the measurement model fit the data reasonably well.

5.2 Structural Model

After assessing and confirming the total measurement model, the structural model was estimated. Results indicated an acceptable level of fit between the hypothesized model and the data.

Table 2: Modeling suitability indices of the structural equations studied in the research

suitability indices	Suggested amount	Suggested
GFI	≥ ./80	0.93
NFI	≥ ./80	0.97
CFI	≥ ./90	0.98
IFI	≥ ./90	0.98
PNFI	≥ ./50	0.834
PGFI	≥ ./50	0.828
RMSEA	≤ ./08	0.047
df	≤ 5/00	1.23

Table 3: Path estimates and hypotheses results for proposed model

Hypothesis	Path confident	t-value	Result
H1: BA → SAT	0.14	2.39	Supported
H2: PQ → SAT	0.73	10.11	Supported
H3: BAS → SAT	0.28	3.60	Supported
H4: BL → SAT	0.64	7.89	Supported

6-Discussion and conclusion

Tourism is among the largest and fastest developing sectors of the global economy . The travel and tourism sector is worth USD 7.6 trillion and accounts for more than 10% of the global GDP, 7% of total international trade, and 30% of service exports around the world. Income from tourism also provides an important currency exchange engine for countries worldwide, thus becoming an enabler of economic growth and investments in a number of other sectors. In 2016, tourism grew by 3.1%, which is 2.5% above the growth rate of the global economy .

As the third largest socioeconomic activity in the European Union, tourism is a major contributor to its gross domestic product and employment. While Europe is the world's most popular tourism destination, it is not the fastest developing region at a global level. It has experienced a decline in its market share, measured by the visits of and income from international tourists . In 2018, Europe had the world's largest number of international visitors (713 million, i.e., more than half of the global total) and saw a growth rate of 6% .

Health tourism has a long history. Its formation is based on the use of medical resources and the use of medical procedures. Health tourism consists of disease prevention, including specific disease prevention and Wellness tourism, and medical tourism, which includes surgery and treatment of diseases. Many medical resorts were created in low mountains. This is due to the presence of mineral waters, clean air, the landscape attractiveness of the mountains and a favorable climate.

Currently, it is required to take a fresh look at the old forms of organization of treatment and rest on the basis of sanatoriums. New trends are increasing the requirements of consumers of services to the quality of service, reducing free time on vacation, the search for such programs that can diversify and personify relaxation and treatment. It is important to take into account the needs of tourists and promote the development of health tourism, which will make it possible to diversify segments of tourists and increase tourist flows in traditional health resorts. It is relevant to identify what opportunities existing sanatoriums and resorts have in connection with the development of health tourism in the adjacent territory. For this, it is necessary to identify the features of the organization of this type of tourism and the needs of tourists (Jayswal et al., 2019).

Many old resorts have the image of places where they treat pensioners and people after serious illnesses. Sanatoria have the opportunity to provide a new list of services and more successfully develop health tourism. Since most modern people are stressed, they have poor health and need to change their environment. Due to the fact that the development of health tourism is based on the creation of centers with specialized infrastructure (sanatoriums, medical centers), it becomes necessary to analyze existing examples of territorial tourist complexes.

Considering matters related to brand equity, it needs to be noted that its value is perceived differently depending on the perspective assumed to assess it, i.e., from the level of the brand owner, its customers or the entire distribution channel . Therefore, the multilevel perception of brand equity gives insight into the process of creating brand value, which results from mutual relations and interactions between the enterprise being the brand owner and its surroundings (customers, suppliers, etc.).

In the above context, outstanding representatives of management sciences refer to the term of band equity, among others Aaker (1991) and Keller (2011) who understand brand equity as "assets (resources) of a brand and obligations related to the brand, its name and symbol, which add or reduce the value to products or services provided by a given entity to other enterprises or individual customers". According to the authors being quoted, brand equity should be analyzed and assessed through a prism of five elements, which jointly affect the added value for customers and brand owners. The first of the listed elements, i.e., loyalty towards a given brand, constitutes a value in itself, as it allows a reduction of broadly understood marketing costs (e.g., for promotional and advertising activities). Moreover, loyal and satisfied customers relatively willingly recommend the purchased brand to other people, fulfilling the role of an ambassador/promoter. The second element is market recognition. A high level of brand recognition positively impacts purchasing decisions at all stages of the decision-making process during shopping. While the perception of high quality is a cause for a conscious purchase as well as the basis for product differentiation. Products perceived as high quality are attractive not only for final customers, but also for intermediate links, as they provide a basis for higher margins, simultaneously constituting a good opportunity to extend product lines. Considering previous experiences related to a brand, it improves the decision- -making process when shopping and it leads to the reduction of the post-purchase dissonance . The last element of the presented model of brand equity consists of other assets related to a given brand (trademarks, patents, etc.) which developed for many years co-create the added value of the offered brand. However, their creation (manufacturing) requires significant expenditure and efforts of the company-owner of the brand. At the same time, it must be noted that brand equity brings specific economic benefit for its owner and in this aspect, it fulfils the assumptions of the definition of assets of an enterprise.

brand awareness measurement is becoming increasingly significant in the market practice of modern companies. This measurement is possible thanks to survey studies using which the relationships of customers between a given brand (each research company and advertising agency has their own original method) and brand image are measured. Data obtained in such a way is very reliable, and its main objective is to verify whether building brand awareness is effective, i.e.: how much is the brand recognized and remembered by consumers as well as what they associate the brand with? Three types of brand awareness measurements are indicated :

a) spontaneous awareness, which indicates the percentage of customers who are able to provide the name of a given brand without the assistance of the interviewer; this indicator determines the real field of customers' choices at the same time;

b) top of mind knowledge, which informs what percentage of respondents point out a given brand as the first one in the study (the first one that comes to their mind); it shows that it is strongly rooted in buyers' awareness;

c) supported awareness, which represents what percentage of respondents declares brand knowledge after it is mentioned by the interviewer, which indicates a poor relationship with a given brand.

Considering the relationship between perceived quality and brand loyalty, several studies indicate a positive impact of perceived quality on purchase intention. Perceived quality is found to be the main antecedent of brand loyalty . Perceived quality was found to have an effect on brand image.

The Brand association create path for consumer to purchase more and increased the value of the firm along with it as well. The brand association impacts many more different advantages that helps for the particular brand . Brand Association and Brand Equity are correlated with each other because the association of brand will increase the overall brand performance. If there is a high brand equity it means consumers have the high association with the particular brand and it identifies that brand association is one of the core factor in building the brand equity .

brand loyalty is defined as "a deeply held commitment to re-buy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior".

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