Journal of Tourism Research & Hospitality

Research Article

Customer-Based Brand Equity in the Maldives

Anil Adam[1], Joseph Lema[2] and Jerome Agrusa[3*]

Abstract

Customer-based brand equity is one of the widely used concepts to measure and evaluate brand performance. The aim of this research was to adopt a widely used customer-based brand equity model in the context of the Maldives. Analysis of the customer-based brand equity of Coca-Cola in the Maldives including the concept of customer-based brand equity, an analysis of demographic factors that affect the dimensions of customer-based brand equity, and the factors that contribute to the customer-based brand equity were evaluated. ANOVA tests were applied to compare the means of the customer-based brand equity dimensions with different demographic characteristics and multiple regressions were used to examine the determinants of Coca-Cola's loyalty.

Perceived quality, brand loyalty and brand association were highly interrelated and have a significant role in creating customer-based brand equity for Coca-Cola in the Maldives. Furthermore, this study reported that the location of respondents influence the customer-based brand equity which is consistent with previous studies in other countries. This study further confirms that females also have a significant influence in contributing to the dimensions of customer-based brand equity as reported in the findings. This research highlights the branding opportunities and challenges within the rapidly developing hospitality industry in the Maldives.

Introduction

Since the development of resorts in the Maldives beginning in 1972, the economic environment has centered on the hospitality industry. The Maldives is located in the Indian Ocean approximately 500 km from Sri Lanka and India that caters to upscale tourists market. With images of white sand beaches, palm trees, crystal blue ocean, and bungalows over the water, the Maldives has developed into one of the most luxurious tourism destination markets in the world with tourism being the largest contributor to GDP [1]. The rapidly developing tourism industry has received remarkable growth from 1,097 tourists in 1972, to over 791,917 tourists by the end of 2010 [2]. The steady increase in tourism has benefited with visitors predominately from the United Kingdom, Europe, Asia, and Russia. By the end of 2010, China became the largest and most rapidly developing tourist market to the Maldives [3].

*Corresponding author: Jerome Agrusa, Professor, Travel Industry Management, College of Business Administration, Hawaii Pacific University, Honolulu, HI 96815, USA, Tel: 808-544-9341; E-mail: Jagrusa@hpu.edu

Composed of nearly 1190 islands with 200 being inhabited, there are 98 resorts, one on each island, developed as a predominantly "one-island, one-resort" concept [4]. The population of the Maldives is nearly 300 thousand residents with the capital Male housing roughly 100 thousand residents on a two square kilometer island that is less than two meters above sea level at the highest point. Naturally divided into 26 atolls, the country is a 100 percent Islamic nation and recently, since 2008, adopted a democratically elected government [5].

While the rapid development of luxury resorts along with the changing political and economic climate, a number of brand name hotel chains have recently emerged among the islands. On the main island and capital named Male however, limited international brand name hospitality organizations exist. The introduction of brand name restaurants particularly on Male will need careful examination with an understanding of brand strategies in this unique and rather "untouched" international brand market. The purpose of this research therefore, is to critically evaluate the concept of customer-based brand equity and to analyze the effect of demographic factors on dimensions of customer-based brand equity, along with the factors that contribute to the customer-based brand equity of Coca-Cola in the Maldives.

The concept of brand equity has been one of the most popular and potentially important marketing concepts arising from the 1980's [6]. Furthermore, brand equity has also been a useful framework to interpret the potential effects of various brand strategies. In the marketing literature, brand equity is often viewed from both customer and firm-based perspectives [7]. The consumer perspective focuses on "consumer mind-set", which consists of such constructs as attitude, awareness, associations, attachments, and loyalties [8]. The firm-based perspective however, uses product-market outcomes such as price premium, market share, relative price, and financial-market outcomes such as brand purchase price and discounted cash flow of license fees and royalties [8,9].

Brand equity is defined as the difference in consumer choice between the focal branded product and an unbranded product given that the same product features [10]. Firms and organizations are increasingly regarding brand names associated with their product or service as their most valuable assets and therefore maintaining high brand equity has been an issue with greater focus in recent years [11]. The concept of customer-based brand equity remains popular even as it is still evolving and is being used by a number of businesses to build and measure brand equity.

There has however, been a lack of empirical evidence throughout multiple countries and multiple brand studies which can validate the concept of the customer-based brand equity model and allow it to become a generally accepted model [11,12]. Studies on brand equity also do not predict the variation in brand equity with particular reference to global consumption orientation of customer groups [13]. Several authors [11,12,14-16] suggest expanding the customer-based brand equity model to include different product categories and to test the model across different cultures in order to understand other effects such as attitudinal response on customer-based brand equity models.

The primary rationale of this research was to adopt the most effective and widely used customer-based brand equity model in the context of the Maldives. Furthermore, the Maldives is popular among European holiday makers as a popular tourist destination and while providing great potential for steady market expansion in the tourism sector [17]. Research in the area of branding in a market like the Maldives, which has the potential for steady market growth, is needed to understand this rapidly changing environment.

Hofstede et al. [18], who conducted cross-cultural research in 70 countries for more than 30 years, concluded that different cultures in a variety of nations have a significant effect on people which can shape various aspects of their lives, including their needs, wants, and behavioral patterns differently from one another. Understanding these behavioral traits and patterns in a country such as the Maldives, a small island nation, is timely in order to enhance the application of the existing customer-based brand equity model to a wider spectrum of customer groups. This research will contribute to the conceptualization of the customer-based brand equity model by providing further empirical evidence to understand the tendencies of consumer needs and choices in the context of residents from a lower-middle-income nation that is comprised of a unique demographic base. In addition, the Coca-Cola brand was adopted to re-test the customer based brand equity model, therefore, the intention of this study was to evaluate why Coca-Cola is able to sustain high brand equity in the Maldives.

The customer-based brand equity model was used to evaluate the contributing factors and Coca-Cola was chosen because it is widely regarded as an eminent brand in every part of the world [17]. Similarly, Coca-Cola is one of the most popular beverage brands in the Maldives despite the large amount of advertising and promotions carried out by rival brands such as Pepsi, My Cola and Three Choice [19]. This study also examined factors that contribute to the customer-based brand equity of Coca-Cola in the Maldives. Therefore, the concept of customer-based brand equity is invaluable for hospitality businesses wishing to formulate strategies to strengthen their brand within this evolving market place of the Maldives.

Literature Review

Despite the amount of research carried out on customer-based brand equity, there has been no consensus in branding literature on how to effectively measure it through standardized processes [20]. Identifying a perfect model of customer-based brand equity is challenging although previous research on brand equity has proposed two [21,22], three [23], four [24,25], five [26] and even eight [27] dimensions.

The conceptualization and application of customer-based brand equity models are still claimed to be somewhat elusive [28]. Several researchers have dedicated considerable effort and attention to developing and testing various brand related constructs such as brand loyalty [29-31], awareness [32-35], association [36-38] and perceived quality [39]. The numerous pieces of research that was previously carried out on brand equity were predominately based on a number of conceptualizations with reference to even more ways of measurement that focus on causal relationships that exist between the different dimensions of brand equity [20]. Furthermore, several authors [22,24,25,40] have also incorporated established constructs into their models to develop a widely applicable customer-based brand equity model.

Customer-based brand equity frameworks

Aaker's [24] is one of the widely used frameworks and most commonly cited models of customer-based brand equity. In contrast to other models, Aaker's [24] model summarizes various elements of brands into a small number of measurable dimensions which simplify the method for measuring the concept of brand equity. Aaker [24] defines brand equity as a set of five categories of brand assets or (liabilities) linked to a brand's name or symbol that add to (or subtracts from) the value provided by a product or service. Aaker [24] notes the specific antecedents of brand equity as being brand awareness; perceived quality, brand associations, brand loyalty and other proprietary brand assets, such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers [10,41].

Keller [6] conversely proposes that brand equity is the differential effects that brand knowledge has on consumer responses to the marketing of that brand. Keller [22] argues that differential effects are determined by comparing consumers' reactions to the marketing of a brand with their reactions to the same marketing of an unnamed version of the product. Keller's [22] model divides brand equity into two constructs that includes brand knowledge and brand response. Brand knowledge is defined in terms of brand awareness and brand image, while consumer perceptions, preferences, and behavior arising from marketing mix activities are conceptualized under brand response to marketing [6].

Among the number of brand equity models, this research adopted the Aaker's [24] model as it has been more commonly cited and empirically tested in a number of previous studies [25,42-44]. As a result this study incorporated the dimensions of Aaker's [24] customer-based brand equity model to evaluate the brand equity of Coca-Cola in the Maldives.

Customer-based brand equity dimensions

Perceived quality is defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose and relative to the available alternatives [6,45]. Perceived quality is a core or primary facet within the customer-based brand equity framework [14,22,46-48,]. One of the predominant reasons that perceived quality is a core dimension in the customer-based brand equity models is that it plays a crucial strategic role of reducing the perceived risk to the buyers [22].

Perceived quality helps to differentiate the brand from rival brands and it provides value to customers by providing them with a reason to purchase the product [24]. Higher perceived quality can therefore enable firms to charge a premium price [22,23] and to have a strong basis for a brand extension [24]. Kotler and Armstrong [49] propose that there is an intimate relationship between product and service quality, coupled with customer service and company profitability. A number of authors [49,50] also point out that there is a positive relationship between perceived quality and repurchase intention along with a recommendation and resistance to better alternatives. Similarly, studies conducted by Bloemer et al. [50], Krystallis and Chrysochou [51], Mackay [20] support the position that quality is a key determinant of loyalty.

Brand awareness is also one of the core dimensions in the customer-based brand equity model. Rossiter and Percy [52], define brand awareness as the consumers' ability to identify or recognize the

brand. Also, according to Aaker [24], brand awareness is the ability of the potential buyer to recognize and recall a brand as a member of a certain product category. As Keller [6] suggests, brand awareness consists of two sub-dimensions referred to as recall and recognition. Keller [6] argues that brand recognition is the consumers' ability to confirm prior exposure to the brand when given the brand as a cue. In other words, customers with high brand recognition should be able to recognize the brand as one which they have already been exposed to. On the other hand, Keller [6] argues that brand recall is the consumers' ability to retrieve the brand from their memory when given the product category, when their needs are fulfilled by the category, and a purchase or usage situation is provided as a cue. Brand recall of Coca-Cola will then depend on the consumers' ability to retrieve the brand when they think of the soft drinks category whether at the store when making the purchase or at home when deciding what to drink. Several studies were previously conducted on brand awareness in the context of customer-based brand equity including sources of brand awareness [33], underlying structure of brand awareness [34], and the effect of brand awareness on consumer purchase behavior [32]. Furthermore, as with other brand equity dimensions, the effect of brand awareness on overall brand equity is not extensively investigated in the literature [11]. Keller [6] reports that brand awareness plays a crucial role in customer-based brand equity models by offering three advantages including learning, consideration, and choices. However, the empirical studies conducted by Yoo et al. [25] and Yoo and Donthu [10] reveal that brand awareness does not have any direct effect on brand equity while brand awareness was incorporated into brand associations in their studies.

Brand associations are defined as anything linked in a consumers' memory to a brand [7,24]. Such links may be product attributes [25], a brand name [53], and relative price [46]. Keller [6] however, attempts to define brand association using the associative network memory model which views memory as consisting of a network of nodes and connecting links. Nodes represent stored information or concepts and links represents the strength of association between the information and concepts [6]. Furthermore, Keller [6] defines brand association as the other informational nodes linked to the brand node in the memory that contains the meaning of the brand for consumers. In Keller's [22] model, brand association is incorporated under brand image and brand association is categorized into three major categories including attributes, benefits, and attitudes.

Brand equity literature also reveals that brand association has many important functions [7,15,21]. Chen [54] indicates that brand association is significant in creating customer based brand equity as it creates value for the firm as well as its customers by helping to process or retrieve information, differentiating the brand, generating a reason to buy, creating positive attitudes and feelings, and providing a basis for extension. Furthermore, Keller [22] points out that, especially in high involvement decision making, favorability, strength and uniqueness of brand association are the dimensions differentiating brand knowledge by playing an important role to determine the differential response that constitutes brand equity.

The perception of globalization possessed by global brands has also been evident as a significant dimension of brand association in a number of studies. For example, Steenkamp et al. [55] argues that perceived globalization of a brand creates value as it is positively associated with its prestige. Similarly, Alexandris et al. [56] confirms that brand association plays a key role in determining brand loyalty. In addition, brand uniqueness has also been considered a key construct

of brand association. Keller [22] indicates that customer-based brand equity occurs when customers hold a favorable and well defined brand association in their memory. This is further supported by Netemeyer et al. [23], who considers brand uniqueness as a primary brand equity dimension, whereas awareness, familiarity, popularity, organizational associations and brand image are considered as related brand equity dimensions.

From the perspective of Aaker [24], brand loyalty is a situation which reflects how likely a customer will be to switch to another brand especially when the brand makes a change either in price or products. According to Oliver [57], brand loyalty refers to the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice. Aaker [24] describes loyalty from a behavioral viewpoint and classifies brand loyalty into five levels starting with the least loyal known as switchers; satisfied or habitual buyers; satisfied buyers with switching cost; brand loyalty, and committed buyers as the very loyal. Aaker [24] considers brand loyalty to be a core dimension of brand equity. From the perspective of Keller [6], brand loyalty can be regarded by the brand resonance Keller [6] defines brand resonance as the nature of the customer-brand relationship and the extent to which customers feel that they are "in sync" with the brand. Furthermore, Keller [6] indicates that customers with good brand resonance have a high degree of loyalty, actively seek means to interact with the brand, and share their experience with others.

Various other researchers have explored brand loyalty from two broad perspectives, referred to as behavioral loyalty, which is the frequency and regularity of a consumers' past purchase behavior in relation to a product [58-60], and attitudinal loyalty, which is the consumers attitude toward a product [61-63]. Another perspective is offered by Dimitriades [64], who asserts that behavioral loyalty and attitudinal loyalty may also combine into a single overarching macro construct. Nonetheless, the recent study conducted by Broyles [65], in the context of a cross cultural setting, finds that attitudinal loyalty and behavioral loyalty are two distinct constructs of brand loyalty.

The chosen product, Coca-Cola has a strong brand name in the Maldives and offers eight different products under the brand name of Coca-Cola [66]. These Coca-Cola products are supplied and promoted in the Maldivian market by a local Maldivian under a franchise arrangement with Coca-Cola India [67]. Despite the availability and the number of marketing activities carried out by Coca-Cola's key rivals such as Pepsi and My Cola, Coca-Cola is enjoying a market share of almost 80 percent in the Maldives' soft drink market [19].

Examining the factors that contribute to the customer-based brand equity of Coca-Cola in the Maldives will be useful in determining how Coca-Cola is able to sustain high brand equity in the Maldives? Furthermore, what are the contributing factors towards customer-based brand equity models and are they consistent with existing models?

Methodology

The self-administered questionnaire was designed based on the four dimensions of Aaker's [24] customer-based brand equity model that include perceived quality, brand association, brand awareness, and brand loyalty. Brand awareness was subsumed under the dimension of brand associations since the study of Yoo and Donthu [10], Yoo et al. [25] revealed that brand awareness does not have any direct effect on brand equity and therefore brand awareness was combined into brand association. This adjustment was also validated later by

Washburn and Plank [44]. The items of the customer-based brand equity constructs were adapted from pertinent branding literature. Several authors [12,68,69] have also adapted the same approach of employing the scales of previous studies. Heiman [70] and Saunders et al. [71] have suggested this approach to increase the reliability and validity of the research instrument therefore, the perceived quality construct were developed by incorporating the four statements which were based on the studies of Aaker [24,46] along with Erdem and Swait [72]. The five brand loyalty construct statements were adapted from the studies of Keller [22] and Yoo et al. [25]. The four statements which comprise statements of the brand association originated from the studies of Aaker [25], Atilgan et al. [11], and Yoo et al. [24].

Analyzing the effect of demographic variables on the dimension of customer-based brand equity is one of the primary objectives of this research. Previous studies have also revealed that customer-based brand equity varies according to certain demographic variables such as gender [73,74] and country of origin [75]. Mooij [76] indicates that demographic variables such as age, profession, social class, and gender are all purposeful characteristics that can be used to define culture. Useful demographic factors that are relevant to culture were therefore incorporated into this study to analyze whether these factors influence customer-based brand equity dimensions which would also assist future research [77], and extrapolate crucial trends and associations within certain segments in order to increase the effectiveness of decision making [78]. The five questions on demographic attributes were incorporated into the research instrument. Finally, the question on atoll has different options to identify where the respondent resides which includes the 19 different atolls of the Maldives as well as the capital city of Male. The final scale is comprised of a total of 18 items which includes 13 variables to measure the dimensions of the customer-based brand equity and five items to record the demographic characteristics of the respondents. The 13 items that represent the customer-based brand equity model were measured by incorporating a five point Likert scale (1 = strongly disagree to 5 = strongly agree).

The survey was written in English. To avoid ambiguity in the questions, and to ensure that all of the questions written on the survey instrument were clearly understood, a pilot test was completed prior to data collection. The pilot survey revealed that there were a number of errors in the language of the statements in the demographic variable which required rewording. Ethnicity was reworded to nationality to increase the readability of the statement. To collect the samples for this study, stratified random sampling was employed to ensure that the collected samples were an accurate representation of the whole population of the Maldives [70]. A sampling frame was also incorporated to reduce the sampling error, to identify the different characteristics of the population and to increase the representativeness of the sample [71]. To establish a sampling frame, the total population of the Maldives was stratified into 19 different atolls of the Maldives including Male (the capital of the Maldives). Participation in this study was completely voluntary and insurance of absolute confidentiality of answers to all questionnaire items was given to respondents. It is believed that all respondents answered the survey instrument honestly as the survey was anonymous and self-administered.

The alpha reliability coefficient for quality, loyalty and association is 0.798, 0.889, and 0.827 respectively. Estimates of the internal consistency of the three scales (quality, loyalty and association) of the questionnaire, calculated using Cronbach's alpha coefficient were found to be generally satisfactory and equate to the suggested criteria of George and Mallery [79]. Internal Consistency for the Quality, Loyalty and Association Scores was a score that was calculated as the sum of all the individual items (questions) for each respondent. The intercorrelations of the three scales of the questionnaire were found to be generally satisfactory in all the questions thus none of the questions were eliminated.

Results

The survey consisted of 384 participants (collected from July to August 2010) of which 232 (60.4%) were male and 152 (39.6%) were females. The majority of the participants were 30 years of age or younger (72.9%). Most participants, roughly 60%, earn a net income of MRF 10,000.00 (US$667) per month.

The *t*-test analysis between gender scores reported that females had higher quality scores than males. The mean quality score for males was 14.63 (SD = 3.26), while the mean quality score for females was 15.81 (SD = 2.77). The difference in the mean quality scores for females and males ($p < 0.05$) was statistically significant with females having higher loyalty scores than males. The mean loyalty score for males was 15.63 (SD = 5.12), while the mean loyalty score for females was 18.11 (SD = 4.66). The mean association score for males was 13.53 (SD = 3.21), while the mean quality score for females was 14.50 (SD = 2.82). The difference in the mean association scores for females and males ($p < .05$) was significant.

Quality, loyalty, and association scores among the 19 atolls and the capital city Male were also compared using analysis of variance method (ANOVA). The difference in the quality, loyalty, and association scores of these 19 atolls and the capital city of Male were statistically significant ($p < .05$) as illustrated in Table 1.

A multiple regression analysis was conducted on the three dimensions including perceived quality, brand loyalty, and brand association. Prior to conducting the regression analysis, a bivariate correlation analysis, as reported in Table 2, also validated the association between perceived quality and brand association variables with the loyalty variable [80]. Both quality score and brand association scores reported highly positive multiple correlations as illustrated in Table 2. As mentioned by Barrow [81], coefficients that range above 0.50 are good predictors of the dependent variable and therefore perceived quality and brand association scores are good predictors of the brand loyalty of Coca-Cola. The coefficient results of the multiple regression analysis reports that both quality and brand association variables are positively associated and good predictors of loyalty as demonstrated in Table 3.

Conclusion

The findings of this research confirm that perceived quality, brand loyalty and brand association dimensions were highly interrelated and act as key antecedents for customer-based brand equity. The outcome of the perceived quality, brand association, and brand loyalty dimension analysis, which had a positive correlation, suggests that these three dimensions contribute to the customer-based brand equity model. Therefore, the findings of this study are consistent with the customer-based brand equity framework of Aaker [24] as discussed in the literature. The independent sample *t*-test reported that females are more satisfied than males with the quality, are more loyal to the brand, and have a higher brand association with Coca-Cola. Similarly, the studies conducted by Alimen and Cerit, [73],

Lee et al. [74] indicate that customer-based brand equity varies with the female gender. As this study was conducted in a distinct cultural context compared to previous studies, it is evident that customer-based brand equity in the context of the Maldives also varies to the female gender, which would also increase the strength of previous findings. Additionally, this study illustrated that other demographic variables such as age, employment and income do not cause any variation to the customer-based brand equity of Coca-Cola in the Maldives, which were not evident in any of the previous studies.

As demonstrated in the ANOVA test for quality, loyalty, and association scores according to atolls and the capital city of Male, the outcomes indicate that customer-based brand equity varies to the location (atolls) of respondents. Previous studies conducted by Jung and Sung [75], Pappu et al.[69] reported that customer-based brand equity varies to the country origin of the brand however, it was not evident in previous studies that the location of the respondents such as atolls, cities, provinces as well as countries within an individual country, influence the customer-based brand equity.

This study also reveals an interesting outcome from the multiple regression analysis. As this research was conducted in the context of a low middle income nation by incorporating the demographic characteristics as a determinant of Maldivian culture, both quality and brand association is revealed to be good indicators for predicting loyalty. Although previous studies have indicated that quality [20,50,51] and brand association [56] were key determinant of loyalty, past studies were not conducted in similar geographical, economical, or cultural contexts.

Table 1: ANOVA test for testing equality of quality, loyalty and association scores according to atolls and capital city Male.

		Sum of Squares	df	Mean Square	F	Sig.
Quality	Between Groups	362.65	19	19.08	2.04	.006
	Within Groups	3390.38	364	9.31		
	Total	3753.04	383			
Loyalty	Between Groups	870.80	19	45.83	1.85	.017
	Within Groups	9016.38	364	24.77		
	Total	9887.19	383			
Association	Between Groups	314.82	19	16.57	1.76	.026
	Within Groups	3431.35	364	9.45		
	Total	3746.16	383			

Table 2: Correlation between Loyalty and (Quality, Association).

		LOYALTY	QUALITY	ASSOCATION
LOYALTY	Pearson Correlation	1	.635**	.582**
	Sig. (2-tailed)		.000	.000
	N	384	384	384

Table 3: Results of Coefficients.

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-1.29	1.01	-1.28	.203	
Quality	.725	.077	.447	9.39	.000
Association	.499	.077	.307	6.46	.000

Studies on culture argue that consumer behavior is influenced by various cultural factors and theories of consumer behavior which are not free from cultural influence [76]. Therefore, from a distinctive cultural perspective, this research supports the more generalized findings that quality and association are significant in determining loyalty. Building and sustaining brand equity is extremely important for global brands such as Coca-Cola.

The aim of this study was to evaluate the customer-based brand equity of Coca-Cola in the context of the Maldives. The Maldives was specifically as there were no previous research studies conducted on customer-based brand equity which targeted small island nations that have dissimilar demographic and cultural attributes that are important to brand management [76]. The dimensions are valuable in creating customer-based brand equity for Coca-Cola in the Maldives. Much of the extensive literature on customer-based brand equity explains and discusses the benefits and its conceptualization. The literature on customer-based brand equity [11, 68,75], proposes that Aaker's [24] customer-based brand equity framework is the most widely adopted model. Perceived quality, brand loyalty and brand association were identified as the least number of dimensions that are crucial in integrating to a customer-based brand equity framework [10,44]. Accordingly, the outcome of this study further confirms the findings of the customer-based brand equity framework of Aaker [24]. The perceived quality, loyalty, and brand association dimensions were highly correlated and therefore these dimensions beneficially contribute to the brand equity for Coca-Cola in the Maldives.

Customer-based brand equity varies with gender and location of respondents. Previous studies [18,76] have stressed that differing cultures across the same country resulting in different consumer behavior. Therefore, one of the primary focuses of this research was to incorporate the demographic characteristics of the Maldivian population as a determinant of culture to identify how demographic factors interplay between the Coca-Cola's customer-based brand equity dimensions. The results of this study revealed that female respondents have a higher influence compared to males to the perceived quality, are more loyal, and are able to make an association with the Coca-Cola brand. These results further confirm the finding of the previous studies [73,74] that were conducted in the perspective of customer-based brand equity. Furthermore, location of the respondents was discovered as a significant demographic variable that influences the customer-based brand equity of Coca-Cola in the Maldives and this effect was not evident in the previous literature. By assessing brand equity in terms of these demographic characteristics, marketers can obtain more specific knowledge of brand equity about a target consumer group and thus can plan and implement well-suited strategies for improving their brand equity. Therefore, understanding how consumers shape brand equity for a specific brand is particularly important in a foreign market especially considering the uniqueness of the Maldivian market.

As consistent with previous studies [20,50,51,56], the results of this study also confirms that within the distinct geographical and cultural context of Maldives, the perceived quality and association has a direct and positive effect on customer loyalty. Therefore, this study concludes that increasing the product or service quality and brand association is crucial in boosting customer loyalty to a brand.

In the context of the Maldives, few recognized brands currently exist in the hospitality industry as compared to other popular sun, sand, and sea destinations. As the hospitality industry continues

to rapidly evolve with increased foreign investment and changing consumer preferences in this luxury market, understanding the differences that exist among ethnicities and gender, specifically will require a more systematic inquiry into customer-based brand equity models to closely meet the needs of a changing consumer marketplace. With the trend towards the increased globalization of recognized brands in the hospitality industry, competitive market forces will continue to expand into the Maldives through increased foreign investment.

Recommendations for Further Research

It is useful to incorporate a widely established cultural framework to examine the variances caused by culture to customer-based brand equity. Due to the limitation of this study that has incorporated demographic variables such as age, gender, employment and income as a determinant of culture, it may also be beneficial to further examine whether customer-based brand equity varies with different cultures. Future research could replicate the study in the Maldives by incorporating an extensive cultural framework such as the five cultural dimensions of Hofstede et al. [18]. To build upon this research and further validate the findings of this study, future research will need to examine the extent to which cultural dimensions are influencing customer-based brand equity. This may also provide marketing professionals with more targeted information to effectively optimize their marketing activities to their existing and upcoming brands by focusing on different market segments.

Replication of similar studies in a different context is crucial so as to increase the validity and generalization of the results. While this study was confined to the Maldives and in considerations of previous studies [20,50,51,56] which have employed regression analysis to predict the variances of brand loyalty, further consensus within the literature is needed on how much of loyalty variances could be predicted from quality and association as the result of previous studies varies from one study to another. Future research therefore, may include more diverse variables in an effort to strengthen the explanation of the variance. Furthermore, future research is required with in various other brands to confirm the results of this study to determine what proportions of the brand loyalty variances could be predicted by the perceived quality and brand association dimensions.

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Author Affiliations

[1]Faculty of Hospitality and Tourism Studies, Maldives National University, Maldives
[2]Hospitality & Tourism Management Studies, The Richard Stockton College of New Jersey, USA
[3]College of Business Administration, Hawaii Pacific University, USA