The Impact of Destination Brand Image on Entrepreneurial Development in the Tourism Host Communities in the South-West Region of Nigeria

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ABSTRACT

This study provides a comprehensive literature review on destination marketing and branding, examining their significance in attracting tourists and promoting economic development. The complex nature of destinations and the increasing global competition for tourism necessitates a relational approach to destination marketing. Destination branding is recognized as a crucial tool for distinguishing a destination and attracting visitors. Destination Marketing Organizations (DMOs) play a vital role in marketing and branding destinations, considering the diverse stakeholders and tourism products involved. The evolution of destination branding has shifted focus from image building to identifying unique attractions and creating a positive destination image. Differentiation and unique selling propositions are essential in a highly competitive marketplace. Future research should explore innovative strategies for destination marketing and branding in light of changing consumer preferences and technological advancements. Understanding these concepts is crucial for the effective management and promotion of destinations, contributing to their sustainable growth and success.

Introduction

Tourism and destination branding have emerged as prominent topics of interest in tourism and marketing. Destination branding is pivotal in shaping tourists' perceptions and attracting visitors to a particular destination. It encompasses various dimensions such as brand association, brand awareness, brand image, and brand loyalty. Destination marketing involves strategic planning and development activities to attract visitors to a particular destination (Elbe et al., 2009). As tourism grows globally, destinations face increasing competition to attract tourists and secure the necessary resources for their development (Morgan et al., 2011). Managing and marketing a destination is a complex task due to the diverse stakeholders involved and the unique characteristics of each destination (Fyall & Leask, 2006). Therefore, a relational approach to destination marketing is crucial, considering the intricate relationships between the various components of the destination product and the multitude of stakeholders (Helfert et al., 2002).

Destination branding has been recognized as a vital tool for distinguishing a destination and attracting tourists (Cooper, 2012). Branding a destination involves selecting consistent elements that identify and differentiate it from other destinations (Cai, 2002). The branding aims to create a positive image of the destination, leading to increased awareness, recognition, and preference among potential visitors (Gilmore, 2002). Effective destination branding requires engaging customers in marketing activities and providing the information and experiences they desire (Fyall & Garrod, 2005). Destinations are complex entities comprising various stakeholders and offering diverse tourism products and services (Morgan et al., 2004; Pereira et al., 2012). Destination Marketing Organizations (DMOs) play a crucial role in marketing and branding destinations, promoting the destination and its unique offerings (Elbe et al., 2009). The success of destination branding lies in creating a unique proposition that sets the destination apart from competitors and meets the demands of target markets (Park & Petrick, 2006).

Branding, traditionally associated with products, has extended to destinations due to the homogeneity of tourism products and the need for differentiation (Hankinson, 2004). Brands help create awareness, recognition, and a favourable image of a destination among potential visitors (Dioko & So, 2012). Consumers have numerous choices, and destinations need distinctive features to compete effectively and facilitate decision-making (Qu et al., 2011). Destination branding is not new; however, its focus has evolved. Early marketing efforts focused on promoting destinations through image building and measuring tourist perceptions (Ajake, 2015). Nowadays, destination branding aims to identify a unique attraction or feature that distinguishes the destination from others in the marketplace (Park & Petrick, 2006). This is because the availability of unique attractions plays a significant role in determining a destination's competitiveness (Krešić & Prebežac, 2011).
Destination marketing and branding are essential components of tourism development and economic growth. Effective destination marketing requires a relational approach to account for the complexity of destinations and engage customers. Destination branding serves as a tool to create a distinct identity and attract tourists. DMOs play a critical role in marketing and branding destinations. As destinations face increasing competition, the need for differentiation and unique selling propositions becomes paramount. The study aims to investigate the impact of destination brand image on entrepreneurial development in the tourism host communities of the South-West region of Nigeria. This region holds significant potential for tourism due to its diverse cultural heritage, natural attractions, and historical sites. Understanding the relationship between destination brand image and entrepreneurial development is crucial for sustainable tourism growth and regional economic development. Previous research suggests that a positive destination brand image can stimulate entrepreneurial activities, leading to economic growth and job creation within tourism destinations. However, limited research has focused on exploring this relationship specifically in the South-West region of Nigeria. The study employed a rigorous methodology and conducted a comprehensive analysis; this study aims to provide valuable insights into the impact of destination brand image on entrepreneurial development in the South-West region of Nigeria. The findings will contribute to the knowledge of tourism development and inform policymakers, tourism practitioners, and entrepreneurs on strategies to enhance destination branding and promote entrepreneurial activities for sustainable tourism growth.

**Destination branding**

The management and marketing of destinations pose significant challenges due to their complex nature and competitive environment. Destination marketing involves strategic planning and development activities to attract visitors to a particular destination. With the global growth of tourism, destinations compete to attract tourists, and a positive reputation is crucial for capturing the attention of businesses and resources. Given the complexity of destinations, destination marketing should adopt a relational approach, recognising the interconnectedness of various components and stakeholders. Engaging customers and providing them with the desired information and experiences are essential for successful destination marketing efforts. Branding is vital in destination marketing as it helps differentiate and identify a destination among others. It provides a unique factor for attracting tourists and positioning the destination. Destination branding can involve selecting a consistent element mix that distinguishes a destination or repositioning and reconstructing the destination.

Destination branding is a complex task due to the involvement of multiple stakeholders and the diverse range of tourism products and services offered. Destination Marketing Organizations (DMOs) are primarily responsible for marketing and branding destinations. They undertake various activities to promote the destination and create a positive image. Branding, both in the context of products and destinations, aims to differentiate and create awareness, recognition, and a favourable image. Choosing a destination involves gathering information and making sense of the available options. Destination branding helps destinations stand out and compete by offering unique features and attractions.

In the early 1990s, destination marketing and branding focused on promoting destinations through image building and measuring tourist perceptions. Creating a differentiating element in the destination becomes crucial to enhance its image and relevance in the marketplace. Destinations strive to offer unique attractions to compete effectively, as attractions are significant determinants of competitiveness. Destination branding is a vital marketing tool for destinations to create a positive image, differentiate themselves, and attract tourists. It requires careful consideration of the complex nature of destinations, the engagement of stakeholders, and the delivery of unique experiences to customers. Effective destination branding contributes to the competitiveness and success of destinations in the tourism industry.

**Tourism and Entrepreneurship**

Tourism and entrepreneurship have gained significant attention in recent literature (Fakokunde, Ajayi & Abiola-Oke, 2020). Both concepts play crucial roles in mutual development. Tourism involves the movement of individuals for leisure or business purposes, satisfying the needs of tourists at various destinations (Holloway, 2009). Aziri and Nedelea (2013) define tourism as an activity that encompasses both service providers and those seeking services, with tourists having the willingness and capability to pay for these services. Thus, tourism has the potential to empower communities and serves as a key driver of economic development in developing countries (Taskov et al., 2011).

Entrepreneurship, as described by Hisrich, Peters, and Shepherd (2007), involves recognizing and pursuing opportunities in risky ventures. Fakokunde (2017) expands on entrepreneurial practices, encompassing individuals who leverage their skills and available resources to seize business opportunities. Given the economic impact of tourism, it has become a prominent sector for employment creation, offering opportunities for individuals to become employers themselves. As people travel to tourist destinations, they require various services and products, leading to the establishment of service providers and fostering innovation in service delivery. To cater to the growing demand, it is essential to increase the number of indigenous tourism entrepreneurs (Cmogaj et al., 2014).

Tourism entrepreneurship has gained prominence in the tourism sector, paralleling its importance in other sectors (Çalkın & Işık, 2017), given the high dependence of tourism on entrepreneurship for survival (Cmogaj et al., 2014). Entrepreneurship is increasingly recognized as a strategy for economic development, with many countries supporting the startup of new businesses within the tourism industry (Johannesson & Huijbens, 2010; Solvoll, Alsoc, & Bulanova, 2015). The tourism industry encompasses a diverse range of businesses that cater to tourist satisfaction, requiring the provision of various services (Lordkipanidze, 2002). These services include transportation, hotels, catering, travel agencies, tour operators, entertainment activities, arts and crafts, sports tourism, and zoos and botanical gardens (Rusu, Milin, & Isac, 2017). Tourism entrepreneurship involves public and private organizations actively developing, producing, and marketing products and services to meet tourist needs (Saayman & Slabbert, 2001).
Small businesses play a significant role in destination development (Taskov et al., 2011). Ajake (2015) emphasizes that these organizations aim to create awareness of their country's tourism market and attract visitors through effective marketing strategies. Small businesses constitute a significant portion of enterprises in the European Union (EU), ranging from 97% in Germany to nearly 100% in Greece (Iuliana, Iordache, & Sirbu, 2016). These small businesses contribute between 40% and 60% of total employment in the EU (Iuliana, Iordache, & Sirbu, 2016). Large enterprises, with 250 or more employees, represent less than half a percentage of all EU enterprises (Iuliana, Iordache, & Sirbu, 2016).

Overall, the interplay between tourism and entrepreneurship holds immense potential for economic growth, job creation, and the development of tourist destinations. Ryan, Mottiar, & Quinn (2012) investigate the role of entrepreneurs in developing tourism destinations through a case study of Killarney, Co. Kerry, Ireland. Kerry, please. The case argues that entrepreneurs are key ‘tourism influential’ who are highly influential at specific times, inherently dynamic, and capable of having long-term effects on shaping a destination's fortunes over time. Their study, therefore, brings out the relationship between tourism and entrepreneurship.

### Destination brand image and entrepreneurial development

The presence of entrepreneurs in tourist destinations, regardless of the size of their businesses, plays a crucial role in fostering tourism development and generating economic impact. Mazumder et al. (2012) highlights the significant contribution of tourism-based development to the Gross Domestic Product (GDP) of both developed and developing economies. This aligns with the assertion made by Eadington & Redman (1991) that tourism is one of the world's most essential and rapidly expanding sectors, experiencing growth at a faster pace compared to other industries.

Carvalho & Sardinha (n.d.) emphasise the benefits of entrepreneurship in the tourism sector for local communities. These include the creation of jobs, particularly for vulnerable groups such as women and ethnic minorities, the establishment of new local enterprises, increased incomes and improved quality of life, the development of a skilled local workforce, investments in infrastructure, opportunities for marketing local products, environmental regeneration, and the promotion of local identity and ecological sustainability. Successful entrepreneurial enterprises, as highlighted by Erenkol & Oztas (2015), have the potential to create unique brands, innovative differentiators, and customer awareness, positioning themselves prominently among competitors. Furthermore, Ajake (2015) underscores the value of tourism as a catalyst for development, facilitating international integration within regions like the European Union (EU) and driving modernisation, economic growth, and prosperity, particularly in emerging and developing countries. These insights underscore the significance of entrepreneurship in the tourism sector as a driver of economic development, job creation, and overall prosperity. As destinations leverage the potential of entrepreneurship, they can capitalise on the unique advantages offered by tourism, promote sustainable growth, and maximise the positive impact on local communities and economies.

### Methodology

The study used a quantitative research approach to understand further the effect of destination brand image on entrepreneurial development. A questionnaire for a survey was created, combining recognised measuring scales and customised for the South-West region of Nigeria. The survey included questions about the aspects of destination brand image, determinants of entrepreneurial development, and demographic data about the respondents. Participants were chosen using a purposive sampling technique from the South-West region's tourism host villages. The sample size was calculated using the Raosoft sampling tool to verify statistical validity, yielding 1530 people. 1008 responses to the questionnaires that were distributed were gathered for examination. The gathered data underwent thorough statistical analysis utilising a variety of methods.

### Reflective measurement model

Table 1 summarises the measurement assessment for constructs related to destination brand image (DBI, DBP, DBAB, DBA, and DBCB) and entrepreneurial development (ED). The key metrics include Cronbach's Alpha, rho_A, Composite Reliability, and Average Variance Extracted (AVE). Overall, the constructs demonstrate good internal consistency and reliability, as indicated by high values of Cronbach's Alpha (ranging from 0.732 to 0.887) and rho_A (ranging from 0.731 to 0.893). The Composite Reliability values (ranging from 0.849 to 0.917) also indicate good internal consistency. Additionally, the constructs show satisfactory levels of convergent validity, as reflected by the Average Variance Extracted values (ranging from 0.614 to 0.689). This suggests that the constructs capture a significant portion of the variance in the underlying latent constructs. The measurement assessment confirms the reliability and validity of the constructs related to destination brand image and entrepreneurial development, providing a solid foundation for further analysis and interpretation of the study's findings.
Table 1: Internal Consistency and Convergence Results for the effect of destination brand image on entrepreneurial development

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBI</td>
<td>0.846</td>
<td>0.855</td>
<td>0.889</td>
<td>0.616</td>
</tr>
<tr>
<td>DBP</td>
<td>0.871</td>
<td>0.877</td>
<td>0.906</td>
<td>0.658</td>
</tr>
<tr>
<td>DBAB</td>
<td>0.887</td>
<td>0.893</td>
<td>0.917</td>
<td>0.689</td>
</tr>
<tr>
<td>DBA</td>
<td>0.851</td>
<td>0.856</td>
<td>0.893</td>
<td>0.626</td>
</tr>
<tr>
<td>DBCB</td>
<td>0.845</td>
<td>0.861</td>
<td>0.888</td>
<td>0.614</td>
</tr>
<tr>
<td>ED</td>
<td>0.732</td>
<td>0.731</td>
<td>0.849</td>
<td>0.652</td>
</tr>
</tbody>
</table>

Source: Field Survey (2021)

Table 2 provides the results of two criteria for assessing the discriminant validity among the constructs: the Fornell-Larcker Criterion and the Heterotrait-Monotrait (HTMT) Criterion. According to the Fornell-Larcker Criterion, which compares the correlations between constructs with their respective Average Variance Extracted (AVE) values, all constructs demonstrate discriminant validity. This indicates that the constructs are distinct and measure unique aspects of the variables under investigation. Similarly, based on the HTMT Criterion, which compares the correlations between constructs with a threshold of 0.85, all constructs exhibit discriminant validity. This further supports the notion that the constructs are distinct and do not overlap significantly. Both the Fornell-Larcker Criterion and the HTMT Criterion confirm that the constructs in the study have discriminant validity, reinforcing the idea that they represent distinct aspects of the variables being measured.

Table 2: Discriminant Validity for the effect of destination brand image on entrepreneurial development

<table>
<thead>
<tr>
<th></th>
<th>DBI</th>
<th>DBP</th>
<th>DBAB</th>
<th>DBA</th>
<th>DBCB</th>
<th>ED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fornell-Larcker</td>
<td>0.785</td>
<td>0.588</td>
<td>0.648</td>
<td>0.645</td>
<td>0.656</td>
<td>0.359</td>
</tr>
<tr>
<td>DBI</td>
<td>0.785</td>
<td>0.588</td>
<td>0.648</td>
<td>0.645</td>
<td>0.656</td>
<td>0.359</td>
</tr>
<tr>
<td>DBP</td>
<td>0.588</td>
<td>0.746</td>
<td>0.783</td>
<td>0.800</td>
<td>0.733</td>
<td>0.398</td>
</tr>
<tr>
<td>DBAB</td>
<td>0.648</td>
<td>0.746</td>
<td>0.783</td>
<td>0.800</td>
<td>0.733</td>
<td>0.398</td>
</tr>
<tr>
<td>DBA</td>
<td>0.645</td>
<td>0.783</td>
<td>0.800</td>
<td>0.791</td>
<td>0.769</td>
<td>0.351</td>
</tr>
<tr>
<td>DBCB</td>
<td>0.656</td>
<td>0.737</td>
<td>0.733</td>
<td>0.791</td>
<td>0.784</td>
<td>0.406</td>
</tr>
<tr>
<td>ED</td>
<td>0.359</td>
<td>0.269</td>
<td>0.398</td>
<td>0.351</td>
<td>0.406</td>
<td>0.808</td>
</tr>
<tr>
<td>HTMT Criterion</td>
<td>0.685</td>
<td>0.745</td>
<td>0.848</td>
<td>0.921</td>
<td>0.898</td>
<td>0.499</td>
</tr>
</tbody>
</table>

Source: Field Survey (2021)

Structural model

Based on the reflective measurement model assessment, all constructs exhibited satisfactory quality, indicating the suitability for the structural model analysis. Variance inflation factor analysis was conducted to assess collinearity, and all values were below the threshold of 5, indicating the absence of collinearity issues. Table 3 presents the results of the path coefficient significance test, specifically examining the relationship between destination brand image and entrepreneurial development. The data reveals a significant and robust relationship between Destination Brand Image (DBI) and Entrepreneurial Development (ED). The observed relationship aligns with the sample mean, while the standard deviation represents the variability within the sample. The T statistics, with a high value, suggests a strong relationship, and the p-value is minimal (0.000), indicating statistical significance.

The findings support the assertion that destination brand image significantly influences entrepreneurial development in tourism gateway communities. The low p-value of 0.000 indicates that entrepreneurial activities in these tourist destinations also increase as the destination brand image improves. This implies that a positive perception of the destination attracts more visitors, leading to an increased demand for services and entrepreneurial opportunities at both small and large scales. To fully realise the benefits associated with tourism, Nigeria must prioritise and elevate the national economy’s tourism sector, as Ajoa (2012) emphasised. By doing so, the country can tap into the potential of destination brand image and foster entrepreneurial development in tourism gateway communities.
Table 3: Path Coefficient of destination brand image on entrepreneurial development

| Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|---------------------|----------------|---------------------------|--------------------------|----------|
| DBI -> ED           | 0.406          | 0.409                     | 0.030                    | 13.627   | 0.000    |

Source: Field Survey (2021)

Hypothesis Testing

Ho1  Destination brand image has no significant effect on the entrepreneurial development of tourism destinations in the South-west region of Nigeria

The results from Table 4 provide strong evidence to reject the null hypothesis (Ho1) that Destination Brand Image (DBI) has no significant effect on the entrepreneurial development of tourism destinations in the South-west region of Nigeria. The findings demonstrate that DBI significantly and positively impacts entrepreneurial development. The analysis reveals that DBI explains 16.4% of the variation in entrepreneurial development. A unit increase in DBI corresponds to a 0.406 increase in entrepreneurial development. The standardised beta (β) of 0.409 confirms a direct and positive relationship. The t-statistic (13.627) and p-value (0.000) indicate that DBI significantly predicts entrepreneurial development. Consequently, the alternate hypothesis is accepted, indicating that DBI significantly affects entrepreneurial development in host tourism communities. The implication is that a positive brand image leads to increased entrepreneurial activities, resulting in economic growth for the destinations.

Table 4: Interaction between Destination Brand Image and Entrepreneurial Development

<table>
<thead>
<tr>
<th>Variables</th>
<th>Entrepreneurial Development</th>
<th>T-stat</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Destination brand Image</td>
<td>B</td>
<td>SE</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>.406</td>
<td>.030</td>
<td>.409</td>
</tr>
<tr>
<td>Adj R²</td>
<td>.164</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F2</td>
<td>0.197</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P-Value</td>
<td>(.0000)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey (2021)

Path Analysis

The path analysis conducted reveals that destination brand association is the most significant driver of entrepreneurial development in tourism destinations. These findings align with the emphasis of Vallaster and Lindgreen (2011) on the role of brand image in fostering entrepreneurial behavior in small and medium enterprises. Mason and Holtz (2017) also support the notion that brand image significantly influences the growth of young firms. It is crucial to enhance destination branding efforts to promote entrepreneurial activities in specific tourist destinations. Additionally, individuals should engage in innovative activities in areas where tourist branding is vital. Destination brand image serves as a marketing tool to showcase a destination's unique offerings compared to other destinations.

The path analysis achieved a good fit with the data, as evidenced by the goodness-of-fit statistics (X²=438.245, df=166, p=.000; GFI=.90; RMSEA=.06; IFI=.97; CFI=.98). Among the dimensions of destination brand image, brand association emerges as the most significant measure. Regarding entrepreneurial development, the absence of stringent rules for business establishment in the destination holds more weight than other measures. The brand association also plays a significant role in measuring the effect of destination brand image on entrepreneurial development. Considering the theory of customer-based brand image, a destination needs to deliver the expected value to visitors to shape their perception of the brand (Keller, 1993). Thus, both brand image and entrepreneurial development are crucial in destination promotion. A positive destination image attracts more visitors, and maintaining this positive image is achieved through delivering quality services that meet tourist needs. Consequently, entrepreneurs play a vital role in providing various attractions and contributing to the overall attractiveness of the destination. As a destination develops and establishes a more positive image, it becomes increasingly appealing to tourists, creating opportunities for business-oriented individuals.

The Path Analysis Showing the Interaction Between Destination Brand Image and Entrepreneurial development
Conclusion

The relationship between tourism and entrepreneurship has garnered significant attention in the literature. Tourism, characterised by leisure travel and providing services to tourists, is pivotal in driving economic development and transformation in developed and developing countries. On the other hand, entrepreneurship involves taking advantage of business opportunities and pursuing risky ventures. Previous studies' findings highlight entrepreneurship's importance in the tourism sector and its positive impact on employment generation and economic growth. Small businesses, which constitute a significant portion of tourism enterprises, contribute significantly to developing tourist destinations. They create employment opportunities, stimulate innovation, and contribute to tourists' overall satisfaction.

Destination branding also plays a crucial role in entrepreneurial development within the tourism industry. A positive destination brand image can attract more tourists and increase entrepreneurial activities. The presence of entrepreneurs, regardless of business size, contributes to tourism development by meeting the diverse needs of tourists and fostering economic growth. Tourism entrepreneurship is a strategy for economic development, particularly in less developed regions. Governments and policymakers recognise the potential of entrepreneurship in driving tourism growth and therefore support establishing new businesses within the tourism industry. In summary, the symbiotic relationship between tourism and entrepreneurship underscores the significance of fostering entrepreneurship in the tourism sector. It contributes to economic development and job creation and enhances the overall tourism experience. Therefore, promoting entrepreneurship and cultivating a positive destination brand image is crucial for sustainable tourism development and the economic well-being of tourist destinations.

Future research should explore innovative destination marketing and branding strategies, considering evolving consumer preferences and technological advancements.

References


