

The Mediating Influence of Nation Brand Image in the Relationship between Tourism and Hospitality Attributes and Behavioural Intention

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Abstract: Although past studies indicate the relationships of experience-based industry with nation brand image (NBI), only a few studies have been carried out in the context of emerging nations. In addition, among other sub-domains of place branding, NBI is considered as the least explored. This article reports on research carried out in Indonesia which examines the mediated effect of Indonesia's NBI on tourists' behavioural intention. Data collected from a survey of overseas tourists to Indonesia was analysed by Baron and Kenny's four-step mediation test. Further, the Sobel test was used to determine the significance of the z value. The findings demonstrate partial mediation of NBI on the relationship between tourism and hospitality components and behavioural intention. Overall, the findings can be used for planning and developing brand image for a nation. This study is also consistent with past studies that allude superior positioning of experiential consumption, and the strong positioning of NBI perspectives in place branding domain.

Key words: Behavioural intention, Indonesia, mediated effect, nation brand image, tourism and hospitality components.

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Introduction

Mainstream research into the nature of tourism as an experience-based industry indicates the intertwining of the perceived Nation Brand Image (NBI) and its implications for behavioural intention (BI). Related research investigates tourism as a control variable of product-country image, examining the tourism components of a destination in a national context. Such research in the context of tourism shows that the product-country image is developed by an attitude-theory framework which contributes to travel intention (Nadeau, Heslop, O' Reilly & Luk, 2008; Prayag, 2009). In addition, a review of the literature shows that this is relatively close to the idea of examining tourism in the context of a nation, indicating the intertwined variables of tourism as an industry and nation building (Adams, 1998); and of examining nation branding in which tourism is implicitly mentioned in relation to nation building (Jordan, 2014). In the context of ASEAN, past studies on nation branding showed the intertwining of the integrated marketing communications and national dimensions i.e. export promotion organisations, investment agencies, national tourism organisations (Dinnie, Melewar, Seidenfuss

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& Musa, 2010). Further, examination on the less-favourable image of sex tourism indicates the weakening of NBI (Nuttavuthisit, 2007). However, there seem to be limited studies investigating the tourism components of a destination in the context of NBI.

NBI, which is derived from the branding-the-nation domain, calls for more research not only to better understand its perspective but also to test the relationship between visitors' experience and their BI. Implicitly, while past studies concluded that the brand image of a nation can be perceived as based on that nation's people and culture (O'Shaughnessy & O'Shaughnessy, 2000), personification of NBI can be adapted according to the research conducted by d'Astous and Li (2009). Thus, building on the conceptualisation of NBI offered by Handayani and Rashid (2013) and the work of d'Astous and Li (2009), measurement of NBI is determined according to personality traits. These personality traits are used to personify a nation's profile. They are derived from tourists' post-visit experience that emerges as a set of associations about a nation. Further, as Handayani and Rashid (2013, 2015), Olins (2014), and Brooks (2004) alluded that tourism as experience-based industry would not only potentially generates Gross National Income (GNI) but may also stimulate other national dimensions and strengthen NBI formation, which at the end may emerge as nation brand equity. For that reason, it is postulated that while post-visit experience would influence the magnitude of NBI formation, NBI could mediate the relationship between tourism and hospitality attributes and BI (Buttle, 2008).

To date, the literature indicates increasing interest in place branding, expanding into brand as an asset, i.e. brand equity in topical areas such as brand endorsement (Aaker & Keller, 1990); brand extensions (Park, Sandra & Robert, 1991); brand equity (Keller, 1993); brand architecture (Aaker & Joachimsthaler, 2000); and brand identity (Kapferer, 1997). This brand equity indicates the values of brand, and in the context of nation branding is examined by Song and Sung (2013). They suggest government competencies, people/events, natural features, pop culture and arts/history as antecedents of nation brand personality that can be seen as the essence of symbolisation through the media, i.e. public relations and/or advertising. Likewise, in the context of NBI, which is in this sense conceptualised as the idea of giving a brand image to a nation (Handayani and Rashid, 2013), it is arguably a potential trigger for overseas tourists' BI. Tourism as an experience-based industry is also believed not only to shape NBI but also predicts tourists' BI (Dinnie, 2008; Fanning, 2011; Handayani & Rashid, 2015; Kemming & Sandikci, 2007). Moreover, tourism as an experience-based industry is also believed to stimulate other national dimensions such as foreign direct investment (FDI), which may be beneficial to inhabitants and the overall environment (Anholt, 2007; Ashworth, Kavaratzis & Warnaby, 2015; Brooks, 2004; Dinnie, 2008; Fanning, 2011; Kotler & Gertner, 2002; Olins, 2002, 2014; O'Shaughnessy & O'Shaughnessy, 2000) and can be considered as the first industry to introduce a nation's profile (Brooks, 2004). In this vein, tourism as an experience-based industry may not only brings happiness and satisfaction to people's live (Gilovich, Kumar & Jampol, 2015; Gilovich & Kumar, 2015; Kumar, Killingsworth & Gilovich, 2014) but also may emerge as nation brand equity (Buttle, 2008).

Further, image may influence travel flow (Mohamed, 2002) and tourists' actual experience may influence the formation of image (Kayat & Hai, 2014). From a broader perspective, reviewed literature indicates the possibility of utilising Keller's brand image theory for NBI formation (Handayani & Rashid, 2013). Thus past studies that consider tourists' actual experience and the role of image influencing travel flow indicate the superior positioning of tourism and hospitality attributes as an experience-based industry. Presumably, this leads to NBI formation and acceleration. Therefore, it can be inferred that actual experience of visits could be used

as a predictor of NBI formation, while it may also influence tourists' BI. For this reason, this study aims to examine the mediating role of NBI on overseas tourists' BI.

The structure of this study is as follows. First, a literature review of the study variables, data collection and its methodology, and data analysis are outlined. In the next section, research findings which result from exploratory factor analysis of the study variables, the result of mediation model estimation, and concluding remarks are presented. Finally, theoretical and managerial implications, limitations of the study, and recommendations for further research are discussed.

Literature Review and Hypothesis

Research into NBI involves international politics (Kemming & Sandikci, 2007) and national valuable assets (Fanning, 2011). Essentially, Fanning's work, which identifies tourism as a valuable asset, is similar to previous studies that also mentioned tourism as one of the dimensions that may give brand image to a nation (Anholt, 2007; Dinnie, 2008). Even though particular researchers employ the term 'nation brand image' in conjunction with tourism as national valuable assets (Fanning, 2011; Kemming & Sandikci, 2007), specific research that demystifies the tourism dimension as national valuable assets in the context of the NBI of emerging nations seems to be limited. Related works merely offer conceptual studies (Handayani & Rashid, 2013). In other words, there seem to be few studies that discuss the idea of tourism as predictor for NBI formation. This evidently indicates the current state of theoretical issues, opening room for enriching the body of knowledge.

Further, the proliferation of place branding (Hanna & Rowley, 2008) is seen as widening the domain of place marketing (Gold & Ward, 1994; Kotler, Haider & Rein, 1993; Keller, 1993; Ward, 1998). Nation branding which generates NBI is less explored, particularly in terms of NBI formation in conjunction with experience-based industry. As a result, NBI formation has become an issue in the place-branding domain in general and nation branding in particular.

Arguably, NBI in nation branding (and/or branding the nation) plays an important role that would not only establish a nation's positioning in the global market but also amplify the international public's BI and stimulate other national dimensions such as export, and FDI (Anholt, 2007; Dinnie, 2008; Kotler & Gertner, 2002; Olins, 2002, 2014; O'Shaughnessy & O'Shaughnessy, 2000). The literature also acknowledges the significant relationship between tourism and hospitality performance as an experience-based industry with future intention, e.g. intention to revisit and/or intention to recommend (Hui, Wan & Ho, 2007; Kozak & Rimmington, 2000; Rashid, 2013; Weber, 1997); and suggests that post-consumption evaluation in general would influence consumers' behavioural responses in terms of repeat purchase, word-of-mouth (WOM) publicity, and loyalty (Anderson & Sullivan, 1993; Cronin & Taylor, 1992; Halstead, Hartman & Schmit, 1994; Liljander & Strandvik, 1995; Yoon & Uysal, 2005). However, NBI can only be impactful when it is attached to a favourable set of associations. Presumably, the set of associations is the essence of NBI formation. In this sense, a set of associations can be derived from post-visit experience, which is translated into a personality-traits scale (d'Astous and Boujbel, 2007; d'Astous & Li, 2009). For this reason, it is profoundly important to research the potential national dimension that may be a trigger for NBI formation.

Tourism and hospitality attributes are believed to be elements that give brand image to a nation (Anholt, 2007; Dinnie, 2008; Olins, 2014). According to the literature, tourism and hospitality is considered as an experience-based industry and also as a multi and/or interdisci-

plinary field of study (Tribe, 1997, 2009). In this sense, tourism and hospitality performance could lead to BI as a consequence of consumers' behavioural response, specifically in terms of repeat purchase, WOM publicity and loyalty.

Tourists' BI in this research, which takes Indonesia as a case study, is defined as post-visit reaction in terms of willingness to revisit and willingness to recommend adapted from previous studies (Bigne, Sanchez & Sanchez (2001); Kozak & Rimmington (2000); Petrick, Morais & Norman (2001); Rashid (2013)). It is measured by five questions:

1. Likelihood of mentioning positive things about Indonesia to others?
2. Likelihood of selecting Indonesia as your tourist destination in future?
3. Likelihood of encouraging other people to visit Indonesia?
4. Likelihood of revisiting Indonesia in the future, given the opportunity?
5. Likelihood of recommending Indonesia to others?

In terms of its impact as an industry, tourism has been examined in interdisciplinary studies (Tribe, 1997, 2009), which reveals the implications for human behaviour as seen from anthropology (Selwyn, 1996), sociology (Meethan, 1996), geography (Draper & Minca, 1997; Gould & White, 1992); semiotics (Stenberg, 1997) and tourism marketing (Gunn, 1972); tourism from marketing communication perspectives (Pike, 2004; Dinnie *et al.*, 2010 Morgan & Pritchard, 1999) and destination positioning or the destination selection process (Gallarza, Saura & Garcia, 2002; Morgan, Pritchard & Piggott, 2002a; Morgan, Pritchard & Pride, 2002b). However, there seem to be few studies that link the attributes of tourism and hospitality performance with NBI formation. In this case, research that examines the intertwining of the attributes of tourism and hospitality with NBI formation would be beneficial, enriching the body of knowledge as well for managerial practice.

In general, tourism and hospitality can be grouped into several attributes: attractions (natural attraction and man-made), hospitality and service, superstructure and infrastructure (Carlsen, 1999; Formica, 2002; Gunn & Var, 1994; Mill & Morison, 2002; Smith, 1994; Weaver & Lawton, 2006). These attributes are elements assessed by overseas tourists. In this sense, tourism as an experience-based industry in this research context is measured by performance. It is therefore appropriate to propose tourism as a predictor for NBI formation and BI.

Based on this review of the literature and the results of the exploratory factor analysis, the hypothesis to be tested is as follows:

NBI would mediate the relationship between the performance of tourism and hospitality attributes and BI.

Data Collection and Methodology

Bali, Yogyakarta and Jakarta were chosen as the research areas, as they are the most visited destinations of overseas tourists to Indonesia. The survey was conducted in the departure halls of international airports, and 384 questionnaires were completed. The SPSS statistical package was used to analyse the data. In addition, Baron and Kenny's four-step mediation test (1986) and Sobel's test (1982) were utilised to determine the significance of the z value test.

According to Baron and Kenny (1986), testing mediation requires a four-step approach using a series of regression analyses. At each step, the significance of the coefficient and the standard errors are examined. Figure 1 signifies the four steps suggested as follows:

1. Carry out a regression analysis with X predicting Y (path c). This will show whether the independent variable is correlated with the outcome.
2. Carry out a regression analysis with X predicting M (to test for path a) to establish the correlation between the independent variable and the mediator.

3. Carry out a regression analysis with X and M predicting Y to test the significance of path b. In this step, the effect of X and M predicting Y tests the significance of path b. In other words, the effect of M on Y is estimated, while X is controlled.
4. If M completely mediates the relationship of X and Y, then the effect of X on Y controlling for M should be zero. In this sense, full mediation is present if variable X no longer affects Y after the mediator (M) has been controlled; thus, path c is zero.

Partial mediation occurs when the path from X to Y (path c) is reduced but is still different from zero when the mediator is controlled. This means that full mediation occurs if path c is insignificant. However, if path c is reduced but still significant, partial mediation occurs.

In determining the significance of the z value test, the most commonly used and highly recommended method of computing the z value is that proposed by Sobel (1982). The z equation is: $z\text{-value} = a*b/\text{SQRT}(b^2*sa^2 + a^2*sb^2)$, where a*b is the size of the indirect effect; b2 signifies the unstandardised coefficient for path b (in Figure 1), a2 represents the square of the unstandardised error for the coefficient for path a (in Figure 1), sa2 is the square of standard error for path b. Successively, the significance of the z test is determined by a value larger than 1.96 in the absolute value, which is significant at the 0.05 level. Sobel's test is available in numerous statistical websites. Similarly, the p-value can be calculated online (e.g. p-value: <http://quantpsy.org/sobel/sobel.htm>)

In terms of factor loading, Field (2009) points out that with a sample size of 300 it should be greater than .298 to be considered significant. This is in line with the literature which suggests a minimum factor loading of .30 to .40 for factor analysis as acceptable (Cudeck & O'Dell, 1994; Asparouhov & Muthen, 2008; Schmitt & Sass, 2011). For this reason, some of the factor analysis findings in this research which generate a loading of .40 are considered acceptable.

Data Analysis

Although a preliminary analysis revealed no missing data, there were 37 cases of outliers which have been treated by Mahalanobis distance. In order to have sufficient data, these 37 cases were treated by the normality method, checked through a threshold of Mahalanobis distance value of more than the χ^2 value ($\chi^2 = 101.879$; $n = 75$, p value = 0.05). Therefore, the number of questionnaires used for further analysis remained at 384.

Socio-demographic information comprises age groups, gender, marital status, length of visit, and travel companion. Specifically, the age groups are categorised into tourists below 20 year-old; 21 to 30 year-old; 31-40 year-old; 41-50 year-old, and 51 year-old or above. Gender is clearly female or male, and marital status is classified into single, married, divorced, widow/widower. In terms of length of visit, this variable was controlled at a minimum of two nights, then 3-4 nights, 5-7 nights and more than 7 nights. The information about travel companion is grouped as follows: travel with family with children; with partner/spouse; with friends; with parents; and travel alone. The last item is related to information about nationality.

The statistical frequencies reveal a slight majority of respondents who are female (50.8%) and single (71.9%). In terms of age group, the majority of respondents are aged 21-40 year-old, with the largest single group (57.0%) being 21-30 year-old, and followed by 16.7% of 31-40 year-old. More than sixty percent (66.7%) of the respondents visited the destination for more than 7 nights, 14.8% for 5-7 nights, and 12.5% for 3-4 nights. In terms of travel companion, 37.5% were travelling with partner/ spouse; 31.8% with friend; 13.5% with children; 12.5% alone; and 4.7% with parents.

Findings and Discussion

Behavioural Intention

BI in this study is identified as the intention to speak positively, to choose the destination in the future, to encourage other to visit, to revisit, or to recommend the destination to others. The result of the factor analysis reveals that the KMO of this variable is .809. A single factor is generated with reliability (α) .893. This indicates that BI reliability and validity are good. Among the five items rated by respondents, the intention to select Indonesia as the next tourist destination has the lowest loading (.794). This is in line with the reviewed literature that stated tourists would prefer to explore different destinations (Jang & Feng, 2007). In other words, tourists tend to select new destinations for their next holiday. On the other hand, the intention to recommend to others has the highest loading, followed by intention to encourage to visit, intention to revisit if the opportunity arises, and intention to mention positive things to others. The factor loadings are .898; .870; .845; .829 respectively. In sum, the BI factor analysis indicates that this variable is suitable for further analysis.

Nation Brand Image

As discussed in the reviewed literature, NBI essentially relies on the association with a nation's people and its culture (O'Shaughnessy & O'Shaughnessy, 2000). Technically, the nation's people and culture are elements of assessing NBI formation. Furthermore, adoption of the review literature suggests personality traits with which to score the people and culture (d'Astous & Boujbel, 2007; d'Astous & Li, 2009; Gertner, 2011; Hakala *et al.*, 2013). Eighteen sets of statements concerning the people and culture are used to scale NBI formation.

The PCA reveals the KMO is .895 with each factor's reliability 0.871 and 0.725 respectively. The factor loading range is above .430 to .744 with 13 items rotated into factor 1 (NBI-people) and 5 items into factor 2 (NBI-culture). As observed in the factor loading section, a few items (such as helpful nation and friendly nation) have complex structures which cross-loaded more than one component. Referring to the value of the loading, clearly these two items should be considered as part of factor 1 (NBI-people).

Religious nation is loaded 74.4% (in NBI-culture) and spiritual nation 70.8% (NBI-culture); traditional nation is loaded 64.8% in factor 2 (NBI-culture) followed by a ceremonious nation (54.9%) and a syncretic nation (53.7%).

Tourism and Hospitality Attributes

The five components of tourism and hospitality attributes are as follows: infrastructure ($\alpha = 0.872$), heritage ($\alpha = 0.846$), hospitality and services ($\alpha = 0.810$), man-made attractions ($\alpha = 0.749$), and natural attractions ($\alpha = 0.702$). Natural attractions only consist of three components, while the factors loading of heritage components is at the level of 'moderately good' and the hospitality and service factors are 'rather good'. This result reveals that attractions consist of man-made and natural attractions. This is in line with the reviewed literature which argues that attractions could be placed in the same category or separated into two components. KMO for this variable is considered good with .886 with the cumulative variance 55.58%.

The predictor of this study therefore consists of five components. Accordingly, the hypotheses to be tested are as follows:

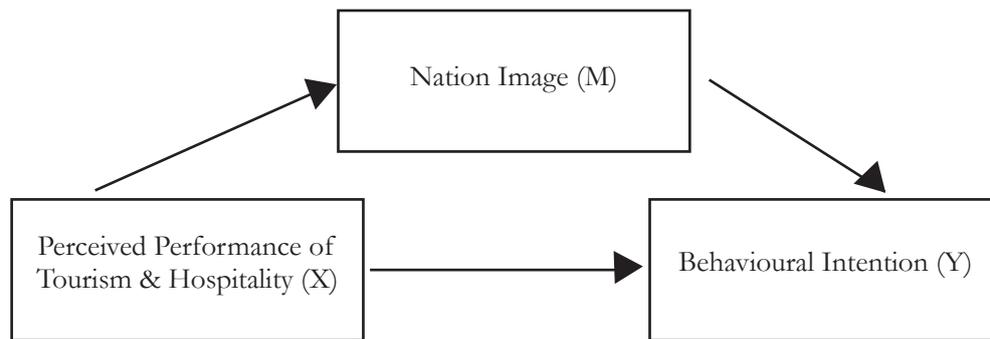


Figure 1. Mediated effect of perceived NBI on the relationship between tourism & hospitality attributes and BI

- Hypothesis 1:** Perceived performance of NBI would mediate the relationship between infrastructure performance and BI.
- Hypothesis 2:** Perceived performance of NBI would mediate the relationship between heritage performance and BI.
- Hypothesis 3:** Perceived performance of NBI would mediate the relationship between hospitality & service performance and BI.
- Hypothesis 4:** Perceived performance of NBI would mediate the relationship between man-made attractions performance and BI.
- Hypothesis 5:** Perceived performance of NBI would mediate the relationship between natural attractions performance and BI.

The model to be tested is as shown in Figure 1.

Result of Mediation Model Estimation

The regression analysis demonstrates only heritage, service and hospitality and natural attractions as significant for BI. The other two attributes are therefore inappropriate for further analysis. In addition, the result indicates R-square of NBI-people = .311 with $F = 30.811$ and $p < .001$. This means, 31.1% of variance in the model (NBI-people). On the other hand, the NBI-culture model fit is .269 with $F = 7.150$ and $p < .001$, which suggests that NBI-culture as a mediator variable is explained by 26.9% of the variance in the model.

These results indicate that the coefficients of heritage, service and hospitality and natural attractions are reduced after NBI-people and NBI-culture are included. Specifically, the direct path of heritage is reduced from .026 to .019 after the inclusion of NBI-people. Likewise, hospitality and service is reduced from .082 to .042 after the inclusion of NBI-people on the relationship perceived performance of hospitality & service and BI; and direct path of natural attraction on BI is reduced after inclusion of NBI-people (.107 to .090). This means the NBI-people function in these relationships is one of partial mediation.

Furthermore, the regression results of NBI-culture as mediator of tourism and hospitality and BI show that after inclusion of NBI-culture, the direct path in the relationship of perceived performance of heritage and BI is reduced (.026 to .019). Likewise, the relationship

Table 1. Mediated effect of perceived performance of tourism and hospitality attributes on BI

Variables	Behavioural Intention					
	Unstandardised Coefficients			Unstandardised Coefficients		
	NBI-People			NBI-Culture		
	B	Sig.	VIF	B	Sig.	VIF
Constant	1.114	.000		1.137	.000	
Infrastructure	-.007	.211	1.433	.002	.728	1.346
Heritage	.024	.004	1.479	.021	.023	1.594
Service & Hospitality	.048	.003	1.691	.073	.000	1.502
Man-Made Attractions	-.021	.113	1.373	-.012	.362	1.347
Natural Attractions	.090	.000	1.243	.099	.000	1.251
		R = .558b			R = .518b	
		R Square = .311			R Square = .269	
		F = 30.811			F = 7.150	
		p < .001			p < .001	

Table 2. Regression result of NBI-people as mediator of perceived performance of tourism hospitality and BI

Perceived Performance of Attributes	Path	Coefficients B	Std. Error	t	Sig
Heritage	Direct (YX)	.026	.008	3.139	.002
	Path a (MX)	.237	.071	3.358	.001
	Path b (YMX)	.041	.005	7.651	.000
	Path c (YXM)	.019	.008	2.322	.021
Hospitality & services	Direct (YX)	.082	.014	5.835	.000
	Path a (MX)	1.327	.121	10.980	.000
	Path b (YMX)	.041	.005	7.651	.000
	Path c (YXM)	.042	.016	2.725	.007
Natural Attractions	Direct (YX)	.107	.024	4.469	.000
	Path a (MX)	.575	.207	2.781	.006
	Path b (YMX)	.041	.005	7.651	.000
	Path c (YXM)	.090	.023	3.843	.000

of perceived performance of hospitality & service and BI is reduced after inclusion of the mediator variable (.082 to .073); and coefficient beta of natural attraction on BI is reduced after NBI-culture is included (.107 to .096). This result suggests that the mediating effect of NBI-culture on BI is partial.

In terms of the Sobel test, it appears that both NBI-people and NBI-culture produce z values higher than 1.96 and are significant (p values = 0.000). In particular, the result of NBI-people as mediator for relationships of heritage and BI generates z value of 3.09. NBI-people as mediator of hospitality & service produces z value of 6.57 and NBI-people as mediator of natural attraction on BI produces z value of 2.63 (Table 4). Similarly, as depicted in Table

Table 3. Regression result of NBI-culture as mediator of perceived performance of tourism hospitality and BI

Perceived Performance of Attributes	Path	Coefficients B	Std. Error	t	Sig
Heritage	Direct (YX)	.026	.008	3.139	.002
	Path a (MX)	.169	.027	6.143	.000
	Path b (YMX)	.046	.015	3.052	.002
	Path c (YXM)	.019	.008	2.234	.026
Hospitality & services	Direct (YX)	.082	.014	5.835	.000
	Path a (MX)	.218	.047	4.642	.000
	Path b (YMX)	.046	.015	3.052	.002
	Path c (YXM)	.073	.014	5.116	.000
Natural Attractions	Direct (YX)	.107	.024	4.469	.000
	Path a (MX)	.280	.080	3.481	.001
	Path b (YMX)	.046	.015	3.052	.002
	Path c (YXM)	.096	.024	3.975	.000

Table 4. Sobel test-mediated effect of NBI-people on BI

Perceived Performance	Path a		Path b		Mediated effect (a*b)	z	p
	Coefficients	Std. Error	Coefficients	Std. Error			
Heritage Hospitality & services	.237	.071	.041	.005	0.009	3.09	0.001
Natural Attractions	1.327	.121	.041	.005	0.054	6.57	0.000
	.575	.207	.041	.005	0.023	2.63	0.008

5, NBI-culture as mediator for relationships heritage and BI produces z value of 2.75; NBI-culture as mediator for hospitality & service and BI generates z value of 2.56; and NBI-culture as mediator for natural attractions and BI generates z value of 2.30.

This results indicate that the mediating effect of NBI on BI is supported as international publics i.e. tourists nowadays tend to be more utilitarian and more demanding for authenticity, coupled with the zeitgeist that indicates the role of framework of experience and frame of reference of experiential consumption. In other words, it can be inferred that the mediating effect of NBI on BI would indicate the magnitude of framework of experience and frame of reference of experiential consumption, as discussed in review of literature concerning the accumulation of experiential consumption that establishes the magnitude of perceived NBI. As a result, this study supports the conceptualisation of NBI and its perspectives that set out the associations about a nation's name as market offerings and/or a brand, which not only assist a nation's personification but also indicates the proposition of experiential consumption leads to NBI and BI. In addition, this study is in line with other domain which alludes the superior positioning of experiential consumption on pursuing satisfaction and happiness (Gilovich *et al.*, 2015; Gilovich & Kumar, 2015; Kumar *et al.*, 2014), in which at the end would indicate the magnitude of BI.

Table 5. Sobel test-mediated effect of NBI-culture on BI

Perceived Performance	Path a		Path b		Mediated effect (a*b)	z	p		
	Coefficients	Std. Error	Coefficients	Std. Error					
Heritage	.169	.027	.046	.015	0.008	2.75	0.005		
Hospitality & services			.218	.047	.046	.015	0.010	2.56	0.010
Natural Attractions			.280	.080	.046	.015	0.012	2.30	0.018

Theoretical and Managerial Implications

As the results demonstrate, the mediating effect of NBI on the relationship between tourism and hospitality attributes (heritage, hospitality and services, and natural attractions) and BI is significant with partial mediation. Hence, it can be inferred that the NBI plays a role in escalating tourists' BI. Therefore, destination management organisation (DMO) could take components of this research to integrate planning and improve the national positioning in the global market.

As theoretical implications, this study offers evidence for strengthening the robustness of the idea of giving brand image to a nation through an experience-based industry. In addition, NBI in this study provide evidence that application of brand image theory (Keller, 1993, 2003) is more appropriate for describing the multifaceted notion of a nation's profile. In other words, as NBI is developed based on contemporary brand image theory, this study has enriched the immature perspective of NBI in place branding domain and support the other domain which alludes the superior positioning of experience-based industry.

Limitations of the Study and Recommendations for Future Study

As this study utilised a purposive-convenient sampling method, it cannot be generalised outside this setting. To strengthen the robustness of this study's findings and its perspectives, other research areas in Indonesia would be relevant to identify the NBI formation. In addition, other types of tourism e.g. business travel, could be taken as samples for future research, which would also be beneficial from both theoretical and managerial viewpoints.

Conclusion

The result of model estimation indicates that the mediation effect of NBI-people and NBI-culture on the relationships of tourism and hospitality (particularly heritage, service & hospitality and natural attraction) on BI are significant. Specifically, while the coefficients of mediated effect of NBI-people on the relationship of heritage is .024 (sig. 004), coefficients of mediated effect of NBI-people on the relationship of hospitality & service is .048 (sig. = .003); and coefficients of mediated effect of NBI-people on the relationship of natural attraction on BI is .090 (sig. = .000) with R Square = .311. On the other hand, the coefficients of mediated effect of NBI-culture on the relationship of heritage is .021 (sig. 023); hospitality & service is .073 (sig. = .000); and natural attraction on BI is .099 (sig. = .000) with R Square = .269.

The mediated effect of NBI-people on heritage produces z value = 3.09; the mediated effect of NBI-people on hospitality & service produces z value = 6.57; the mediated effect of NBI-people on natural attraction produces z value = 2.63; and the mediated effect of NBI-culture on heritage produces z value = 2.75; hospitality & service produces z value = 2.56; and the mediated effect of NBI-culture on natural attraction produces z value = 2.30 with p -value = .000.

This result suggests that the mediation effect of NBI on BI is significantly influential through predictors, namely heritage, hospitality & service, and natural attraction. As noted, of these three variables, apparently the hospitality & service component has the greatest impact on BI through the mediating effect of NBI. In this case, the result indicates support for accepting hypotheses 2, 3 and 5.

These aspects may lead not only to tourists' BI but also to NBI formation. These propositions have been tested empirically and they are in line with past studies which suggest that tourists' actual experience may play a role in the formation of image. Images derived from experiencing branded market offerings may emerge as NBI when it is embedded with attributes and benefits, i.e. functional, experiential, symbolic and attitude. Therefore, tourists' actual experience may play role in the formation of BI and NBI. Overall, this result supports the literature that points out that tourism and hospitality attributes as an experience-based industry not only plays an important role as the first industry to introduce a nation's profile and contribute to NBI formation for overseas tourists, but also may influence BI.

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