

City Branding Analysis to Pangandaran Regency: A Review from Tourists' Perspective

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— *Review of* —
**Integrative
Business &
Economics**
— *Research* —

ABSTRACT

These days, every city or region has done much marketing effort as one of the ways to elevate the number of visit of tourists. Building a strong positioning and creating innovation different to other cities are some of the ways. It can be realized by applying city branding in city planning. Pangandaran is one of the regions in Indonesia that has high natural and tourism potentials. These potentials become the foundation of a region in doing city branding so the city can achieve brand equity. The aim of this research is to analyze how city branding of Pangandaran is seen from the perspective of its tourists. The method used in this research was quantitative research. The sample of this research was 293 people. The data analysis technique used was the SEM method with the PLS approach. The result shows that attitude has a significant influence directly to brand preference. Brand equity has a significant influence directly to brand preference. Brand image does not have a significant influence directly to brand preference.

Keywords: city branding, brand equity, attitude, brand preference, brand image.

1. INTRODUCTION

A city or region planning which aims at gaining a strong positioning in tourists' mind can be achieved by applying city branding in the planning. City branding is a theoretical and practical approach that is the most accurate according to Kavartzis (2004), moreover if talking about an image of a city (Vermeulen, 2002). City branding has been known since the year of 19s when marketing practices often have done in urban (Ward, 1998). It is done by a city to attract investors, tourists, and community who live in the city to invest (Kotler, et al. 1999) so it can raise the city income to develop way better.

A transition of consumer attraction to a product is no longer through the form of marketing like printed media or TV show (Willmott & Nelson, 2003), but more to seek a memorable experience so the product that has more attraction is more personal, which means more demanding (Schmitt, 1999; Tynan & McKechnie, 2009). Besides, abundant tourism potentials can be a key attraction in performing city branding. One of the regions which has this huge potential is Pangandaran Regency in West Java Province. Pangandaran has lots of tourist destinations and water destinations that are popular with their beautiful panorama and they are like a magnet to attract tourists. They include Pangandaran Beach, White Sand Beach, Batu Karas Beach, and other places.

A judgment or review to a brand basically comes from consumer perspective, so is a tourist destination. Its judgment needs to be based on the tourists who come to Pangandaran

so the positioning is made as in the consumers' mind. Such perspective is seen from the aspect of brand equity owned by Pangandaran so in overall, it can be seen how city branding in Pangandaran is realized.

Theoretically, brand equity is a multidimensional construct formed either from the influence of brand image or an attitude toward a brand (Gomez et al. 2018). These two constructs become the key subjects that need to be observed to see their influence on Pangandaran as a tourist destination. In a research conducted by Gomez et al. (2018); Keller (1993); Faircloth et al. (2001), they see a relationship between attitude toward brand with brand equity existed, not significantly though, has a relationship directly. However, in tourism sector in their previous research, Gomez et al. (2018); Chang & Liu (2009); Gil-Saura et al. (2013); Barreda (2014); Koneenik & Gartner (2007) and Boo et al. (2009) state that brand image has an influence on brand equity in tourism sector. It also has an influence if it is reviewed from the influence between brand equity and brand preference (Cobb-Walgran et al., 1995; Chang & Liu, 2009).

As a popular tourist area in West Java, Pangandaran should keep doing development from various aspects so it forms city branding that is in a line with what is expected by both domestic and foreign tourists. It can be seen from a review done in the brand equity through attitude toward a brand both brand image and brand preference by the tourists in Pangandaran.

2. THEORETICAL REVIEW

City Branding

Literature in marketing is getting wider, not only discussing how to market a brand but also how to market a location or place. Trueman et al. (2001) explain that conducting an analysis to a city as a brand has become a need by considering various stakeholders involved in the city. However, it often becomes a question for some researches 'how could a city be treated as a brand?' (Kavaratzis, 2004). Hankinson & Cowking (1993) answer that a brand is a product or service differentiator related to its positioning so the product or service will show their unique based on their function attribute and symbol values. This explanation answers the question how a city becomes a brand Ashworth & Voogd (1990, 1994) and Kotler et al., (1999) add that the explanation about a brand has a relationship with the aim of city management and marketing to identify the image of the city. Kavaratzis (2004) states that in the world of marketing, city branding creates a significant change in marketing perspective. Besides, city branding is comprehended to achieve a competitive advantage so it can increase the number of investment and tourists.

The growing trend to increase the competitive advantage in a tourist destination is started since the 1990s when the globalization era started happening (Berg et al. 1990; Kavaratzis & Ashworth, 2006; Kotler et al. 1999). A tighter competition would give a self-attraction for academics and politicians to develop their tourist destination and the city branding (Page et al., 2015).

There are several analyses from researchers who identify some types of city branding, like innovation and creative cities (Marceau, 2008). Besides, there is a researcher who states that there is a relevant relationship between brand equity and credibility as well as attitude and brand or brand image (Middleton, 2011). Sahin & Baloglu (2014) elaborate that in the global market, the competition between cities as a tourist destination has started to focus in unique attitude and brand image, memorable experiences, and branding development through word of mouth.

Brand Equity

In marketing, brand equity has been studied in some lately works that refer to city branding (Jacobsen, 2012; Kladou & Kehagias, 2014; Lucarelli, 2012; Zenker & Beckmann, 2013; Zenker, 2011). There are some definitions of brand equity, such as what is said by Aaker (1991, 1996) who defines brand equity as a group of asset and the obligation related to brand, name, and its symbol that add or reduce values to a particular product or service. Yoo, Donthu, and Lee (2000) define brand equity as a selection between a product with or without brand and the same featured assumption. Keller (1993) divides brand equity into two categories: financial perspective (Hakala, Svensson, & Vincze, 2012) and consumer perspective (Sartori, Mottironi, & Corigliano, 2012).

A useful measurement to evaluate city branding is by using quantitative and qualitative components. Especially, they do an empirical application in some cities in Germany. Jacobson (2012) also focuses on some cities in Germany, learning two key components: attribute and benefit. Lucarelli (2012) proposes a scenario of three dimensions to study brand city equity, namely element, size, and impact from city branding. Brand equity has been studied a lot as literature related to city branding (Jacobsen, 2012; Kladou & Kehagias, 2014; Lucarelli, 2012; Zenker & Beckmann, 2013; Zenker, 2011).

Brand equity measurement in Gomez et al. (2018) uses three key dimensions, namely brand awareness, brand loyalty, and perceived quality. Besides, brand image could be one of the measurements of brand equity. Brand awareness reflects consumer capacity in differentiating one brand to another (Barreda, 2014; Gil-Saura et al., 2013; Sartori et al., 2012). Brand loyalty is consumer commitment to re-purchase or recommend a product or service used by other consumers (Gomez et al., 2018). Perceived quality is a consumer assessment for a brand (Zeithaml, 1988).

In this research, there are three aspects to be observed, starting from attitude to brand, brand image. In the previous research, attitude toward brand is an evaluation given by consumers toward a product or brand by illustrating negatively or positively (Hughes & Allen, 2008; Kotler & Armstrong, 1996). Keller (1993) indicates that consumers will dispose of a higher price to a brand when attitude toward brand is high. Besides, brand image is a consumer illustration of a product or service offered (Biel, 1992). A strong brand image would give a positive impact on brand equity (Boo et al. 2009).

3. RESEARCH METHOD

The focus of this research is attitude toward the brand, brand image, brand equity, and city branding to Pangandaran tourists. The population of this research is the tourists who visit tourist destinations in Pangandaran Regency until September 2017 which is 2,120,272 people. The sample collected in this research is 293 respondents. The data analysis in this research uses Structural Equation Model (SEM) through SmarPLS version 2.0m3 software.

4. RESULT AND DISCUSSION

PLS analysis technique is conducted to test the variable of city branding, attitude toward the brand, brand image, and brand equity. In the first step of the data analysis, there will be outer model consisting of validity test (convergent validity and discriminant validity) and reliability construct. Outer model is a model that specifies a relationship between latent variables and indicators or it can be said that outer model defines how each indicator is related to its latent variables.

Table 1
PLS Convergent Validity Test of City Branding

Latent Variable	Question No.	Indicator	Outer Loadings	AVE	Remarks
City Branding	P20	Pangandaran is an area known by Pangandaran people.	0,7633	0,6333	Valid
	P21	I will recommend Pangandaran to my acquaintance.	0,8261		
	P22	Pangandaran is the first choice when I go on holiday.	0,7968		
Brand Equity	P9	Pangandaran is an easily recognized place.	0,6865	0,5086	Valid
	P10	Pangandaran is being top of mind when talking about the beach.	0,5760		
	P11	Pangandaran is a special region.	0,7147		
	P12	Pangandaran is a region people want to go there.	0,7777		
	P13	Visit in the future	0,7662		
	P14	Pangandaran is a region that has lots of features.	0,7512		
	P15	Pangandaran is a tourist destination that has many facilities compared to other regions.	0,6921		
	P16	Pangandaran is one of the best tourist destinations.	0,8077		
	P17	The facilities owned by Pangandaran get better time to time.	0,6122		
	P18	Pangandaran is a tourist destination that is worth to visit.	0,6705		
Brand Image	P6	Pangandaran is known as a tourism city.	0,728	0,6918	Valid
	P7	Pangandaran is an attractive region.	0,8788		
	P8	Lots of tourists like to go to Pangandaran.	0,8792		
Attitude Toward the Brand	P1	Pangandaran is a tourist destination that is in a line with the identity of the tourists.	0,7275	0,6666	Valid
	P2	Pangandaran is a pleasant region.	0,8692		

Latent Variable	Question No.	Indicator	Outer Loadings	AVE	Remarks
	P3	Pangandaran can meet the needs of tourists.	0,8455		

In all latent variables that have conducted measurement, the result shows that convergent validity on outer loading value has value > 0.70 . It shows that the construct has a high correlation so it can be said that the indicator has an ability to measure the latent variable that should be measured (Sarwono, 2004). Except for question number 10 (P10), it has value 0.576 but still being said as valid (Ghazali, 2006). Because according to Ghazali (2006), loading 0.5 to 0.6 is still accepted. Another result used for convergent validity can be seen from the value of average variance extracted (AVE) which shows that all latent variables are called valid because AVE value > 0.05 .

Table 2
Reliability Test Result

Variable	Cronbach Alpha	Composite Reliability	Remarks
City Branding	0,7114	0,8381	Reliable
Brand Equity	0,9018	0,9186	
Brand Image	0,7781	0,8699	
Attitude	0,7513	0,8564	

Source: Processed Primary Data, 2018

In the reliability test result, a construct can be considered as reliable when the value of composite reliability and Cronbach alpha, as well as composite reliability, show the value higher than 0.70. It can be said that all research variable constructs have been a fit measurement tool.

The next step in PLS is conducting structural model (inner model). In this step, there will be a relationship between constructs including R-square value, goodness evaluation of fit by seeing Q^2 predictive relevance, and hypothesis test. First, the structural model sees R-square value to discover how big independent variables influence their dependent variables.

Table 3
R-square Value Result

Variabel	R-square
City Branding	0.7182

Source: Processed Primary Data, 2018

City branding variable of R-square value result is 0.7182. It means the city branding of construct variability that can be explained by brand image, brand equity, and attitude of construct variability at the percentage of 71.82%. Meanwhile, the rest of 28.18% is explained by other variables outside the research. Besides, the result of calculation by using Q-square predictive relevance will measure how good observation value by the model and also its parameter estimation. The result of Q^2 achieved is 0.5158 which means Q^2 value above zero proves that the model has predictive relevance. The amount of city branding construct can be explained by brand image, brand equity, and attitude of construct variability at the percentage of 71.28%.

Table 4
Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
Attitude► Brand Preference	0.120615	0.118508	0.052017	0.052017	2.318749
Brand Equity► Brand Preference	0.761155	0.762746	0.050001	0.050001	15.222837
Brand Image► Brand Preference	0.000924	0.005269	0.049871	0.049871	0.018534

Source: Processed Primary Data, 2018

Based on the hypothesis test in Table 4, it shows that in the first hypothesis, attitude has a significant influence directly toward brand preference. It is shown from the positive coefficient value at the amount of 0.1205, $t_{\text{count}} > t_{\text{table}}$ ($2.3187 > 1.96$). Next, in the second hypothesis, it shows that brand equity has a significant influence directly toward brand preference. It is shown from the positive coefficient value at the amount of 0.7612, $t_{\text{count}} > t_{\text{table}}$ ($15.2228 > 1.96$). In the third hypothesis, it shows that brand image does not have a significant influence directly toward brand preference. It is shown from the positive coefficient value at the amount of 0.000924, $t_{\text{count}} > t_{\text{table}}$ ($0.018534 < 1.96$).

Attitude has a significant influence directly toward brand preference. It shows that Pangandaran as a tourist destination is a pleasant place. It is seen from a descriptive elaboration which states that tourists feel Pangandaran is a pleasant place and able to meet the needs of the tourists. Even though as a tourist destination that is in a line with its identity still lacks compared to other statements. This hypothesis result shows that given the tourists evaluate Pangandaran positively as a tourist destination, it implies a self-perspective to Pangandaran as a pleasant tourist destination. However, the result is not relevant to the previous research which states that attitude toward brand does not have a direct influence (Gomez et al., 2018; Keller, 1993; Faircloth et al., 2001). In Keller's research (1993), it is stated that attitude toward brand indeed is not directly related but it is a part of brand image.

In contrast to what Keller (2001) says, the result of this research gives a new perspective that attitude toward brand is especially in Pangandaran as a tourist destination. Pangandaran has been popular with the main tourist destination; that is the beach. It makes domestic tourists mainly prefer Pangandaran as one of the regions to go on holiday in terms of the beach. An adhesiveness to what is memorized by a consumer to an object is a self-illustration toward a product or service. It is seen from the influence of brand equity toward brand which is in a line with the previous research (Cobb-Walgran et al., 1995; Chang & Liu, 2009).

Brand equity toward brand shows when the tourists of Pangandaran would go to the beach in West Java, they would say Pangandaran as the destination. Moreover, lots of tourists who in fact have been attracted to go to Pangandaran due to its features and facilities. Brand equity can be built not only due to a popular tourist destination but also supported by sufficient infrastructures. It makes Pangandaran the best tourist destination.

In contrary to the previous explanation which states that the aspects in brand equity have influence toward brand. In the last hypothesis, it is found out that brand image does not directly have an influence toward brand which is not in a line with the previous research (Gomez et al., 2018; Biel, 1992; Chang & Liu, 2009; Gil-Saura et al., 2013; Barreda, 2014; Koneenik & Gartner, 2007, and Boo et al., 2009). The tourists who visit Pangandaran have

seen Pangandaran as a pleasant place to go for a tour. However, it does not mean Pangandaran is a tourist city for the tourists. Although Pangandaran has variously attractive tourist destinations, it does not make Pangandaran a tourist city. An indication of this disagreement could be because the tour offered does not spread to regional potentials. For instance, it should not only focus on the beach destination but also to regional potentials so there is a self-attractiveness to visit Pangandaran besides the sea.

The formation of city branding of Pangandaran is finally done because the tourist destinations in Pangandaran have been recognized. It makes tourists feel that as a consumer in West Java and surrounded would choose Pangandaran when they want to go to the sea area. It has existed in the consumer mind as the main tourist destination in West Java. Besides, the tourists of Pangandaran also assess Pangandaran as a pleasant tourist destination even though no one considers Pangandaran as a tourist city. It should be one of the aspects improved by the government and the stakeholders to build city branding that Pangandara is a tourist city.

5. CONCLUSION

The sample of this research is 293 people. The data analysis technique used is the SEM method with the PLS approach. The result of this research shows that attitude has a significant influence directly toward brand preference. The hypothesis results do not relevant to the previous research which mentions that attitude does not have a direct influence (Gomez et. al., 2018; Keller, 1993; Faircloth et al., 2001). Meanwhile, Keller (1993) says that attitude toward brand indeed is not related directly but it is a part of brand image.

Brand equity has a significant influence directly toward brand preference which is in a line with the previous research (Cobb-Walgran et al., 1995; Chang & Liu, 2009). It is seen when the tourists of Pangandaran who would go on holiday to the beach in West Java would mention Pangandaran as their destination. Brand image does not a significant influence directly to brand preference. Some tourists who have visited Pangandaran consider it as a pleasant place for a tour but it does not mean Pangandaran is a tourist city.

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