

Factors Affecting Brand Equity in Batu Tourism City

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ABSTRACT- *This study aims to determine the effect of Brand Awareness, Brand Image, Brand Loyalty, Perceived Brand Quality on Brand Equity in Batu Tourism City. The City of Batu has designated its area as an agropolitan tourism center in East Java. This study uses qualitative research methods with data analysis in the form of SEM (Structural Equation Model) and using SPSS 18.0 and AMOS 22.0 software. The sampling technique used is non-probability sampling, with a total sample of 200 respondents aged 17 years and over, and who have visited tourist attractions in Batu City within the last 1 year. The results of this study indicate that Brand Awareness, Brand Image, Brand Loyalty, Perceived Brand Quality have a positive influence on Brand Equity in Batu Tourism City.*

Keywords: *Brand Awareness, Brand Image, Perceived Brand Quality, and Brand Loyalty*

1. INTRODUCTION

The tourism sector is a prime priority and has even become a masterpiece for Indonesia in developing the country and is also used in generating foreign exchange for the country and currently the tourism industry is also the core economy and can win in competition (www.beritasatu.com). According to the travel and tourism competitiveness report, the ranking of the tourism competitiveness index in Indonesia ri

se to 40 in 2019 from 42 in 2017, while the Indonesian tourism competitiveness index was ranked fourth (www.kompas.com).

In improving the tourism sector, president of Indonesia, Joko Widodo, created strategies by implementing a visa-free policy for visits, increasing the budget for promotion, holding a limited meeting in the tourism sector that invited business actors, vice president, and related ministers. In addition, he also implemented another strategy, rearranging the layout of the back in tourism areas for example improving access to locations, adding certain events, namely creating national and international class events as well as increasing human resources to support the tourism sector and according to the former DKI Governor, highlighting cleanliness problems at tourism sites, one of which garbage that is still scattered in the tourism area which will spoil the view (www.Okenews.com).

Meanwhile, in the Covid-19 era, Mr. Joko Widodo also carried out several strategies to improve the tourism sector, namely by creating a social protection program, the budget reallocation of the ministry of tourism and the creative economy

must be directed at programs in particular work for workers in the tourism sector and finally preparation of economic stimulus for economy tourism actors (www.antarasumbar.com).

One of the regions in Indonesia that continues to develop the tourism sector is Batu, East Java. This is because Batu City has designated its area as an agropolitan tourism center, especially in East Java (Sukmana, 2009). This has been started for a long time in the 2010-2020, Batu City tourism development master plan and Batu City regional regulation number 7 of 2011 concerning the 2010-2030 Batu City spatial plan, which changes from a tourist city to a tourist center by making many addition on tourist objects and attractions with the support of facilities and infrastructure, as well as facilities for visitors, and by improving the tourism industry it also affects the increase of job vacancies, increase the income of Batu City residents, reduce unemployment and also the tourism-based PAD of Batu City. Not only that, according to eastjava.com, Batu City is also one that has a million beauties which has the main potential in producing fruits and vegetables and also has natural charm, such as mountain and hills.

Brand awareness according to Gartner (1993), is the image of a destination that exists in the minds of potential travelers. So that brand awareness is the image of the destination in the minds of potential tourists. Brand image is “an interactive system of thoughts, opinions, feelings, visualizations, and intentions toward a destination” meaning brand image is an interactive system of thoughts, opinion, feelings, visualizations, and intentions to visit a destination (Tasci et al., 2007). Perceived brand

quality is an assessment of the results of consumer evaluation of a product, not the brand quality of a product (Zeithaml, 1988). Perceived brand quality is an important element of brand equity for companies as well as service providers (Aaker, 1996; Keller, 2003). Pike *et al.*, (2010)

Brand loyalty according to Aaker (1991) “the attachment that a customer has to a brand.” It means that brand loyalty is the attachment that a customer has to a particular brand. Defined in terms of destinations, brand loyalty is defined as the intention of tourists to revisit a destination and want to recommend destinations to others (Myagmarsuren dan Chen, 2011; Nam *et al.*, 2011; Pike dan Bianchi, 2013). Brand equity according to Aaker (1991) “the value of a product attached to a specific name, and explained its importance by noting that strong brands have strong brand equity.” Brand equity is the value given to a brand associated with names and symbols that can increase or decrease the value of a product or service to consumers. Aaker (1991) states that brand equity has four main dimensions: brand awareness, perceived quality, brand association and brand loyalty.

Rani (2019) conducted a study that aims to determine whether the variables Brand Awareness, Brand Image, Perceived Brand Quality, and Brand Loyalty affect Brand Equity in the city of Kurukshetra by using 150 tourists to be sampled using SPSS 21 and Amos 21 in research and objects. The results of this study are the variables of Brand Awareness, Brand Image, Perceived Brand Quality, and Brand Loyalty that have significant influence on Kurukshetra’s Brand Equity.

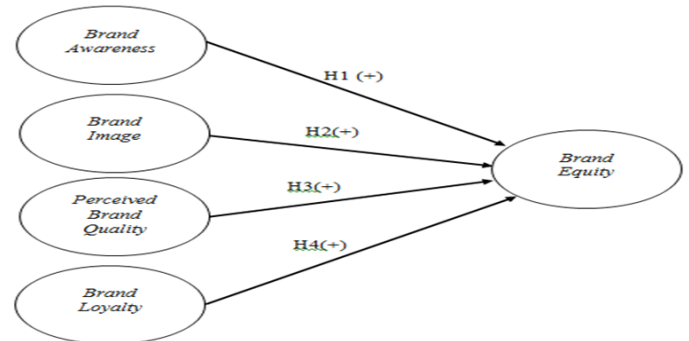
According to research by Tran *et al.* (2019) stated that the Brand Image variable has an insignificant effect on Brand Equity in Hoi An City, Vietnam. Where this study uses a sample of domestic tourists who have traveled to Hoi An by using the Amos 21 measurement tool and the object of research used is Hoi An City in Vietnam.

The research of Kashif *et al.* (2015) stated that Brand Awareness did not have a significant effect on Brand Equity in Lahore Fort, Pakistan by using a sample of 500 people visiting Lahire Fort from September to October 2015 and using the linear regression SPSS measurement tool.

The purpose of this study was to determine the positive influence between Brand Awareness, Brand Image, Perceived Brand Quality and Brand Loyalty on the Brand Equity of Batu City.

2. RESEARCH METHODS

In this study, primary data collection was used to complete the research. Primary data was obtained by compiling questionnaires and conducting survey activities by distributing questionnaires that were structured and easily understood by tourists who have visited Batu City, East Java. The level and scale used was the interval level of measurement that has the same distance and clear difference on the scale. The alternative answers provided for the interval level were arranged based on a numerical scale, namely the 5 point Likert Scale which was carried out by providing an assessment of series of statements based on adjectives measured in five level scales, the sampling techniques used is non-probability sampling with a purposive sampling method, namely the sampling technique. Based on considerations or judgements related to characteristics that were suitable to be sampled (Zikmund, 2009: 396). Primary data processing obtained from research respondents using SEM (Structural Equation Models) which was a statistical model that aims to explain the relationship between several variables, Hair *et al.* (2010:20),



Picture 1. Research Model

The hypotheses to be tested in this study were the followings:

H1: *Brand awareness has a positive effect on brand equity.*

H2: *Brand image has a positive on tourism brand equity.*

H3: *Perceived brand quality has a positive effect on brand equity.*

H4: *Brand loyalty has a positive effect on brand equity.*

3. RESULTS AND DISCUSSIONS

The data obtained from the distribution of questionnaires has been tested for the validity and reliability of 200. After the data shows valid and reliable then it was seen descriptively.

Table 1. Descriptive of Respondents

Gender	Amount	Percentage
Male	128	64%
Female	72	36%
Age	Amount	Percentage
18-24 Th	79	39%
25-34 Th	25	12.5%
35 - 44 th	31	15.5%
>45	65	32.5%
Income	Amount	Percentage
≤ Rp 1.800.000	63	31.5%
Rp 1.800.000 – Rp 2.100.000	5	2.5%
Rp 2.100.000 – Rp 2.700.000	5	2.5%
Rp 2.700.000 – Rp 3.400.000	0	0%
Rp 3.400.000 – Rp 4.400.000	12	6%
≥ Rp 4.400.000	115	57.5%
Profession	Amount	Percentage
Private Employees	31	15.5%
Student	63	31.5%
Civil Servants	89	44.5%
Entrepreneur	11	5.5%
Others	6	3%
Vehicle	Amount	Percentage
Car	162	81%
Motorcycle	26	13%
Train	1	0.5%
Public Transport	9	4.5%
Others	2	1%

The majority of respondents were male, age at most 18-24 years, the most income was more than IDR 4.000.000 and from the type of work the most were Civil Servants. The most widely used vehicles were private cars.

Table 2. Mean and Standard Deviation of Brand Awareness

No.	Statements	Mean	St. Dev
BA1	Batu City has a good name and reputation	3.72	.953
BA2	The characteristics of Batu City flashed through my mind quickly	3.71	.894
BA3	The historical places of Batu City are worth visiting	3.71	.861
BA4	Batu City cultural attractions	3.76	.952

	are interesting		
BA5	I appreciate the attractions in Batu City	3.67	.946
Total		3.71	0.9212

Source: Research data, processed

The variable of Brand Awareness in Batu City was perceived well by the respondents. The name Batu City was perceived as an attractive tourist city to visit with attractive tourist attractions.

Table 3. Mean and Standard Deviation of Brand Image

No.	Statements	Mean	St. Dev
BI1	Visiting Batu City fits my personality	3.87	.889
BI2	Visiting Batu City increases my status in the eyes of my friends and relatives	3.72	.969
BI3	Batu City provides great shopping facilities	3.78	.952
BI4	Natural and fresh atmosphere of Batu City is beautiful	3.84	.995
BI5	The atmosphere of Batu City is relaxed	3.79	.900
BI6	Batu City's weather is comfortable	3.81	.943
BI7	Batu City maintains a high level of cleanliness	3.82	.976
BI8	The local community (tour guide) of Batu City is friendly	3.73	.955
BI9	Batu City has good transportation facilities	3.82	.899
BI10	Batu City is a place that has more visitor-friendly residents than similar places nearby	3.78	.898
Total		3.796	0.9376

Source: Research data, processed

The brand image variable was also perceived as good with a total value of 3.796 where respondents feel that Batu City was in accordance with their personality who were happy with the beauty of Batu City, comfortable and has good transportation.

The Perceived Brand Quality variable had an average of 3.60 where Batu City was perceived as having quality specialties, safety and good road quality.

Table 4. Mean and Standard Deviation of Perceived Brand Quality

No.	Statements	Mean	St. Dev
PBQ 1	Batu City ensures a high level of personal security (tourists)	3.70	.930
PBQ 2	Batu City has high quality infrastructure (Public Facilities)	3.54	1.120
PBQ 3	Batu City has good food quality	3.75	.950
PBQ	Batu City has good road quality	3.72	.947

4			
PBQ 5	Batu City has high quality hotels	3.62	.945
Total		3.60	0.9784

Source: Research data, processed

Table 5. Respondents Responses Regarding Brand Loyalty Variables

No.	Statements	Mean	St. Dev
BL1	Batu City provides something (experiences) that is interesting for everyone	3.67	.967
BL2	I will visit Batu City again	3.74	.921
BL3	I would advise others to visit Batu City at least once in a lifetime	3.71	.954
Total		3.70	0.9473

Source: Research data, processed

The Brand Loyalty variable showed an average value of 3.7, this indicate that the respondents had the desire to return to visit Batu City and were willing to advise others to visit Batu City.

Table 6. Respondents Responses Regarding Variable Brand Equity

No.	Statements	Mean	St. Dev
BE1	If other cities have the same advantages as Batu City, I would prefer to visit Batu City	3.79	.954
BE2	If other cities have a different advantages than Batu City, I would prefer to visit Batu City	3.77	.928
BE3	If other city destinations have better facilities than Batu City, I prefer to visit Batu City	3.83	.927
BE4	Visiting Batu City gave me enlightenment (pleasure)	3.90	.933
BE5	Batu City provides excellent opportunities for recreational activities	3.78	.903
Total		3.8	0.929

Source: research data, processed

The average value of the Brand Equity variable showed 3.8, where respondents feel that visiting Batu City was able to provide pleasure because of the facilities and makes fun recreational activities compared to other cities.

Table 7. AVE and CR Varibales

No	Variables	Construct Reliability	AVE
1.	<i>Brand Awareness</i>	0.861	0.554
2.	<i>Brand Image</i>	0.875	0.415
3.	<i>Perceived Brand Quality</i>	0.814	0.474

4.	<i>Brand Loyalty</i>	0.827	0.617
5.	<i>Brand Equity</i>	0.864	0.565

Table 8. Structural Model Goodness-of-Fit Results

No.	Fit Test	Match Criteria	Result	Description
1.	C min/DF	≤ 3.00	1.934	<i>Good fit</i>
2.	RMSEA	≤ 0.08	0.69	<i>Good fit</i>
3.	GFI	≥ 0.90	.819	<i>Marginal fit</i>
4.	TLI	≥ 0.90	.872	<i>Marginal fit</i>
5.	CFI	≥ 0.90	.885	<i>Marginal fit</i>

The results of the structural model test showed that C min/DF and RMSEA results were good fit, while GFI, TLI, and CFI gave marginal fit result.

Table 9. Summary of Hypothesis Testing Results

Hypothesis	The Relationship between constructs	Estimate Value	Critical Ratio	P-Value
H1	<i>Brand awareness > brand equity</i>	0.195	2.658	.008
H2	<i>Brand image > brand equity</i>	0.285	2.934	.003
H3	<i>Perceived brand quality > brand equity</i>	0.311	3.089	.002
H4	<i>Brand loyalty > brand equity</i>	0.231	3.115	.002

Based on the summary of Table 9, it could be seen that the first hypothesis H1 shows significant results. This shows that the Brand Awareness of Batu City had a positive influence on Brand Equity, with the magnitude of the influence of 0.195. Hujung et al., (2015) explained that Brand Equity is an important variable of consumer Brand Awareness. Gartner (2014) examines that the dimensions of Brand Awareness and Brand Equity have a strong relationship in a destination. Zeytonli et al., (2015) suggest Brand Equity in sports tourism destinations related to Brand Awareness, Brand Image, Perceived Quality, and Brand Loyalty.

Second hypothesis, H2, also showed the same results with an estimate value of 0.285 with a P-value of 0.003. The results of this test provide evidence that the Brand Image was able to influence the Brand Equity of Batu City. These results were supported by the results of research in the main journal by Rani (2019) which states that Brand Image had a positive effect on Brand Equity in Batu, the tourist city. Batu City itself was one of the tourist cities in Indonesia with various kinds of extraordinary tourism potential. This was also

supported by the success of the Batu City government which had won many awards and one of them were Indonesia's Attractiveness Awards 2019. Therefore, awards and all existing tourism potential could create an image for Batu City so that the community would also increase interests to visit Batu City.

The results of testing the third hypothesis, namely the variable Perceived Brand Quality has a positive effect on Brand Equity with a value of Construct Reliability (C.R.) amounting to 3.089 and the standard estimate value of 0.311. This result was in accordance with Perceived Brand Quality as an important element of a tourism brand for service providers (Aaker, 1996; Keller, 2003). In the context of tourism, Konecnik and Gartner (2007) stated that the Brand Quality of a tourism destination was an important and strong dimension of Brand Equity. Vinh and Nga (2015) drew the conclusion that Brand Quality was an objective and goal brand loyalty positively influences each other. This result was in accordance with the results of research by Rani (2019) which states that brand loyalty had a positive effect on Brand Equity.

The results of the fourth hypothesis testing, H4, namely the variable Brand Loyalty has a positive effect on Brand Equity with a value of C.R. of 3.115 and the standard estimate value of 0.231. Previous research on a destination (Kashif et al., 2015) showed that loyalty to a destination had a positive effect on overall destination equity. This result was supported by the results of research in the main journal by Rani (2019) which stated that Brand Loyalty had a positive effect on Brand Equity in the tourist city of Batu. Data in 2019 stated that tourist visits in Batu City reached 7.2 million tourists, entering 2020 there was a decline due to the Covid-19 pandemic. Head of the Batu City Tourism Office, Arief As Siddiq, has a target of reaching 2 to 3 million tourists by the end of 2020, in fact, when the new normal period lasted until October the visit had reached 1.5 million and was still increasing. From these facts, it could be seen that the interest of local and foreign tourists were gradually improving with the increase in visitors. This could be seen that the loyalty of visitors to the city of Batu tourism itself looks quite high which could affect the Brand Equity of the city of Batu tourism.

4. CONCLUSIONS

Based on the results of research and statistical testing carried out in the previous chapter, it was concluded that from the 4 hypotheses that had been

tested using Structural Equation Model (SEM) analysis with AMOS software, the result of all of the hypotheses showed that there was a positive influence. The specific explanation as follows:

- a) Brand Awareness Batu City had a positive influence on Brand Equity
- b) Brand Image was able to positively influence the Brand Equity of Batu City
- c) Perceived brand quality had a positive effect on Brand Equity
- d) Brand loyalty had a positive effect on Brand Equity

Recommendations from the results of this study were based on the value of the greatest influence, Perceived Brand Quality, which had a positive effect on Brand Equity, so that the Batu City government should be able to improve infrastructure such as road conditions to very crowded tourist attractions, especially during weekends or holidays. Tourists were more comfortable with existing public facilities to meet the needs of tourists while visiting Batu City. Meanwhile, recommendations for further research could be carried out in other tourist cities in Indonesia that have superior tourist destinations.

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