# THE ROLE OF CITY'S BRAND EQUITY'S DIMENSION ON TOURIST'S VISIT INTENTION USING FAMILIARITY AS MEDIATION: A STUDY OF TANGERANG CITY INDONESIA

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#### **Abstract**

The purpose of this study is to determine the extent to which brand equity influences visitor interest to visit Tangerang city as one of the tourism destinations. The majority of empirical studies have proposed that brand recognition and familiarity with a tourist destination city (familiarity) has a positive correlation with the tourist destination's image. This research is to determine how much influence brand equity has using the dimension of brand quality, brand image, brand loyalty, and brand awareness as familiarity used as mediating variable.

Keywords: brand equity, brand quality, brand image, loyalty, brand awareness, visit intention.

#### Abstrak

Tujuan dari penelitian ini adalah untuk mengetahui sejauh mana ekuitas merek mempengaruhi minat pengunjung untuk mengunjungi kota Tangerang sebagai salah satu destinasi wisata. Mayoritas studi empiris telah mengusulkan bahwa pengenalan dan keakraban dengan kota tujuan wisata (familiarity) memiliki korelasi positif dengan citra tujuan wisata. Penelitian ini bertujuan untuk mengetahui seberapa besar pengaruh ekuitas merek dengan menggunakan dimensi kualitas merek, citra merek, loyalitas merek, dan kesadaran merek sebagai variabel mediasi familiarity.

Kata kunci: ekuitas merek, kualitas merek, citra merek, loyalitas, kesadaran merek, niat berkunjung.

#### INTRODUCTION

Tourism is an important component of the national economy and a significant source of foreign exchange for a country's income (Aktar et al., 2014; Rasool et al., 2021). During the year 2000 alone, Indonesia attracted approximately 5 million foreign tourists, who spent their money on tours in Indonesia for an average of US\$100 per day, with an average visit duration of approximately 9 days per tour group (Statista, 2021). Foreign exchange earnings generated US\$ 4.26 billion in 2022 (Shofa, 2022).

Tangerang City, as part of Banten Province, also works to develop tourism potential through public policies (Khaeriah, 2021; Naibaho, 2021). With its autonomous status, the Tangerang City Government has the authority to develop Tangerang City's potentials, one of which is the tourism potential, which benefits Tangerang City. Tangerang City, which is dubbed as the city of a thousand industries and a thousand services, continues to grow every year both from domestic and foreign tourists, it is recorded that the number of tourists has increased as seen from the number of visits in 2015 of 482,903 people and in 2016 it was recorded at 554,299 people and in 2017 it was

recorded at 1,088,747 people (Badan Pusat Statistik, 2017).

As a city, there were 693 villages at the end of 2019 in Tangerang, including those that had been formed, that were being pioneered and were being prepared to become thematic villages. A total of 253 villages are still being established, 186 villages are being planned, and 301 villages have been formed successfully, 15 of which have grown rapidly enough to be considered independent villages (Simarmata, 2019). These thematic villages are one of the Tangerang government efforts in developing the image of Tangerang to be the tourism city in Indonesia. Tangerang's transformation into a tourism destination is not only the responsibility of the government, but also of the residents, and as stated in this paper, the researchers are also willing to take action in developing the best strategies.

Destinations are classified as intangible products because they rely heavily on subjective ratings of tourists as the target market and rely heavily on factors such as travel routes, culture, destination visits, and previous tourist experiences as a starting point for assessment. As a result, a tourist destination product's strong brand weakness is very volatile to alter due to unexpected factors such as human emotions, natural events, and so on (Qiu et al., 2020). Hanafiah et al. (2017) mentioned that destinations are the core of the tourism industry. It is said that the destination is the main factor influencing tourist experience. This is why it is necessary to see the influence of Tangerang City's brand equity as a tourism destination to tourist visiting intention. The involvement of destination familiarity of Tangerang city itself is the novelty that the researchers considered as mediating variables.

#### LITERATURE REVIEW

Tourism destinations, unlike service products, are commodities that involve many factors such as accommodation, attractions, tourism policy, and the development of the tourism industry itself (Batinoluho, 2022; Dimoska & Trimcev, 2012). The definition proposed by Ritchie and Ritchie is one of the most widely used (1998). According to Veríssimo et al. (2017), tourist destination brand is indicated by the name and logo used to differentiate one destination from another. A successful brand is one that delivers the promise of its brand-forming components by providing a good travel experience. The efforts of each tourist destination's manager to enhance and unite all forms of memories of positive experiences associated with one place are referred to brand building efforts (Rasoolimanesh et al., 2021; Veríssimo et al., 2017).

#### **Tourism Destination's Brand Equity**

Brand equity is defined in four main elements: brand quality, brand image, brand loyalty, and brand awareness (Shariq, 2019). Travel destination marketers have realized the growing importance of brand equity in promoting their travel destinations. As noted in some marketing materials, the brand elements of the product are not applied directly to the service product (Farhana, 2012; Wirtz & Lovelock, 2021). Lucarelli (2012) stated that the development and measurement of brand equity becomes a challenge depending on the complexity of particular brand goal. Brand equity is a multifaceted and complex concept, but understanding it is critical to a brand's competitive potential (Sofiane, 2019). Its complexities are evidenced by a wide range of perceived interpretations and attempted definitions by academics and professionals alike (Lucarelli, 2012).

#### **Tourism Destination's Brand Quality**

Perceived quality is an important attribute of brand equity because it creates value for consumers to differentiate brands from competitors and give consumers a reason to buy or consume particular brand (Allameh et al., 2015). The perception of quality that a brand achieves with its customers is referred to as brand quality. Quality is frequently defined as meeting customer expectations (Nugroho et al., 2019). A customer, for example, might expect a discount hotel chain to have clean, comfortable rooms.

#### **Tourism Destination's Brand Image**

A tourist destination's brand image is a collection of images associated with a brand in the minds of consumers (Santoso et al., 2021). The more positive images generated by potential tourists' familiarity with a tourist destination, the greater the desire of tourists to return (Zheng et al., 2021). Furthermore, the more distinct the image of a tourist destination in the consumer's mind, the greater their interest in visiting a tourist destination (Santoso et al., 2021).

#### **Tourism Destination's Brand Loyalty**

According to Asgarpour et al. (2013), in previous research, marketers agreed that the end result and ultimate goal of running the marketing process is customer loyalty. In more decades, customer loyalty has received considerable attention (Yoo & Bai, 2013). However, in the world of tourism, hospitality, and leisure, brand loyalty of a tourist destination is a relatively new phenomenon that has only been studied in the last 10 years or so (Roostika, 2012; Yoo & Bai, 2013). A consumer's commitment to a specific brand is defined as brand loyalty (Rather et al., 2018). In general, loyalty is measured using two approaches: customer commitment and repurchase (Curtis et al., 2011; Khan, 2013).

#### **Tourism Destination's Brand Awareness**

The possibility of consumers recalling and realizing a brand is related to brand awareness. As a result, awareness is a necessary component of brand equity (Alhaddad, 2014; Tong & Hawley, 2009; Vinh & Nga, 2015). This is the first step in shaping and developing the value of a brand.

#### **Familiarity**

Familiarity is frequently related to the number of repeat visits, the intensity of previous visits (S. Kim et al., 2019; Ozretic-Dosen et al., 2018), or the difference between first and return visits (Casali et al., 2021). In other words, familiarity is the foundation for explaining

differences in various aspects of travel behavior between frequent visitors to tourist destinations and first-time visitors.

## **Tourism Destination's Brand Equity to Visiting Intention through Familiarity**

Chi et al. (2020) grabbed the data and analyzed 531 foreign tourists visiting a tourist destination in Vietnam with Partial Least Squares (PLS) approach. His study investigated four elements of destination brand equity (brand quality, loyalty, awareness, and image) in terms of travel intentions, with familiarity serving as a mediator. According to the findings, brand equity is related to the intention to visit a tourist destination.

S. H. Kim et al. (2009) also applies SEM-based measurements to examine the relationship between the brand equity of a tourist destination in Japan and interest in visiting. What distinguishes Chi et al. (2020) research is that brand equity is measured on the basis of a promotional mix, namely preferences, value, popularity and price with the mediation of tourist satisfaction.

This research will focus on Tangerang City as tourist destination and could be beneficial to tourism studies since Tangerang just recently developing its tourism destination and beginning to promote it in not a very massive effort (less than 10 years). By this study, it is expected to get the general knowledge of how strong and prominent is Tangerang City as a city of tourism and what are the major factors needed to be done and developed in early stage to attracts more people to come and visit Tangerang City.

The hypotheses are:

H<sub>1</sub>: Brand Quality positively affects Familiarity

H<sub>2</sub>: Brand Image positively affects Familiarity

H<sub>3</sub>: Loyalty positively affects Familiarity

H<sub>4</sub>: Brand Awareness positively affects familiarity

H<sub>5</sub>: Familiarity positively affects visiting interest

H<sub>6</sub>: Brand Quality positively affects visiting interest

H<sub>7</sub>: Brand Image positively affects visiting interest

H<sub>8</sub>: Brand Loyalty positively affects visiting interest

H<sub>9</sub>: Brand Awareness positively affects visiting interest

#### RESEARCH METHOD

This study was conducted on tourists in Tangerang, Indonesia. The author chose Tangerang as the research location because it is one of the cities that is developing tourism through the development of thematic villages, and the area is strategically important to be researched. Purposive Sampling was used in this study because this kind of sampling method fits criteria that is limited to a certain type of person who could provide the desired information, either because they were the only ones who had it or because they met some of the criteria set by the researcher (Sekaran & Bougie, 2016). The respondents to this study met the criteria of those being familiar with Tangerang city and having visited the city more than once for a leisure intention.

Primary data and secondary data are the two types of data used. The questionnaire was distributed using Google Forms. Secondary information was gathered from the internet and other sources. Five Likert scales were used to investigate the variable questions. A Likert scale is used to evaluate someone's attitudes, opinions, and perceptions of social phenomena, with each instrument item having a class ranging from strongly agree to strongly disagree (Revilla et al., 2014). The question structure is complete. Meanwhile, for preliminary research, a structured observation method is used.

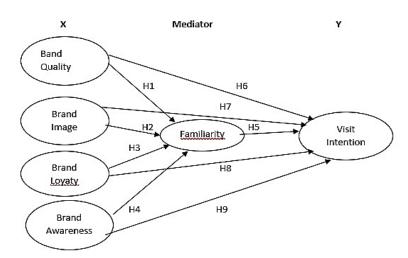


Figure 1. Research Model

#### RESULT AND DISCUSSION

#### **Respondent Characteristics**

Characteristics of the Tangerang City's visitor examined in this study are age, gender, range of salary, and occupation. From total of 100 respondents, 58 respondents are male and the rest is female. Most respondents – 57 people works in a private company while 18 others are entrepreneurs, rests are students and those who works in state institution. Looking at the age, most respondents are mature ranged from 30-45 years old with salary range from 4.000.000,00 rupiahs to 10.000.000,00 rupiahs per month. Can be concluded that respondents are mature working people that has their own travelling or leisure budget.

#### **Model Result Evaluation**

Relationship models that affect student business performance are analyzed using SMART PLS version 2.0. There are 6 latent variables in the model, 4 of them are Brand Quality, Brand Image, Brand Loyalty, and Brand Awareness, with Familiarity as mediating variables and Visit Intention as dependent variable.

All six constructs achieved a high level of internal reliability consistency, with Composite Reliability values of 0.940 (Quality), 0.948 (Brand Image), 0.947 (Brand Loyalty), 0.947 (Brand Awareness), 0.939 (Familiarity), and 0.966 (Visiting Interest). All Composite Reliability values are greater than 0.70, indicating that all of the scales used in this study are reliable.

Table 1. Bootstraps Result

	β	t statistic	p values	Accepted / Rejected
$H_1$	0,132	0.851	0.395	Rejected
$H_2$	0,057	0.371	0.711	Rejected
$H_3$	-0,061	0.426	0.670	Rejected
$H_4$	0,365	7.144	0.000	Accepted
$H_5$	0,770	15.484	0.000	Accepted
$H_6$	0,101	0.845	0.398	Rejected
$H_7$	0,004	0.365	0.715	Rejected
$H_8$	0,047	0.420	0.674	Rejected
H <sub>9</sub>	0,589	6.538	0.000	Accepted

The insignificancy of brand quality shows that it is necessary for the tourist destination to collaborate with the government or the private sector to support the standardized quality of tourism destination as public facilities to attract more tourists to come. The construction of facilities and infrastructure, as well as attributes that support travel activities, will enforce in visitors desire to return to Tangerang as a tourism destination. Lacking of signage and maps and local publication deals with the specific tourist destination might be one of the many reasons why there is no strong brand image on the tourist's perception of Tangerang City as a destination of leisure. Tangerang must form a positive brand association in the minds of visitors so that they have an experience that can be shared on social media to create a trend to travel in Tangerang by promoting specific tagline, iconic figures or logo, that used in every promotional material to make Tangerang City known more either by local tourist or those who came from outside Tangerang.

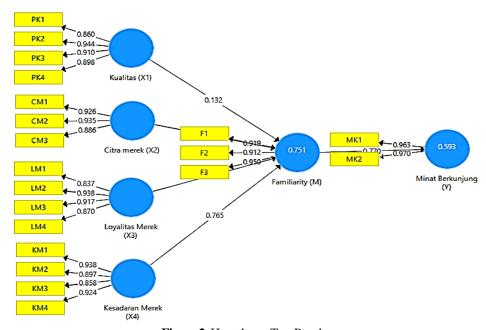


Figure 2. Hypotheses Test Result

#### **Managerial Implications**

Seeing the result of this research, it is strongly suggested that the advertising and promotion activity of Tangerang should be started in a massive and organized strategy in a more viral platform by maximizing by collaboration between government and Tangerang people – tourist destination management board. Lacking of signage, unsupported facilities and infrastructure, also minimal exposure will not bring tourist over.

#### CONCLUSIONS AND RECOMMENDATIONS

This research suggested that Tangerang should maximize the influence of local tourists as those who has been familiar with Tangerang to become a promotional media for Tangerang City on social media so that it will help attract tourists who come from outside Tangerang City as familiarity has a significant impact to visiting intention or interest to visit. Tangerang's tourism management board also need to plan a complete strategic to build a specific spots that will become the main feature and attraction of Tangerang City, differentiating it from other cities in Indonesia. One perfectly managed and promoted tourism spots is better than too many spots of tourism that poorly managed.

Based on the result of these research and the conclusions obtained, future researchers should see deeper on the dimension of specific variables of brand equity, looking at the urgency and breaking it down into a complete strategy that summarize all the practical recommendation instead of seeing brand equities in a general point of view.

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