Analyzing the Influencing Cultural Differences on Implementing Consumer Based-Brand Equity: A Tourist Destination Development Strategy

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Abstract—**The brand perception already widely applied to products and services; however, research related to tourist journey's end is a reasonably current event. There has been a remarkable lack of both theoretical and empirical research on the consumer-brand relationship. This study aims to investigate empirical information to test the concept of cultural differences (CD) on the integration of variables in consumer-based brand equity for tourist destination (CBBETD). In this case it is to evaluate the development and performance of Bali tourism destination. Furthermore, this research applies the CBBETD model to investigate CD as a mediating indicator on the correlation among brand loyalty and other indicators in the CBBETD. The proposed research model will empirically verify Bali tourism destination from the perception of international tourists. The findings show that Bali is currently in an unsatisfactory situation about its desired image to the goal market. Therefore, it is necessary to develop brand loyalty by increasing internal services quality such as the quality of infrastructure, cleanliness of environmental.**

Keywords—branding, tourism destination branding (TDB), cultural differences (CD), consumer-based brand equity for tourism destination (CBBETD)

I. INTRODUCTION

Destination branding (DB) literature is a recent phenomenon [1], and at this time has established a response [2]. DB reflects tourism destinations (TD) [3]. It is essential in the consumer market, and is directly related between consumers and companies [4].

The other hand, DB is an important issue in strategy, development and planning of TD [5]. Blain et al. [1] advised that DB can improve the image of the destination in order to attract tourists, increase the intention of returning tourists, and the intention to recommend it. Besides that, DB facilitates stakeholders involved in the tourism sector in measuring their achievements [1].

The effectiveness of DB can be measured by consumer-based brand equity for tourism destinations (CBBETD) [3]. It also can be measured from the customer's perspective [6]. Most research focuses mainly on DB aimed at travelers from markets that are geographically close [7]. However, research investigating the influence of distance between one's residence and its journey is still limited [8]. The purpose of this study to assess Bali as a tourism area far geographically for foreign visitors, by applying a CBBETD model. The offered CBBETD model has five latent variables, which include: brand awareness (BA), brand quality (BQ), brand image (BI), brand trust (BT) and brand loyalty (BL).

Furthermore, managers and marketers of TD generally design marketing environment conditions, especially CD [6; 3]. Such a strategy is effective in TD because CD has a substantial influence on tourist attitudes and behavior in determining TD [9]. Furthermore, CD has a considerable effect on tourist principles, perceptions, thoughts and decisions [10].

Although there a lot of studys on the impact of CD in traveling travelers, however, there is no tourism research that investigates CD is a mediating factor on the CBBETD [3]. Thus, this study will investigate the influence of CD is a mediating factor to the correlation among brand loyalty and other variables in the CBBETD. For this purpose, an empirical test will be carried out in Bali, which is a famous TD, even though the number of satisfying tourist visits has been achieved, but evaluation is needed to find the shortcomings.

II. LITERATURE REVIEW

A. Characteristics of Destination Branding (DB)

Destination branding is a set of marketing activities that encourage the conception of a name, symbol, logo, graphic that recognizes and distinguishes a destination. It also said that DB continuously communicates a unique travel experience at the destination [1]. Collectively, these activities bring up the object image which provides a positive influence for visitors in choosing a destination. Furthermore, it is possible that sociology, history, politics and culture can be considered to have important contributions to be applied to DB [1].

DB has internal or external perspectives [11]. Gartner & Ruzzier [3] reveal an internal perspective held by those who

deliver goods and services, or from the aspect of supply. While, external perspective occurs starting the viewpoint of demand is how the customer views the brand [3].

B. Consumer-Based Brand Equity for tourism destination (CBBTD)

CBBTD is a set of places with both natural and socio-cultural collections, making up unique destinations and giving rise to tourist value [12]. In this case, the CBBETD is more related to the number of tourists who choose the destination and the spending amount and length of stay. Further, CBBETD is a fundamental model for research in evaluating the development and performance of tourism destinations [13]. Konecnik and Go [13] evaluate the CBBETD model and found that there are several key factors involved in BA, BI, BQ, and BL. Furthermore, CBBETD for expansion of tourist object [14]. Gartner & Ruzzier [3], Konecnik & Gartner [11] examined the different dimensions of CBBETD, and concluded that the brand image is a core concept for building tourism destinations. In this research CBBETD consists of 5 variables such as brand awareness (BA), brand quality (BQ), brand image (BI), brand trust (BT), and brad loyalty (BL).

1) Brand Awareness (BA):
Brand awareness is the capacity of the potential visitor in recognizing and remembering that the brand is pictured in their mind [15]. Furthermore, the existence of brand awareness is a top-of-mind (ToMA), especially BA is an initial dimension in consumer perceptions [16]. Keller [17] states that brand awareness is a key variable of bran equity and represents the power of awareness of the destination for a particular travel situation. What is interesting is making a decision when consumers will realize there are many choices of destinations. Brand Awareness is the first and most simple step in creating customer- based brand equity [3]. A destination should be known, before it can even be considered a potential destination [12]. To be a successful tourist destination must first have awareness [18]. Clearly, when people visit a destination, marketers must have a strong opportunity to not only create awareness, but also intimacy and desire [19], and creating enough awareness will affect visitor loyalty [7; 19; 14].

2) Brand Image (BI):
It is an idea that branding is a process for designing a BI that encompasses the hearts and minds of visitors [20]. Brand image helps the visitors in terms of remembering destination branding and helping them in order to restore the brand from their memories while facing the choice among many brands [16]. Image linkage with destination branding provides reinforcement especially to high loyalty attitudes [7; 6]. Even a positive appearience has a solid effect on high loyalty attitudes and behavior [7].

3) Brand Quality (BQ) / Perceived Quality (PQ):
BQ relates to perceptions of the quality of infrastructure, hospitality services and destination facilities such as accommodation [14], and has been used interchangeably with PQ by visitors [17]. PQ is visitor perception of the quality or superiority of the product or service as a whole [17]. The BQ/PQ concept provides inspiration for this

research and is part of Bali's tourism destination strategy in building practical guidelines for evaluating its development. Fornel, at al., [21] concluded that the PQ impact on strong satisfaction is visitor loyalty. It has been shown that PQ and BL are positively correlated [7; 6; 14].

4) Brand Trust (BT):
BT is the willingness of a tourist to rely on his perceived ability to destination brand to convey perceptions and fulfill his expectations which are built on his knowledge of the brand [12]. The marketing goal is to create a great bond relating consumers and brands, and the main factor of this bond is trust [22]. A solid BT is the core of destination positioning because of its ability to distinguish a destination from competitors to enter consumer perceptions, and provide information continuously [23]. Fundamental loyalty will always be trusted, willingness to act without calculating costs, therefore, BL involves trust [5]. BT leads to BL [24]. Therefore, this study stipulates that BT can be combined and studied as an important indicator of CBBETD, and has a positive influence on BL.

5) Brand Loyalty (BL):
Researchers and stakeholders involved in the tourism sector have long been interested in the concept of BL because it is important to achieve the intention of returning tourists and recommending a destination to people [25]. BL is the dependent variable in CBBETD measurement [17]. Loyalty can be both between behavioral loyalty and attitudinal loyalty, where behavioral loyalty leads to the occurrence of re-visit for the same destination [7] and attitudinal loyalty leads to the commitment or attitude possessed by the travelers to the destination of their choice with the intent to re-visit and positively suggest it to others [7; 26]. Attitudinal loyalty is an important dimension in improving destination brands because attitudinal loyalty is more viable [23].

C. Cultural Differences (CD)

Culture is a set of explicit and implicit guidelines inherited by individuals as members of a particular society, and who tell them how to view the world, how to experience it emotionally, and how to behave towards others, for supernatural powers or gods, and the natural environment [27].

Hofstede [28] disclosed, the dimensions of CD include individualism / collectivism, power distance, masculinity / femininity and uncertainty avoidance, which are used in this study, because each dimension will enhance the amount of interaction effects that need to be considered.

1) Individualism/Collectivism (I/C):
Individualism is a customer/traveler in making consumption/destination decisions based on their personal choices at the individual level [29]. Hofstede [28] said that in individualism someone is tend to believe in themselves and do things that are beneficial to themselves.Whereas collectivism is a group goal and is a top priority harmony of a person lives together with the community [28]. In collectivism a long-term association concerning buyers and sellers is created which in turn supports the creation of loyalty behaviors [30].

2) Power Distance (PD): PD is the extend to which associate in community accept and expect power in organizations [28]. Individuals in power distance enjoy the status quo and tend to commit to the brand [31].

3) Masculinity / Feminity (M/F): Hofstede [28] said, masculinity is a choice for competition, strength, success, performance, orientation, and income. Conversely femininity emphasizes relationships, humility, and concern for the weak people with high levels of masculinity tend to control their own decision-making processes. Because of these controls, they may be less affected by the marketing mix, social norms and groups and show greater preference for brand loyalty [32].

4) Uncertainty Avoidance (UA): UA is a cultural program whose members feel uncomfortable in unstructured, unknown, suppressing or unusual situations [28]. Individuals plus extreme UA are not easy to accept changes or uncertain situations, and tend to prefer brand loyalty [33]. This difference holds too many brand imaging strategies when entering new markets.

III. RESEARCH METHOD

A. Research Design

By using the proposed model, it will be tested and carried out a survey on the foreign tourists' perceptions who come to Bali. Relevant literature by conducting a survey of CBBTD and CD will be reviewed and create a framework for the design of this study. The proposed model the following hypotheses are identified:

H1: BA positive and significant influence on BL
H2: BQ positive and significant influence on BL
H3: BI positive and significant influence on BL
H4: BT positive and significant influence on BL
H5: CD positively moderate the relationship between BA and BL
H6: CD positively moderate the relationship between BI and BL
H7: CD positively moderate the relationship between BT and BL
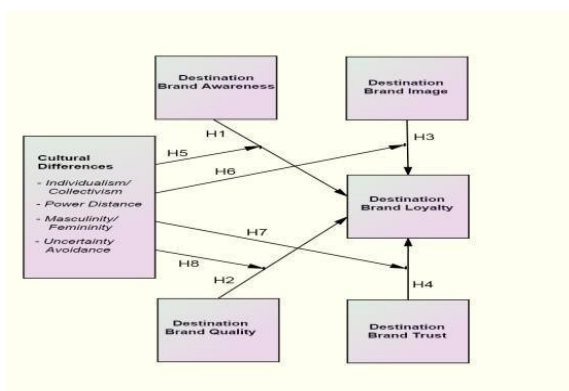H8: CD positively moderate the relationship between BQ and BL

Fig. 1. CBBETD model.

B. Scope, Research Location, and Sample Selection

This study is based on the expansion of leisure industry marketing strategies related to the progress of tourist destinations, especially those that aim to increase future tourist visits and return tourist intentions, and explore the potential of Bali as visitors intention favored by foreign tourists as respondents, which the number are 290 people.

C. Data Analysis

The analysis technique used to analyze data is a quantitative approach, namely with the questionnaires distributed directly to respondents. Data collected from the questionnaires will be entered addicted to the folder operating Microsoft Excel. The final step is to test the hypothesis and test the model. Structural Equation Modeling (SEM) with alternative Partial Least Square/PLS is used to test the model and investigate the total effect of each variable on foreign tourist perceptions of Bali tourism destinations.

IV. RESULTS AND DISCUSSION

A. Result

Based on the hypothesis that has been formulated, the estimation results of the Relationship between Cultural Differences and Variables on CBBETD as in Table I.

TABLE I. RELATIONSHIP BETWEEN VARIABLES ON CBBTD

Relationship Between Variables	Original Sample	P Values	In Rank
BA ► BL	0.341	0.000	Significant
BQ ► BL	0.426	0.000	Significant
BI ► BL	0.270	0.000	Significant
BT ► BL	0.061	0.165	No significant
CD ► BA&BL	1.044	0.000	Significant
CD ► BI&BL	1.109	0.000	Significant
CD ► BT&BL	0.862	0.000	Significant
CD ► BQ&BL	1.015	0.000	Significant

B. Discussion

The evaluation results of BA effect on BL showed that the p-values (0.000) were smaller than the significance level set at 0.05 (Table I). It means that there is a significant effect of BA on BL. This research is in line with the research that has been done and found a significant relationship between BA and BL [7; 14].

Table I shows that brand quality has a considerable impact on brand loyalty with p-value is $0.000 < 0.050$ (the real level). This research is in line with the research conducted and found a significant relationship between BQ and BL. Similarly, it is said that BQ has a certain affect upon BL [7; 14].

The results in Table I shows p-values of 0.000 smaller than the real level of 0.050. This means that there is a extensive consequence of BI on brand loyalty. The results of this study are in line with the research that has been conducted and find that BI has a substantial impact on BL [7; 6; 14] and intention to revisit [34; 35]. There is no considerable effect between BT and BL, because the p-value is $0.165 > 0.050$ (the real level).

The analyzing consequences showing (Table I) CD are mediating variable. This means that CD can play a role in mediating the influence between BA and BL, BI and BL, BT and BL, and BQ and BL.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Analyzing the Influencing of Cultural Differences on Implementing CBBETD is obtained as follows:

The discussion above shows that BA has a positive and significant effect on BL. Thus, it means that a destination should be known, before it can even be considered a potential destination. Obviously, when people visit a destination, marketers must create awareness, familiarity and desires that will affect visitor loyalty.

By improving the quality of a destination, will enhance the image and is the satisfaction of tourists. The impact of BQ on the strong satisfaction for tourists is the loyalty of tourists. And this study found that BQ has a substantial influence on BL.

BI has a positive and significant impact on BL. Image linkage to destination branding provides reinforcement especially in high loyalty attitude. Even a positive image has a durable effect on the attitude and behavior of high loyalty from tourists.

Trust is the main factor of marketing and is a solid connection among tourists and destinations, and is able to distinguish a destination that arises from the perceptions of the tourists concerned. Trust will increase loyalty and lead to loyalty from tourists. But in fact, in this study it was found that BT had no influence on BL.

Destinations, in specific, are an important aspect of cross-cultural understanding because they are an assessment of the cultural dimension, and also have a strong impact on tourism management and specifically the attitudes and behavior of tourists. The successful implementation of management is because it can recognize the needs, values, and behavior of tourists from different cultures

B. Suggestion

The implication of this study is that Bali Tourism Management as Bali Tourism Promotion Board can arrange marketing strategy to improve brand quality (perception of the quality of infrastructure, cleanliness of environmental hygiene, and hospitality services) of Bali tourism destination. The impact of quality perception on strong trust and satisfaction is loyalty of tourists.

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