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## **BRAND COOLNESS, DESTINATION VALUE, AND BRAND EQUITY: INSIGHT FROM BALI, INDONESIA**

Wijittra Aunkaeo<sup>a</sup> Anon Khamwon<sup>b</sup>

<sup>a</sup> Ms., Khon Kaen University, Faculty of Business Administration and Accountancy, Khon Kaen, Thailand, [wijittraa@kkumail.com](mailto:wijittraa@kkumail.com)

<sup>b</sup> Dr., Khon Kaen University, Faculty of Business Administration and Accountancy, Khon Kaen, Thailand

### **Abstract**

This study aims to investigate the interrelationship among brand coolness, destination value, and brand equity in the case of Bali, Indonesia. Questionnaires were used to collect data from 300 domestic tourists who traveled to Bali. Data collection was analyzed by using path analysis. Accordingly, the result showed that brand coolness has a direct influence on destination value. Furthermore, brand coolness directly and indirectly influences brand equity through destination value. As a result, it is anticipated that this study will add to the expanding new knowledge of the literature on destination marketing and city branding. In addition, the outcomes of this research might be used to improve the brand strategies of tourist destinations.

**Keywords:** brand coolness, destination value, brand equity, destination marketing, city branding

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## **1. INTRODUCTION**

Branding is applicable to goods, companies, and tourism. (Pike & Bianchi, 2016). Both goods and services, as well as tourist destinations, are associated with brands. (Hankinson, 2007). Branding as a marketing strategy has contributed to the success of several well-known tourist destinations (Morgan et al., 2011). Tourists enjoy traveling to "cool" destinations and have a strong desire to visit them since the trips to "cool" destinations look excellent on their social media profiles. Therefore, having a reputation for being "cool" may be a significant benefit for a destination or even a nation. (Kock, 2021). Prior research has shown that a destination's coolness correlates with visitors' intentions to visit, actual visits, intent to suggest, and willingness to spend extra time traveling there. Therefore, branding and the capacity of a destination brand may generate value for consumers. Additionally, brand equity is the measure used to acquire competitive advantage via successful brands and encourages the establishment of entry barriers for competitors. (Gómez et al., 2020). This study investigates the interrelationship between brand coolness, destination value, and brand equity in a case study of Bali, Indonesia.

## **2. LITERATURE REVIEW**

### **2.1. Brand Coolness**

Brand coolness can be described as the Brands are only cool (or uncool) (Gurrieri, 2009) coolness refers to a positive imagination, unique or different by excellence (Mohiuddin et al., 2016), and hedonic value (Im et al, 2015). Cool cities are desirable destinations for all people. Similarly, cities that are not considered cool are often perceived to be dull, and as a result, they need help attracting tourists. Cities that are considered cool are ones that are seen as being genuine, rebellious, original, and energetic (Kock., 2021).

### **2.2. Destination Value**

Destination value is the emotional value that considers a social-psychological component of how a product or service might be used. (Sheth et al., 1991). The emotional value felt by tourists determines their experiences and satisfaction with services. The value notion also contributed to the pleasure of visitors (Lee & Choi, 2011) and experience (Chang., 2014) by having an experienced tour operator, and added value from buying a trip (Williams and Soutar., 2009). The five value perception factors were Functional value, Monetary value, Social value, Novelty value, and Emotional value (Wang et al. 2018).

### **2.3. Brand Equity**

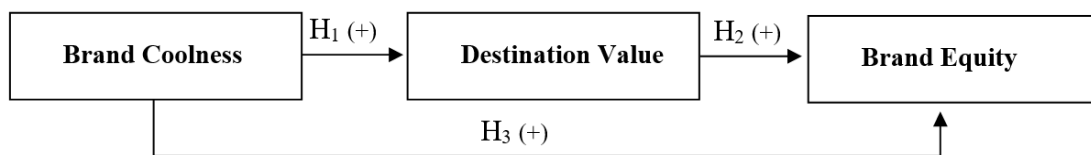
Brand equity is the extra value added to a product from its association with a specific brand. (Papadopoulos, 2004). Brand equity is often understood to be the total value that consumers put on a brand relative to its rivals (Gómez et al., 2018). Studies on tourism have developed and

implemented four elements to investigate and measure brand equity, including destination brand awareness, destination brand image, destination perceived quality, and destination brand loyalty. (Tran et al., 2020).

### 3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

The research hypotheses, the study's conceptual framework, and an illustration of the relationship between brand coolness, destination value, and brand equity. The research hypotheses are depicted in Figure 1.

**Figure 1.** A conceptual framework and hypotheses of the Study



There are three research hypotheses, tested in this research, including H1: Brand coolness will have a positive relationship with destination value, H2: Destination value will have a positive relationship with brand equity, and H3: Brand coolness will have a positive relationship with brand equity.

### 4. METHODOLOGY

In this study, the survey questionnaires were deployed as a tool for collecting data. A Likert scale of seven points was utilized, with one point representing "strongly disagree" and seven points representing "strongly agree." This research collected data from a comprehensive survey of 300 domestic tourists who visited Bali. Participants were asked to complete a 58-item questionnaire, which was used in the research. Furthermore, a 7-point Likert scale was used (1= "strongly disagree" and 7 = "strongly agree") which consisted of general tourist information, measures of brand coolness, destination value, and brand equity. Data collection was done at various tourist attractions in Bali, Indonesia. The date range for collecting data using the questionnaire was from October 15 to November 15, 2022. The assumption is that sample selection targeting appropriate audiences in accordance with research aims is sufficient and dependable for a representative sample (Kline, 2016).

The questionnaire was divided into 4 main sections, which are as follows: 1) general tourist information; 2) brand coolness; 3) destination value; and 4) brand equity. The brand coolness component was taken from Kock. (2021) and consisted of 12 questions. The destination value was taken from Wang (2018) and consisted of 20 questions. Finally, the brand equity component was taken from Tran et al. (2020) and consisted of 14 questions. For this measurement, a 7-point Likert scale was employed. Path analysis was the primary method which was conducted to examine the data.

## 5. RESULTS AND DISCUSSION

Statistical methods utilized in the data were descriptive statistics to adopt IBM SPSS v.28 for finding percentage, mean, and standard deviation values as well as skewness, kurtosis, VIF, and tolerance. Finally, the researchers utilized the AMOS v.28 program for path analysis to investigate the framework and hypotheses.

### 5.1. Preliminary Data Analysis

The collected data indicated that 56.3% of the population were female and 43.7% were male. 58.7% of the respondents were unmarried. Respondents between the ages of 18 and 29 were the majority with 61%. In terms of educational level, 51.7% of them earned a bachelor's degree. Moreover, 35.3% of them were business employees, and 52.7% of them had a monthly income of less than Rp. 5.000.000. It was discovered that the most common accommodation was hotels with 54% and that most visitors came from western Indonesia, with 43.7% staying in Bali for two to three nights. 27.7% of the tourist respondents went to Bali with their organization's tour group, 26.3% with family, and 18.0% with friends. In addition, 41.3% of them visited Bali for the first time.

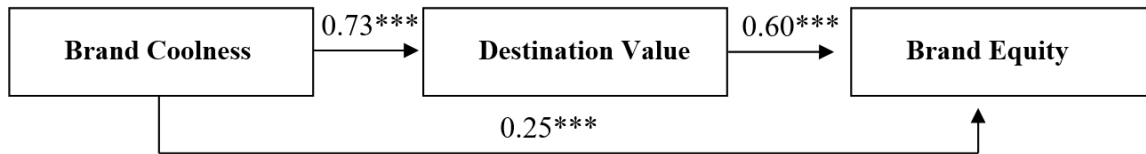
**Table 1.** The results of Cronbach's Alpha

Construct	No .of items	Mean	SD	Cronbach'sAlpha
Brand Coolness (BC)	12	6.09	.053	.085
Destination Value (DV)	20	6.00	0.58	0.92
Brand Equity (BE)	14	6.05	0.55	0.88

Cronbach's Alpha values for the measurement ranged between 0.85 and 0.92, exceeding 0.70. Consequently, the measurements used in this study are within the acceptable level (Hair et al., 2019). The mean values of the questionnaire were between 6.00 and 6.09, and the standard deviation ranged from 0.53 to 0.58 (Table 1). Data skewness values ranged from -0.70 to -0.46 while kurtosis values ranged from 0.39 to 1.33. All of the values for the items ranged between -2 and 2. Consequently, the data were normally distributed (Tabachnik and Fidell, 2019). The results of correlation matrix tests ranged from 0.69 to 0.78, the VIF ranged from 2.33 to 3.15, and the tolerance ranged from 0.32 to 0.43, revealing that there was no evidence of multicollinearity (Stevens, 2009).

### 5.2. Path Analysis

To investigate and prove the hypothesis about the relationship between brand coolness, destination value, and brand equity, a path analysis was conducted.

**Figure 2.** The result of path analysis on brand coolness, destination value, and brand equity

The findings of the path analysis demonstrated consistency with the empirical data when it came to the evaluation of the link between brand coolness, destination brand value, and brand equity. There is a positive relationship between brand coolness and both destination brand and brand equity. Additionally, a positive relationship exists between brand coolness and brand equity (Figure 2).

**Table 2.** Summary of the findings of the study%

No.	Hypothesis	$\beta$	t-value	Result
H1	Brand coolness will have a positive relationship with destination value.	0.73	18.549 ***	Supported
H2	Destination value will have a positive relationship with brand equity.	0.60	11.807 ***	Supported
H3	Brand coolness will have a positive relationship with brand equity.	0.25	5.024 ***	Supported

$$R^2_{BS}=0.40, R^2_{BE}=0.55$$

\*P < .05, \*\*P < .01, \*\*\*P < .001

Table 2 demonstrates that hypotheses H1, H2, and H3 are supported. These estimates are statistically significant ( $\beta = .73$ ,  $P < .001$ ,  $\beta = .60$ ,  $P < .001$  and  $\beta = .25$ ,  $P < .00$ , respectively). All of the hypotheses were validated by the findings, accounting for 54% of the variance in destination value and 64% in brand equity.

The result indicated that brand coolness directly impacts destination value, which is consistent with Kock. (2021). Brand coolness influences brand equity directly and indirectly through destination value, which is consistent with Pimtong. (2021).

## 6. CONCLUSION

This study revealed that brand coolness has a positive relationship with destination value. Moreover, the indirect positive relationship between brand coolness and brand equity is mediated by destination value. The findings of this study contribute to the literature on destination branding and marketing. Additionally, this study's outcomes may be used to strengthen the city branding strategies of tourism destinations.

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