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THE IMPACT OF BRAND COOLNESS ON BRAND SATISFACTION AND BRAND EQUITY: A PERSPECTIVE OF DOMESTIC TOURISTS VISITING BALI, INDONESIA

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Abstract

This study aims to examine the relationship between brand coolness, brand satisfaction, and brand equity within the context of Bali as a tourist destination. Questionnaires from 300 domestic tourists visiting Bali, Indonesia, were collected. Using path analysis, the data were evaluated. According to the findings of the study, brand coolness has an influence on brand satisfaction. Furthermore, brand coolness, directly and indirectly, influences brand equity through brand satisfaction. This study is expected to contribute to destination marketing literature and be used as a strategy to enhance the competitiveness of the city.

Keywords: brand coolness, brand equity, brand satisfaction, destination marketing, city branding

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1. INTRODUCTION

Brands are related to both products and services, as well as to tourism destinations (Hankinson, 2007). Tourism has ended the isolation of nations and towns, necessitating the deployment of substantial resources to distinguish destinations from rivals. Comparable to product branding, place names are an extrinsic signal that invokes emotions, increases awareness, and affects behavior (Gertner et al., 2007; Gómez et al., 2018).

When planning their next vacation in a globalized society, travellers have a multitude of alternative places from which to pick. This expansion creates new options for tourism destinations to attract tourists, but it also intensifies rivalry amongst destinations for tourists. Tourists appear to adore 'cool' places and yearn to visit them, presumably also because such visits look good on social media accounts. Therefore, being regarded as cool might be a destination's distinguishing feature (Kock, 2021). Customer satisfaction is essential for effective destination marketing since it impacts aspects such as choice, the number of repeat visits, loyalty, the number of products and services purchased, and word-of-mouth advertising (Kozak et al., 2005; Kozak and Rimmington, 2000). Therefore, understanding the degree of satisfaction experienced by tourists is crucial for evaluating the products and services provided at a place (Yoon and Uysal, 2005). Several publications in marketing have examined brand equity about city branding (Jacobsen, 2012; Kladou and Kehagias, 2014; Lucarelli, 2012; Zenker and Beckmann, 2013). Brand equity is a crucial concept in both the commercial and academic spheres since its application enables the attainment of competitive advantage through successful brands and promotes the creation of barriers to entry for rivals (Gómez et al., 2018).

The variety of tourist attractions in Bali is a combination of natural and cultural components (Antara and Sumarniasih, 2017). Domestic tourists comprised 62.7% of all visitors to Bali in 2019, accounting for the bulk of individuals who visited Bali. Afterwards, 37% belonged to tourists from other nations (Suwendra et al., 2020). Due to the increasing reputation of Bali as a tourist destination in Indonesia, Bali has become a popular and unique destination for Indonesian travellers (Antara and Sumarniasih, 2017). However, there are still several aspects of Bali tourism that a marketing and branding strategy may enhance. In this study, we analyze the link between brand coolness, brand satisfaction, and brand equity in the context of Bali in Indonesia.

2. LITERATURE REVIEW

2.1. Brand Coolness

Cool is still the most appropriate term to use when referring to something difficult to obtain, a quality that distinguishes behaviors and things as trendy, desirable, and emblematic of "being in the know" (Bird and Tapp, 2008). It is not an attribute of a person nor a characteristic of an item; instead, coolness is a perception tied to an impression that requires the confirmation of

others (Belk et al., 2010; Warren et al., 2019). Cool cities are ones that people think are genuine, rebellious, original, and energetic (Kock, 2021).

2.2. Brand Satisfaction

A measure of a tourist's overall impressions, as determined by contrasting what was initially intended to be experienced at a location with what was encountered at that destination, is what is meant by "tourist satisfaction" (Cole and Scott, 2004; Um et al., 2006). When a destination lives up to the standards set by its visitors, that location is said to have satisfied its guests (Rahman et al., 2020; Vinh et al., 2017; Wang et al., 2017).

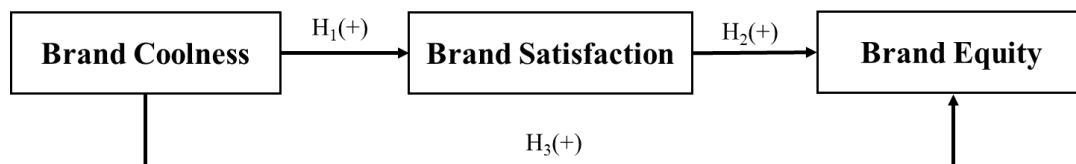
2.3. Brand Equity

According to a study of the literature on city branding, brand equity is a reasonably well-studied issue from the standpoint of brand-related marketing, defined as a name or symbol that adds or subtracts value from a product, service, or organization (Gómez et al., 2018; Lei and Chu, 2015). Tourism research has identified and used four components in analysing destination brand equity: destination brand awareness; destination brand image; destination perceived quality; and destination brand loyalty (Boo et al., 2009; Pike and Bianchi, 2016; Tran et al., 2019).

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

The research hypotheses, along with the conceptual framework of the study, which illustrates the relationship between brand coolness, brand satisfaction, and brand equity, are presented in Figure 1.

Figure 1. A conceptual framework and Hypotheses of the Study



There are three research hypotheses, including H1: Brand coolness has a positive relationship with brand satisfaction. H2: Brand satisfaction has a positive relationship with brand equity. H3: Brand coolness has a positive relationship with brand equity.

4. METHODOLOGY

This quantitative study employed field-survey questionnaires to examine the association between brand coolness, brand satisfaction, and brand equity in Bali, Indonesia. The survey questionnaires, which contained a total of 43 questions, were used in the research. Furthermore, a 7-point Likert scale was used (1= "strongly disagree" and 7 = "strongly agree") in the questionnaire. This study gathered data from 300 people who participated in the survey. Questionnaires were collected at a variety of tourist attractions located across Bali during the

period of 15 October to 15 November 2022. The argument selection of a sample targeting appropriate audiences by the research objectives is adequate and reliable for a sample representative (Kline, 2016).

The questionnaire was segmented into four components, which are as follows: 1) general tourist information; 2) brand coolness; 3) brand satisfaction; and 4) brand equity. 12 items of general tourist information were included in the list. 12 questions on brand coolness were adapted from Kock (2021); 5 questions on brand satisfaction were adapted from Battour et al. (2022), Eid and El-Gohary (2015), and Wu et al. (2018); and 14 questions on brand equity were adapted from Tran et al. (2020). Path analysis was the primary method that was employed to analyze the data.

5. RESULTS AND DISCUSSION

Data were analyzed using descriptive and inferential statistics. In addition, path analysis was conducted to investigate the framework and hypotheses. The statistical software IBM SPSS v.28 and AMOS v.28 were employed for data analyses.

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 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% were business employees, and 52.7% had a monthly income of less than Rp. 5.000.000. It was discovered that the most common kind of 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. Mean, SD, and Cronbach's Alpha

Construct	No. of items	Mean	SD	Cronbach's Alpha
Brand Coolness (BC)	12	6.09	0.53	0.85
Brand Satisfaction (BS)	5	6.16	0.60	0.81
Brand Equity (BE)	14	6.05	0.55	0.88

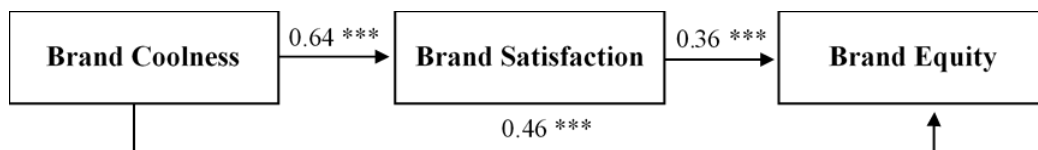
Cronbach's Alpha values for the measurement ranged between 0.81 and 0.88, exceeding 0.70. Consequently, the measurements used in this study are within the acceptable level (Hair et al., 2019). The mean values of the questionnaire were between 6.05 and 6.16, and the standard

deviation ranged from 0.53 to 0.56 (Table 1). Data skewness values ranged from -0.89 to -0.46, while kurtosis values ranged from 0.39 to 1.68. 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 0.636 to 0.69, the VIF ranged from 1.965 to 2.243, and the tolerance ranged from 0.44 to 0.51, revealing that there was no evidence of multicollinearity (Stevens, 2009).

5.2. Path Analysis Results

A path analysis was conducted to test the hypotheses on the relationship between brand coolness, brand satisfaction, and brand equity.

Figure 2: The result of path analysis on brand coolness, brand satisfaction, 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, brand satisfaction, and brand equity. There is a positive relationship between brand coolness and both brand satisfaction and brand equity. Additionally, there is a positive relationship between brand coolness and brand equity (Figure 2).

Table 2. Summary of the findings of the study

No.	Hypothesis	β	t-value	Result
H1	Brand coolness has a positive relationship with brand satisfaction.	0.64	14.240 ***	Supported
H2	Brand satisfaction has a positive relationship with brand equity.	0.36	7.147 ***	Supported
H3	Brand coolness has a positive relationship with brand equity.	0.46	9.275 ***	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 are statistically significant ($\beta = .64, P < .001$, $\beta = .36, P < .001$ and $\beta = .46, P < .001$). All of the study's hypotheses were validated by the findings, accounting for 40% of the variance in brand satisfaction and 55% in brand equity.

Studies related to brand coolness in the context of city tourism are a new concept in the field of destination marketing. Kock (2021) recently identified the dimensions associated with city coolness. Therefore, we are interested in further studying brand coolness and its relationship with brand satisfaction and brand equity in terms of tourism marketing. The results of this study indicate that brand coolness has a positive association with brand satisfaction. Our findings are supported by a previous study conducted by Warren et al. (2019). Furthermore, brand coolness can affect brand equity directly and indirectly through brand satisfaction. Similar results were also reported by Khamwon and Kularbkaew (2021), Torres and Tribó (2011), and Tran et al. (2020).

6. CONCLUSION

This study revealed that brand coolness directly correlates positively with brand equity. Moreover, the indirect positive relationship between brand coolness and brand equity is mediated by brand satisfaction. The findings of this research contribute to the development of theory in the literature on city branding and destination marketing. Additionally, this study's outcomes may be used to strengthen the brand strategies of tourism destinations.

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