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BRAND EXPERIENCE, BRAND COOLNESS, AND BRAND EQUITY: A CASE OF BALI, INDONESIA

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Abstract

This research aims to examine the relationship between brand experience, brand coolness, and brand equity in the context of a tourist destination. The surveys were used to collect data from 300 domestic tourists visiting Bali, Indonesia. Path analysis was used to evaluate the collected data. According to the findings of the research, brand experience has an influence on brand coolness. Furthermore, brand experience directly and indirectly affects brand equity through brand coolness.

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

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1. INTRODUCTION

Bali is one of Indonesia's 38 provinces and a popular tourist destination due to its beautiful scenery and low crime rate. Its entire land area is 5,636.66 square kilometers, or 0.29 percent of Indonesia's total land area (Antara & Sumarniasih, 2017). Since the 1920s, the island of Bali has been one of the most popular vacation spots in the world. This is because of the abundance of beautiful landscapes and culturally diverse artistic creations that are the province's pride and joy (Antara & Sumarniasih, 2017). One of tourism destination management's fundamental techniques is creating and developing a "brand" (Ashton, 2014). Branding can be applied to products, businesses, and tourism (Bianchi & Milberg, 2016; Boo, 2009). Nowadays, brand destination management has become crucial (Pike & Page, 2014). With their concrete and intangible characteristics, tourist destinations integrate many stakeholders and mix unique resources (Prebensen, 2007). To successfully manage a destination brand, marketers must satisfy the desires and requirements of destination consumers" (Rather & Najar & Jaziri, 2020). Therefore, adopting and verifying the brand experience construct scale in tourist contexts is essential. Positive or negative brand experiences may be either fleeting or long-lasting. It may favorably affect customer happiness, brand loyalty, and brand trust (Zarantonello & Schmitt, 2013). Brand coolness is a significant differentiation and competitive advantage among competing brands (Rahman, 2013). It has been studied that brand coolness positively impacts customers' attitudes and happiness toward a brand and their desire to share (Word of Mouth) and purchase the brand (Warren et al., 2019). Furthermore, Customer-based brand equity is a topic that has lately received various academic and practitioner attention in marketing. (Tong & Hawley, 2009). Not only have studies been conducted on brand equity for goods and services, but also for tourism destinations that combine many products (services) from several providers, they are impacted by various elements, including lodging, food, tourist attractions, tourism policy, etc (Boo et al., 2009; Wang et al., 2017; Konecnik & Gartner, 2007; Pike et al., 2010; Pike & Bianchi & Milberg, 2016). This study examined the interaction between brand experience, brand coolness, and brand equity in a Bali, Indonesia case study.

2. LITERATURE REVIEW

2.1. Brand Experience

Brand experience is a customer's reaction to brand-related stimuli that is 1) sensory, 2) affective, 3) behavioral, and 4) intellectual (Brakus et al., 2009). A favorable experience will have a lasting impact on the consumer, eventually manifesting as "brand loyalty" (Schmitt, 2010). Those with brand devotion will, or will tend to, unconsciously embrace that brand's distinctive vision and identity, further distinguishing it from its rivals. Brand experience is critical for promoting business identity and tempting customers to repurchase, which are crucial to the brand's success and market position (Brakus et al., 2009).

2.2. Brand Coolness

The coolness of a brand is the degree of coolness (or uncoolness) that the brand imparts to its consumers (Gurrieri, 2009). Coolness is a perception of an experience that needs external confirmation (Belk et al., 2010). Additionally, brand coolness refers to the positive and desired characteristics of being imaginative, unique, or different. According to Kock (2021), four factors associated with brand coolness are Authentic, Rebellious, Original, and Vibrant.

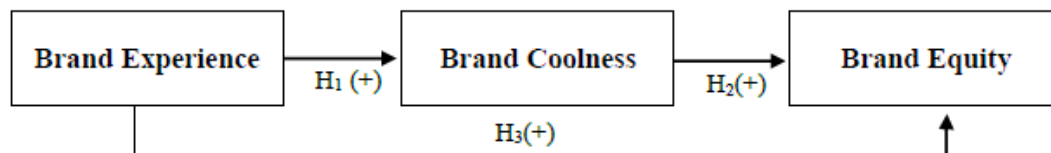
2.3. Brand Equity

Customer-based brand equity is a collection of brand assets and liabilities associated with a brand, its name, and its symbol that increase or decrease the value supplied by a product or service to a company and/or its consumers. Additionally, brand equity significantly emphasizes consumer opinions (Alvarado & Guzman, 2020; Ahmad & Guzmán, 2021). Tourism researchers (Tran et al., 2019; Tran et al., 2020) have determined and implemented four aspects to quantify brand equity: destination brand awareness, image, perceived quality, and loyalty.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

The study's conceptual framework represents the correlation among brand experience, brand coolness, and brand equity and the research hypotheses. As shown in Figure 1.

Figure 1. A conceptual framework and Hypotheses of the Study



There are 3 research hypotheses for this study, including H1: A positive correlation will exist between Brand Experience and Brand Coolness. H2: A positive correlation will exist between Brand Coolness and Brand Equity. H3: A positive correlation will exist between Brand Experience and Brand Equity.

4. METHODOLOGY

This quantitative research employed field-survey questionnaires to study the correlation among brand experience, brand coolness, and brand equity in the case of Bali, Indonesia. Utilizing a 7-point Likert scale (1 = “strongly disagree” and 7 = “strongly agree”). This research collected data from a comprehensive survey of 300 respondents. The date range for collecting data using the questionnaire is from 15th October - 15th of November 2022 in Bali, Indonesia. Sample selection targeting relevant audiences in line with research aims is adequate and dependable for a representative sample. (Kline, 2016). Participants were asked to complete a 50-item questionnaire, which general tourist information and measures of brand experience, brand coolness, and brand equity.

The questionnaire consists of four sections as follows 1) general tourist information 2) Brand Experience, 3) Brand Coolness, and 4) Brand Equity. Brand Experience was adapted from Brakus (2009) and consisted of 12 questions, Brand Coolness was adapted from (Kock, 2021) and consisted of 12 questions, and Brand Equity was adapted from Tran (2020) and consisted of 14 questions. A 7-point Likert scale was utilized to measure the data, which were chiefly analyzed by adopting path analysis.

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

According to the data, 56.3% of them are female, and 43.7% are male. 58.7% of them are unmarried, and between the ages of 18 and 29, 51.7% of them hold a bachelor's degree, 35.3% of them are business employees, and 52.7% of them belong to a monthly salary range less than Rp. 5.000.001. The result revealed that the most common kind of accommodation for tourists is hotels with a number of 57.4%, and the majority of visitors come from western 52.7%, with 43.7% staying in Bali for 2-3 nights, 27.7% going with their organization's tour group, while 26.3% with family, and 18.0% of them going with their 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 Experience (BX)	12	5.89	0.66	0.86
Brand Coolness (BC)	12	6.09	0.53	0.85
Brand Equity (BE)	14	6.05	0.55	0.88

Cronbach's Alpha values for the measurement range are between 0.85 and 0.88, higher than 0.70. Hence, this research makes use of measures that are within the allowed range. (Hair et al., 2019). The mean values of questionnaire items ranged are 5.89 and 6.09, and the standard deviation values ranged are 0.53 and 0.66. The data skewness values varied from -1.95 to -0.46. and kurtosis is between 0.39 to 1.97, every value for the items falls between -2 and 2. Therefore, the study's obtained data were regularly distributed (Tabachnick and Fidell, 2019). The correlation matrix tests were in the range of 0.63 to 0.69, VIF ranged from 2.025 to 2.140, and Tolerance ranged from 0.43 to 0.49, Affirming that there was no evidence of a multicollinearity issue (Stevens, 2009).

5.2. Path Analysis

Path analysis findings demonstrated consistency with empirical data in examining the correlation between Brand Experience, Brand Coolness, and Brand Equity. Brand Experience has a positive correlation to Brand Coolness and Brand Equity. In addition, Brand Coolness has a positive correlation to Brand Equity.

Figure 2. The results of path analysis on brand experience, brand coolness, and brand equity

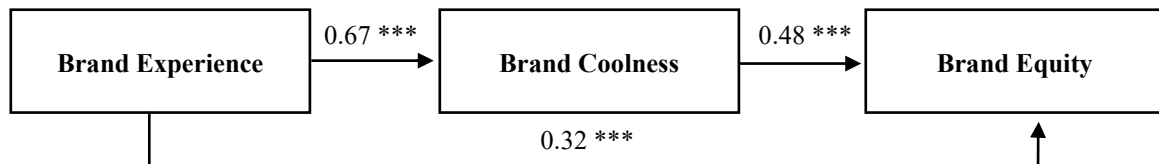


Table 2. Summary of the findings of the Study

No	Hypothesis	β	t-value	Result
H1	A positive correlation will exist between brand experience and brand coolness	0.67	15.585 ***	Supported
H2	A positive correlation will exist between brand coolness and brand equity	0.48	9.024 ***	Supported
H3	A positive correlation will exist between brand experience and brand equity.	0.32	5.925 ***	Supported

$$R^2_{BC} = 0.45, R^2_{BE} = 0.53$$

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

According to Table 2, It's apparent that hypotheses H1, H2, and H3 are supported. These hypotheses all have statistically significant standard estimates ($\beta = .67, P < .001, \beta = .48, P < .001$ and $\beta = .32, P < .001$). The findings supported all of the study's hypotheses, with 45% of the variance in brand coolness and 53% of the variance in brand equity explained.

The result indicates that Brand Experience has a direct influence on Brand coolness, which is consistent with the research of Chen & Chou (2019), Ridhani & Roostika (2020) Later, Brand Experience influences Brand Equity both directly and indirectly through Brand Coolness, which is consistent with Zarantonello and Schmitt (2013), Warren & Campbell (2014), Khamwon & Kularbkaew (2021).

6. CONCLUSION

This research extends the knowledge of the underlying mechanism through which Brand Experience impacts Brand Coolness in the tourism industry, Brand Experience has both direct and indirect effects on Brand Equity through Brand Coolness. According to this research's findings, the result can contribute to advancing city branding and marketing theory. Furthermore, the findings of this study may help the cities improve their brand positioning.

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