Measuring Dimension of Brand Equity in Tour and Travel in Bandung, Indonesia

Iwan Sidharta[1], Robbi Saepul Rahman[2], Imam Heryanto[3]

[1]Sekolah Tinggi Ilmu Ekonomi Pasundan, Bandung, Indonesia
[2] Sekolah Tinggi Ilmu Ekonomi Pasundan, Bandung, Indonesia
[3] Sekolah Tinggi Ilmu Ekonomi Pasundan, Bandung, Indonesia
iw.sidh@gmail.com, robby@stiepas.ac.id, imam@stiepas.ac.id

Abstract   This study aims to measure the attributes that form the dimension of brand equity. Dimensions include brand awareness, perceived quality, brand association and brand image. The research method used exploratory survey method. The object of research conducted on tour and travel companies in Bandung with a sample of 100 people. This study uses Structural Equation Modeling Partial Least Square for analyzing the data. The results show that these dimensions are part of the brand equity. Thus it is necessary for the tour and travel companies to pay attention to all these dimensions so that the company's brand equity can be maintained and improved so as to increase customer loyalty.

Keywords   brand equity, brand awareness, perceived quality, brand association, brand image

1. Introduction

Nowadays, the role of consumers is constantly changing as customers are more actively involved in communication about the products or services changes. Customers can perceive and learn the company with their own knowledge or from the other customers' knowledge. This process will shape the perception of the consumed services. As there is the increasing role of customers, it is necessary for a company to establish a deeper relationship with customers. In fact, maintaining customer relationships costs much more than the cost of attracting new customers. Therefore, marketers who want to succeed in the long run will apply effective strategies in retaining the existing customers by strengthening the brand equity. As of now, more companies realize that retaining the existing customers is more important than focusing on finding new customers. The awareness is gained through the treatment and recognition of the company that the customer is a partner for them. As a consequence, the company must have a strong long-term commitment to maintain customer relationships through quality, more effective and efficient services and continuously innovate its services.

Brand as an internalization of a number of impressions received by customers and consumers that resulted in a special position in their memory of perceived emotional and functional benefits. A brand is said to be special if consumers feel confident that the brands are really special. According to the American Marketing Association[1] the brand is defined as the name, term, sign, symbol, design or combination of entirely aimed at identifying the resulting product or service so that it differs from the product or service produced by the competitor. In a company's business, a brand may be a company name, product, logo or corporate symbol or an overall combination. Within this brand is the company's promise to consumers to provide certain benefits, privileges and services. Brand is very valuable because it is able to influence consumer preferences. A good brand can signal the superiority of the product to the consumer that leads to a favorable consumer attitude and brings better sales and financial performance to the company. Brand-giving is not an intuition, not just a word, but a real concept of desire, commitment and promise to the consumer. Brand is a means for companies to develop and maintain customer loyalty. Customers use the brand as a guide in making purchasing decisions.[2] A well-known and trusted brand is an invaluable asset. The most unique expertise of a professional marketer is his ability to create, maintain and protect and enhance the brand. Marketers say branding is the art and the most important part of marketing.

Furthermore[3] explain that a brand is a naturally contained contract and regulates the relationship between the company and the customer. This relationship has two dimensions. It is not only about the economic value but also, creating an emotional bond that is sometimes mutually strong that lasts for a long term or for a short term. Therefore, it affects both behaviors. The existence of a brand is to distinguish the products from the other competitors. This is a fact that shows the basis of identity. Identity is a personality or character that distinguishes from something or a characteristic of a product. According to[4] a brand is a distinguishing name or symbol (such as a logo, stamp or packaging) to identify the goods or services of a particular seller or group of sellers, and distinguish them from the goods or services produced by competitors. Brand equty by[4] brand equity is a multidimensional concept It consists of brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary

brand assets. And[5] proposed brand loyalty and brand associations, and[6] proposed brand knowledge, comprising brand awareness and brand image.

The crucial role of brand building has been proven by[7] stating that brands are seen as a quick way to identify and differentiate themselves in the minds of customers, serving as signatures of their networks, products, and services. Also[8] suggests that branded hotel services outperform non-trademark characteristics seen from performance indicators such as average prices, occupancy rates, available revenue per available space, available revenue per customer, and return on investment. Then[9] proved a positive relationship between brand equity and performance finances in the luxury hotel sector. Furthermore[10] suggests that hospitality firms with equity brands can drive share prices and shareholder value. Given a good brand will improve customer confidence, as well as service products provided by service companies that can have an impact on increasing competitive service products among competitors that impact on customer value creation [11,12,13,14,15]. This will result in the value of the firm that eventually forms the brand equity. [16, 17] Some studies show the important role of brand equity for service companies. [9,11,13,15,18,19].

The description mentioned above demonstrates the need for understanding the concept of brand equity for further investigation on service companies, particularly on the tour and travel services. Previous research has shown the importance of brand equity for service companies. This research tries to show how the dimensions of brand awareness, perceived quality, brand association and brand image create the brand equity in tour and travel company.

2. Methods

This research uses cross sectional survey method, that is to make an idea about situation or phenomenon which is meant for causal-predictive analysis.[20] Due to the large population and limited time and cost available, samples were drawn from the population under study. In addition, the survey method can also be done assessment and comparison of results that can be made conclusions. Sampling technique using accidental sampling to tour and travel customers in Bandung.

Calculation of sampling using statistic formulation for unknown population number[21] with $Z = 1.96$, $p = 0,5$ and e $= 10\%$,, the minimum sample taken is 96 respondents. In this study the number of samples that can be processed as many as 100 people respondents.

Data analysis is used to describe the data results of research by using software support Warp PLS 3.0 and Microsoft Exel for Windows 2007.

Operational variables in this study include brand equity dimension that is; brand awareness, perceived quality, brand association and brand image. The research instrument using Likert scale technique in which any statement that has been written can be agreed as a favorable statement or unfavorable statement, and the subject responds to each item of statement using intensity strongly agree or strongly disagree on the available statements. Data analysis techniques using Structural Equation Modeling (SEM), component based Partial Least Squares (PLS). Partial Least Squares (PLS) model measurements are based on predictor measurements that have non-parametric properties with convergent validity, average variance extracted (AVE) and cronbach alpha criteria for outer loading measurements[22].

3. Result

Based on the results of data collection through the distribution of questionnaires to the respondent shows the highest percentage for the age group is 6%, between the age ranges from 21 to 30 years, while the least is > 50 years with a percentage of 42%.

The results of data processing show are valid and reliable by using the Average Variance Extracted > 0.5, Cronbach alpha > 0.7 and Composite reliability > 0.7 criteria[22]. The results as shown in the following table:

Table 1. Result of Outer Loading

Indicators	PQ	BI	BAw	BAs	AVE	CR	Composite Reliability
PQ1	0.612						
PQ2	0.832						
PQ3	0.628						
PQ4	0.841						
PQ5	0.831						
PQ6	0.784				0.57	0.92	0.93
PQ7	0.924						
PQ8	0.716						
PQ9	0.675						
P10	0.700						
P11	0.709						
BI1		0.605					
BI2		0.651					
BI3		0.606					
BI4		0.655					
BI5		0.633					
BI6		0.727			0.53	0.89	0.91
BI7		0.681					
BI8		0.710					
BI9		0.714					
B10		0.634					
B11		0.530					

Table 1, cont.

B12	0.656					
BI3	0.723					
BI4	0.653					
Bw1		0.583				
Bw2		0.827		0.60	0.75	0.91
Bw3		0.880				
Bs1			0.844			
Bs2			0.797			
Bs3			0.736			
Bs4			0.766	0.53	0.81	0.86
Bs5			0.549			
Bs6			0.620			

Table 2. Result of Path Analysis

Variables	Path Value	p value
Perceived Quality > Brand Equity	0.269	0.019
Brand Image > Brand Equity	0.317	0.007
Brand Awareness > Brand Equity	0.246	0.029
Brand Associated > Brand Equity	0.322	0.006

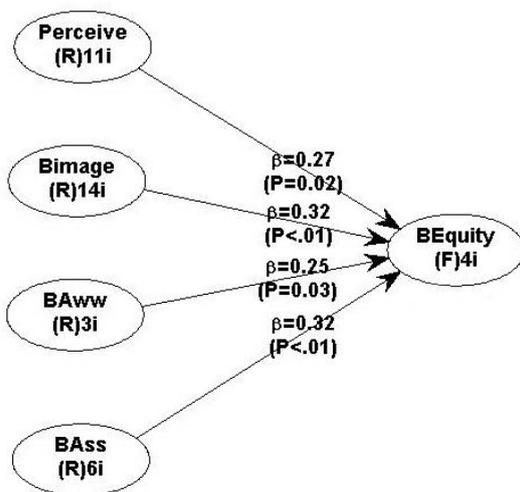The overall research model is as follow:

Figure 1. Result of Structural Model

Based on the results of data processing has been done, it can be said that brand awareness, perceived quality, brand association and brand image form brand equity.

4. Discussion

Marketers operationalize consumer-based equity based on the approach to measurement. Measurement of brand equity seeks to measure the phenomenon directly by focusing on consumer preferences [23,24] or utilities [25,26] as well as through the manifestations that consumers can demonstrate. [27,28] And [23,29] used the multiattribute model as a general starting point for brand measurement. Also[30] developed a brand equity model that combines consumer finance and survey data, both of which offer relative brand value and brand importance. Brand relative is the effect of brand image on consumer usability relative to the influence of other factors that also affect consumer choice. Furthermore[30] identifies the brand reputation, brand uniqueness, brand fit, brand association, brand trust, brand innovation, brand regard, and brand fame as a driver of brand image. Brand equity is a major topic in modern marketing, can be judged from three perspectives: customer mind set, product market outcomes and financial market outcomes[31]. Brand awareness and brand liking is an element of customer mind set of brand equity. Factors that determine brand awareness and brand liking are also determinants of financial market outcomes changes.

It can be said that brand equity represents the difference of consumer choice between a branded product and a brand product at the same product feature level. This relates to the comparison of two identical products in everything except the brand name. [32,33] All consumers have an impression of what the well-known brands say about the product, but do not have the same impression on an unnamed brand name. Brand equity is an additional value embedded in its name, as perceived by consumers, compared to other similar products without its name. Differences in consumer choice between the two products can be assessed by measuring the desire to buy compared with no brand name.

In this study brand equity is formed by brand awareness, perceived quality, brand association and brand image

5. Conclusion

It can be concluded that brand awareness, perceived quality, brand association and brand image create the brand equity. In order to obtain the optimal brand equity, the demands of brand awareness, perceived quality, brand association and the brand image should be enhanced and given more attention. This research still has a limitation in which the research only focuses on tour and travel sector. In addition, the environment of this research is still limited. Due to the limitation, this research cannot present the comprehensive research. It is expected the subsequent research uses the wider scope to investigate the result.

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