

Effect of City Branding Toward City Image, Value Perception and Revisit Intention (Study Toward Domestic Tourist in City of Ambon, Indonesia)

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Abstract: *Development in tourism sector has compelled cities to compete in order to attracting more and more tourists, however in certain condition city weakened economy growth has caused some social phenomenon to emerge among citizen. In such condition, municipal government was demanded to be smart to conduct prevention by using several policies. One of the effective and prevalent policies was by revitalize urban tourism using brand strategy approach known as city branding. Just like a product, city would always revisit if it give positive image and value for its visitors. Therefore, this study aimed to analyze the effect of city branding toward city image, value perception and revisit intention. This paper was an explanatory study, and data collected was by disseminating questionnaire toward 142 domestic tourists in city of Ambon, Indonesia. Path analysis (SEM) was used to analyze data. Result showed that city branding variable has significant effect toward city image, value perception and revisit intention. City image has significant effect toward value perception but either city image or value perception has insignificant effect toward revisit intention. It was suggested that municipal government should has good synergy with businessman, stakeholders and all community member in its effort to improve promotion and effectiveness of city branding to intensify more visitors. Policies and development of new events should be aimed to facilitate future effort of tourism.*

Keywords: city branding, city image, value perception, revisit intention

1. Introduction

One of the impacts of present development in tourism or hospitality sector was competition between cities in the globe, which aimed to attract many tourists, investors and skilled worker. As a response to this competition, almost every city has its own policy and strategy to attract more visitors and to build loyalty with its customers. *Brand strategy* approach known as *city branding* was believed to be able to give distinct identity toward a city, since a strong *brand* would differentiate goods or service to its competitor. City marketing using *city branding* has become a widespread phenomenon in the world. Just like a good or service, city marketing has become something very dynamic, competitive and most talked about by country's leaders in the world. In another side, municipal government has aware the need of policies and strategy that could benefiting the city. Review by [1] suggest that half of the world citizen live in the city while in certain condition, city's growth has kept decreasing, causing many social phenomenon to emerge. To address this condition one of the proper option was by revitalize investment and city tourism. This was in line with result of [2] study which argues that *city branding* strategy could be applied as a competitive advantage device to revitalize investment and tourism, also strengthened city's identity. While [3] argue that *city branding* could give strong impression thus strengthened brand position which serves to attract more tourists. Therefore, to be able to compete globally, cities should showed superior identity as a good signal to obtain attention from local, regional, and international people.

Implementation of *city branding* by many cities can be realized in *city slogan*, whereas almost every city has its slogan/tagline act as short message media to attract attention of the people to the distinct character and superior nature of the city. City of Ambon was known as "Ambon Manise" which means it has prosperous, beautiful and peaceful land and serves as the capital city of Maluku Province, Indonesia. Currently, while being the provincial government, it also act as business center and gate of tourism in Maluku province. City of Ambon located along coastline following Ambon Bay with mountain and hill as its background, showing off its distinct feature for any visitors. In 2012, municipal government delivered a *tagline*, "Ambon City of Music" while describe that people in Ambon has inherited the art of music since its early days, but it also aimed to recovered the traditional music such as the almost extinct Tifa, Totobuang (gung-shaped gamelan), Tahuri (shell trumpet) and Bamboo flute. Appointment of 'Ambon to World Music City' by municipal government and Indonesia Creative Economy Agency, has become distinct appeal for tourist who had special motivation to explore more about the history and culture of Ambon. *City branding* would give impression and value that could stimulate the decision to revisit the city.

2. Theoretical Review

2.1 Revisit Intention

Decision making process to go back to a tourist destination was highly identical with repurchasing decision of a product or service. In tourism sector, *revisit intention* is the intention of customer to repurchase a tourism or recreation service or revisit the tourist

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destination that once was visited. Therefore, *revisit intention* was identical with *purchase intention* and cannot be separated from purchasing decision theory. [4] suggest that *purchase intention* is the possibility of customer to buy again the product that was once bought. Regarding this, [5] argue that in tourism, customer's loyalty toward certain tourist destination was the strategic objective of tour agencies. Customer's loyalty was the barometer for firm's survival and the ground of one's intention to conduct recurrent behavior. While [6] explains that *revisit intention* is the possibility of tourist to repeat the same activities or to revisit a destination.

2.2 Value Perception

Nowadays, to buy something, customer was more value oriented in consuming service since they have myriad of choices. [7] suggest that customer view was oriented in buying value and not just product. Value is difference between perceived service and perceived product value. [8] define customer's perception value as the result of personal comparison between all perceived benefit with sacrifice or cost paid by customer. [9] argue that perceived value is the good predictor for repurchase intention. In another word, value obtained from tourism service has become the predictor for *revisit intention*.

2.3 City Image

Facing the dynamic and competitive tourism market nowadays, a city should able to differentiate themselves and able to build a positive impression toward its visitors. [10] suggest that nowadays lots of cities try to promote themselves with icons which aimed to build more impression for its visitors. [11] define *city image* as mental impression or visual depiction generated by a city toward its citizen and visitors. Elements that could build *city image* according to [10] include city uniqueness and appeals, such as monumental building, public space, supporting facilities (hotel, restaurant, cafe, hospital, school, city park, harbor, airport and others) also residences planning, city park, office block and others. Previously, [12] has suggested five elements which constitute *city image* which were: *path*, *edge*, *district*, *nodes* and *landmark*. [13] added non physical element such as citizen friendly conduct, culture, and social relationship which could give positive impression toward the citizen and visitors.

2.4 City Branding

Development of tourism has change the city to become an object with selling value and can be offered through tourism market. Through *brand strategy* approach, or known as *city branding*, a city would show different identity to other city. In this regard, [14] argue that *city branding* is a process of branding constitution for city so that it can be known by its market target (investors, tourist, talent, event and others) by using icon, *tagline*, slogan, exhibition, expo or other promotional media. [2] mentioned that the main objective of *city branding* was to revitalize investment and tourism with its main target was

to increase tourist inflow of the city. *City branding* is purpose management through strategic innovation and coordination of economy, social, commercial, culture and government rules [15]. [16] suggest that *city branding* is a concept that generally practiced by several cities in a competitive context as an effort to increase tourist and investors intensively and to promote regional development. [14] create *City Branding Hexagon* to measure effectiveness of *city branding*, which consist of six aspects such as *presence*, *place*, *pre-requisite*, *people*, *pulse* and *potential*. Lately, most cities implement *city branding* through *tagline* as the communication media to attract people attention and to shortly explain the distinct character and excellence of the city.

3. Research Model and Hypothesis

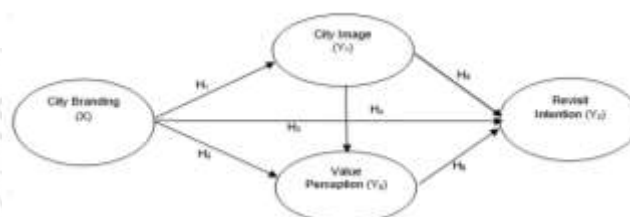


Figure: Research Model

The following is hypotheses of this research:

- 1) H1: City branding has significant effect toward city image
- 2) H2: City branding has significant effect toward value perception
- 3) H3: City branding has significant effect toward revisit intention
- 4) H4: City image has significant effect toward value perception
- 5) H5: City image has significant effect toward revisit intention
- 6) H6: Value perception has significant effect toward revisit intention.

4. Research Method

Type of study in this paper is *explanatory research* with quantitative approach. Study site was city of Ambon, it was selected because this city is the capital city of Maluku Province, it has many natural tourist destinations, by the sea and beach, historical monuments and attractive events and culture for tourists to enjoy. Four variables studied in this paper were *city branding*, *city image*, value perception and *revisit intention*. This study used *purposive sampling* technique. 142 domestic 18+ tourists who visit Ambon were used as respondents. Data was collected through questionnaire filled by respondent. Path analysis and descriptive analysis was done to analyze the data by using *GSCA software*.

5. Results of Research

This study involved 142 respondents which consist of 73,2% male and 26,8% female. Respondents' age was between 18 to above 60 years old. Most education level

of respondent was undergraduate with about 40,8%. Respondent's origin was mostly came from South Sulawesi province about 19,7% followed by those from East Java with 11,3% and East Nusa Tenggara with 9,1% and the remaining were dispersed from other province in Indonesia. Frequency of respondent's visit to Ambon were: respondents who visit once was 38,0%, twice 47,9%, thrice 9,2% and more than thrice 4,9%. Information about Ambon obtained by respondents were through media (TV, radio) 20,4%, through information from family/relatives 19,7% and through school 13,4% while the remaining information came from other sources. Average score for city branding variable was 4,08 while those of city image was 4,22. Average score for value perception was 3,61 while those of revisit intention was 3,95.

Result i

H₁: Effect of city branding toward city image resulting CR 18,75* (CR > t-table 2,00), it can be concluded that city branding has significant effect toward city image (H₁ accepted). *Direct* coefficient value has positive sign of 0,765 (76,5%) which means that if there was a change in *city branding*, it would be followed by 76,5% change in *city image*.

Table 1: Direct Effect Hypothesis Testing Results

Study Hypothesis	Exogenous Variables	Endogenous Variables	Direct Coefficient	SE	CR
H ₁	City Branding	City Image	0,765	0,041	18,75*
H ₂	City Branding	Value Perception	0,422	0,090	4,68*
H ₃	City Branding	Revisit Intention	0,459	0,117	3,91*
H ₄	City Image	Value Perception	0,462	0,105	4,40*
H ₅	City Image	Revisit Intention	0,237	0,124	1,91
H ₆	Value Perception	Revisit Intention	0,210	0,115	1,82

H₂: Effect of city branding toward value perception resulting CR4,68* (CR > t-table 2,00) which means that city branding has significant effect toward value perception (H₂ accepted). *Direct* coefficient value has positive sign of 0,422 (42,2%) which means that if there was a change in *city branding*, it would be followed by 42,2% change in value perception.

H₃: Effect of city branding toward revisit intention resulting CR 3,91* (CR > t-table 2,00), it can be concluded that city branding has significant effect toward revisit intention (H₃ accepted). *Direct* coefficient value has positive sign of 0,459 (45,9%) which means that if there was a change in *city branding*, it would be followed by 45,9% change in *revisit intention*.

H₄: Effect of city image toward value perception resulting CR 4,40* (CR > t-table 2,00), it can be concluded that city image has significant effect toward value perception (H₄ accepted). *Direct* coefficient value has positive sign of 0,462 (46,2%) which means that if there was a change in *city image*, it would be followed by 46,2% change in value perception variable.

H₅: Effect of city image toward revisit intention resulting CR 1,91 (CR < t-table 2,00) which means that city image has no significant effect toward value perception (H₅ rejected). *Direct* coefficient value has positive sign of 0,237 (23,7%) which means that if there was a change in *city image*, it did not affect revisit intention variable.

H₆: Effect of value perception toward revisit intention resulting CR 1,82 (CR < t-table 2,00) which means that value perception has no significant effect toward revisit intention (H₆ rejected). *Direct* coefficient value has positive sign of 0,210 (21,0%) which means that if there was a change in value perception variable it did not affect revisit intention variable.

6. Discussion

Direct path analysis result showed that *city branding* has significant effect toward *city image* with CR value 18,75* (CR > t-table 2,00) and *direct* coefficient value was positive with 0,767 (76,5%). Based on this result it can be concluded that *city branding* as one of the communication facility to promote city potential could affect *city image*. Tagline of “Ambon city of music” and the nickname of “Ambon Manise” was highly contributed in shaping tourist's *image* about Ambon. [17] suggest that *image* would affect tourist's attitude, and this attitude will become the basic for future behavior. [18] found that *city branding* is the new approach for sustainable city development and aimed to strengthen the image of a city toward citizens and visitors. Along with this, [19] found out that currently, almost all cities have *city branding* agenda in order to build *city image*.

Direct path analysis result showed that *city branding* has significant effect toward value perception with CR value 4,68* (CR > t-table 2,00) and *direct* coefficient value was positive with 0,422 (42,2%). Based on this result it can be concluded that *city branding* is one of the variable which give positive effect toward value perception of tourists in Ambon. Value perceived by tourist was a personal comparison from benefit obtained relative to the sacrifice time, energy and cost to be in Ambon. Customer Value Notion suggested by [8] showed that perceived value is a concept that simultaneously integrates consumer's perception toward benefit and cost. Integration of benefit and cost, along with *city branding* concept and all tourism service in Ambon has become the basic to measure value perception of tourists.

Direct path analysis result showed that *city branding* has significant effect toward *revisit intention* with CR value 3,91* (CR > t-table 2,00) and *direct* coefficient value was positive with 0,459 (45,9%). Based on this result it can be concluded that *city branding* is one of the variable that give positive effect for revisit intention. Tagline “Ambon city of music” informed that Ambon was heading to become world music city thus it can become tourist's consideration to revisit Ambon. This study support result of [20] which suggest that strong *brand* has direct effect toward repurchasing intention. This finding was affirmed

by [21] who argue that strong *brand* is the main asset in global market.

Direct path analysis result showed that *city image* has significant effect toward value perception with CR value 4,40* (CR > t-table 2,00) and *direct* coefficient value was positive with 0,462 (46,2%). Based on this result it can be concluded that *city image* is one of the variable who had significant effect toward tourist's value perception. Perceived value is the benefit obtained by tourist about Ambon compared to time, energy and cost spend just to be there. This support study of [16] who suggest that there was direct relationship between city image and tourist's value perception. Findings of [22] suggest that *image* toward a destination would directly affect tourist's value perception.

Direct path analysis result showed that *city image* has no significant effect toward *revisit intention* with CR value 1,91 (CR < t-table 2,00) and *direct* coefficient value was positive with 0,237 (23,7%). Based on this result it can be concluded that *city image* is not the basic consideration for tourist to revisit Ambon. *City branding* with tagline "Ambon city of music" has become the strong consideration for tourist to revisit Ambon. Domestic tourist tends to pay attention toward *tagline* as the tool to found out the distinctive character of a city in Indonesia and it became the basic consideration for revisit decision. This finding underline [12] view that city image in essence was a subjective judgment of a city. Image can turn negative if it was not supported by actual circumstances.

Direct path analysis result showed that value perception has no significant effect toward *revisit intention* with CR value 1,82 (CR < t-table 2,00) and *direct* coefficient value was positive with 0,210 (21,0%). Based on this result it can be concluded that value perception variable is not the determining factor for revisit intention. Perceived value was benefit obtained from tourist's impression toward Ambon but it did not become the basic consideration to revisit Ambon. This was in line with findings of [22] who argue that value perception has no direct effect toward loyalty. Value perception has indirect effect toward loyalty through satisfaction variable. Therefore, in this paper city branding was the only determining variable for revisit intention. This was in line with [14] that the function of city branding was as a tool to promote city potential in order to attract more people.

7. Conclusion

City branding variable has significant effect toward city image. This showed that tagline "*Ambon city of music*" and nickname "Ambon Manise" was highly contribute in shaping tourist's *image*. City branding variable has significant effect toward value perception. This showed that tourists give positive value upon all the sacrifice made to the benefit obtained by branding of Ambon. City branding variable has significant effect toward revisit intention. This showed that tourist was pleased with city

branding of Ambon. Tagline "Ambon city of music" informed that Ambon is heading to world city of music, thus it tend to form tourist's intention to revisit Ambon. City image variable has significant effect toward value perception. It was meant that city of Ambon give positive impression for value perceived by tourists. City image variable has no significant effect toward revisit intention. It can be concluded that city image variable is not the basic consideration for tourist to revisit Ambon. Value perception variable has no significant effect toward revisit intention. This means that value perceived by tourist is not the basic consideration for revisit intention to Ambon. It was suggested here that Ambon government should increase their tourism revitalization effort through promotion and strategic approach of *city branding* which informed about "Ambon heading to world city of music". Municipal government should synergize with tour businessmen with the objective to improve visitation intensity. Policies and development of new events should be aimed to facilitate future tourist effort. This should also support effort of people who related with tourism to increase number of visits. Study was still limited in city branding, city image, value perception and revisit intention variables. Future studies could use other variables and different method to obtain more comprehensive results.

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