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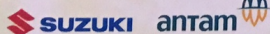
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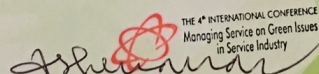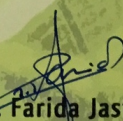has participated on International Conference
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The Effectiveness of Brand Bali as a Destination Brand

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The development of international tourism and the growing dependence on it has increased the level of interest for destination management study. Further, the intense competition between tourist destinations has compelled destinations managers to seek new ways and ideas to maintain and increase its destination competitiveness. An interesting approach that has gained much attention from destination managers and academics is the concept of destination branding. Destination branding is considered as an important aspect of destination management practice due to the paucity of differentiation and higher substitutability amongst some destinations.

Background

Destination branding is a relatively new area of research. Previously this topic was discussed under destination image studies which have been studied for over 30 years (Konecnik & Go, 2007; Hem & Iverson, 2004). The first academic conference on destination branding was held in 1996, journal articles in the late 1990s, and it was not until 2002 that the first book was published (Pike, 2005). This shows that there is relatively small number of published works in the area of destination branding.

Bali, an island located in Indonesia, was opened to international tourism since the late 1960s, and since then it was the largest tourist destination in Indonesia. Today, Bali has become a favorable tourist destination to its domestic and international market. In terms of the output it produces, tourism is the largest industry in Bali, making Bali one of the wealthiest provinces of Indonesia. The economic growth of Bali largely depends on tourism, with 80% of its economy dependent on tourism. However, it was only in 2007, The Indonesian Ministry of Tourism and Culture launched a brand for the island called Brand Bali. Through its relatively new brand, Bali tries to promote its island to its domestic and

international market based on its local wisdom (Bali Government Tourism Office, 2009). The tourism industry in Bali has faced threats from the growing number of competitors, terrorist attacks, natural catastrophes, and epidemic diseases which had major impacts towards its development.

This study aims to develop a destination brand model to measure the effectiveness of a destination branding strategy. It seeks to evaluate the effectiveness of Brand Bali as a destination brand. In order to evaluate the performance of Brand Bali, it is important to measure the gap, if any, between the projected image and visitors' perceived image of Brand Bali. In the area of destination branding, there is a lack of research in measuring the effectiveness of a destination brand, particularly on brand positioning strategy. This research will contribute to the knowledge of destination branding, bringing new insights by extending the area of research through the application and development of existing models into a different environment and setting. The findings of this study will also be useful to the destination branding strategy of Bali, which in turn will contribute to the tourism industry of Bali.

Research Problem

In 2007 Bali launched its first destination brand. The brand itself, Brand Bali, promotes the island by conveying an image which represents the local wisdom of the Balinese culture. Due to the various cultural backgrounds of visitors which it seeks to target, there is a need to evaluate the effectiveness of the positioning strategy of Brand Bali. In addition, there is a lack of consensus on dimensions which constitute customers' perspective on destination brand. Thus, there is a need to extend this area of research.

Research Aims

This research will enhance the understanding of the suitability of the consumer-based brand equity model for measuring destination brand performance. It seeks to evaluate the effectiveness of Brand Bali as a destination brand. Thus, this research seeks to:

1. Develop a conceptual model of a destination brand to evaluate the effectiveness of the destination branding strategy.
2. Examine the appropriateness of the model by testing the model to the destination brand of Bali.
3. To examine the relationship between brand positioning and visitors' behavioral intentions towards a destination.

Research Questions

1. What is the relationship between brand positioning, brand image and visitors behavioral intentions?
2. How does brand positioning affects brand image, visitors' satisfaction, and visitors' behavioral intentions?
3. Are there any discrepancies between the projected image of Brand Bali and visitors' perceptions towards the brand?
4. Does the discrepancy between the projected image and visitors' perceptions affect visitors' satisfaction and their behavioral intentions towards the destination?

Overview of Study and Approach to Destination Branding

Recently, more work in the field of destination branding has been published, however, little has been done on the specific area of destination brand positioning and its implication to destination branding strategy. Evaluating the performance of a destination brand is important because positioning a destination's image have a wide and long-term impact (Pike, 2005). Adopting a suitable brand positioning strategy enables a destination to establish a unique and distinctive place for the brand in its target market minds (Trout & Ries, 1979). This has become increasingly important due to the intense competition in the tourism industry. The consumer-based brand equity proposed by Aaker (1991, 1996) and Keller (1993, 2003) offers a concept to measure brand effectiveness. This research will adopt the consumer-based brand equity model for a destination brand which is conceptualized as a hierarchy of brand salience, brand associations, brand resonance, and brand loyalty introduced by Pike (2008).

Summary

This research aims to develop a destination brand model to evaluate the effectiveness of a destination brand with unique features. It seeks to measure the performance of Brand Bali, where it positions its brand in a theme which offers peace. The positioning strategy for Brand

Bali initiative is based on the core values and local wisdom of the island. A research of the perceptions and expectations of visitors is a critical factor to the effectiveness of the destination branding strategy. Drawing from the literature review and previous studies on destination branding, there is a gap in the literature on the relationship between brand positioning and its effects on visitors' behavioral intentions towards the destination. Thus, visitors' perceptions and attitudes towards a destination brand need to be researched further. In regards to the destination brand of Bali, there is lack of research on the effectiveness of Brand Bali and how it impacts the tourism industry in Bali. Further, there is also lack of study on a destination brand which reflects the local wisdom of the destination to target various cultural backgrounds worldwide.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Literature Review

Hospitality. The word hospitality comes from a Latin word *hospitare* which means to receive as a guest. This word existed from the ancient period of the Roman civilization. Traditionally, the guest's basic requirements include food, beverages, and shelter. Some would also add entertainment to these requirements but not necessarily. The hospitality industry, on the other hand, is the business that provides those services. From hospitality, the business of travel and tourism develops. In this context, travel and tourism refers to all the hospitality activities mentioned above, which are to provide food, beverages, lodging and entertainment (Dittmer, 2002). From its origin, it can be said that hospitality is a part of culture. Therefore, it can be concluded that culture is the root of hospitality, furthermore, from hospitality arises travel and tourism. From this point of view, there is a relation between culture and tourism.

The Effects of Culture on Marketing Communications. "Culture is the accumulation of shared meanings, rituals, norms, and traditions among members of a group or society" (Solomon, 2006, p. 542). Culture plays a significant role on how people see the world, how they think and how they communicate to others. Culture affects the persuasion process. Due to this, many international marketing and advertising studies have used culture to measure the effectiveness of persuasion between countries with different cultural backgrounds. In regards to tourism, Reisinger and Turner (2003) state that successful international tourism marketing requires a sufficient understanding of the differences in the cultural background between the target markets and the host society. Different cultures have different sets of values and preferences, and those differences can often be seen in the content of marketing communications (Jun & Lee, 2007). Many scholars from previous studies believe that peoples' cultural background has a significant impact on the effectiveness of international marketing communications. It influences the behavior and perception of people towards a marketing campaign (De Mooij, 1998). The differences of communication style in each culture can be identified through the cultural dimension (Jun & Lee, 2007). Hofstede (1998) introduced five cultural dimensions, those are, power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long-term/short-term orientation. Each of these cultural dimensions has impacts on their communication style.

Brand. According to Kapferer (1997) brand is defined as the combination of a symbol, a word,

an object and a concept. It plays an important role in attracting consumers as it influences people's preferences. Brand equity is a set of brand assets and liabilities which links to the brand, its brand name, and the symbol of the brand. The assets of a brand include brand loyalty, name awareness, perceived quality, brand associations and other proprietary brand assets. These assets can add or subtract the value provided by a product or service to a company and to the customers (Aaker, 1991). According to Keller (2003, p. 53), "customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory". The sources of equity lie in consumer's brand knowledge which comprise of brand awareness and brand image.

Destination Branding. In the area of branding for a place, many scholars have used the term destination branding, place branding and destination image in their work. Destination branding has become a powerful marketing strategy particularly as competition between destinations has increased (Morgan et al., 2004). According to Morgan and Pritchard (2001) in order to succeed in the tourism industry, competing through price is no longer a powerful weapon, however it is more important to win the heart and minds of consumers through branding. People's choice of holiday destination indicates their lifestyle (Morgan et al., 2004). As reviewed previously, cultural background shapes people's behavior, attitude and preferences. Given this context, people's lifestyles are influenced by their culture. Thus, only those brands which conform to their cultural backgrounds will be attractive to them. In relation to tourism, this implies that creating a destination brand to target a potential market from various cultural backgrounds becomes a challenging task.

Brand Bali. Balinese culture is one of its main tourist attractions which have become a valuable resource for its economic development. The Balinese authorities believed that the interaction between tourists and the Balinese is a source of tourist attraction which plays a vital role in the tourism industry (Picard, 1999). Due to its agricultural and tourism industry, Bali is one of the wealthiest provinces in Indonesia. The tourism industry itself has been a source of employment for the people in Bali (Hitchcock, 2001). On October 12, 2002 Bali experienced a series of explosions which was later known as the Bali Bombing where 202 people were killed. After the incident, the number of tourists visiting Bali declined. In comparison to past crises in Bali, the Bali Bombing is believed to have the largest impact on the tourism industry in Bali in terms of tourist visitation (Putra & Hitchcock, 2006). In June 16, 2007 The Indonesian Ministry of Tourism and Culture launched a new brand for Bali that is "Bali: Shanti Shanti Shanti". Over the last eighty years, Bali has been given various names by its visitors, those are 'The Last Paradise', 'The Morning of the World', 'The Islands of Gods', and 'Island of Thousands Temples'. Only now Bali has built its own brand. The brand itself represents the natural, cultural and spiritual aspect of Bali. Each of the visual elements of the brand, which is the logo design, the font, the colors and the tagline, represent a philosophical value in Bali. The essence of the brand is influenced by Bali's concept culture "Tri Hita Karana". This concept culture is a tripartite concept which explains a balanced life through the spiritual relationship between humans and their creator, humans and their environment and the relationship amongst humans. The tagline of the brand, "Shanti Shanti Shanti", means peace upon your heart, the world, and the after life. In other words, the tagline simply means peace for you, peace for me and peace for the world. It can be concluded that the brand vision is peace and

harmony through stability and a balanced life. The idea behind the creation of the Bali brand is to show the local wisdom/philosophy of Bali, with the essence of the Balinese spirit. This brand is intended to spread both nationally across Indonesia and internationally worldwide. In regards to tourism, it is expected that the creation of the brand will allow Bali to attract more local and international tourists. From the data provided by the World Trade Organization (WTO), there will be an increase in the number of tourist activities around the world. It is estimated that there will be growth in the tourism industry for the Asia Pacific of 6.5% each year with 1 billion tourists around the world within 2010 and 1.56 billion in 2020. In 2005, Bali only captured 0.2% (1.386.449) of the 806 million total numbers of tourists worldwide. Thus, there is a large opportunity for Bali to develop its tourism industry by increasing the number of tourists entering the island (Bali Government Office 2009).

Brand Bali as a Destination Brand. Brands from individualistic cultures are related to the abstract features of the products. However, in collectivist societies, the members prefer more concrete product features compared to abstract brands (De Mooij & Hofstede, 2010). Bali has a collectivist society, and the design of its brand is clear and concrete. Each detail of the logo, including the tagline represents the Balinese local wisdom. Brand Bali is based upon the cultural and spiritual aspect of Bali, the tagline "Shanti Shanti Shanti" represents philosophical meanings to a specific Hindu belief. Meanwhile, the majority of the markets in which Bali aims to target have different cultural backgrounds from the Balinese. That being the case, there comes a question whether the target markets are able to associate with the Bali brand. Cultural factors are difficult to comprehend however it has a significant impact on how people deliver and receive information. Communication is effective when the perceptual field of the sender and the receiver is congruent. According to Triandis (1982), the major impact of culture on communication is on how people perceive information and how that information is used to make decisions. Moreover, the positioning of a brand is more attractive to target markets when it is matched with their psychographic profile (Balakrishnan, 2009). In relation to the Bali brand, it should be examined whether the Balinese perception of the context "peace" is the same with the visitors' perception of "peace".

Most of the destination brands at the national level use English as its tagline. "Uniquely Singapore", "Malaysia Truly Asia", "Amazing Thailand", and "Incredible India" are a few of the examples. In comparison with the tagline of Brand Bali, the majority of tourists from around the world may find it easier to associate with those brands as it does not require a deep philosophical understanding towards the meaning of the tagline. The tagline used in those brands is clear, and English is more widely known compared to Sanskrit. Bali on the other hand, uses "Shanti Shanti Shanti" as its tagline where not many people may understand the meaning or have heard the word. This may make it hard for potential visitors to associate with the brand. The achievement of a powerful and effective brand may take many years and a large amount of marketing expense (Clark, 2002). The brand "Bali Shanti Shanti Shanti" which was launched 3 years ago needs many more years to become a strong brand. However, although the words "Shanti Shanti Shanti" may be foreign to other cultures, there seems to be a positive expectation that the Bali brand tagline will eventually spread globally. The word "Guru" which means teacher in Sanskrit has spread to be a widely understood word in various cultures throughout the world. This implies that, through

a careful strategy of building a destination brand, the tagline of Brand Bali may eventually become a universal word. Thus, various cultural backgrounds can easily associate with the word "Shanti Shanti Shanti".

Due to the proliferation of destination branding activities around the world, the need to create a unique and distinctive brand is essential to differ from competitors (De Mooij, 1998). In comparison to other destination brand, Brand Bali offers a unique appeal as it uses its local wisdom for both its domestic and international market. Although the Bali brand offers a relatively unique value, it needs to be evaluated whether its uniqueness fulfills the interest of each of its target markets. According to Whitelock & Fastoso (2007), all the elements within a brand such as the brand name, brand logo and colors, and also the brand personality should all consider how it could be appealing to each target markets. This is a challenging task to pursue, particularly when the target market comes from various countries with various preferences. Commonly, consumers are more attracted towards brands that convey positive associations. Thus, brand positioning is an important element to take into consideration. The creation of a brand positioning should align with the desired image of the mind of its target markets (Wong & Merrilees, 2007). According to Ekinci (2003), destination image comprise of destination branding and brand personality. While, tourist self-image is formed from their basic and emotive needs, the author put forward the idea that there is a relationship between tourist self-image and destination image, destination branding, and brand personality. Under those circumstances, an emotional relationship between tourists and a destination is established through the creation of brand for the destination. Brand Bali conveys positive associations. The meaning of peace has a

positive association to all culture and it is easily understood from various cultural backgrounds. Despite this, the consideration of tourist lifestyle and preferences for travel and tourism should be taken into account. Not all tourists may be in search of a "peaceful" travel destination. Thus, the effectiveness of the brand to attract more tourists needs to be analyzed.

In order to achieve a sustainable advantage through brand identity, a good positioning statement that differentiates one from those of its competitors is essential. Many scholars have emphasized the importance of perceptions of brand image in order to achieve a successful branding strategy. In deciding which product to purchase, consumers use their perception of the brand image. The emotional component of a destination image thus becomes an important element in affecting tourists' choice of travel. The emotional element of a destination image should be aligned with the characteristics of the place. The most important factors in choosing a destination is by differentiating images such as history, heritage and culture. The differentiated branding strategy should have a clear and unique image in the mind of the customers. Another important factor, which may be the most challenging part, is to provide customers with service and experience that are aligned with the image a destination promotes (Balakrishnan, 2009). The Bali brand has made its branding position clear to its target market, that is, offering a peaceful destination. Thus, other than aligning the perception of "peace" with the tourists, another challenging task for Bali is to keep up with what they promise through their brand, and that is a peaceful environment. As mentioned in the literature review, a brand image is a source of brand equity. In destination branding, brand image is very important. In the tourism industry, destination brand image is the perceptions about the place reflected in the

mind of the tourists (Cai, 2002).

The design of a logo plays a vital role in building awareness and image of the destination. It is used to differentiate what it offers from other destinations. In addition, the design of a logo should be carefully planned as people often perceive images faster than words. Good logos are those that are recognizable, convey meanings to the target market, and evoke positive effects (Hem & Iverson, 2004). Unfortunately, there is a lack of research on how to create a representative logo for a tourist destination (Cai, 2002). According to Hem and Iverson (2004), there are a number of factors to consider in developing a logo for a destination. These factors include logo familiarity, similarity between the logo and the destination, core essence of the destination, and the logo should convey the destination meanings to its target market.

Brand positioning helps destination marketing organizations enhance their differentiation strategy, while it helps visitors simplify their decision-making process. Thus, the target market should perceive the proposition to be suitable to their preferences and offer benefits in comparison to other destinations. The use of slogans to promote destinations is common practice, this implies that brand positioning is an important marketing strategy. However, to date discussions on brand positioning slogans lacks research attention.

Conceptual Framework

According to Aaker (1996), a brand consists of a brand identity and a brand image. Brand identity is the desired brand image which a brand strategist aspires to maintain. While brand image, is the actual image held in the mind of the consumers. Pike (2004) stated that brand positioning elements are used as the interface between the destination identity and destination image. Brand equity represents perceptions and attitudes of a particular brand which is held in consumers mind. In destination branding study, the application of consumer-based brand equity model has been scarcely used. Moreover, the analyses on destination brand positioning slogan are also very limited. This study aims to extend this area of research by applying the consumer-based brand equity model for a destination to measure the brand equity of Brand Bali. It also seeks to find the relationship between brand positioning and visitors behavioral intentions. Figure. 1 presents the proposed model for a destination brand.

Figure. 1
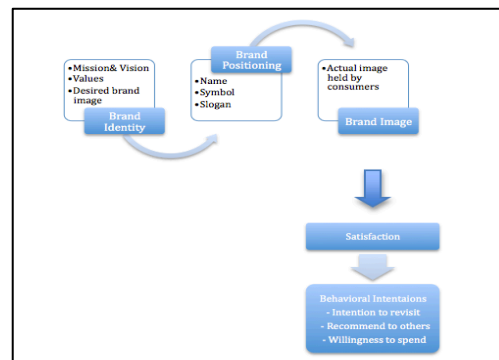
Source: Adopted from Pike 2004 and Kim et al. 2009

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