

## PLACE BRANDING FOR RURAL TOURISM AND ITS EFFECT ON E-WORD OF MOUTH AND VISITING DECISIONS

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### ABSTRACT

*In the last five years, rural tourism destinations in Indonesia have become tourists' attractions to visit. The charm of natural beauty published through online communication media, makes this rural tourist destination has a branding that is known by the wider community. Online communication media through electronic word of mouth (e-WOM) has a positive or negative impact on tourist behavior. This study aims to (1) analyze the effect of rural tourism place branding on visiting decisions (2) analyze the effect of rural tourism place branding on e-WOM (3) analyze the effect of e-WOM on visiting decisions. (4) Analyze the effect of rural tourism place branding on visiting decision through e-WOM. This type of research is explanatory research with a research sample of 150 tourists that visiting to rural tourism destinations at Juni until July 2019. Based on the path analysis it can be seen that (1) there is a significant positive effect of rural tourism place branding on visiting decisions (2) there is a significant positive effect of the rural rural tourism place branding on e-WOM and (3) there is a significant positive effect of e-WOM on visiting decision and (4) there is a significant positive effect of rural tourism place branding on visiting decision through e-WOM. Recommendations from the research are to maintain positive e-WOM tourists by continuing to improve service quality, such as expanding access roads to rural tourism sites, expanding parking areas and developing agricultural tourism attributes.*

Key words: rural tourism, e-WOM, visiting decision

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### INTRODUCTION

The era of digital competition encourages economic actors to be creative and innovative in creating competitive strategies. Promotional models that rely on product quality and low prices are not enough, but there needs to be a touch of uniqueness that drives consumers to want to know, find information, visit and buy. Place branding is a promotion model in business by utilizing a place as the main subject. As Kavaratiz (2005) stated that the emergence of the concept of place branding is a further development of branding products. Brand is the giving of a name, term, sign, symbol, design, or a combination of all of them, which is made with the aim of identifying goods or services or sales groups and to differentiate from competing goods or services (Kotler, 2009). Branding functions include (a) as a differentiator (b) as a promotion and attractiveness (c) building an image, confidence, quality assurance and prestige (d) controlling the market

The development of branding studies of products or services to places can be doubly meaningful. On the one hand the introduction of a place has an impact on increasing tourism development, while on the other hand the formation of place branding is an effort to empower local businesses to be known by the regional, national and even international communities. The formation of place branding itself can be planned or not planned at all. Lee *et al.* (2015) states that place branding can lift rural culinary tourism in Ontario, Canada. Tsang & Wang (2017) in their research results stated that place branding can elevate local culinary vendors in the city of Tainan, Taiwan which eventually became famous as a tourist destination for tourists.

Anholt (2005) provides a framework for evaluating the effectiveness of a place brand called City Brand Hexagon, as well as a tool that primarily helps brand determination effortso. Evaluation components to evaluate the effectiveness of place branding include (a) The Presence. This component refers to the international status of a city and how much people know the city. (b) The Place. This component refers to the physical aspects, for example how beautiful and pleasant the city is. (c) The Potential. This component refers to the city's opportunity to offer various activities, for example economic or educational activities. (d) The Pulse. This component refers to how much interest people have in the city. (e) The People. This component examines the local population in terms of openness, friendliness, as well as security issues in the city. And (d) the Prerequisites. This component relates to the basic quality of the city, the standard and cost of accommodation, and public comfort.

The Pujon Kidul tourism village is located in the district of Malang, East Java, Indonesia. This tourism village was formed because of the encouragement of people who want to increase income through tourism. The natural attraction with beautiful mountain views and green rice fields stretches into the superior village of Pujon Kidul. The green rice field is designed to be a landscape that is a blend of cafe business, local wisdom products, agricultural and cultural products, a special attraction that is able to invite tourists to come to the tourist village of Pujon Kidul. The village of Pujon Kidul, which was originally deserted, became crowded with tourists. People who initially only worked as farmers, now almost all of them become entrepreneurs. The popularity of this tourist village is inseparable from the role of online social media in the form of instagram, face book or website that informs the news, photos and testimonials of tourists who have visited the Pujon Kidul tourism village. Online communication is then called electronic word of mouth (e-WOM).

Thurau, *et al.* (2004) in their research results showed that communication through e-WOM also has weaknesses. If the contents of the online communication are negative, it will affect the behavior of tourist visits. This study aims to (1) analyze the effect of rural tourism place branding on visiting decisions (2) analyze the effect of rural tourism place of branding on e-word of mouth

(3) analyze the effect of e-word of mouth on visiting decisions and (4) analyze the effect of rural tourism place branding on visiting decisions through e-word of mouth.

## LITERATURE REVIEW

### Place branding

Kotler (2009) states that branding is the giving of names, terms, signs, symbols, designs, or a combination of all of them, which are made with the aim of identifying goods or services or groups of sellers and to differentiate from competing goods or services. The most important element in a branding is the trade name or brand itself. But the brand must also be supported by a symbol or symbol of visual identity as a supporter of a brand's marketing communications to be more easily recognized and remembered by consumers. Some products even include songs, jingles, and taglines to form branding.

The branding functions include (a) as a differentiator: products that already have a strong brand will be easily distinguished from other brands (b) as a promotion and appeal: products that have a strong brand are attractive to consumers and will be more easily promoted (c) build image and belief: the function of branding is to form an image so as to make a product easily remembered by others (d) market control: a strong brand will be easier to control the market because the public already knows, trusts, and remembers the brand.

Place branding is a communication process to build the image of a location or place in the eyes of consumers. Place branding is known since the 19th century in the United States with rural area objects. The following year developed in the tourism sector in Europe, and since 2010 was studied as science (Vuignier 2016). Thus in marketing science, the concept of place branding is still quite new. In the era of global competition, competitive strategy through place branding is needed because communication in this era goes very fast. A location that was previously nothing was very popular because of the help of the internet and social media.

Anholt (2005) provides a framework for evaluating the effectiveness of a place brand called City Brand Hexagon, as well as a tool that primarily helps brand determination efforts. Evaluation components to evaluate the effectiveness of the place branding are as follows (1) The Presence, which is a component that points to the international status of a city and how much people know the city. (2) The Place is a component that refers to physical aspects, for example how beautiful and pleasant the city is. (3) The Potential, the component that points to the opportunity of the city to offer various activities, for example economic or educational activities. (4) The Pulse is a component that refers to how much interest people have in the city. (5) The People, which is a component that tests the local population in terms of openness, friendliness, as well as security problems in the city. (6) The Prerequisites, namely components related to the basic quality of the city, accommodation costs, and public comfort. Based on the theoretical studies and research journals above, it can be formulated hypothesis 1 as follows: H1: The rural tourism place of branding has a significant positive effect on visiting decisions.

### Electronic Word of Mouth

The history of the birth of electronic word of mouth was preceded by word of mouth. The difference between the two lies in the limited space and time. WOM is a face to face media with a narrow space scale. Whereas e-WOM is done through internet media, anytime and anywhere, so that in a short time the reach is wider. According to Hennig-Thurau, *et al.* (2004) e-WOM is a positive or negative statement about goods, services or companies put forward by potential consumers through the internet and can be accessed by many people. Furthermore Jansen *et al.* (2009) stated that e WOM offers various ways to exchange information anonymously, not limited to place and time. Elseidi, *et al.* (2013) divides WOM into 3 dimensions namely WOM quality, e-WOM quantity and Senders expertise.

WOM quality demonstrates the persuasive power of comments embedded in information messages. In other words, e WOM quality includes recommending activities to others and stating positive things to friends. E- WOM quantity refers to the number of comments posted. Consumers need references to strengthen their confidence and the quantity of online comments representing the popularity of the product to be purchased. While the senders expertise is the ability of the sender to make product reviews whose information is adopted by other consumers. In other words, sender's expertise includes activities to provide positive advice to others. Themba and Mulala (2013), Chen *et al.* (2014) shows that place branding influences e-WOM. Jeuring and Haartsen (2017) states that destination branding has a significant positive effect on e-WOM. Whereas Zamil (2011) and Riegner (2007) stated that e-WOM influences purchase decisions. Thus hypotheses 2 and 3 can be formulated as follows.

H2: Place branding has a significant positive effect on e-WOM

H3: E-WOM has a significant positive effect on visiting decisions

## METHODS

This type of research is explanatory research, with a quantitative approach. The variables studied included the rural tourism place of branding, electronic word of mouth and visiting decisions. The study population was tourists visiting the tourist village of Pujon Kidul, East Java, Indonesia during the months of June to July 2019. While the number of study samples was 150 tourists taken by random sampling technique. Data analysis using Path analysis. Here is a research design.

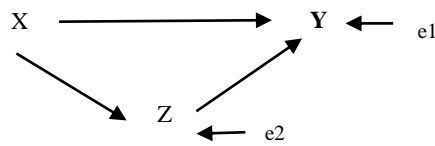


Figure 1. Research design

Informations:

X = Place branding rural tourism

Y = visiting decisions

Z = e-word of mouth

**RESULTS AND DISCUSSION**

The results showed that 62% of research respondents were women and 38% were men. Judging from the level of education as much as 57% graduated from college, 33% graduated from high school, and only 10% were junior or below. Meanwhile, when viewed in terms of origin, as many as 77% came from outside the city of Malang and only 23% came from Malang. This shows that rural tourism is preferred by many community groups who have a tertiary education, coming from outside Malang and the most are women.

Before the results of testing the research hypothesis are presented, the following are the results of the test of the validity and reliability of the instrument.

**Table 1: The result of the validity test of place branding**

Item Number	Correlation coefficient	Sig. (2 tailed)	Critical value	conclusion
1	0.669	0.000	≤ 0.05	Valid
2	0.432	0.017	≤ 0.05	Valid
3	0.633	0.000	≤ 0.05	Valid
4	0.684	0.000	≤ 0.05	Valid
5	0.755	0.000	≤ 0.05	Valid

Based on the data in Table 1 it can be seen that from the five question items for the place branding variable, all of them are valid as indicated by the value of  $p \leq 0.05$ .

**Table 2: The result of validity test of e-WOM**

Item Number	Correlation coefficient	Sig. (2 tailed)	Critical value	Conclusion
6	0.710	0.000	≤ 0.05	Valid
7	0.578	0.001	≤ 0.05	Valid
8	0.515	0.004	≤ 0.05	Valid

Based on the data in Table 2 it can be seen that of the three question items for the e-WOM variable, all of them are valid as indicated by the value of  $p \leq 0.05$ .

**Table 3: The result of validity test of visiting decisions**

Item Number	Correlation coefficient	Sig. (2 tailed)	Critical value	Conclusion
9	0.599	0.000	≤ 0.05	Valid
10	0.701	0.000	≤ 0.05	Valid
11	0.689	0.000	≤ 0.05	Valid
12	0.617	0.000	≤ 0.05	Valid
13	0.703	0.000	≤ 0.05	Valid

Based on the data in Table 3 it can be seen that from the five question items for the visiting decisions variable, all of them are valid as indicated by the value of  $p \leq 0.05$ . Then the instrument reliability test was conducted.

**Table 4: The result of reliability test**

Variable	Name of Variable	Critical value	Cronbach's Alpha	Conclusion
X	Place branding for rural tourism	$\geq 0.6$	0.615	Reliabel
Y	Visiting decisions	$\geq 0.6$	0.675	Reliabel
Z	e-WoM	$\geq 0.6$	0.635	Reliabel

Based on the data in table 4 it can be seen that of the three variables used in this study, all of them are reliable as indicated by the Cronbach's alpha value  $\geq 0.6$ . Next the results of hypothesis testing are presented. The classic assumption test results showed that the data of this study are normal, homogeneous and multicollinearity does not occur. The results of testing the first hypothesis showed that there is a significant positive influence of rural tourism place branding on visiting decisions. This is evidenced by the significant level of  $p \leq 0.05$  and standardized beta coefficient of 0.329. This is relevant to the results of research by Themba and Muala (2013) which states that branding has a significant positive effect on student buying behavior at the University of Botswana. The complete recapitulation of the results of the first hypothesis testing is as follows.

**Table 5: The effect of place branding on visiting decisions**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,725	1,611		7,899	,000
	place branding	,333	,078	,329	4,245	,000

a. Dependent Variable: visiting decisions

The results of the second hypothesis test showed that there is a significant positive effect of rural tourism place branding on e-WoM as evidenced by the significant level of  $p < 0.05$  and beta of 0.795. This is relevant to the results of research by Chen, *et al.* (2014, 2018) which states that electronic word of mouth that occurs in tourist destinations in China and Australia, there are two types, namely one to many and many to many. While Jeuring and Haartsen (2017) states that people's perception of the place branding of a tourist destination can be positive (p-WoM) or negative (n-WoM). The recapitulation of the results of testing the two hypotheses is as follows.

**Table 6: The effect of place branding on e-WoM**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4,296	,933		-4,604	,000
	place branding	,725	,045	,795	15,966	,000

a. Dependent Variable: e-WoM

The results of the third hypothesis test showed that there is a significant positive effect of e-WoM on visiting decisions as evidenced by the significant level of  $p < 0.05$  and beta of 0.574. This is relevant to the results of Riegner's (2007) study which states that the impact of e-WoM through websites influences purchasing decisions. The complete recapitulation of the results of testing the three hypotheses is as follows.

**Table 7: The effect of e-WOM on Visiting Decisions**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,846	,803		15,990	,000
	e-WoM	,636	,075	,574	8,524	,000

a. Dependent Variable: visiting decisions

The indirect effect of rural tourism place branding on visiting decisions through e-WOM can be determined by multiplying the standardized beta of two direct influences. So the standardized beta of the indirect effect is  $0.795 \times 0.574 = 0.456$ . The complete of direct, indirect and total effects of this study are as follows:

**Table 8: Direct, indirect and total effect**

Hypotheses	Effect		Total effect
	direct	indirect	
X → Z	0.795	-	0.795
Z → Y	0.574	-	0.574
X → Y	0.329	-	0.329
X → Z → Y	0.329	0.456	0.785

Based on the data in Table 8 it can be seen that the rural tourism place branding has a significant positive effect on e-WOM with a beta standard of 0.795. Furthermore e-WOM has a significant positive effect on visiting decisions with a beta standard of 0.574. Rural tourism place branding has a significant positive direct effect on visiting decisions with a beta standard of 0.329, and an indirect effect on visiting decisions with a beta standard of 0.456. So that the total direct and indirect influence of 0.785. The amount is far greater than the direct effect. So it can be concluded that the presence of e-WOM strengthens the influence of rural tourism place branding on visiting decisions. Even the influence of e-WOM on visiting decisions is still greater than the effect of place branding on visiting decisions. This shows that the power of e-WOM is extraordinary, affecting not only local but also national tourists.

Supporting research results include Themba and Muala (2013); Chen, *et al.* (2014, 2018); Jeuring and Haartsen (2017); Riegner (2007). The effect of online communication through e-WOM can be positive (p-WOM) or negative (n-WOM). E-WOM which has an impact on the decision to visit a tourist destination is the p-WOM. In the concept of digital marketing, the power of e-WOM is extraordinary. E-WOM does not only reach local tourists, but can reach national and even international tourists.

The power of e-WoM can change along with changes in consumer tastes and the many competitors who offer new innovations. The problem is how to maintain the positive e-WoM for the rural tourism Pujon Kidul place branding? What innovations will be offered to tourists to remain loyal to the Pujon Kidul tourist village? This is a job that needs to be considered by rural tourism management in Pujon Kidul. The attributes of the tourism village with local wisdom products such as food, drinks and agricultural products, can be further developed such as tourism for planting various vegetables typical of Pujon Kidul village.

**CONCLUSION AND RECOMMENDATION**

Based on the results of data analysis, several conclusions can be drawn, namely (1) there is a significant positive influence of the tourism village place branding on visiting decisions, (2) there is a significant positive effect of the tourism village place branding on e-word of mouth, (3) there is a significant positive influence e -word of mouth on visiting decisions and (4) there is a significant positive influence on the place of branding of tourism villages towards visiting decisions through e-WOM. Recommendations from the research are to maintain positive e-WOM tourists by continuing to improve service quality, such as expanding access roads to rural tourism sites, expanding parking areas and developing agricultural tourism attributes as planting various vegetables such as potatoes, carrots, cabbage, tomatoes, and so on.

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