The Impact of Destination Brand Authenticity on Tourist Loyalty in Yogyakarta: A Study on Generation Z

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KEYWORDS	ABSTRACT
Brand authenticity; Tourism; Brand Engagement; Brand loyalty; Brand management.	This research aims to determine the effect of authenticity on loyalty through the interaction of tourists in Yogyakarta. The City of Yogyakarta, a tourist destination located in the heart of the island of Java, is designated as a Super Priority Tourism Destination area to accelerate the regional economy. Until July 2022, 3.9 million recorded tourists were visiting Yogyakarta City destinations. Understanding tourist loyalty can help destination marketers reduce marketing costs. In previous studies, it has been found that tourist loyalty is influenced by destination brand authenticity and is supported by the involvement of destination brand engagement. This research is quantitative and was carried out using a survey method. Data analysis was performed using simple and multiple regression analysis using the SPSS (Statistical Package for Service Solutions) version 26. The results showed a direct influence of brand authenticity and engagement on tourist loyalty and an indirect effect. Between brand authenticity and tourist loyalty through destination brand engagement. Tourist destination managers, especially D.I Yogyakarta, can use the results of this research to design the Yogyakarta City destination brand in a marketing strategy that can re-attract tourists in Yogyakarta.

Introduction

Tourism has experienced significant growth in Indonesia in recent years and has emerged as a major contributor to the nation's economy (Jaelani, 2017). In 2020, the tourism industry accounted for 3.2% of Indonesia's GDP, equivalent to IDR 502.22 trillion (Statista, 2020). Yogyakarta, a city in the heart of Java with a population exceeding 300,000, is one of the most sought-after destinations in Indonesia (Munarko et al., 2021). Its reputation in education, culture, and tourism has positioned it as a hub for Southeast Asia heritage, cultural, and educational tourism (Csobanka, 2016).

Destination marketers should identify unique aspects of their destination that differentiate it from others. As (Dedeoğlu et al., 2019) pointed out, branding has emerged

as a crucial tool for distinguishing between destinations. Some cities, such as Paris, which has its romantic branding, Hallstatt in Austria, which has its picturesque natural scenery of Hallstatt in Austria, and Tokyo, which has its renowned buildings and megapolitan density, have shown successful branding efforts. Research in tourism notes that authenticity plays a significant role in effective branding initiatives (Chen et al., 2020). Thus, marketers need to comprehend the authenticity of their city, as well as its underlying drivers and consequences. In addition, the proliferation of counterfeit goods has rendered many branding efforts increasingly insignificant, and consumers are growing more discerning in their search for brands that are genuine, original, relevant, and authentic (Davis et al., 2019).

The relationship between tourists and a destination (city) brand can result in destination brand engagement, characterised as a psychological state and behaviour connecting consumers with brands (Dwiaryanti, 2023). Previous research has indicated that engagement and authenticity positively impact tourist loyalty. (Rahman et al., 2021) Argue that retaining existing customers is more profitable for a brand than acquiring new ones. High customer loyalty has several advantages, such as reducing marketing costs, promoting positive word-of-mouth (both online and offline), and decreasing the likelihood of customers switching to competitors (Saeed & Shafique, 2020). Thus, it is essential to investigate tourist loyalty by looking at two critical antecedents, i.e., destination brand authenticity and engagement.

(Alimuddin & Poddala, 2023) Assesses that Gen Z, a generation born between 1996 and 2010, will be the generation that has strong influences on travel consumption behaviour. Therefore, understanding the preferences and behaviours of Generation Z tourists is crucial for the future of the tourism industry (Gohary et al., 2020). Additionally, this generation values products that offer authentic experiences and reflect real life, as demonstrated by the European Travel Commission (2020).

Hypothesis development

Destination Brand Authenticity and Destination Brand Engagement

Hypothetically, creating an authentic brand destination will correlate positively with brand engagement. Bryce, Curran, O'Gorman, and (Pranatasari & Diva, 2020) found that destination brand authenticity enhances tourist engagement. These findings suggest that when destination brand authenticity is high, the need for authenticity is fulfilled, and tourists are likelier to achieve high levels of destination brand engagement (Bryce et al., 2015). Therefore, we propose the following hypothesis:

H1 Destination brand authenticity positively influences destination brand engagement.

Destination Brand Authenticity and Tourist Loyalty

Previous research has demonstrated the favourable impact of brand authenticity on tourist loyalty. In the tourism and hospitality industry, genuine experiences are a significant factor in attracting tourists. As a result, when a destination's brand authenticity is high, it increases the likelihood that tourists will return to the destination and recommend it to others. Research has shown that perceived authenticity positively

influences customer loyalty to tourist destinations (Taheri et al., 2018). Based on this, we propose the following hypothesis:

H2 Destination brand authenticity positively affects the intention to revisit the city of Yogyakarta.

H3 Destination brand authenticity positively affects the intention to provide recommendations for the City of Yogyakarta.

Destination Brand Engagement (DBE)

The study conducted by So et al. (2016) presented the behavioural perspective on brand and customer engagement, which refers to the personal relationship between the customer and the brand, as demonstrated through cognitive, affective, and behavioural responses outside of purchases. The study identified five key factors of brand engagement: enthusiasm, attention, absorption, interaction, and identification. On the other hand, the psychological and behavioural perspective defines destination brand engagement as the level of an individual's mental state related to a brand, which motivates and is characterised by cognitive, emotional, and behavioural activity in direct brand interactions.

This research model is a replication of a prior study titled "The Impact of Destination Brand Authenticity and Destination Brand Self-congruence on Tourist Loyalty: The Mediating Role of Destination Brand Engagement" by Ruixia Chen, Zhimin Zhou, Ge Zhan, and Nan Zhou in 2020. This study aims to analyse the impact of destination brand authenticity on tourists' loyalty in Yogyakarta, with brand engagement as a mediating variable. The referenced journal outlines two independent variables: destination brand authenticity and destination brand self-congruence. Subsequently, one mediating variable, destination brand engagement, influences two dependent variables: the intention to revisit and recommend to others.

One of the variables is Destination brand self-congruence. This variable is derived from self-concept, which pertains to an individual's perception. Generally, self-concept consists of two fundamental dimensions: actual self and ideal self. The actual self reflects how individuals perceive themselves, while the ideal self represents how they wish to perceive themselves. (Prihantini, 2019) It remains unclear which dimension enhances the relationship between tourists and a destination brand. Therefore, destination brand self-congruence is not included in this study. On the other hand, this research will focus on how tourists subjectively evaluate the level of authenticity of a destination.

(Prihantini, 2019) definition of customer brand engagement as all activities related to interactions between consumers and brands that positively impact cognitive, emotional, and behavioural factors. This perspective emphasises the relationship between consumers and brands. Research has shown that highly engaged customers are likelier to recommend a brand to others, accept brand mistakes, and create memorable experiences (Chen et al., 2020). Based on these findings, the following hypothesis is proposed:

H4. Destination brand engagement had a positive effect on revisit intentions.

H5. Destination brand engagement has a positive effect on recommendation intention

Engagement has been considered valuable for enhancing consumer-centric behaviour's predictive and explanatory power, particularly brand loyalty. In practical application, customer engagement is a crucial method for fostering loyalty (Bowden, 2009), and the literature strongly supports the link between brand engagement and consumer loyalty (France et al., 2016). Thus, we propose the following hypothesis:

H6. Destination brand authenticity has a positive effect on revisit intention through destination brand engagement

H7. Destination brand authenticity positively affects recommendation intention through destination brand engagement.

Research Methods

The current research employs a quantitative methodology to investigate the effects of destination brand authenticity on tourist loyalty in Yogyakarta City, with brand engagement acting as a mediating variable. This research employed a non-probability sampling technique with a purposive sampling design. This design does not ensure equal representation for each potential respondent. The sample criteria were Generation Z tourists who had visited the city of Yogyakarta within the last six months, based on the recommendations of (Chen et al., 2020). The study used a minimum of 150 respondents who met the criteria for a suitable sample size of 30 question items and exhibited appropriate data distribution using a 5-point Likert scale.

The survey was conducted using an online data collection platform, Google Forms, which offers the advantage of reaching large populations and can be quickly accessed. The Google Form link was distributed through social media and messaging applications like WhatsApp, Instagram, Telegram, and Facebook. The validity of the research instrument was established through factor analysis and Average Variance Extracted (AVE) tests for convergent validity. A reliability test using Cronbach's alpha was also performed on the research instrument.

The data analysis was conducted using a four-step regression analysis to evaluate the significance of the estimates for indirect effects. This involved a regression of the mediating variable on the independent variable, a simple regression of the dependent variable on the mediating variable, a regression of the dependent variable on the independent variable, and a regression of the dependent variable on both the dependent and mediating variables. The analysis was followed by bootstrapping and the PROCESS test, as well as the classical assumption test, normality test, multicollinearity test, and significance level test.

Results and Discussions

The researchers were able to obtain data from a sample of 222 individuals, with 214 of them meeting the required criteria. The sample was categorised based on four demographic variables: age, level of education, place of residence, and monthly income.

Table 1
Summary of Regression Result

Hypothesis	Dec.	B	Lower CI	Upper CI	Sig	Information

H1	DBA-DBE	0.505	0.409	0.594	0.000	H1 Accepted
H2	DBA-REV	0.190	0.166	0.209	0.000	H2 Accepted
H3	DBA-REC	0.164	0.123	0.200	0.000	H3 Accepted
H4	DBE-REV	0.347	0.316	0.387	0.000	H4 Accepted
H5	DBE-REC	0.284	0.247	0.318	0.000	H5 Accepted
H6	$\dfrac{\text{DBA-DBE}}{\text{DBE-REC}}$	0.150	0.100	0.225	$\dfrac{0.024}{0.000}$	H6 Accepted
H7	$\dfrac{\text{DBA-DBE}}{\text{DBE-REC}}$	0.108	0.064	0.155	$\dfrac{0.001}{0.000}$	H7 Accepted

The initial hypothesis reported a confidence interval (CI) of 0.409 to 0.594 and a significance level of 0.000, indicating that destination brand authenticity has a statistically significant positive impact on destination brand engagement. This finding aligns with the findings of (Taheri et al., 2018), who discovered that the authenticity of destination attributes enhances tourist engagement.

This study analysed authenticity across four dimensions: continuity, credibility, integrity, and symbolism. In the context of Yogyakarta City, maintaining authenticity as tourism trends evolve is critical to its survival. One aspect of authenticity examined in this research is the moral dimension of credibility and integrity. Yogyakarta City is known for its moral aspects, such as its inhabitants' warmth, friendliness, and politeness. Based on these results, when the authenticity of the Yogyakarta City destination brand is high, tourists tend to have strong destination brand engagement.

The second hypothesis has a confidence interval (CI) value ranging from 0.166 to 0.209 and a significance level of 0.000, indicating that destination brand authenticity has a statistically significant positive impact on the intention to revisit. Similarly, the third hypothesis has a CI value ranging from 0.123 to 0.200 and a significance level 0.000, indicating that destination brand authenticity has a statistically significant positive impact on the intention to provide recommendations. As (Chen et al., 2020) noted, when a destination's brand authenticity is high, the need for authenticity among tourists is satisfied, increasing the likelihood that they will revisit the destination and recommend it to others. Additionally, it found that tourist loyalty to a destination is driven by its authenticity.

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This study examines the impact of destination brand authenticity on the revisit intention and the recommendation intention of Generation Z tourists in Yogyakarta City. According to the findings, the marketing efforts of destination marketers have been deemed honest by this demographic, as reflected in promotional materials that showcase genuine aspects of the city. The research suggests that these efforts positively influence the likelihood of tourists returning and recommending the destination to others.

The fourth hypothesis has a confidence interval (CI) of 0.316 to 0.387 and a significance level of 0.000, indicating that destination brand engagement significantly positively affects the intention to revisit. Similarly, the fifth hypothesis has a CI of 0.247 to 0.318 and a significance level of 000, indicating that destination brand engagement significantly positively affects the intention to give recommendations. This suggests that tourists with high engagement are more likely to recommend destinations to others. (Chen et al., 2020) also argue that destinations with high engagement provide unforgettable tourism experiences.

Therefore, it can be concluded that tourists' loyalty to Yogyakarta City will be higher if the destination brand engagement is high. This concept is defined as interactions that improve cognitive processes, affective aspects, and activation in the City of Yogyakarta, influencing tourists' return and their desire to provide recommendations. The open public spaces in Yogyakarta, such as South Alun Alun, North Alun Alun, and JNM Block, facilitate increased tourist interaction and can impact tourist loyalty.

The results in Table 1 confirm the validity of hypotheses six and seven through indirect effects of 0.150 and 0.108, respectively. This aligns with the research conducted by Schau et al. (2009), which suggests that engagement is a promising concept for predicting and explaining consumer-focused behavioural outcomes, such as brand loyalty. As technology progresses, online engagement with destinations can enhance perceived authenticity and engagement among tourists. This study emphasises the crucial role of creating destination brand engagement in tourism destination development, particularly in the relationship between the authenticity of the City of Yogyakarta and the loyalty of Generation Z tourists in the City of Yogyakarta.

Conclusion

The study concludes a positive relationship between destination brand authenticity, destination brand engagement, and tourist loyalty in Yogyakarta City, especially among Generation Z travellers. In addition, this study also found that the involvement of destination brands has a direct and indirect positive influence on tourist loyalty in Yogyakarta City. Factors such as affection, activation, and cognitive processes in a destination's brand engagement contribute to the city's Generation Z traveller loyalty rate.

The managerial benefit of this study is that it will assist the Yogyakarta government and tourism businesses in evaluating the branding strategies that have been implemented. The research also provides marketers with insight into the importance of authenticity in destination brand sustainability. To that end, marketers can consider measures such as exposing emerging tourist attractions, aligning brand image with actual conditions in society, improving aspects of integrity, and strengthening destination symbolism.

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