

The Effect of Ownership Structure and Leverage Towards Dividend Policy and Corporate Values

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ABSTRACT

This research aims to examine and analyze the effect of Destination Branding on Destination Image. Testing and analyzing the effect of destination branding on destination selection and destination image on destination selection. Meeting planners who live in Jakarta and Bali destination. This research used an explanatory research with simple random sampling technique. Data collection techniques were carried out with questionnaires that distributed to 165 respondents Meeting Planners who lived in Jakarta and Bali. The data analysis used in the study is General Structured Component Analysis (GSCA). The results of this study indicate that the GSCA analysis results have shown that Destination Branding has no significant effect on the Destination Image, with a path coefficient of 0.545 with a value ($p\text{-value } 0.272 > 0.005$). The results of the GSCA analysis have proven that Destination Branding has a significant effect on destination selection with a path coefficient of 0.266 and a $p\text{-value} < 0.001$. The results of the GSCA analysis have shown that destination image has a significant positive effect on Destination Selection with a path coefficient of 0.299 with a $p\text{-value} < 0.001$.

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1. Introduction

The acronym MICE industry from Meetings, Incentive travel, Conventions and Exhibitions (Dwyer & LaGae, 1986) have developed rapidly over the past few decades. The MICE industry is not only known as a service industry but also as one of the fast-growing tourism industry sectors. The MICE industry combines various sectors such as trade, transportation, travel, recreation, accommodation, food and beverage, venues, information technology and finance are described as multifaceted industries (Dwyer & LaGae, 1986), which are mostly aimed under the umbrella of the Getz event industry.

The development of the MICE industry in Indonesia is currently being taken into account by the world MICE tourism market as one of the destinations for MICE events. This can be seen from a number of major international activities that began to be held in Indonesia as a form of world community trust in Indonesia. MICE Tourism in Indonesia is growing because of the state of

economic growth, political stability and security that is getting better. This situation has led to an increase in the interest of foreign and local investors to invest in organizing events and just simply participating as a participant in an MICE event.

2. Theory

2.1. Destination branding

Destination branding is the process or effort to form a brand of a city to make it easier for destination owners to introduce their destination to the markets (events, tours, talents, investors) by using positioning sentences such as symbols, slogans, icons, exhibitions, and various other media. The target of a destination consists of three groups, the first group is destined community, the second is tourist, trader and investor and the third is talent (qualified HR, developer) and organizer (event organizer) and all parties who contribute to build regional competitive advantage. City destination

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hexagon consists of 6 elements, they are: Presence, Pulse, Place, People, Potential and pre-quisite.

2.2. Destination image

Destination images describe "beliefs, ideas and impressions that people have about a place or a destination" (Baloglu & McClerly, 1999). Destination image consists of cognitive and affective image (Baloglu & McClerly, 1999; Beerli & Martin, 2004). While cognitive image illustrates the knowledge or belief that a person has about a destination. Affective imagery depicts the emotions or feelings they produce about the destination. Cognitive traits can be concrete (e.g., landscapes, elements of cultural attraction), or psychological elements (e.g., feelings about the atmosphere and friendliness). Emotional images consist of feelings or emotions that remind one of a particular destination (Beerli & Martin, 2004). Perceptions about determination form images, which are held and remembered in people's minds. Perception of purpose in the research literature has been divided into three conceptual components: cognitive, affective, and overall component. The cognitive component refers to knowledge and belief, the affective component for feelings and the overall component for impressions from different goals or like the last two components (Baloglu & McCleary, 1999). All these components must be considered when assessing the objective picture or trying to influence the market's view and its relationship with that image. It should also be considered that visitors with prior experience of a destination usually have a different, and often more positive view of the destination than those who do not. It deals with the three components of goal perception. It is also important to remember that the destination picture might be very different depending on if someone sees it as a conference or holiday destination.

2.3. Destination selection

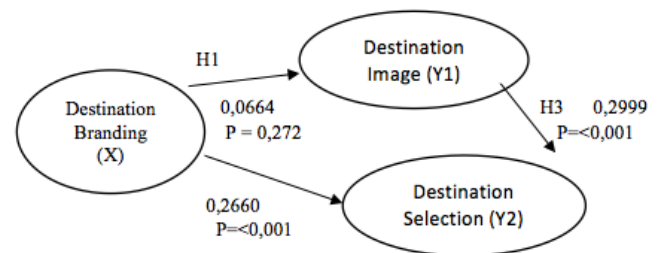
Destination selection is a decision taken by a person before determining a place, region or destination by considering several factors. The concept of destination selection is taken from the concept of a purchasing decision on a product. According to Kotlef (2009) companies try to complete the process of purchasing decisions in full, all of their experiences in learning, choosing, using and even getting rid of products.

The destination selection process is an important component in the MICE industry and includes three key players: meeting suppliers, meeting buyers, and participants. Goals are considered meeting suppliers because they are both platform for the event and overall service suppliers (e.g., meeting rooms, rooms, and pre and post conference activities). Decision makers have many choices, and like choosing a hotel or catering company, destinations are considered as inventory. Buyers are decision makers: those who choose the location and structure of the event. Participants are the heart and soul of the event, without them there would be no event. Previous research has investigated the selection of association locations because associations are the largest part in the MICE industry, while the remaining segments (company meetings, trade shows, etc.) are left unexplored. Meeting suppliers (e.g.,

Objectives) need to understand all MICE industry segments to gain a competitive advantage and attract buyers and participants. Good relations with individuals or organizations that plan important meetings for destinations that they want to be considered appropriate meeting objectives.

2.4. Hypothesis

Figure 1. Hypothesis Testing Model



Source: Analytical result, 2019

- H1 : Destination Branding variable significantly influences Destination Image
- H2 : Destination Branding Variable has a significant effect on Destination Selection
- H3 : Destination Image Variable significantly influences Destination Selection

3. Research Method

3.1. Samples and data collection

The Research sample are Meeting Planners living in Jakarta and Bali, the sampling techniques used simple random sampling. 175 questionnaires were distributed, 165 returned while 10 were did not returned. Men are the majority (66.06%), their aged between 44 -55 years (44.85%) with Bachelor education (69.69%), the companies established between 6-10 years (43.64%), the events organized between 1.3 times a year (60.00%), the number of participants in the events above 100-200 (30.30%), the scale of events handled is the majority of national events (60.00%).

3.2. Variables and measurements

There are three variables in this study, they are: Destination Branding, Destination Image and Destination Selection. Data analysis used Structured General Component Analysis (GSCA}.

4. Results

4.1. The effect of destination branding (X1) toward destination image (Y1)

The results of the GSCA analysis have proven that Destination Branding has no significant effect on the Destination Image, with a path coefficient of 0.545 with a value (p -value $0.272 > 0.005$). This means it rejects the hypotheses that have been prepared, because the results

of the study show that Destination branding has no significant effect on the destination image.

Table 1. Hypothesis Testing Results

No	Relationship between variables	Path coefficient	p-value	Note
1	Destination Branding → Destination Image	0,055	0,272	Not Significant
2	Destination Branding → Destination Selection	0,226	<0,001	Significant
3	Destination Image → Destination Selection	0,299	<0,001	Significant

4.2. The effect of destination image toward destination selection

The results of the GSCA analysis have shown that destination image has a significant positive effect on Destination Selection with a path coefficient of 0.299 with a p-value of <0.001. Thus, it is supported the hypothesis which stated that "Destination Branding has a significant effect on Destination Selection". Positive coefficient values have a positive effect toward Destination Selection.

4.3. The effect of destination branding on destination selection

The results of the GSCA analysis have proven that Destination Branding has a significant effect on destination selection with a path coefficient of 0.2660 and a p-value <0.001. Thus, there is supported to accept the hypothesis that destination branding has a significant effect on destination selection. Positive path coefficient values indicate that the MICE destination attribute has a positive influence on destination selection.

The results of the descriptive statistical analysis of the research variables indicate that the average score of the two variables is the destination image variable of 4.11 which is included in the high and the average category Both of these variables both have scores that included in the high category, where variations or changes in destination image are also followed by changes in selection. This is what causes the influence of the Destination Image toward Destination Selection become significant.

Both variables have a significant influence relationship because the destination image describes the conditions, the real situation at the destination, while the Destination Selection describes the decision to be taken to choose a destination. Therefore, it becomes reasonable if a good Destination Image tends to do a good Destination Selection.

While item (Y2.1.3) policy 38.1% stated that the respondent does not need a destination policy. While 61.9% said they need a destination policy. Respondents who stated that they did not need a destination policy mostly came from corporate meetings and travel

incentives, while those who needed the availability of audiovisual equipment came from the conference and exhibition sectors.

5. Discussion and conclusion

This research does not support the hexagon branding theory proposed by Anholt (2009) with 6 main elements such as presence, which is the status of the city in the eyes of the international world and how far the city is known by citizens in the world, place means public perceptions about the physical aspects of a city like the public feels comfortable when doing a city tour, the arrangement of a beautiful city and the climate in the city, the pulse (spirit) of the city shows the nuances of the urban lifestyle as the most important part of the city's image and whether the public can easily find interesting things both as visitors and as a resident.

While people, they feel friendly with the locals, they make it easy to exchange cultures and languages and feel safe in the surrounding environment. Potential economic and educational opportunities offered to visitors, employers, easy to find work, good location for business and a good place to get a higher education qualification. While pre-requisite public potential for a city such as like to live there, available accommodation, easy access, and fulfillment of needs such as infrastructure.

The results of this research support the research that conducted by Jannah (2014) which states that destination branding has no significant effect on destination image, meaning that even though Destination Branding is good or an attractive tagline such as Bali is the island of gods and Enjoy Jakarta, thus, empirical evidence is sufficient to accept the hypothesis that it is not significant. But it is different from the results of research that conducted by Aksu *et al.* (2009), which states that destination branding has a significant effect on the destination image.

The decision of H4 that submitted empirically is proven, therefore it can be interpreted that there is a significant influence of destination branding on destination selection. Positive estimation values indicate that the better destination branding in a MICE destination than the better influence of that destination selection. The research finding supported the research of Malik (2016) who stated that there is a significant influence of destination branding toward destination selection in the context of tourist business.

The results of the descriptive statistical analysis of the research variables indicate that the average score of the two variables is the destination branding variable of 4.22, it included in the very high category and the average destination selection of 4.11. Both variables have scores that are in the high category, where variations or changes in Destination Branding are also followed by changes in Destination Selection. That causes the effect of Destination Branding on Destination Selection to be significant.

Both variables have a significant relationship and influence because Destination Branding describes the location, area or site with the logo, tagline, symbol of the respondent, while Destination Selection describes the decision to choose or not. Therefore, it becomes

reasonable if a high Branding Destination is followed by Destination Selection.

The research finding supported the theory of which states that destination images are a set of beliefs, ideas, impressions that people have about a place or destination. The results of this research support and confirm the research of Sulstyaningtyas (2016) which stated that destination images are images, portraits owned by people, companies, organizations, and products. Image is a factor that determines delegation or participants in the decision-making process. The relationship between destination images has a significant relationship.

It is expected that the stakeholders in the destination, prepare the branding needed by the MICE industry, create a positive destination image, develop human resources so that they can compete with other MICE destinations. It is expected that the future researcher can develop into 16 other MICE destinations, so that it can expand other indicators, there are also new innovations in the use of technology, in the MICE industry. Entering Industry 4.0 in the digital age whether physical meetings are still needed is a challenge for future researchers.

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