

Research Article

Investigating Local Brand Satisfaction: A Case Study of Bandung, West Java

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Abstract.

The city of Bandung has enormous potential to grow its local brands. This study aimed to investigate local brand satisfaction based on two key factors, the city of origin being Bandung and electronic service quality. This study used descriptive quantitative methods and questionnaires from 210 respondents who had purchased a bodypack model bag product from any enterprise in Bandung. The data analysis technique used was multiple regression. The results showed that the city of origin and electronic service quality affects, both partially and simultaneously, customer satisfaction.

Keywords: *country of origin, electronic service quality, customer satisfaction, creative industry*

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1. Introduction

Indonesia is known as the top ten most favorite tourist destinations in Asia-Pacific, as shown in a research conducted by the social media platform Twitter on 7,500 tourists in 13 countries [1]. At least 53% of respondents who have traveled to Indonesia stated that value for money is the main reason for choosing Indonesia as their favorite destination. Further data shows that Jakarta, the frenzied megapolitan, and the scenic beauty of Bali, are still most favorite tourist destinations in Indonesia [2]. Meanwhile, the combination of modern and natural tourism, conveniency for eco-tourism and wellness-tourism, makes Bandung as the third destination favored by Indonesian tourists.

The growth of tourism in Bandung opens enormous business opportunities. The city of Bandung, however, has a key role in supporting the economic growth of West Java, since many large-scale and international business reside and produce beneficial cooperation. In the context of developing the tourism sector in Bandung, creativity

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is one of the main focuses to build up. Therefore, in 2004, UNESCO launched the Creative City Network (CCN), a program with the main mission of establishing international cooperation between cities that put forward creativity as the strategic factor for sustainable development, by involving all relevant parties, from the government, private sector, professional organizations, communities, to cultural institutions.[3]. In the process, CCN inaugurated Bandung as one of 47 creative cities in the world and by the end of 2007, Bandung was selected as a pilot project for creative cities in East Asia, a program which was known as Bandung Creative City project, which had lasted for three years. As a result, in December 2011, Bandung achieved prestigious status as one of five creative cities in Asia, renowned by Singapore international media, Channel News Asia [4]. Later, UNESCO categorizes Bandung as a creative city in the field of design, especially fashion.

Bandung fashion industry has been in a significant growth in recent decades. Bandung fashion creativity has reached its ultimate form which mesmerizing either national or international stages. Fashion itself has many product categories based on gender, age, and style of dress for each individual. In current development, unisex fashion trend starts to emerge and stunningly welcomed by different-genders market. One form of unisex product, common product among teenagers and adult, is *backpack model*. Such fashion trend was introduced by PT Eksonindo Multi Product Industry in Bandung in 1979. The company produces some well-known brands, such as the Exsport, Eiger, Bodypack, Neosack and Nordwand, which delivers great success in recent decades. As a result, it brought to surface many small dan medium industries of bodypack, and later, by the end of 2008, Bandung has been crowned as one of the most creative cities in Asia.

Bandung fashion industry and its creativity fulfill the needs of their customers. This can be said that they have met with customer degree of satisfaction. In this study, we present a fact that customer satisfaction is determined by the image of a product and its representation. Those two entities acknowledge as tangible and intangible attributes of a product. This study is determined to investigate one key factor of the intangible attributes, *i.e.* the country of origin (COO) [5]. The COO contains a broad meaning which understood as an image of a country. Take an example, city of Paris which has been regarded as the most romantic place in the world. Such image attached and maintain Paris in the top list of one in a lifetime adventure. People visit and shop, satisfy the needs of gorgeous fashion. City of Paris is perfect example of how COO has an ultimate impact on its various industries. On the other hand, Bandung is expected to be in same path

as Paris has. City of Bandung supposed to guarantee the fine image of its local brand and satisfy customers. In the bodypack industry, Bandung has proved as a good COO image. Bandung is the center of good quality of bodypack. Interesting that the local brands use foreign terms to name their product, in the hope of having same quality as Italy or England. This results in a good perception of customers.

The COO is one thing, beside satisfaction can also be assessed through online shopping services for customers. In such context, Bandung bodypack industry has been aware of social dynamics, initialized by advanced digital technology. Therefore Bandung bodypack industry implement e-commerce technology in a various platforms. Unfortunately, in practice, there are still many shortcomings, for example, we find that many official websites use only Indonesian and those are non-commerce platforms which is not integrated with electronic money platforms or other payment transactions that can facilitate customers. This creates a phenomenon gap, between creating perfect image of country of origin with the shortcomings of electronic service quality in bodypack industry. This study is determined to investigate such a phenomenon gap.

2. Literature

2.1. Country of Origin

Brand is an important element that influences the success of a company. According to Aaker, a brand is a name and or symbol that is distinguishing, such as a logo, stamp, or packaging with the intention of identifying goods or services from a particular seller or seller who is able to distinguish it from goods produced by competitors [5]. A brand is a company's long-term investment which, if managed optimally, will provide huge profits for the company that manages it. Secondary associations can easily be used to leverage brands so that they are easier for the target market to remember and understand. Secondary associations that can be used are the name of the company or parent brand, country of origin, distribution channel, other brands, endorsers or certain events.[6–8]

The concept of country of origin (COO) was first put forward by Nagashima in 1960, while research on the COO effect was first carried out by Schooler in 1965. Some researchers have a relatively similar understanding of the definition of country of origin, such as Demirbag et al., understands the COO effect as a "made in" effect [9]. COO

is defined as a general customer assessment of the country of origin of a product brand based on information received from various sources which is formed in three dimensions including belief in the country, belief in people in the country and the desire for interaction with that country [10].

1. Country beliefs, namely the overall beliefs, ideas and impressions of a particular country as a result of customer evaluations of their perceptions of the strengths and weaknesses of that country.
2. People affect, namely the attractiveness of the population in behaving so as to create perceptions in the eyes of customers. This perception guarantees the quality of the production of a product offered based on the competence of the population.
3. Desired interaction, which is the uniqueness or local wisdom of an area that will attract the desire to visit to enjoy products, tours or interactions with local residents.

The concept of the country of origin of the product has developed, giving rise to new terms. Listiana also explains some terms that are born from the concept of country of origin, namely country of design, country of manufacture, country of assembly, and country of part where all of these terms indicate that some global and transnational companies no longer do the whole series of production in the country [10, 11]. The series of production is carried out in another country, but still refers to the country of origin. For example, the design is carried out in Japan, the assembly is carried out in Indonesia and the components are imported from Japan.

The assessment of a product can be done by paying attention to intrinsic and extrinsic cues. Intrinsic cues include the quality of the materials used, while extrinsic can be seen through the naming of brands that reflect certain values. National products that use foreign names reflect the international quality of the products they offer. Besides that, there is a belief that the image of the country of origin has the ability to produce quality products, what is known as the country of origin. Customer expectations increase through the country of origin so that it can lead to satisfaction if the product received is in accordance with the expectation. This is consistent with the research of Humairoh, Daenulhay and Badawi showing that there is an effect of country of origin factors on customer satisfaction [12].

H1: Country of Origin will have an effect on customer satisfaction.

2.2. Electronic Service Quality

Quality is the match between the specifications of a product and the needs of customers, which are usually categorized as good or bad. Meanwhile, services are actions offered by one party to another, which have intangible characteristics and do not result in any ownership. The production of a service may or may not be related to a physical product [13]. Based on these two definitions, service quality is all activities that offer intangible products to meet customer needs.

Service quality has developed with advances in internet technology so as to create electronic service quality. Electronic service quality is an expansion of the capabilities of a website in providing facilities for shopping, purchasing and distribution activities effectively and efficiently. Zeithaml, Bitner, Gremler states that electronic service quality is the ability of a website to facilitate maximum service to customers [14]. The dimensions of electronic service quality are as follows [15]:

1. Efficiency, the ability of a customer to access the website, search for the desired product and product-related information, and leave the site with minimal effort.
2. Reliability, with regard to the technical functionality of the site concerned, in particular the extent to which the site is available and functions as it should.
3. Fulfillment, including the accuracy of service promises, product stock availability, and product delivery according to the promised time.
4. Privacy, in the form of a guarantee that shopping behavior data cannot be provided to any other party and that customer credit card information is guaranteed security
5. Responsiveness, which is the ability of online checkers to provide accurate information to customers when problems arise, has a mechanism to handle product returns and provides an online guarantee.
6. Compensation, including refunds, shipping costs, and product handling fees.
7. Contact, reflects the need for customers to be able to talk to customer service staff online or by telephone (not communicate with machines).

The development of literacy and affordable access to internet technology encourages businesses to use the website as sales advice. An easily accessible website provides convenience for customers who want to shop. In addition, the website as a representation of an intangible store must also be able to maintain the security of both personal

data and payment transactions made so as to create customer satisfaction. This is in accordance with the research of Tobagus which states that E-Service Quality affects E-Customer Satisfaction on site users on Tokopedia [16].

H2: Electronic Service Quality will have an effect on customer satisfaction.

2.3. Customer Satisfaction

Customers are every person using a good or service available in society, whether for the benefit of themselves, their family, other people or other living creatures and not for sale. Kotler and Keller state that customer satisfaction is the result felt by buyers who experience performance in accordance with their expectations [13]. Customers feel satisfied if their expectations are met and feel happy if their expectations are exceeded. Satisfied customers tend to remain loyal for long periods of time, buy more products, are less sensitive to price changes and their conversation or word of mouth benefits the company. Indicators commonly used in measuring customer satisfaction are as follows [17]:

1. Consistent expectations, namely the level of conformity between product performance expected by customers and perceived by customers. Things to watch out for include products received in accordance with expectations or not, services by employees obtained are appropriate or not, supporting facilities obtained are appropriate or not.
2. Interest in returning to visit, namely the willingness of customers to make return visits. Things to watch out for include interested in visiting again because the services provided by employees are satisfactory, the value and benefits obtained after consuming the product or the supporting facilities provided are adequate.
3. Willingness to recommend

Basically, conventional and electronic customer satisfaction does not have a significant difference. The development of dimensions that measure customer satisfaction in electronics are as follows [16]:

1. Convenience, i.e. the time and browsing benefits of online shopping tend to be manifested in a more positive perception of electronic convenience and satisfaction.

2. Merchandising, namely factors related to online sales offers and product information available on online products.
3. Site design, where a good website design is about a good website and easy search, such as an attractive screen display, a simple search path, and an easy-to-understand presentation.
4. Security, which relates to how a website is proven to be trusted for its customers. Security and privacy can have an impact on trust so that individual satisfaction appears.
5. Serviceability, which is in the form of general feedback on website design, timely delivery, merchandise return policy, customer support, e-mail confirmation of customer orders, promotional activities.

Country of Origin implementation is an attractive element for customers. In addition, the combination of using the website to support service quality can also create customer satisfaction. Humairoh, Daenulhay and Badawi's research measures the effect of country of origin and service quality together on customer satisfaction [12]. The study states that there is a significant effect. This study uses novelty, namely measuring service quality with internet marketing.

H3: Country of Origin and electronic service quality simultaneously will have an effect on customer satisfaction

3. Method

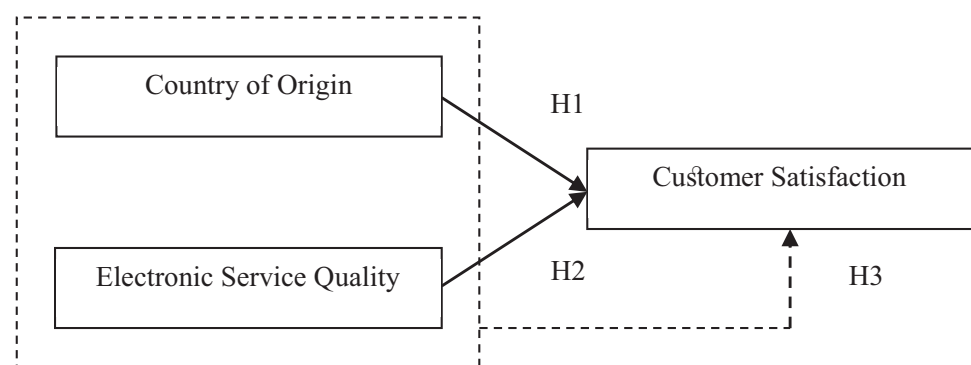


Figure 1: A Model of Research.

This research uses a quantitative approach using a cross-sectional design [18]. The sample in this research is customers who have bought a backpack from Bandung, Indonesia. The backpack bag brand is limited to seven brands that meet the criteria including the small medium enterprise scale and implement the official website as a sales vehicle, namely the Harloth, Esgotado, Visval Bags, Scratchline Supply, Torch, Bounjur and Choral brands. Researcher uses questionnaires to gather primary data, which consist of two parts, the first part contains respondent information and the second part contains questions related to the research objectives. Questionnaires were made structured and close-ended response. This study applies the Five-point Likert scaling technique in assessing respondents' answers. Sample size of research was 210 customers. This research uses multiple linear regression data analysis techniques.

TABLE 1: Demographic of Respondent.

	Characteristic	Percentage
Gender	Male	58%
	Female	42%
Age	20 years to less than 30 years	64%
	30 years to less than 40 years	28%
	Above 40 years	8%
Occupation	Student	49%
	Private Company	24%
	Entrepreneur	16%
	Gov. Organization	4%
	Other	7%
Budget for Fashion (monthly)	0 - 500.000 Rupiahs	12%
	500.000 - 1.000.000 Rupiahs	39%
	1.000.001 – 1.500.000 Rupiahs	34%
	1.500.001 – 2.000.000 Rupiahs	6%
	Above 2.000.001 Rupiahs	9%
Shopping Platform	Market place	51%
	Official website	34%
	Social Media	15%

Analysis: Table 1 shows that the number of respondents who bought backpack from Bandung Local brand had a balanced comparison between men and women. Then when viewed from the age side it is dominated by respondents with a 20-30 year age range of 64% and followed by 30-40 years of 28%. These characteristics are in line with observations in the field where respondents come in a groups of young people. This is in accordance with the target market that tourism managers want to target. In addition,

from the distribution of jobs consisting of students, government organizations, private employees and housewives showed that tourist entry rates are still in accordance with the purchasing power of various layers of society. And also customers prefer shopping in marketplace than official website when they wanted to buy fashion.

4. Result and Discussion

4.1. Reliability and Validity

This study uses the Pearson Correlation product moment validity test to find out whether 24 instruments measure each variable. The measurement results indicate that the research instrument is considered valid because it is above the value of 0.3610. Then proceed with the reliability test with Cronbach’s Alpha with a value of more than 0.70.

4.2. Hypothesis Testing

Hypothesis testing is done by multiple regression analysis so that the results are translated through significant values. The testing process is carried out in two stages, namely partial and simultaneous tests to test the effect of each hypothesis.

TABLE 2: Hypothesis test of Regression Analysis.

Hypothesis	Sig	Accepted/Rejected
H1: Country of Origin will have an effect on customer satisfaction	.000	Accepted
H2: Electronic service quality will have an effect on customer satisfaction	.000	Accepted
H3: Country of Origin and electronic service quality simultaneously will have an effect on customer satisfaction	.000	Accepted

Based on the results of the t-test above, it is known that both the country of origin and electronic service quality significantly influence customer satisfaction as evidenced by the significance value of less than 0.05. In addition, testing shows that the significance value is also less than 0.05, so it can be concluded that there are effects of the country of origin and electronic service quality simultaneously on customer satisfaction. On one hand, the statistical results also show the magnitude of the coefficient of determination through adjusted R square of 65.4%, on the other hand, 34.6% of customer satisfaction are still influenced by other factors.

4.3. Discussion

The researcher conducted a mean analysis of each dimension in the research variable. Technological developments make customers more open to new insights. Customers tend to do simple research before deciding to make a purchase. In fact, many customers use the stereotype of the country of origin of the product as a consideration before deciding to buy.[7, 19]. The successful application of the creative economy that has been developed since the administration of President Joko Widodo, has made people believe that each province is expected to focus on developing local wisdom that has a selling value.[8]. One of them is the city of Bandung. Bandung, which was originally known as the birthplace of reliable musicians in Indonesia. In addition, Bandung is also known as the center for fashion convection and leather bags. The Indonesian people were even more proud when Bandung was named one of the creative cities in the Asia Pacific by UNESCO. This is in accordance with the highest mean value in the country of origin indicator, namely the State of Indonesia, especially in Bandung, which is known as a creative city at the international level. The leadership of Mr. Ridwal Kamil, who is an architect, helped develop the arts community and free space for expression. That is what makes Indonesians more convinced that Bandung residents have a high level of creativity so that it corresponds to the second highest mean value of 4.20.

Some Bandung residents do not always take advantage of work opportunities because there are still many shops that sell fake bodypack bags under certain brands, so Bandung's reputation for copyright and brand appreciation is still low, namely 2.97. But the psychological side that can be used is that people prefer to transact by directly visiting the official store or official website to avoid fake products.[20]

Data theft cases that often occur in electronic or online shopping are a matter of concern for customers.[21] Customers who have purchased via the website for bodypack bag products, state that they have enough confidence that their personal and historical information is guaranteed to be confidential.(Simarmata et al., 2018). In addition, in terms of efficiency, the appearance of the website is very easy to understand and has a relatively minimalist interface page that makes it easier for customers. Although customers can access the website anywhere and anytime, buffering often occurs in the middle of the shopping process which makes the shopping experience less comfortable, which is responded to on average with a value of 2.92. Based on the respondent's profile, it is also known that 51% of respondents tend to choose to transact through the

market place. It is also possible that customers can compare the same product with various brands.

Products are everything offered by producers to meet customer needs and desires. This bodypack bag product from Bandung is considered to be a manifestation of the creativity of Bandung residents because it has its own characteristics. Design creativity that is manifested in the concept of simplicity, in accordance with the characteristics of the young population who dominate 60% of the total population of Bandung. Therefore the statement of the product suitability indicator with the expectations of the creativity of the Bandung population is worth 4.33.(Agrawal et al., 2021).

One form of satisfaction from customers who buy bodypack bag products from Bandung, namely due to the belief that the website is facilitated with security features. The majority of customers stated that the bodypack model bag products could compete in terms of product quality. This is in accordance with the indicators of product quality received, can compete with international quality with a mean value of 4.02. This implementation results in the price of the product having a higher value than other similar products.

5. Conclusion

This study aims to investigate the influence that determines customer satisfaction to buy local products from Bandung. Statistics show that the Indonesia's image, especially in the city of Bandung, is known as a creative city at the international level and also recognition of residents who have high creativity are more of a priority in directing pride in customer satisfaction. Many business actors have used the website as a means of selling. Besides reducing the cost of renting physical stores, business actors can also reach consumers spread across Indonesia, regardless of time. The backpackers have not optimized their website performance so they have several shortcomings. Weaknesses do not support the country of origin Bandung, as a city whose fashion values can be relied on. If business actors have used the country of origin as one of the selling points and maintain the quality of their electronic services so that they function optimally, consumer satisfaction will be created.

Based on the test results it is known that the variable variation in the country of origin and electronic service quality in explaining customer satisfaction on backpack made in Bandung, is 65.4%, while the remaining 34.6% is explained by other factors.

Further researchers should add ethnocentric variables as moderating variables that can strengthen or weaken a country of origin relationship and electronic service quality on customer satisfaction. Ethnocentric is an assessment of other cultures on the basis of their own cultural values and standards. The existence of consumer views regarding a sense of nationalism will have an impact on the selection of products to be consumed.

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