cogent
business &
management

*Corresponding author: Aisah Asnawi, Universitas Pattimura, Indonesia
E-mail: cheasnawi@yahoo.com

Reviewing editor:
Len Tiu Wright, De Montfort University Faculty of Business and Law, UK

Additional information is available at the end of the article

MARKETING | RESEARCH ARTICLE

"City marketing: Scale development and measurement indicators applicated to Maluku province- Indonesia"

Aisah Asnawi[1]*, Dwi Kartini[2], Faisal Afiff[2] and Popy Rufaidah[2]

Abstract: Purpose: The main purpose of this paper is to develop a reliability and validity scale for measuring instruments of city marketing (CM) those are liveability, visitability and investability for Maluku Province in Indonesia.
Design: The methodology consists of developing the scale based on a literature review and qualitative method. The proposed scale is then purified and validated through confirmatory factor analysis (CFA).
Findings: CM can be applied not only in the city but also in a province or region. Based on the CFA, the result reveals that city marketing contains 24 attributes which can be categorized into three dimensions: liveability, visitability and investability. Two indicators of visitability not valid, two indicators of investability not valid and one indicator of liveability not valid.
Originality/value: The concept of CM has been explored many years. Generally the dimension is divided into residents, visitors and investors and tested on policy makers in a region as a analysis unit. This study, the dimensions are different because they want to see the perception of three respondents (residents, visitors and entrepreneurs) to measure perceptions of liveability, investability and visitability.

ABOUT THE AUTHORS

Aisah Asnawi is a lecturer in marketing at Pattimura University-Maluku Indonesia. Her research interests relate to the marketing management, tourism and creative economics.

Dwi Kartini is a professor at Padjadjaran University, Bandung-Indonesia. Her research interests are in the areas of marketing management, tourism marketing and corporate social responsibility.

Faisal Afiff is a professor at Padjadjaran University, Bandung- Indonesia. His research interests relate to the distribution and marketing and global marketing strategies.

Popy Rufaidah, PhD is a associate professor in marketing at Padjadjaran University, Bandung, Indonesia. Her specialty research interests in marketing management and strategic management

PUBLIC INTEREST STATEMENT

The concept of city marketing has been evolving for decades. Although the issue has been investigated by many scholars from various disciplines, among of them, management, geography, communication, urban planning and engineering and design, there are no clear-cut definition or conceptualization on it. In the area of management, previous literature generally refers to the strategy of a city to compete with others cities in attracting tourists or visitors. This study is unique for three reasons. First it deeply discusses city marketing from sustainability perspective through liveability, visitability, and invest ability of a local community, visitors and investors. Second, the research was conducted in Maluku Province, Indonesia, meaning, the concept of city marketing was carried out in a larger scale, that is province, and the last it is difficult to conduct quantitative research which includes measurement of city marketing instruments, therefore, this study aims to confirmatory factor of the city's marketing instruments

Aisah Asnawi

1. Introduction

There are many reasons to visit a city. The main motive is economy, but in some cases, the city's image is also worth considering (Van Limburg, 1998). Cities with bad images can improvement and attract visitors. Experience shows that place and destination marketing can be effectively done through promoting and supporting the image in order to be more attractive and competitive in reaching the target market. Competition to gain market shares in the tourism industry is intense and leads to economic benefits (Cameron & Roberts, 2010; Metaxas, 2007).

During the years of 1993–2015, city marketing (CM) was constantly changing and evolving, reflecting changes along with globalization and economic growth. The phrase "City Marketing", according to a Google search (checked on December, 2017), had 422 million results in websites worldwide. This finding indicates that CM is not new for academics and researchers in various branches of academia. Several are experts in Management (e.g. Aaker, 2011; Kavaratzis, 2004; Kotler, 1999; Rufaidah, 2007), Geography (e.g. Paddison, 1993; Boisen, 2007), Urban Planning (e.g. Ashworth & Voogd, 1990; Braun, 2008; Hospers, 2011; Smyth, 2005), Communication (e.g. Gelders & van Zuilen, 2013), and Engineering & Design (e.g. Jiyoung Yoon, 2010). Various researchers and practitioners establish various definitions of CM.

CM is a way to introduce a city or region and is not a new phenomenon in the world of marketing. This concept was implemented several decades ago by cities around the world applying marketing techniques to improve and adopt the philosophy of marketing to operationalize and achieve strategic goals (Kavaratzis, 2007). CM uses ideas, concepts and tools in marketing to promote a city or a region. CM improves the position of a city when compared to other cities. Currently, most cities in Europe have applied city marketing strategies. The strategy applied varies, ranging from city-to-city marketing to campaigns with attractive slogans, designs and logos in the media. This variation may be the reason why many academics intuitively have sceptical or negative reactions when CM is mentioned (Boisen, 2007). In 1960, Kevin Lynch published a book entitled "The Image of the City". In the mid-1980s, several cities in the Netherlands claimed to have a policy in CM. Since then, a number of cities are reported to have good development (Braun, 2008).

Since the enactment of Law No. 32 of 2004 on regional autonomy in Indonesia, each region has made efforts to increase revenue from various sectors. Almost every regions has tried to explore the tourism sector to contribute to regional income. This sector is considered more profitable than other sectors that are long-term, capital intensive. This view is supported by Indonesia's amazingly beautiful natural potential. The natural beauty is almost uniformly across all regions in Indonesia. Therefore, an effective and unique city marketing strategy is required to achieve the goal of increasing local revenue. The local government of the Maluku province is actively marketing and promoting the potential of Maluku, which is famous for the beauty of its sea, to increase the amount of investment and the number of visitors. Unfortunately, as reported by the Central Bureau of Statistics, Maluku's revenue from tourism in 2014–2015 did not reach the expected target. The underachieved target in tourism underlies this study. This paper attempts to quantify and validate indicators of dimensions forming CM in Maluku.

The broad terminology of CM makes the dimensions of this concept diverse. The similarity between researcher's concepts on city marketing and place marketing enrich it. This paper also discusses the CM scale adopted by previous researchers (e.g. AMA 2008; Balencourt & Zafra, 2012; Braun, 2008; Hospers, 2011; Kotler & Gertner, 2002; Institute, 2007; and Rufaidah, 2007). The

similarity of dimensions, according to those researchers, lies in three aspects; namely, the residents or communities, visitors, and investors/entrepreneurs.

This paper proposes a CM measurement using different instruments from Rufaidah (2007) but adopted same dimensions, consisting of liveability, which represents the community/host of the city, visitability, which represents visitors, and investability, which represents entrepreneurs.

The liveability aspect consists of eight questions, the visitability aspect contains ten questions, and the investability aspect contains six questions such that the total questions used to measure CM scale are 24. To obtain the results, this research involved 103 respondents and applied Confirmatory Factor Analysis with an SEM-PLS approach.

2. Literature review

2.1. The history of the term of city marketing

According to Van Den Berg et al. (1990), though CM terminology existed in several urban studies during the 1980s in Europe, it actually has been known much longer in the United States. In contrast to Berg, Braun (2008) states that CM terminology started as a "Dutch Invention". In 2005, Amsterdam launched a new city marketing policy known as "IAmsterdam". Efforts to promote the city and the "IAmsterdam" strapline were made repeatedly in the news. In 2006, Rotterdam appointed the first Chief Marketing Officer in the Netherlands, which became a discussion in the media. In the same year, Den Haag claimed the appointment of the first councillors to promote the city.

Problems arise when there are differences in understanding CM. In America, city marketing practitioners are connected to the development of the local economy, place marketing and public–private partnerships in order to achieve regeneration (Paddison, 1993, p. 340). A number of academics understand CM as a long-term process that requires an organized capacity to fulfil the needs of a different target region; they see it as a strategic, synthetic, and integrated activity (Hospers, 2009).

Large cities use CM, expecting differentiation from other cities, to attract new and retain existing target groups (Hospers, 2009). Differentiation is important at this time not only for large cities but also for smaller cities (Rennen, 2007). The purpose of CM is to achieve long-term community sustainability and to create satisfaction in the community (Aaker, 2011). Public–private partnerships (PPPs) are a form of destination marketing. It is the best condition in city marketing practice. To understand the relationship between PPPs and best practices in city marketing, we must first recognize the reason for the involvement of public and private sectors in PPPs to raise the city profile to attract visitors and investors (Heely, 2011). The highest achievement for city marketing to create a unique and recognizable city brand with good reputation and high influence (Zhao, 2013)

There are differences between these terms: place branding, marketing destination, and state branding. Some scholars try to sort out the terminology of place marketing as a function, but there are those who see place marketing as a particular episode of place branding (Zavattaro, 2012). CM terminology can be divided according to the flow or the understanding of experts on the concept. Some experts understand the city as a product and CM as a marketing process (Burges, 1982; Gelders & van Zuilen, 2013; Paddison, 1993; Smyth, 2005). Despite having this idea, researchers believe that city marketing is different from product marketing. Meanwhile, other experts, such as Rufaidah, Boisen and Lombarts, better understand CM as a directed and scalable process in order to achieve long-term or sustainable goals.

From 1980 to 2000, contribution to the definition of CM was discussed and limited to the characteristics of each academic field (economics, geography and planning). This discussion contributed to the traditional understanding of CM concepts, problems, and solutions, and the application of marketing to cities. Experts have used more conventional marketing methods, including increased promotions, to improve cities' images to leads to increased social economy.

Currently, CM puts more emphasis on methods or strategies of attracting tourists and selling the city's potential. From the 2000s until today, the definition of CM has been widespread and has contained more scalable and clearer attributes in marketing management, considering the interests of all stakeholders (residents, investors and visitors) in which not just talks about the city image but emphasizes more as a competitive strategy between one city and another, highlights the uniqueness of a city and the positive things that can improve the value of the city. CM has a wider and longer-term economic sustainability (Rufaidah, 2007).

2.2. Evolving concept of city marketing

A number of scholars understand CM as a marketing strategy in the form of a promotion to sell a city through positive images to a specific market. CM strategy is used to build and redefine the city's image (Burges, 1982; Paddison, 1993; Smyth, 2005).

CM is a strategy to win the competition between cities through various activities positive for the image of the city (Burges, 1982). A similar opinion was expressed by Paddison (1993), who stated that CM is a strategy for a specific target and more than the promotion of the place for which it is being used to build and redefine the image. CM as a promotional strategy aims to promote, facilitate, develop and make transactions to the extent that as these activities are included in the city strategy and coordinated by the municipality (Smyth, 2005).

In addition to the above opinion, there are others stating that CM is not only a strategy but also a concept. The concept of CM in a city leads to three targeted groups: residents, visitors and investors (Balencourt & Zafra, 2012; Boekema, Hospers, & Verheul, 2011; Braun, 2008; Hospers, 2011; Institute, 2007; Kotler & Gertner, 2002; Rufaidah, 2007; Van Dijk-Bettenhaussen, 2011). These three targets are mentioned in the definition of CM. Although there are differences between investors and enterprises, they actually have a common meaning. Likewise, visitors and tourists both refer to a person visiting the region or city. Residents and citizens also have the same meaning. Thus, there are similarities in the opinion of scholars on the CM targets.

CM is a concept that promotes a specific location as a product and, through collaboration with various stakeholders, facilitates the local economy and increases the value of a city for investors, residents and visitors through the development of the environment and infrastructure (Kotler & Gertner, 2002). CM is a commercial activity that sells urban spaces to attract visitors and residents, as well as enterprises (Institute, 2007). CM is defined as an interaction in the form of urban policy management, such as education, employment, or housing, aimed at three target groups: tourists, residents and enterprises (Hospers, 2011).

In contrast to the above opinions, Rufaidah (2007) emphasizes the process of creating, communicating, and delivering value to stakeholders to create economic, social and environmental sustainability. In this case, the sustainability described by Rufaidah is in the form of visitability, liveability and investability. These three components are the dimensions of CM that represent visitors, residents, and investors. In his definition, Braun (2008) states that CM is a marketing tool that is coordinated and supported, as well as customer oriented, to create, communicate, deliver and exchange values for city customers and the urban community in general. Although both scholars propose similar definitions, Braun does not clearly define the dimensions of the variable.

2.3. Another term of city marketing: place marketing and destination marketing

By its definition, place marketing (hereinafter abbreviated as PM) is similar to CM. As seen in the definition produced by Kotler (1999), PM refers to the planning procedure of a place to satisfy a target market. Two parameters are described by Kotler: the enterprises and the residents buying goods and services, and the satisfaction and expectations of the target market (enterprises and visitors) for goods and services as expected (Kotler, 1999). In this definition, there is a similarity in terms of enterprises, residents and visitors.

Metaxas (2009) also defines PM as a strategic process in developmental stages that leads to the creation of an attractive and competitive destination. Although it does not mention the target market for PM, the terms attractive and competitive are also used in the definitions of other scholars. Ashworth and Voogd (1990) state that PM is a process where local activities are linked closely to the demands of the target market. The goal is to maximize the efficiency of the social and economic functions in the region concerned, in accordance with any goals set. Niedomysl and Jonasson (2012) also define PM as a measure taken by governments to improve the competitive image of a place with the explicit purpose of attracting capital from elsewhere.

Based on the above points, it can be concluded that the three definitions have the same goal: a process or strategy to create an attractive and competitive place for a target market. In the discussion, the target market consists of visitors and investors. Thus, PM is similar to CM.

In addition to CM and PM, there is also destination marketing (DM). In the definition of Wang (2011), DM is summed up as a proactive approach centred on economic and cultural development of balanced objectives, integrating the interests of visitors, service providers, and communities. From several discussions of scholars, there are two elements in this definition that are similar to CM's three target groups: the aspects of visitors and communities, as well as the aspect of service providers, which can be interpreted as investors.

3. Research methods

3.1. Scale development
In the research of Noviana and Rufaidah (2012), which adopted Rufaidah's (2007), three dimensions are used to measure CM. The first dimension is visitability, which is the convenience of a city or a place to visit. It is associated with domestic and foreign tourists who visit, either for the first time or repeatedly. To achieve visitability, the local government of the city must accentuate the friendliness of the people, sites, artefacts, and various attractions worth visiting.

This study adopts research conducted by Rufaidah stating three dimensions to measure CM with different instruments and unit analysis. The first dimension is visitability. Visitability is the term for measuring the convenience of a place worth visiting. It is highly important for first-time tourists to ensure a repeat visit. To achieve visitability in the city, the government should show the spirit and friendliness of local people, artefacts and a variety of attractions and activities worth visiting. The second dimension is investability. Investability is the management of investment in a region, the number of workers involved, the number of Small Medium and Enterprises that grow and develop, the level of business confidence, and the number of immigrants seeking jobs. To increase investability, the government must have the ability to identify and optimize the competitiveness of the city. One of the measures that needs to be used by the city government is the competition index as an indicator of competitiveness of the region. The final dimension is liveability. Liveability measure the number of permanent residents and immigrants who settle in a city by levels of education, professions and social activities, the amount of household waste produced and processed, the amount of consumption, and the availability of clean water and air. To achieve liveability, a city must have the ability to provide opportunities for individuals to optimize their prosperity.

Previous research to measure CM dimensions make government as unit of analysis. For this study there is a different analysis unit, location and instrument item, it was conducted in Maluku province with tourists, residents (who moved to Maluku) and entrepreneurs. It's important to see the perception of respondent to the CM policy undertaken by the local government.

Research conducted by Goovaerts, Van Biesbroeck, and Van Tilt (2014) to measure the effectiveness and efficiency of CM also uses similar target markets (citizens, visitors and enterprises), but applies a very different methodology. Goovaerts et al. (2014) uses a combination of Integrated Performance Measurement (IPM) and Return on Investment (ROI) using secondary data.

4. Method

4.1. Participants
The target population of this study was tourist or people who visited Maluku for MICE event, resident and investor. The data was collected through Google form as an online survey media. A total of 103 respondents were selected as participants, 48.4% of whom were women, mostly aged more than 42 years old, 56.8% of whom work as state officials. Of the respondents, 80.2% claimed to know about travel destinations in Maluku from friends, family and relatives, while 64.8% read them online. Also, 66.3% of respondents stated that investing in Maluku provided profitable opportunities, and 31.7% asserted that living in Maluku is highly desirable.

4.2. Instruments
The purpose of this study is to test the indicators that make up the dimensions of CM. This study uses Confirmatory Factor Analysis with Component/Variance-Based Structural Equation Modelling (SEM). Component/variance-based SEM is also known as Partial Least Square (PLS). The SEM-PLS used was a reflexive measurement model. The data processing was completed with SmartPLS 3. The assessment of the reflexive measurement model applied internal consistency (composite reliability), indicator reliability, convergent validity (average variance extracted) and discriminant validity. The structural model was examined using coefficients of determination (R^2), and the size and significance of the path coefficients (Hair, 2014).

CM was measured by a total of 24 questions representing the dimensions of liveability, visitability and investability. Visitability was measured by eight questions representing all indicators. This is in line with the research by Rufaidah (2007). The second dimension, investability, was measured by ten questions representing all indicators. The last dimension, liveability, was measured by six questions.

The scale of measurement used in this study is the Likert scale. The Likert scale requires respondents to indicate their levels of agreement or disagreement with various statements related to an attitude or object. It consists of an evaluative section, which is a list of response categories ranging from "strongly agree" to "strongly disagree" (Aaker, 2011).

The following hypothesis were developed based on above discussion

Hypothesis 1	H0:	Visitability not positively affect city marketing
	H1:	Visitability positively affect city marketing
Hypothesis 2	H0:	Investability not positively affect city marketing
	H1:	Investability positively affect city marketing
Hypothesis 3	H0:	Liveability not positively affect city marketing
	H1:	Liveability positively affect city marketing

5. Results

The CM-scale research variables used consisted of three dimensions measured by 24 indicators as manifest variables (observed variables). The CM-scale consisted of latent variables of visitability, investability and liveability with 8, 10 and 6 indicators, respectively, as manifest variables (observed variables Table 1 showing the indicators to measure in this research). The CFA-Structural Equation Modelling (SEM) model applies a Second Order approach. The full model calculation results are hypothesized as follows in Figure 1.

5.1. Model measurement

The Outer Model assessment (measurement model) was conducted by looking at the reliability and validity of observed variables in the study. The Outer model assessment describes the relationship between the indicators and each latent variable used. Convergent Validity, Discriminant Validity and Composite Reliability were the criteria used in assessing the Outer model.

Convergent validity is examined based on the correlation between the estimated item and the component scores (Loading Factor value). The size is said to be high if the correlation measured is more than 0.70. However, according to Chin (1998) and Ghozali (2008) for the early stages of a study of measurement scale development, a loading value of 0.5–0.6 is considered adequate. This study uses a loading factor limit of 0.50. The validity criteria can also be seen from Discriminant validity based on the Average Variance Extracted (AVE). The construct is good when AVE is above 0.50. Composite Reliability is a measure of internal consistency.

5.2. Validity tests

The parameter estimation result for each variable of the measurement model or the Loading Factor of each indicator was obtained from forming latent variables on table as follows. (Table 2)

The results of the first stage of calculations show that the Outer loading values for 8 manifest variables (indicators) of visitability (ξ_1) ranges from 0.366 to 0.917. There are two indicators with Outer loading values of less than 0.5. The Outer loading values for 10 indicators of investability (ξ_2) ranges from 0.024 to 0.825. There are two indicators with Outer loading values less than 0.5. The Outer loading values for 6 indicators of liveability (ξ_3) ranges from 0.372 to 0.855. There is one indicator with an Outer loading value of less than 0.5. Because the Outer loading value of less than 0.5 is declared invalid, there are five manifest variables (indicators) of the three latent variables that are eliminated from the calculation model.

The results of Outer loading after elimination can be seen in the table under Outer Loading Stage II, which show all manifest variables (indicators) are valid. The *t*-value shows the indicators are significant (because the *t*-value is more than 1.96 at 5% significance level) in the latent variables of visitability (ξ_1), investability (ξ_2) and liveability (ξ_3).

From Table 3, it can be seen that the results of AVE for visitability (0.800), investability (0.500) and liveability (0.543) indicate that all constructs have met convergent validity where the AVEs are above the recommended criterion of at least 0.50 (Hair, 2014). The correlation of results between the constructs and AVE root values in Table 3 indicate AVE root values for visitability, investability and liveability that are greater than the value of correlation between constructs. In general, these results show the discriminant validity of latent variables is already high. It shows that the composite reliability (CR) values of visitability (0.960), investability (0.904) and liveability (0.828) are all above 0.70. Therefore, it can be concluded that all constructs have high internal consistency reliability.

The results in Table 5 show that the loading factor of each construct is greater than the cross loading of other constructs.

cogent··business & management

Table 1. Constructs and descriptive statistics				
Survey items				
	Visitability	**M**	**SD**	**∝**
V1	My first visit to Maluku was a pleasant one	0.917	0.019	0.949
V2	Having visited Maluku for the first time. I feel happy	0.926	0.019	
V3	Visiting Maluku is my dream	0.918	0.022	
V4	I plan to revisit Maluku	0.896	0.024	
V5	The natural advantages of Ambon City/Maluku are wonderful	0.844	0.041	
V6	The nearest beaches from the city centre. such as Pintu Kota. Natsepa. and Liang. are must-visit sites	0.832	0.044	
V7	Attending events organized by the City/Provincial Government is boring	*	*	
V8	The events held in Ambon City/Maluku are not interesting	*	*	
	Investability			
I1	The fishery and marine product business in Maluku is growing rapidly	0.515	0.096	0.877
I2	Opening a fishery and marine product business in Maluku is interesting because it is profitable	0.718	0.084	
I3	The opening of fishery and marine product businesses will absorb labour in Maluku	0.743	0.094	
I4	Events held by the local government will increase business opportunities	0.813	0.043	
I5	The increase in businesses coming from outside of Maluku is a sign that business opportunities in Maluku are getting better	0.590	0.138	
I6	The number of Maluku citizens who are employed is greater than those who are unemployed	*	*	
I7	The business of food processing fishery and marine products in Maluku does not follow trends.	*	*	
I8	In my opinion. in addition to fishery and marine product businesses. opening a culinary business is a good investment.	0.779	0.049	
I9	If I start a business in Maluku. I believe it will grow	0.823	0.034	
I10	In addition to growing. I think that opening a business in Maluku may attract investors to cooperate.	0.760	0.067	
	Livability			0.742
L1	I think "Ambon Manise" is the best nickname for Ambon City.	0.800	0.047	
L2	Some of the best tourism destinations are in Maluku	0.861	0.028	
L3	I think the opportunities for the people of Maluku's as employent is still limited	0.694	0.098	
L4	With the high number of employed people moving to Maluku. the number of jobs in Ambon City/Maluku is decreasing	0.485	0.106	
L5	For me. staying in Maluku is desirable	*	*	
L6	Spending more time in Maluku is pleasurable	0.612	0.118	

Note: * not valid

The influence of each variable on CM can be seen in the value of R^2. The R^2 value shows the accuracy of the model's prediction (Hair, 2014). An R^2 value equalling 0.25 indicates weak influence, 0.5 indicates moderate influence and 0.75 indicates substantial influence (Chin, 2010).

Table 2. Parameter estimation results of variable measurement model						
Code	**Outer loading Stage I**			**Outer loading Stage II**		
Indicator	*Outer loading*	*T value*	*P value*	*Outer loading*	*T value*	*P value*
V1	0.902	34.662	0.000	0.921	19.362	0.000
V2	0.917	42.317	0.000	0.930	47.939	0.000
V3	0.909	33.653	0.000	0.923	41.758	0.000
V4	0.895	43.757	0.000	0.899	36.808	0.000
V5	0.844	20.600	0.000	0.848	20.895	0.000
V6	0.836	20.547	0.000	0.840	19.124	0.000
V7	*					
V8	*					
I1	0.561	6.095	0.000	0.554	5.796	0.000
I2	0.759	10.468	0.000	0.753	8.919	0.000
I3	0.755	11.375	0.000	0.754	8.013	0.000
I4	0.817	20.704	0.000	0.820	19.123	0.000
I5	0.604	5.498	0.000	0.601	4.348	0.000
I6	*					
I7	*	**				
I8	0.773	12.788	0.000	0.781	16.039	0.000
I9	0.825	24838	0.000	0.824	14.524	0.000
I10	0.754	10.843	0.000	0.762	11.370	0.000
L1	0.801	16.409	0.000	0.811	17.393	0.000
L2	0.855	25.513	0.000	0.864	30.332	0.000
L3	0.676	6.342	0.000	0.698	7.095	0.000
L4	0.507	6.197	0.000	0.507	4.791	0.000
L5	*					
L6	0.631	5.275	0.000	0.591	5.002	0.000

* = Not valid
** = Not significant

In Figure 2, we can see the $R2$ value of visitability on CM is 0.800. In the research model, the accuracy of visitability in forming CM is 0.800, or in the substantial category. The $R2$ value of investability is 0.803. Therefore, the accuracy of investability in forming CM is 0.803, or in the substantial category. The $R2$ value of liveability is 0.790. Therefore, the accuracy of liveability in forming CM is 0.790, or also in the substantial category.

5.3. CFA
CFA testing is completed by looking at significant values. These values are obtained by bootstrapping procedures. The significance of the hypothesis is determined by looking at the value of the coefficient parameters and the value of T-statistical significance in the algorithm for bootstrapping reports. The level of significance determination is seen in the value of alpha in the *T*-table, which is 0.05 (5%) = 1.96, and the *T*-table is subsequently compared with the *T*-test (*T*-statistic). The results in Table 6 and Figure 3 show that the direct effects of visitability, investability and liveability on CM are significant (Table 6) (Figure 3).

Based on Table 6, we can see that the first hypothesis testing results show the correlation between Visitability and CM, as indicated by a coefficient value of 0.894 with a *t*-value of 31.412. The *t*-value is greater than the critical value (1.960), and the *P* value equals 0.000 < 0.005; therefore, the null hypothesis is rejected. It can be concluded that visitability influences CM. Visitability's influence has a positive correlation value of 0.894 as we can see on Table 4.

Table 3. Criteria model: *convergent validity* and *reliability analysis*					
Latent variable	**Indicators**	**Loadings**	**Indicator reliability**	**Composite reliability**	**AVE**
Visitability	V1	0,921	0,848	0,960	0,800
	V2	0,930	0,865		
	V3	0,923	0,852		
	V4	0,899	0,808		
	V5	0,848	0,719		
	V6	0,840	0,706		
Investability	I1	0,554	0,307	0,904	0,500
	I2	0,753	0,567		
	I3	0,754	0,569		
	I4	0,820	0,672		
	I5	0,601	0,361		
	I8	0,781	0,610		
	I9	0,824	0,679		
	I10	0,762	0,581		
Livability	L1	0,811	0,658	0,828	0,543
	L2	0,864	0,746		
	L3	0,698	0,487		
	L4	0,507	0,257		
	L6	0,591	0,349		

Table 4. Correlation value *latent variable* and *discriminant validity*			
Construct	*Visitability*	*Investability*	*Liveability*
Visitability	**0,894**		
Investability	0,637	**0,737**	
Liveability	0,708	0,765	**0,707**

* Values in the table is the square root of the AVE

The second hypothesis testing suggests that the correlation between investability and CM is indicated by a coefficient value of 0.896 with a *t*-value of 25.827. The *t*-value is greater than the critical value (1,960) and the *P* value equals 0.000 < 0.005; therefore, the null hypothesis is rejected. It can be concluded that investability influences CM. Its influence has a positive correlation value of 0.896.

Finally, the third hypothesis testing shows that the correlation between liveability and CM is indicated by a coefficient value of 0.889 with a *t*-value of 39.399. The *t*-value is greater than the critical value (1,960) and the *P* value equals 0.000 < 0.005; therefore, the null hypothesis is rejected. It can be concluded that liveability influences CM. Its influence has a positive correlation of 0.889.

6. Discussion and conclusions

6.1. Theoretical implication
This paper noted CM's implications for the development of a city and that it is a strategy for every city to show its uniqueness and market its potential. Every city competes and tries to increase its competitiveness. This study aims to measure the indicators used in CM variables. This study refers to the dimensions used by Rufaidah (2007), which were visitability, which represents the visitors of a city, investability, which represents the possibility of investment or business opportunities in a

cogent ··business & management

Table 5. Factor loadings and cross loadings				
Latent variable	**Indicators**	*Visitability*	*Investability*	*Liveability*
Visitability	V1	**0.921**	0.554	0.635
	V2	**0.930**	0.498	0.564
	V3	**0.923**	0.560	0.629
	V4	**0.899**	0.541	0.610
	V5	**0.848**	0.700	0.717
	V6	**0.840**	0.549	0.630
Investability	I1	0.266	**0.554**	0.363
	I2	0.448	**0.753**	0.454
	I3	0.416	**0.754**	0.517
	I4	0.549	**0.820**	0.658
	I5	0.329	**0.601**	0.350
	I8	0.567	**0.781**	0.729
	I9	0.564	**0.824**	0.641
	I10	0.518	**0.762**	0.669
Liveability	L1	0.604	0.661	**0.811**
	L2	0.607	0.725	**0.864**
	L3	0.507	0.582	**0.698**
	L4	0.332	0.282	**0.507**
	L6	0.384	0.294	**0.591**

Figure 1. Result of SEM-PLS confirmatory factor analysis CM.
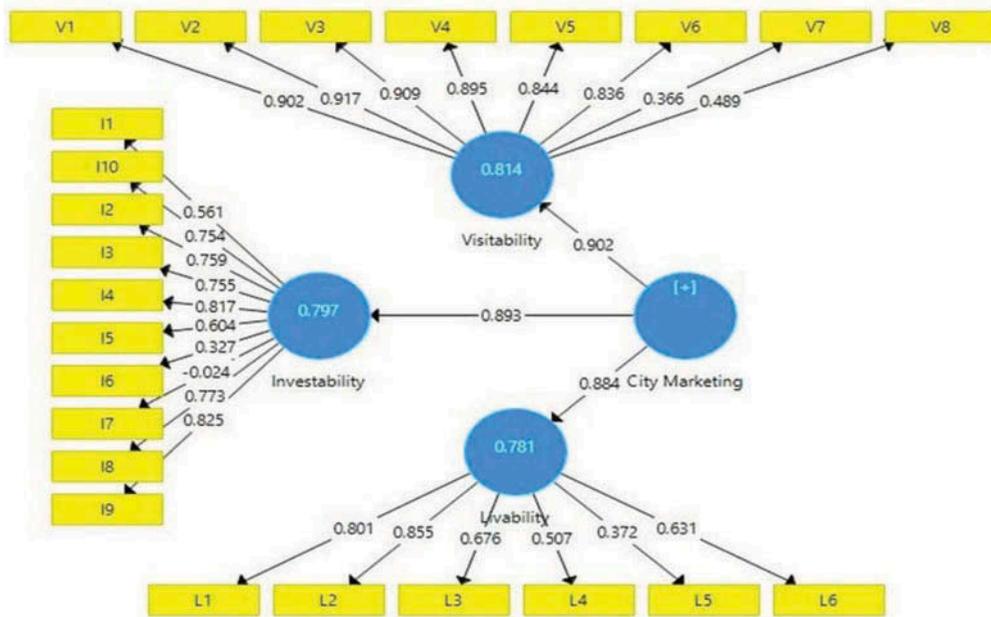
city, and liveability, which represents the residents and communities. Similar to Rufaidah's research, other researchers include residents, investors and visitors as parts of CM (AMA, 2018; Braun, 2008; Kotler & Gertner, 2002; Institute, 2007; and Balencourt & Zafra, 2012).

**Figure 2. Results of SEM-PLS–CFA structural model Penilaian R2.**
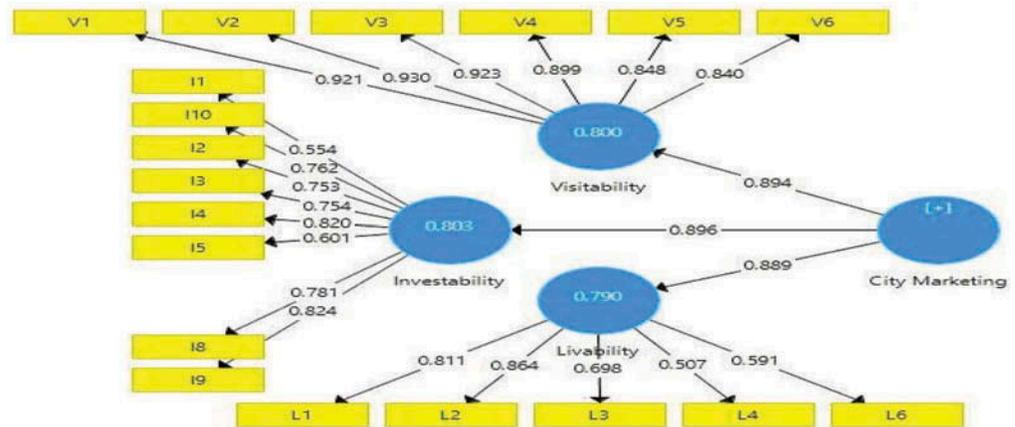
Table 6. Impact *visitability*, *investability*, dan variabel laten *liveability*

No.	Hypothesis	Path coefficient	Standard error	t value	P value	Results
1	City Marketing -> Visitability	0,894	0,028	31,412	0,000**	Significant
2	City Marketing -> Investability	0,896	0,035	25,827	0,000**	Significant
	City Marketing -> Liveability	0,889	0,023	39,399	0,000**	Significant

** Significance test at $P < 0.01$

Figure 3. Bootstrapping result structural model.
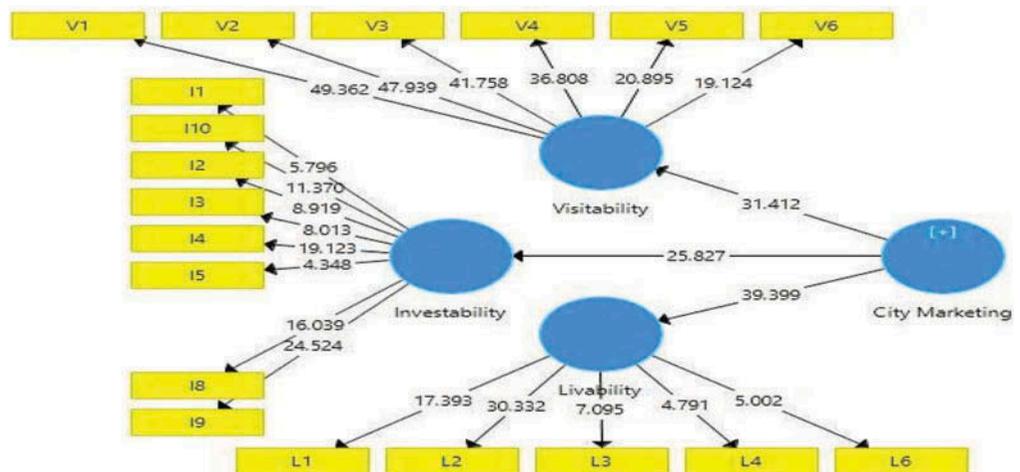
Another contribution of this study are, first it deeply discusses city marketing from sustainability perspective through liveability, visitability and investability of a local community, visitors and investors. Second, the research was conducted in Maluku Province, Indonesia, meaning, the concept of city marketing was carried out in a larger scale, that is province, and the last it is difficult to conduct quantitative research which includes measurement of city marketing instruments, therefore, this study aims to confirmatory factor of the city's marketing instruments Finally, this paper explains that the CM dimensions used can provide different results for different regions/cities. It is important for this study's theoretical implication to build the next CM dimensions.

The results of data analysis show that measuring CM through three dimensions can indeed be done, although there are a number of indicator items that should be removed, since they

are inapplicable in Maluku. The total number of indicators used was initially 24 items, but only 19 indicators were valid and able to be implemented in Maluku Province, Indonesia. The study found that some indicators cannot be used in Maluku and should be removed. The most dominant indicator in the visitability dimension is happiness and enjoyment when visiting Maluku. This result is particularly interesting because Maluku has positive things to share with visitors and the respondents were eager to visit Maluku. The second most influential dimension is investability. Most of the respondents believed that the business climate in Maluku is promising and profitable. Moreover, events held by the local governments are helpful in raising awareness and increasing business opportunities. The third dimension, with a lower influence value, is liveability. In this dimension, the respondents agreed that some of the interesting places in Indonesia are located in Maluku. However, the question about Maluku as a desirable place to live was not valid. This finding indicates that Maluku has not become a place of reference as a residence. We find this information to be very surprising.

6.2. Practical implication

The results of this study test indicators of CM's dimensions. This study suggests that CM's dimensions can be used and implemented in Maluku. Visitability, which represents tourists, has the greatest influence in forming CM variables. It cannot be separated from tourism as a major factor, dominated by the intention to visit and experiences when visiting, which are influential and powerful in forming the CM of a city. Therefore, the local government should take this opportunity to facilitate aspects of travel and events in order to further improve the quality of visits.

Subsequently, investability has an influence on CM. Investments that are considered the most relevant in this research are ones in marine fields (e.g. marine products, marine transportation and marine tourism). It is Maluku's geographic advantage that it has thousands of islands and is the largest fish producer in Indonesia.

If both can be optimized by the local government, they will have a positive effect by increasing revenue, which in turn will attract people to settle and search for jobs because of the better opportunities in Maluku.

6.3. Limitations and directions for future research

In this study, we measured the indicators of each dimension, namely, (1) visitability, (2) investability and (3) liveability in Maluku province. However, there are several limitation to be recognised and addressed. First, data from residents, visitors and investors only from Maluku province so that generalization of results is very limited. If the survey can be enlarged and reach more provinces, the results may show different effects and magnitudes.

Next, another dimension of city marketing that can be added in future research. For example economic aspects and social aspects. In addition, maybe city marketing more effectively analysed with more detailed typology of city or province.

Author details
Aisah Asnawi[1]
E-mail: cheasnawi@yahoo.com
Dwi Kartini[2]
E-mail: dwi.kartini@fe.unpad.ac.id
Faisal Afiff[2]
E-mail: afiff.upm@gmail.com
Popy Rufaidah[2]
E-mail: popy.rufaidah@fe.unpad.ac.id

[1] Marketing, Pattimura University, Ambon, Maluku, Indonesia.
[2] Marketing, Padjadjaran University, Bandung, Jawa Barat, Indonesia.

References
Aaker, D.A. (2011). *Strategic marketing management.* Hoboken, NJ: John Wiley & Sons.
AMA, American Marketing Association. (2008).

Ashworth, G. J., & Voogd, H. (1990). *Selling the city: Marketing approaches in public sector urban planning*. London: Belhaven Press.

Balencourt, A., & Zafra, A. C. (2012). City Marketing: How To Promote a City. Master Thesis. Umea Universitet. P.8

Boekema, F., Hospers, G. J., & Verheul, W. J. (2011). *Citymarketing voorbij d hype. Ontwikkelingen, analyse en strategie*. Den Haag: Boom Lemma uitgevers.

Boisen, M. (2007). *The strategic application of city marketing to middle sized cities* (Master's Thesis). Available From Research Gate.

Braun, E. (2008). City Marketing: Towards an Integrated Approach. ERIM Ph.D Series In Research and Management, 142 Erasmus Research Institute Of Management (ERIM) Rotterdam. P.43

Burges. (1982). *Selling Places: Environmental Images for the Executive, Regional Studies, 16*(P), 11–17.

Cameron, A. L., & Roberts, S. (2010). Strategic destination marketing: The key to a competitive advantage. *Marketing Island Destinations* Elsevier 2010. doi: 10.1016/B978-0-12-384909-0.00002-7

Chin, W. (1998). The partial least squares approach to structural equation modeling. In G.A. Marcoulides (Ed.), *Modern Methods For Business Research* . Hillsdale, NJ: Lawrence Erlbaum Association.

Chin, W. (2010). How to write up and report PLS analysis. Handbook of Partial Least Square, Concepts, Methods, and Application. Heidelberg: Springer

Gelders, D., & van Zuilen, D. (2013). City events: Short and serial reproduction effects on the city's image. *Corporate Communications: An International Journal, 18*(1), 110. doi:10.1108/13563281311294155

Ghozali, I. (2008). *Multivariate analysis*. Semarang-Indonesia: Universitas Diponegoro Publisher.

Goovaerts, P., Van Biesbroeck, H., & Van Tilt, T.(2014). Measuring the effect and efficiency of city marketing. *Procedia Economics and Finance,12*(2014):191–198. Elsevier doi: 10.1016/S2212-5671(14)00335-9

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis*. Upper Saddle River, NJ: Prentice Hall.

Heely, J. (2011). Public: Private partnership and best practice in urban destination marketing. *Tourism and Hospitality Research, 11*(3), 224–229. doi:10.1177/1467358411408710

Hospers, G. J. (2009). *Een kleine geografie van geluk*. (Inaugurele rede van 15/ 10/2009aan de Radboud Universiteit Nijmegen). Place Branding and Public Diplomacy.

Hospers, G. J. (2011). *Er gaat niets boven city marketing, hoe zet je een plaats op de kaart?*. Zaltbommel: Haystack.

Institute, G. R. (2007). *A study on the methodology of developing city*. Brand Identity: Cases of Cities in Gyeonggi Province. Geyonggi Institute.

Kavaratzis, M. (2004). *From city marketing to city branding: Towards a theoretical framework for developing city brands* (pp. 58–73). Henry Stewards Publications.

Kavaratzis, M.(2007).City marketing: The past, the present and some unresolved issues. *Journal Compilation, 2007*Blackwell Publishing Ltd 695–712.

Kotler, P. (1999). *Marketing places Europe: Attracting investments, industries, residents and visitors to European cities, communities, regions and nations*. London: Pearson Education.

Kotler, P., & Gertner, D. (2002, April 2002). Country as brand, product, and beyond: A place marketing and brand management perspective. *Journal of Brand Management, 9*(4), 249–261. doi:10.1057/palgrave.bm.2540076

Metaxas, T. (2007). City marketing and city competitiveness: An effort of reviewing the last 25 years. *Discussion Paper Series, 13*(18), 401–422.

Metaxas, T. (2009). Place marketing, strategic planning and competitiveness: The case of Malta. *European Planning Studies, 17*(9), September 2009. doi:10.1080/09654310903053539

Niedomysl, T., & Jonasson, M. (2012). Towards a theory of place marketing. *Journal of Place Management and Development, 5*(3), 223–229. doi:10.1108/17538331211269639

Noviana, D., & Rufaidah, P. (2012). Dimensions of city marketing. Proceeding of The Global Advance Research Conference on Management and Business Studies (GARCOMBS), November 22-24 2012, Bandung, Indonesia

Paddison, R. (1993). City marketing, image reconstruction and urban regeneration. *Urban Studies, 30*(2), P.339. doi:10.1080/00420989320080331

Rennen, W. (2007). *CityEvents: Place selling in a media age*. Amsterdam: Amsterdam University Press.

Rufaidah, P. 2007. Strategi dan Aplikasi Di Berbagai Negara. Bandung, Indonesia: Newspaper of Pikiran Rakyat.

Rufaidah, P. (2014). *City marketing model for Bandung city* (pp. 3). Seoul, Korea: International Conferences of Asian Marketing Associations (ICAMA), Sogang University.

Smyth, H. (2005). *Marketing the City. The role of flagship developments in urban regeneration*. Taylor & Francis Group. British Urban Regeneration Association and sponsored by J Sainsbury plc. London, UK: E&FN Spon.

Van den Berg, L., Klaassen, L. H., & Van der Meer, J. (1990). *Marketing metropolitan regions*. Rotterdam: European Institute for Comparative Urban Research.

Van Dijk-Bettenhaussen, E. (2011). *Handboek city- en regio-marketing*. Groningen/Houten: Noordhoff uitgevers nv.

Van Limburg, B. (1998). City marketing: A multi-attribute approach. *Tourism Management, 19*(5), 415–417. doi:10.1016/S0261-5177(98)00044-2

Wang, Y. (2011). Destination marketing and management: Scope, definition and structure. Destination marketing and Management: Theories and applications. Van Den Berg. (2010)

Yoon, J. (2010). A conceptual Model for City Branding Based on Semiotics. A thesis for the degree of Doctor of Philosophy. Department of Engineering and Design, Brunel University.

Zavattaro, S. (2012). Place marketing and phases of the image: A conceptual framework. *Journal of Place Management and Development, 5*, P.212–222. doi:10.1108/17538331211269620

Zhao, D. (2013). Analysis of Government Acts on brand management in Xiamen City: From the perspective of city marketing. *Contemporary Logistics*, St. Plum-Blossom Press PTY Ltd, *10*(2013), 1838–739X.

cogent •• business & management

Cogent Business & Management (ISSN: 2331-1975) is published by Cogent OA, part of Taylor & Francis Group.

Publishing with Cogent OA ensures:

- Immediate, universal access to your article on publication
- High visibility and discoverability via the Cogent OA website as well as Taylor & Francis Online
- Download and citation statistics for your article
- Rapid online publication
- Input from, and dialog with, expert editors and editorial boards
- Retention of full copyright of your article
- Guaranteed legacy preservation of your article
- Discounts and waivers for authors in developing regions

Submit your manuscript to a Cogent OA journal at www.CogentOA.com