

STRENGTHENING BRAND EQUITY THROUGH LOCAL AGENT NETWORKS: EVIDENCE FROM AN INDONESIAN UMRAH TRAVEL

Kevin Maulana^{1*}

School of Business and Management, Institut Teknologi Bandung, Indonesia / ITB/ Bandung

E-mail: kevin.maulana98@gmail.com

Received : 04 June 2026

Accepted : 25 June 2026

Revised : 10 June 2026

Published : 29 July 2026

Abstract

This thesis investigates the erosion of brand equity at PT Maulana Aswaja Barokah (MAB), an emerging Umrah and Hajj travel agency operating in West Java, Indonesia. Despite offering Sharia-compliant pilgrimage services through a decentralized network of local agents, MAB recorded a 43.3% year-on-year decline in customer departures between January–September 2024 and the same period in 2025. The study seeks to examine the underlying drivers of this performance deterioration by evaluating brand equity across four critical dimensions: brand awareness, perceived quality, brand associations, and brand loyalty. Adopting a qualitative case study approach, the research is informed by a preliminary survey involving 12 participants, comprising prospective and former Umrah pilgrims. The analysis is anchored in Aaker's Customer-Based Brand Equity (CBBE) model, further enriched by external industry diagnostics using PESTEL and Porter's Five Forces frameworks. The findings suggest that MAB's brand positioning suffers from weak visibility, fragmented messaging, and inconsistent agent representation at the community level. These deficiencies impair customer trust and impede loyalty development, despite price competitiveness and product adequacy. The study concludes that in culturally embedded service sectors such as religious travel, brand equity is not merely a function of pricing or functional quality but is shaped by trust-building mechanisms, agent credibility, and social legitimacy. Strategic implications include formalizing agent training and brand alignment, amplifying authentic testimonials, and embedding community-based marketing practices. This research contributes to the broader discourse on brand equity by contextualizing established theory within a religious travel setting, offering managerial insights for trust-sensitive and experience-driven markets.

Keywords: *Brand Equity, Local Agent Network, Umrah Travel, Customer Loyalty, Relationship Marketing*

INTRODUCTION

With one third of its population being Muslims, Indonesia is the country with the world's largest Muslim population. As a consequence, there is great demand in religious travels among the Indonesian people, especially the pilgrimages of Umrah and Hajj. During recent years, there has been remarkable growth in the Indonesian Umrah travel industry, which is associated with increased incomes, growing religious awareness, and access to international travel of residents. With the increase in the number of Umrah travel agencies, competition in the industry grows. Besides competing on prices and packages, modern travel agencies have to compete on their brand equity and credibility. In the era of growing competition, brand equity becomes an important strategic resource in business. In his book, Aaker (1991) defines brand equity as the set of brand-related attributes, including brand assets and liabilities that have the impact on consumers' perception and purchasing decisions. Strong brand equity helps a company stand out from competitors, gain consumers' trust, and promote their loyalty. In service-based industries, in which it is often difficult for consumers to evaluate service quality prior to purchase, brand equity assumes a special significance. The role of brand equity becomes even more critical in the field of Umrah travel. Unlike other industries, Umrah travel requires serious financial commitments, entails religious duties, and involves emotional expectations. Consumers usually demonstrate high caution when choosing a particular travel agency, because service failure can lead not only to the loss of money but also to frustration regarding an important spiritual journey. For this reason, trust becomes one of the most crucial factors of purchasing decisions, which determines the level of brand equity in the industry. Brand equity has various dimensions. According to Aaker (1991), brand equity encompasses brand awareness, brand quality, brand associations, and brand loyalty. All these dimensions affect the ways in which consumers relate to a particular brand. However, ways of building brand equity can vary considerably across different industries. In many

service-based industries, marketing communication, consumer experience, and corporate reputation are among the major drivers of brand equity. At the same time, relationship-based industries such as the Umrah travel industry may have different ways of brand equity development that should be considered carefully. It has to be noted that the most peculiar feature of the Indonesian Umrah industry is the prominent role played by local agents. In many cases, local agents work as intermediaries between travel companies and potential customers. Moreover, local agents perform advisory and relationship-building functions in local communities. As a consequence, the influence of local agents on the way potential consumers view the company is very significant. Through their communication with the customers, local agents can affect brand awareness, quality perceptions, reputation, and brand associations.

The choice of a particular travel agency for the pilgrimage often depends on trust rather than on the marketing message. In many cases, recommendations of religious authorities, family members, neighborhood, and community members play a more prominent role than formal advertising. In this situation, local agents can greatly affect brand awareness, brand perceptions, and customer loyalty. This role makes local agents' contribution to brand equity development very significant. At the same time, there is little information available on this subject. The aim of this study is to examine the extent to which local agents' activities help develop brand equity in the Umrah travel industry. The focus of this study will be placed on the company PT Maulana Aswaja Barokah (MAB). This is a regional Umrah travel company working in the territory of West Java Province, Indonesia. MAB uses local agent networks in its efforts to acquire customers. Even though MAB has developed effective community trust networks, there are still problems related to brand awareness, service quality, and brand equity. This study will attempt to determine the ways in which local agents influence brand awareness, brand quality, brand association, and brand loyalty in the case of PT Maulana Aswaja Barokah. Using qualitative methods, it will be possible to gain insight into the importance of local agents for the development of brand equity. Such an analysis may prove useful to scholars and practitioners alike.

LITERATURE REVIEW

Brand Equity

One of the key marketing concepts is brand equity, which describes how much value a brand adds to a product or service through intangible benefits beyond functional aspects. In the definition provided by Aaker (1991), brand equity includes the set of assets and liabilities associated with a brand that affect perceptions of customers and the performance of organizations. High brand equity provides firms with the means to distinguish themselves from the competition, increase customers' trust in their brand, and develop long-term relationships. The work by Aaker (1991) describes four dimensions of brand equity. They include brand awareness, which indicates customers' ability to identify and remember a brand in a specific product category. Higher brand awareness leads to the consideration of the brand when making purchasing decisions. Perceived quality describes customers' overall evaluation of a product or service compared to available substitutes. The dimension called brand associations involves all the thoughts, feelings, and perceptions that are associated with a brand in customers' mind. Lastly, brand loyalty reflects customers' willingness to make repeat purchases and recommendations about a particular brand. Brand equity takes even more importance in services, where preconsumption evaluations of quality are not always possible. In that case, consumers resort to signals from the brand name to mitigate risks. Such circumstances are extremely relevant in the field of Umrah travel industry. Research shows that higher levels of brand equity positively impact customers' trust, satisfaction, and loyalty, giving organizations a competitive advantage. Hence, an analysis of the drivers behind brand equity development can help companies to succeed in the competitive service industry.

Local Agent Network and Relationship Marketing

Relationship Marketing places special attention on building, sustaining, and developing long-term relations between companies and consumers. As Morgan and Hunt state, the basis of successful relationship marketing includes trust and commitment because they eliminate uncertainties and create conditions for further cooperation. Agents and representatives who work in particular areas represent service organizations and act as intermediators in relation to their customers. In addition to the marketing function of intermediators, they serve not only as sellers but also as sources of information, agents of trust, and community leaders. Thus, the possibility of establishing a relationship with an agent may be important for consumer attitudes and behavior. In the field of Umrah travel services in Indonesia, the role of local agent intermediators is especially important. Usually, travelers consult their friends, relatives, community leaders, and religious representatives about their choice of travel agencies, and hence trust in local agents will be important for trust in the travel provider. Besides, agents do not simply assist consumers in finding the necessary travel service provider; through their constant interaction, agents may form customer attitudes

toward brand-related parameters such as quality, credibility, and reliability, which are especially important for travel services. Moreover, positive relationships may result in consumer referrals and loyalty. Thus, we see how the use of local agent networks may turn into a source of competitive advantage as a strategic asset in creating multiple parameters of brand equity. Nonetheless, it should be mentioned that there is a lack of research on the role of local agents in developing brand-related parameters in Umrah travel services in Indonesia.

Conceptual Framework

The proposed research utilizes the concept of Brand Equity according to Aaker as well as the theory of Relationship Marketing, which postulates that networks of local agents have an impact on brand equity through the creation of customer perception and trust. In PT Maulana Aswaja Barokah, local agents act as important mediators between the firm and potential pilgrims. Through community involvement, interpersonal contacts, and interpersonal communications, local agents can have an impact on brand awareness, customer perceptions regarding service quality, creation of positive brand image, and customer loyalty actions such as referrals and repeated purchases. Hence, this research will analyze the impacts of local agents' networks on four aspects of brand equity, namely brand awareness, brand quality perceptions, brand image, and brand loyalty within the Umrah travel sector in Indonesia.

Research Proposition

Based on the theoretical discussion, this study proposes that local agent networks play a significant role in strengthening brand equity by influencing brand awareness, perceived quality, brand associations, and customer loyalty among Umrah travel customers.

METHOD

The current study adopts a qualitative case study design to investigate the effect of local agent networks on the development of brand equity in the Umrah travel industry. A qualitative research design was determined to be necessary in the study because qualitative research methods aim to generate an in-depth insight into perceptions and relationships between customers, agents, and brands (Yin, 2014). Research was carried out at PT Maulana Aswaja Barokah (MAB), a travel agency focusing on Umrah and Hajj packages and providing services to pilgrims mainly in West Java, Indonesia. This particular company was chosen as the object of investigation due to its heavy reliance on local agent networks for customer acquisition and relationship management purposes. For collecting primary data, a semi-structured interview technique was used. The use of semi-structured interviews allowed to obtain a high level of respondent freedom to share experiences and insights while making sure that interviews were focused on issues directly related to the research topic. Interview questions covered such brand equity dimensions as brand awareness, perceived quality, brand associations, and brand loyalty, and relationship marketing concepts such as customer relationships with agents, referrals, and local agent networks.

A total of 12 respondents took part in the interviews. Former pilgrims, prospective pilgrims, local agents working with the agency, and members of the company management team were selected as respondents for this study. Respondent selection was made by employing purposive sampling to ensure that all selected individuals had sufficient experience related to the issue under discussion. Alongside with interviewing people directly connected with the case study organization, some secondary data from various sources, including academic journals, governmental publications, industry reports, and company documents, were collected. The purpose of using secondary sources was to develop further understanding of the context and assist in analyzing the obtained interview responses. Analysis of collected data was performed using thematic analysis as suggested by Braun & Clarke (2006). Transcripts of all interviews were reviewed and coded to identify themes associated with consumer awareness, perceived service quality, brand image, loyalty behaviors, and influence of agents. Once all themes related to these categories were identified, similar themes were then grouped in terms of four main brand equity dimensions. Credibility and validity of the obtained findings were ensured through application of data triangulation. Triangulating findings allowed making sure that conclusions derived in this study correspond to the opinions of various stakeholder groups interviewed during the research. Having considered the above factors and literature on the issue, it is important to emphasize that this study investigates such aspects as the effect of local agents' networks on brand awareness, perceived quality, brand associations, and brand loyalty.

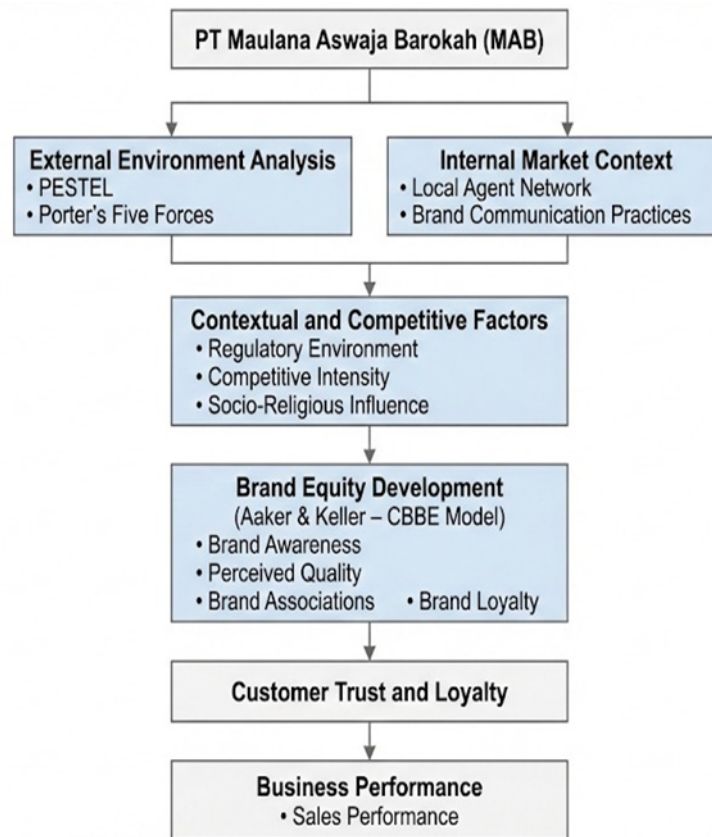


Figure 1. Conceptual Model of the Study

Source: Developed by the researcher based on Aaker (1991), Keller (1993)

RESULTS AND DISCUSSION

Result

Local Agent Network and Brand Awareness

Based on the above findings, it can be deduced that local agents play an essential part in the creation of brand awareness by PT Maulana Aswaja Barokah (MAB). Most participants stated that their initial awareness regarding MAB was as a result of recommendations made by the local agents, their family members, religious organizations, or associates who had already interacted with the brand. It is clear, therefore, that awareness creation in the Umrah travel sector relies greatly on interpersonal communication rather than advertisement techniques. It is evident that some respondents did not have prior knowledge of the company until they received recommendations from people they trust in their communities. Social media platforms like Instagram and Tiktok were used as secondary means of verifying the recommendation made and hence not the main source of awareness generation. The findings point to the idea that local agents act as mediators for the dissemination of information about the company. In conclusion, the findings provide support for Aaker's (1991) notion that awareness is an essential part of brand equity. This case demonstrates that in relation to MAB, awareness is mainly created through relationships.

Local Agent Network and Perceived Quality

From the interviews, it is clear that local agents affect the perception of customers towards the quality of services offered. Before making their purchases, most of the respondents depended on the information given by the agents about accommodation, transportations, religious services, and logistics. The credibility of the agent had a great impact on the perceptions of the customer with regards to the service being offered.

Trustworthiness was associated with good services. Whenever the local agent proved knowledgeable about the product, responsive, and transparent, customers would see the company in a good light. Contradictory information and failure of the company to deliver on its promises affected the perceptions of customers regarding the quality of service offered. From these results, it is evident that apart from informing customers about services, local agents also play a critical role in setting up the expectations of customers regarding the quality of services offered. Local Agent Network and Brand Association The interviews showed that local agents have a significant influence on brand associations. The interviewees related the brand MAB to affordability, accessibility, religiosity, and amanah/trustworthiness. Most of these brand associations have been acquired from interacting with local agents rather than from communication efforts.

Amanah (or trustworthiness) was among the strongest brand associations made by the interviewees. In some cases, the interviewees judged the authenticity of the brand according to the personal honesty and reputation of the local agents of the firm. This means that local agents act as vehicles for delivering brand meanings to customers. These results agree with the views of Keller (1993) who asserts that brand associations derive from cumulative consumer experiences. In regard to brand MAB, local agents have an important role to play in fostering favorable brand associations.

Local Agent Network and Brand Loyalty

Further, the results suggest that the local intermediaries have an impact on loyalty by building relationships and sustaining trust. There were quite a number of respondents who claimed that in case of satisfaction, they would not hesitate to refer MAB to friends, families, and people in their community. Recommendation was noted as one of the main ways of expressing loyalty. Satisfied previous pilgrims ended up becoming unofficial ambassadors of the MAB organization in their environment. In most cases, customers ended up turning into agents themselves out of satisfaction in order to help promote the company. Nonetheless, loyalty appeared to be contingent on continuity in trust relations. Cases of poor service delivery, miscommunication, and weakening of agent relations might lead to decreased likelihood of recommendation and purchase. This indicates that loyalty is more relational than transactional in the Umrah travel market.

Discussion

Strategic Role of Local Agent Networks in Building Brand Equity

The results show that local agent networks are essential channels through which brand equity can be built in the Umrah travel business. In contrast with many other service industries, MAB's brand equity is largely established based on community trust and personal relations. Agent networks play an important role in all four brand equity dimensions suggested by Aaker (1991). Firstly, they build customer awareness through introduction of the brand to potential customers; secondly, they influence customers' perceptions about the quality of the services by setting expectations; thirdly, they foster favorable brand associations through their actions aimed at building trust; lastly, they promote customers' loyalty through their personal interaction with clients. In addition, the findings provide evidence that relationship marketing plays a significant role in trust-sensitive service businesses. As expected, following the Commitment-Trust Theory proposed by Morgan and Hunt (1994), customer trust is the foundation of long-term business relations. Local agents, acting as facilitators of customers' trust, are important participants in this type of relationship. However, from a strategic perspective, there are certain drawbacks in the way brand equity has been built. The level of brand awareness is highly dependent on personal relations between customers and sales representatives. Moreover, customer loyalty is linked not so much to MAB's corporate brand as to individuals within local agent networks. Thus, MAB needs to work on strengthening its institutional branding. On balance, local agent networks appear to be an effective way of establishing brand equity in the context of MAB's operations. With proper development of agent skills, improvement of service provision, and increased visibility of MAB's institutional brand, the company will benefit in the competition environment.

CONCLUSION

The current study highlights the importance of local agent networks in brand equity development. The results show that local agents play a key role in all four main dimensions of brand equity, including brand awareness, brand perception, brand association, and brand loyalty. It implies that the use of local agents' networks can be viewed as a crucial factor for improving customers' trust towards the brand under consideration.

In particular, the research findings demonstrate that local agents do not only facilitate sales operations but also act as trust-builders, information sources, and community leaders who introduce pilgrims to an Umrah travel company. As a result, the role of local agents includes creating interpersonal relationships with potential customers and working with communities which leads to the development of trust. In turn, customer trust improves brand performance since brand awareness, quality perception, and loyalty are formed due to increased customer trust. It is concluded that local agents can be viewed as a valuable resource which provides businesses with opportunities for increasing their competitive advantage and sustaining long-term success in a trust-sensitive service industry. At the same time, it is found that brand equity in religious travel industry cannot be built only through marketing communications. Instead, it involves trust and social legitimacy factors, which are used by customers when assessing service providers.

Thus, it can be recommended to view local agents as strategic partners who contribute to the brand's improvement. Moreover, it should be noted that managers can focus on enhancing agent's skills concerning communication, marketing, customer relations, product and service knowledge, etc. However, managers should also pay attention to institutional branding to reduce overreliance on specific agents. For instance, they can develop standard procedures for providing services and establishing relationships. To conclude, the presented paper makes several contributions. Firstly, it expands theoretical knowledge on brand equity by showing the importance of local agent networks in brand performance. Secondly, it applies brand equity and relationship marketing concepts to a new field of application – religious travels industry. Thirdly, it shows how interpersonal networking contributes to building customer-based brand equity in a service setting with a high level of perceived risk. As for the limitations, it should be mentioned that the current work is limited geographically because the data were collected from one organization that operates mainly in West Java. In addition, this paper uses only qualitative data obtained during interviewing a small sample. As a result, further generalizations cannot be provided. For future researchers, it is recommended to investigate the effect of local agents on brand equity empirically using quantitative data collection techniques. Furthermore, comparative analysis involving multiple cases and different service industries will be interesting.

REFERENCES

- Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. Free Press.
- Badan Pusat Statistik. (2024). *Statistik Indonesia 2024*. Badan Pusat Statistik.
- Badan Pusat Statistik Provinsi Jawa Barat. (2024). *Jawa Barat dalam angka 2024*. BPS Provinsi Jawa Barat.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>
- Chekalina, T., Fuchs, M., & Lexhagen, M. (2017). Customer-based destination brand equity modeling: The role of destination resources, value for money, and value in use. *Journal of Travel Research*, 57(1), 31–51. <https://doi.org/10.1177/0047287516680774>
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). Sage Publications.
- Ekinci, Y., Sirakaya-Turk, E., & Preciado, S. (2022). Destination brand equity and destination trust: The mediating role of destination attachment. *Tourism Management Perspectives*, 41, 100943.
- Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1–22. <https://doi.org/10.1177/002224299305700101>
- Kementerian Agama Republik Indonesia. (2023). *Data statistik haji dan umrah Indonesia*. Kementerian Agama Republik Indonesia.
- Kementerian Agama Republik Indonesia. (2024). *Data jamaah umrah Indonesia 2024*. Kementerian Agama Republik Indonesia.
- Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson Education.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38. <https://doi.org/10.1177/002224299405800302>
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.
- Yin, R. K. (2014). *Case study research: Design and methods* (5th ed.). Sage Publications.