"Linking customer experience, satisfaction, and loyalty to brand power and performance in international hotels"

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LINKING CUSTOMER EXPERIENCE, SATISFACTION, AND LOYALTY TO BRAND POWER AND PERFORMANCE IN INTERNATIONAL HOTELS

Abstract

The COVID-19 pandemic has had a significant influence on decreasing hotel consumption levels. To survive and compete in the market, hotels must be able to maintain their brand power and performance. This study aims to determine the relationship between customer experience, customer satisfaction, and customer loyalty toward brand power and brand performance in the hotel industry. The focus is on the importance of the role of the three consumer constructs on brand value. The paper uses a descriptive research design and a quantitative approach where data is collected by distributing online questionnaires to respondents through Google Forms. The selected population is tourists who have stayed in 4-5 star international hotels in Indonesia, with a sample size of 240 respondents. The collected data is then processed using SmartPLS v.3.3.3 to examine the results of the outer and inner models. The results show that from the customer's perspective, customer experience has an impact on customer satisfaction, which influences customer loyalty. In addition, customer loyalty is a factor that affects brand value, including brand power and performance. Therefore, customer loyalty is a strong predictor of brand value in the hospitality and tourism industry. By strengthening this sphere, a company will have great resources and opportunities to build brand power and brand performance.

Keywords	customer, satisfaction, loyalty, brand, performance, hotel
JEL Classification	M31, Z33

INTRODUCTION

In a competitive marketing environment, the power of a brand is an intangible asset that is a value and key to fostering trust in potential customers. Brands that become market leaders are able to get higher prices than competitors. From a consumer side, a leading brand minimizes search time and costs, including risk in purchasing decisions. Meanwhile, based on the brand owner's point of view, the advantage gained is the expansion of market share compared to competitors. The most important thing is the ability to obtain and maintain consumer loyalty.

In the tourism industry, it is said that almost 800 million trips in the world are made every year; around 200 million people work in this industry, and it accounts for more than 11% of the world GDP (Gross Domestic Product) (Nobar & Rostamzadeh, 2018). The tourism business in Indonesia has considerable potential because it has natural beauty and diverse cultural uniqueness. Based on the data from The World Travel & Tourism Council (WTTC), Indonesia ranked 9th globally as a country with the fastest growing tourism industry in 2018 (CNN Indonesia, 2018). Furthermore, in 2019, Indonesia's tourism income was reported at US $ 18 billion or around Rp. 262 trillion.

This data shows that the tourism industry sector has a significant role and affects Indonesia's economy. This is closely related to the hotel business, which is a place for tourists to stay while enjoying their trip.

Each hotel brand has its own characteristics offered to its consumers, but it is necessary to ask how consumers can stick to a certain brand when there are so many types of brands on the market. Much literature discusses the relationship between customer experience and customer satisfaction toward customer loyalty, where customer loyalty has a significant impact on a brand (Derakhshanfar & Hasanzadeh, 2016; Hasfar et al., 2020). For example, it is vital how consumers feel satisfied with a brand based on their experience using a brand so that consumers feel more trust in a brand and become loyal consumers. Therefore, consumer loyalty will undoubtedly affect the value of a brand in the market.

With the COVID-19 pandemic, hotels that managed to occupy a strong position in the market will quickly gain customers and profitability. Hotels that can maintain customer satisfaction and loyalty through their experiences will become hotels that survive in these dynamic conditions. Meanwhile, hotels that are faced with a lack of consumer loyalty and dissatisfaction with a brand will not be able to compete in the market. This framework attempts to highlight the conception of the influence of consumer loyalty on brand power and brand performance of a 4-5 star hotel brand in Indonesia. The study uses all important variables: customer experience, customer satisfaction, customer loyalty, brand power, and brand performance. The current pandemic situation and conditions, of course, have a significant impact on almost all sectors, especially in the tourism and hotel industry. Thus, knowing how each selected variable affects hotel brands both in conditions before and after the COVID-19 pandemic is crucial.

1. LITERATURE REVIEW

1.1. Customer experience

Frow and Payne (2007) stated that customer experience is the interpretation of consumers in their overall interaction with a brand that aims to create good relationships and build loyalty with consumers. Chen and Lin (2015) state that customer experience is a cognitive perception or recognition, which can encourage consumer motivation and increase the value of goods and services. Because the results of emotional and physical interactions between consumers and the company will leave an impression on the minds and hearts of consumers, it is undeniable that this will affect consumer assessments of the company's products. Consumer experience is important for company brands that provide services to consumers because consumers will directly experience the company's services (Garg et al., 2012). Therefore, customer experience management is an essential topic in the service business in a highly competitive market.

The experience felt by consumers can define the quality of services given by a company. After receiving a service, customers will consume a product/service that forms the consumption experience (Khan et al., 2015). Customer experience generally starts from the communication between a consumer and a company, which will cause a response (Nobar & Rostamzadeh, 2018). This follows the statement of Klaus and Maklan (2013), which states that customer experience is a cognitive and affective appraisal of the results of direct or indirect relationships with companies related to consumer buying behavior. For this reason, hotels need to consider revamping the process of shaping the consumer experience to match their expectations. This will create consumer behavior that provides profits and growth for a company. Consumers who feel a good experience with a hotel brand will create satisfaction for consumers, which in turn will make them loyal customers.

1.2. Customer satisfaction

Zhu et al. (2010) stated that customer satisfaction is related to the level of fulfillment, meaning that the more consumers feel fulfilled, the higher the satisfaction, and vice versa. Another opinion defines customer satisfaction as the perception of both dissatisfied and satisfied

consumers by comparing the perceived performance of a product with consumer expectations (Mendoza et al., 2007). According to Kotler and Keller (2009), satisfaction is a feeling of pleasure or displeasure received by consumers by comparing the results or performance of an item/service with consumer expectations. Satisfaction will occur if the company's products, services, or prices can reach or exceed consumer expectations. Consumers who are satisfied with hotel offerings have the potential to become loyal customers and spread the hotel's advantages to those closest to them.

Without customer satisfaction, hotels cannot compete effectively. Therefore, customer satisfaction is the secret to success in the hospitality industry. To improve and develop the hotel business, hotel managers must consider the factors that provide value to consumers (Yilmaz et al., 2005). In addition, customer satisfaction can give hotel managers information related to consumers' real needs and requirements.

1.3. Customer loyalty

Cant and du Toit (2012) defined loyalty as an emotional bond between consumers and a company through repeated purchase interactions from time to time and having the urge to recommend the company's brand to others, even though other people have their brand of choice. Consumer loyalty is also defined as a commitment of a consumer to repurchase the chosen brand product in the future (Oliver, 1999). Based on the opinion of Biedenbach and Marell (2010), customer experience has a straight comparison to customer loyalty, meaning that the higher the value of the experience received by a customer, the potential for consumers to be loyal also high.

Chitty et al. (2007) showed that customers who are satisfied with the company's services make loyal customers. This shows that customer satisfaction and loyalty have a positive and directly proportional relationship. For this reason, hotels must build good relationships with consumers to create a good customer experience and satisfaction. This will have the potential to create loyal customers and increase company value

in the future. The ultimate goal of the company's efforts to establish good relationships with customers is to form strong consumer loyalty (Parasuraman et al., 1996). Customer loyalty is an important component and is needed by a company to survive and compete in a competitive market.

1.4. Brand power

Brand power is the ability of a brand to be able to attract a particular market share. Companies with strong brand power will snowball and gain a broader market share. Creating and building brand power can be called an investment that aims to create an intangible asset; this effort can ensure the company's success in the future. Kotler and Pfoertsch (2006) argue that investing in a strong brand not only gives quick access but also gives a more profitable long-term development and growth for a company. Therefore, it is important for every senior management to create a strong brand in addition to carrying out the company's operational activities. Because besides being beneficial for the future, a strong brand can also improve the performance of the business.

High-quality service with a strong brand helps consumers characterize dangerous hotel service failures, which means satisfaction, and a strong brand makes it easier for consumers to determine the best hotel for them. High satisfaction and a strong brand will result in low dissatisfaction. When consumers interact with a hotel brand, the more consumers are satisfied with the hotel, the more consumers will be loyal to the hotel; this will undoubtedly affect the hotel brand reputation. Therefore, it can be said that loyal consumers can encourage and strengthen hotel brands in the market. Hotels with a firm name can help consumers convey and distinguish the quality of which hotels are good and which are not. That is why customer loyalty is a component that can affect brand reputation.

1.5. Brand performance

Brand performance is defined as a measure of the results of a brand against company goals. This measurement aims to see how effective a com-

pany's branding is. Brand performance is often used to show how well a brand ranks based on the results of an objective consumer assessment of the brand's quality. Therefore, if a company has a good brand performance, consumers are more interested in the brand, and vice versa. Brand performance is related to the way a product/service functionally meets consumer needs. Brand performance refers to what differentiates the company's goods/services from those of competitors. Consumers generally believe that a strong brand with a good reputation indicates that the brand has good quality and performance. Since a brand gives satisfaction to consumers, consumers have more confidence in a brand and its quality. Consumer satisfaction has been widely recognized and accepted as an important issue and is used as a marketing benchmark to assess company performance (Bennett & Rundle-Thiele, 2004). In hospitality, customer satisfaction felt through their experience will make them loyal customers and encourage the reputation of a brand and affect brand performance. No wonder if a hotel has a brand with a strong position will show good company performance as well.

1.6. Hypotheses

The purpose of this study is to determine the influence of consumers through brand experience, brand satisfaction, and brand loyalty on brand power and brand performance at 4-5 star international hotels in Indonesia. With the description of the literature review, seven hypotheses were developed as follows:

H1:   *Customer experience positively affects customer satisfaction.*

H2:   *Customer satisfaction positively affects customer loyalty.*

H3:   *Customer experience positively affects customer loyalty.*

H4:   *Customer satisfaction positively affects brand power.*

H5:   *Customer experience positively affects brand power.*

H6:   *Customer loyalty positively affects brand power.*

H7:   *Brand power positively affects brand performance.*

From each variable relationship that has been described, Figure 1 shows the research model.

2. METHODS

This study applies a descriptive research design and a quantitative approach where data collection is carried out by distributing online questionnaires to respondents through Google Forms. The selected population is respondents who have stayed at 4-5 star international hotels in Indonesia. The number of samples is based on the criteria of Raykov and Marcoulides (2006);
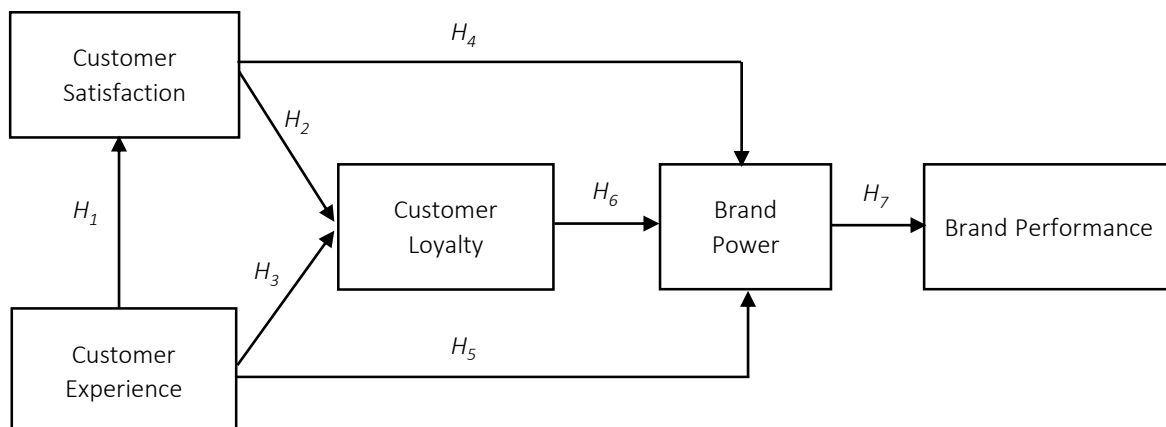

Figure 1. Research model

the indicator is multiplied by 10, so that 24 indicators x 10 = 240 respondents. The distribution of the questionnaires was carried out using a non-probability sampling design technique, which specifically used judgment sampling. The measurement applied is interval measurement using a Likert scale method with a value range of 1-5 points, with specifications: 1 is strongly disagree, 2 is disagree, 3 is neutral, 4 is agree, and 5 is strongly agree. From the 240 questionnaires that were successfully collected, then processing was carried out using SmartPLS v.3.3.3.

In distributing the questionnaire, the questions are divided into two parts: the respondent profiles and questions related to variable indicators. For the respondent profiles, questions consisted of gender, age, profession, education, and monthly income. Meanwhile, for customer experience, it consists of 5 factors grouped by Schmitt (1999). Customer satisfaction is measured by 5 indicators from Lupiyoadi (2001), customer loyalty has 5 indicators stated by Kotler and Keller (2006). 6 indicators of brand power measurement are modified from Nobar and Rostamzadeh (2018), and 4 dimensions of brand performance modified from Foroudi (2019) and Liu et al. (2020). This study applies calculation models such as measurement models using the Outer Model, which includes validity and reliability, measurement models with the Inner Model, which includes R^2 and Q^2, and inferential statistics to test hypotheses.

3. RESULTS

Of the 240 respondents considered willing to be participants and meet the requirements for data analysis, 57.9% are male respondents, and 42.1% are female respondents. This study is dominated by the consumer group in the age range of 21-25 years, which is 47.9%. Furthermore, there were 45.8% of students, workers – 43.8%, entrepreneurs – 8.8%, and specialists and others – 0.8%, respectively. Then based on the respondents' education, it was found that respondents with at least a bachelor's degree dominated with 49.17%, and respondents with a monthly income of Rp 2,000,000-Rp5,000,000 dominated with 38.75%. Table 1 shows a description of respondent profiles.

Table 1. Characteristics of respondents

Classification	Range	Number of Customers	Percentage
Gender	Male	139	57.9%
	Female	101	42.1%
Age	< 17	7	2.9%
	17-20	53	22.1%
	21-25	115	47.9%
	26-30	51	21.3%
	> 30	14	5.8%
Domicile	Jakarta	51	21.25%
	Tangerang	53	21.1%
	Pontianak	50	20.83%
	Other	86	36.825
Profession	Student	110	45.8%
	Worker	105	43.8%
	Businessman	21	8.8%
	Specialist	2	0.8%
	Other	2	0.8%
Education	No School	2	0.83%
	Elementary School	0	0%
	Junior High School	4	1.67%
	Senior High School	74	30.83%
	Diploma	23	9.58%
	Bachelor's Degree	118	49.17%
	Master's Degree	16	6.67%
	PhD	3	1.25%
Monthly Income (Rp)	< 2,000,000	76	31.67%
	2,000,000-5,000,000	93	38.75%
	5,000,000-10,000,000	47	19.58%
	> 10,000,000	24	10%
Frequency of Stay	1-2 times/year	152	63.3%
	3-4 times/year	52	21.7%
	5-6 times/year	19	7.9%
	> 6 times/year	17	7.1%
Travelling Partner	Travel with family	126	52.5%
	Travel with friends	18	7.5%
	Travel with partner	16	6.7%
	Travel for business	56	23.3%
	Solo travel	24	10%

3.1. Measurement model

Based on the convergent validity test, carried out through the factor loading value, 22 of the 24 indicators in measuring the latent variable were declared valid. The declared invalid indicators consisted of CS5 and BP3 because they had a factor

loading value below 0.7, while the other 22 indicators had met the rules of thumb. Furthermore, Table 2 also presents the AVE value of each latent construct, which value is used to identify the validity of the pre-convergent test. A variable is called valid if it has a value bigger than 0.5 under the rules of thumb (Garson, 2016). Furthermore, Cronbach's Alpha and Composite Reliability tests were carried out to show the accuracy and consistency of each indicator. Based on the rules of thumb (Ghozali & Latan, 2015), Cronbach's Alpha and Composite Reliability is valid if it has a value greater than 0.7.

From the results in Table 2, one can conclude that the five variables have an AVE value greater than 0.5, which has met the rules of thumb, thus indicating a valid Convergent Validity value. For the reliability test, the value of Cronbach's Alpha and Composite Reliability of each variable is above 0.7, which is under the rule of thumb, so that each

construction is declared reliable. Furthermore, the last is each indicator's T value, which shows a value above 1.96, meaning the measurement is significant.

The paper calculates the Outer Model as shown in Figure A1, which includes convergent validity and reliability as depicted in Table A1, as well as discriminant validity as depicted in Table A2. Furthermore, the measurement of the model is carried out with the Inner Model, which includes VIF as shown in Table A3, R^2, and Q^2, as well as inferential statistics to test the hypothesis. Furthermore, to identify whether there is a relationship between latent variables, the bootstrap method is used in SmartPLS v.3.3.3. Table 3 shows the measurement of the Inner Model from this study.

In testing CMB through the SmartPLS software, it can be analyzed by displaying the Variance

Table 2. Constructs and measuring items

Item Cods	Constructs Items	Mean	Factor Loadings	t-value
Customer Experience (α = 0.816; AVE = 0.578; Composite Reliability = 0.872)				
CE1	I feel attracted to this hotel's sensory	4.463	0.742	17.103
CE2	I feel very comfortable when I stay at this hotel	4.554	0.825	26.734
CE3	I do not mind giving feedback to this hotel	4.338	0.709	13.094
CE4	I feel this hotel provides an excellent physical experience	4.362	0.787	24.836
CE5	I feel this hotel is suitable to be visited with friends and family	4.562	0.731	14.614
Customer Satisfaction (α = 0.846; AVE = 0.685; Composite Reliability = 0.897)				
CS1	I feel my decision to stay at this hotel is a wise decision	4.554	0.824	36.286
CS2	I am satisfied with the attention and service provided by the hotel staff to me	4.463	0.771	19.558
CS3	I am satisfied with the atmosphere and conditions in this hotel	4.504	0.863	35.189
CS4	I am satisfied with what I got for the amount I spent	4.408	0.85	29.48
Customer Loyalty (α = 0.729; AVE = 0.646; Composite Reliability = 0.845)				
CL1	I intend to choose the same hotel to stay in when I feel satisfied with this hotel	4.4	0.854	33.966
CL2	I do not intend to switch to another hotel brand if I am satisfied with this hotel	3.904	0.73	19.038
CL3	I will recommend this hotel to my friends and people around me if I am satisfied with the hotel	4.475	0.823	27.53
Brand Power (α = 0.867; AVE = 0.653; Composite Reliability = 0.904)				
BP1	I like to stay at this hotel	4.596	0.834	24.953
BP2	I feel attracted to this hotel because it has charm	4.471	0.831	28.557
BP4	I am interested in a hotel that provides an unforgettable stay	4.508	0.824	25.168
BP5	I am interested in hotel prices that are commensurate with the quality of service during the stay	4.604	0.799	23.152
BP6	I am interested in hotels that provide discounts for consumers to provide travel services	4.562	0.749	15.02
Brand Performance (α = 0.901; AVE = 0.718; Composite Reliability = 0.927)				
BPF1	I feel happy to stay at this hotel	4.6	0.876	47.104
BPF2	I will advocate this hotel to others	4.467	0.854	40.796
BPF3	I will recommend this hotel to others	4.5	0.872	41.251
BPF4	I feel this hotel is my favorite hotel to stay	4.283	0.784	21.369
BPF5	I have a strong desire to stay at this hotel again	4.375	0.847	36.199

Inflation Factor (VIF) value. Kock and Lynn (2012) defined VIF as a multivariate measure that is a function of the variance described on a variable by a set of variables in the same model. Table 3 presents the VIF value of each variable indicator.

Table 3. VIF values

Indicator	VIF
BPERFO1	2.631
BPERFO2	2.717
BPERFO3	3.106
BPERFO4	1.949
BPERFO5	2.444
BP1	2.214
BP2	2.271
BP4	2.158
BP5	1.88
BP6	1.8
CE1	1.63
CE2	1.927
CE3	1.467
CE4	1.697
CE5	1.555
CL1	1.608
CL2	1.398
CL3	1.403
CS1	1.934
CS2	1.783
CS3	2.178
CS4	2.156

Based on Garson (2016), the multicollinearity test on the VIF coefficient is said to be well-fitting if it has a value below 5. Table 3 shows that each indicator has a VIF value below 5, which means it is well-fitting.

3.2. Structural model

Calculation of R-Square is defined as the percentage of variance contained in the dependent variable described by variations in the independent variable (Sekaran & Bougie, 2016). Based on the results of the R-Square value in Table 4, it is explained that brand performance has an R-Square value of 0.546. This value indicates that the brand power variable can moderately explain brand performance at 54.6%. The R-Square value for the brand power variable is 0.636, indicating that customer experience, customer satisfaction, and customer loyalty can explain 63.6% of brand power. The R-Square value for customer loyalty is 0.549, which means that customer experience and cus-

tomer satisfaction are able to explain customer loyalty with 54.9%. Moreover, the last one is customer satisfaction with an R-Square value with 0.53, which means that customer experience can explain customer satisfaction with 53%.

Table 4. R-Squares and predictive relevance

Variable	R-Square	R-Square Adjusted	Q^2
Brand Performance	0.546	0.544	0.378
Brand Power	0.636	0.631	0.392
Customer Loyalty	0.549	0.545	0.333
Customer Satisfaction	0.53	0.528	0.348

Based on the determination of the R-Square value stated by Ghozali and Latan (2015), a value of 0.19 indicates a weak model, a value of 0.33 indicates a moderate model, and a value of 0.67 indicates a strong model. Therefore, from the R-Square value for each variable in this study, it can be concluded that the model is in the medium category.

If the R-Square refers to the magnitude of the effect of the combination of independent variables simultaneously on the dependent variable, then the Adjusted R-Square is useful to overcome the weaknesses of the R-Square by considering the sample size of the data and the number of variables used. The results of the R-Square Adjusted value in Table 4 show that brand performance has an R-Square Adjusted value with a value of 0.544, which means that the brand power variable can moderately explain brand performance at a level of 54.4%. The R-Square Adjusted value for brand power is 0.631, meaning that customer experience, customer satisfaction, and customer loyalty have moderate abilities of 63.1% to explain brand power. The R-Square Adjusted value for customer loyalty is 0.545, which means that customer experience and customer satisfaction are able to explain customer loyalty with 54.5%. Finally, customer satisfaction has a value of 0.528 for R-Square Adjusted, which means that customer experience can explain customer satisfaction with 52.8%.

Predictive relevance calculations were carried out to evaluate the research model. In addition, the assessment of the exogenous construction of the endogenous construction of predictive relevance is carried out with a value of more than 0 or less than 0. If Q^2 shows a value above 0, the model has

predictive relevance. Vice versa, if Q^2 shows a value less than 0, it means the model has no predictive relevance (Ghozali & Latan, 2015). From the Q^2 calculations presented in Table 4, it can be concluded that brand performance, brand power, customer loyalty, and customer satisfaction show relevant results because the Q^2 value of the variable is greater than zero; thus, predictive relevance in this research model is supported.

Furthermore, a rule of thumb shows the level of Q^2, with values of 0.02, 0.15, and 0.35, indicating weak, medium, and strong levels, respectively. The value of Q^2 in this study shows the brand performance value of 0.378, brand power of 0.392, customer loyalty of 0.333, and customer satisfaction of 0.348. It means that brand performance, brand power, and customer satisfaction show a strong level of predictive relevance, while customer loyalty shows a moderate level of predictive relevance.

Furthermore, the paper uses the Standardized Root Mean Residual (SRMR) and the Normed Fit Index (NFI) to determine the model fit. Hair et al. (2017) set a good fit model with an SRMR value of less than 0.1, while Garson (2016, pg. 68) sets an SRMR value of less than 0.08 to be declared a good fit. If it passes the value of 0.10, there is a problem with the suitability of the study. Then the NFI can be used to measure the actual incremental fit with a range of values from 0 to 1. If a model has an NFI value of 1, it can be said that the model has a perfect fit. Ramayah et al. (2017)

determined that a good fit for NFI is to have an NFI value of less than 0.9. Lastly, RMS theta is a measurement used in theory testing with the determination of the theta RMS value below 0.12 to be said to have a good fit (Hair et al., 2017). Table 5 shows the value of the fit model in this study.

In this study, the model fit test was obtained through an SRMR value of 0.073 with an estimated model value of 0.100, so it can be concluded that there is a good fit with the model based on opinion (Hair et al., 2017), which requires the SRMR to be below 0.1. Furthermore, for the measurement of the NFI value, a value of 0.76 is obtained between 0 to 1; it can be stated that there is conformity with the fit model. As for the latter, testing with RMS theta shows a value of 0.163, where the value is above 0.12; this indicates a model discrepancy. Although the theta RMS showed a discrepancy, the SRMR and NFI values showed a match in the research model, so it can be said that the research model carried out was good.

4. DISCUSSION

The first hypothesis emphasized a positive impact of customer experience on customer satisfaction. Table 6 shows that a T-statistic value is above 1.96 with a total of 14.729, and a p-value is 0.000, which is less than 0.05. The path coefficient value shows that customer experience has a direct impact on customer satisfaction with 0.728.

Table 5. Model fit

Item	Saturated Model	Estimated Model	RMS theta
SRMR	0.073	0.1	0.163
NFI	0.76	0.741	

Table 6. Hypothesis testing

Hypothesis	Path	β	T-Statistics	P-value	Result
H1:	Customer Experience → Customer Satisfaction	0.728	14.729	0.000	Supported
H2:	Customer Satisfaction → Customer Loyalty	0.466	8.356	0.000	Supported
H3:	Customer Experience → Customer Loyalty	0.329	5.086	0.000	Supported
H4:	Customer Satisfaction → Brand Power	0.386	5.048	0.000	Supported
H5:	Customer Experience → Brand Power	0.306	4.006	0.000	Supported
H6:	Customer Loyalty → Brand Power	0.193	3.552	0.000	Supported
H7:	Brand Power → Brand Performance	0.739	18.535	0.000	Supported

Note: β = Original sample.

Furthermore, in the second hypothesis, it is stated that customer satisfaction has a positive impact on customer loyalty. The results show that the hypothesis is supported because it has a T-statistic with a value of 8.356, which is greater than 1.96, and a p-value < 0.05, which is 0.000. The path coefficient in the second hypothesis shows that customer satisfaction has a direct impact of 0.466 on customer loyalty.

In the third hypothesis, it is emphasized that customer experience has a positive impact on customer loyalty. From the results shown in Table 6, it is said that this hypothesis is supported because it has a T-statistic value of 5.086 and a p-value of 0.000; these two measurements clearly comply with the provisions that require T-statistics to be greater than 1.96 and a p-value below 0.05. From the coefficient value shown, it is concluded that customer experience directly influences customer loyalty with 0.329.

Further to the fourth hypothesis, it is stated that customer satisfaction has a positive impact on brand power. Based on the results in Table 6, it is stated that the hypothesis is supported. A T-statistics value is 5.048 and a p-value is 0.000. Thus, the calculation results meet the requirements that require T-statistics to be greater than 1.96 and a p-value below 0.000. The path coefficient value shows that customer satisfaction has a direct influence on brand power with 0.728.

The fifth hypothesis shows a positive impact of customer experience on brand power. Table 6 shows that the hypothesis is supported because it has a T-statistic value > 1.96, which is 4.006, and a p-value < 0.05, which is 0.000. The path coefficient in the fifth hypothesis shows that customer experience has a direct effect of 0.306 on brand power.

Furthermore, in the sixth hypothesis, it is said that customer loyalty has a positive impact on brand power. Based on the calculations in Table 6, the sixth hypothesis is supported because it has a T-statistic of 3.552, which exceeds the value of 1.96, and has a p-value smaller than 0.05, which is 0.000. From the coefficient value shown, it is concluded that customer loyalty directly influences brand power with 0.193.

Finally, the seventh hypothesis is confirmed that brand power has a positive impact on brand performance. This is an additional hypothesis because it adds one dependent variable to complete the research model from previous studies. Therefore, there is no such hypothesis in the study conducted by Nobar and Rostamzadeh (2018). In the hypothesis test, a T-statistic value is 18.535, showing a value greater than 1.96. Then a p-value test shows a value of 0.000, which means it is smaller than 0.05. Finally, a path coefficient value shows that brand power has a direct influence on brand performance with 0.739.

The research variables tested on this hypothesis indicate the influence of consumers through experience, satisfaction, and loyalty to brand power and brand performance. Pozza (2014) shows that customer experience has a major role in forming customer satisfaction. This idea is supported by Suh and Yi (2006), who show that customer satisfaction directly and indirectly affects loyalty. Also, Biedenbach and Marell (2010) state that customer experience has a straight comparison to customer loyalty, meaning that the higher the value of experience felt by consumers, the potential for a consumer to be loyal will also be higher. In addition, Nobar and Rostamzadeh (2018) imply that brand power is positively influenced by customer satisfaction, customer experience, and customer loyalty.

Research on customer experience shows that consumers who experience a pleasant experience become loyal customers. Hotels can provide a pleasant experience by providing their best service, for example, friendly and courteous employees. A pleasant experience that consumers experience will give them satisfaction with the hotel brand. Consumers can get satisfaction, one of which is through the experience they feel while staying, for example, employees who care about consumer desires and complaints and become responsive in providing services. A hotel must also maintain performance to enhance a positive experience felt by consumers. It is experience and satisfaction that will create consumer loyalty. Consumers will continue to choose the hotel that they think provides the best experience and maximum satisfaction. In addition, consumers will also recommend the hotel to others.

CONCLUSION

The purpose of this study is to examine the creation of customer loyalty, which is formed from customer experience and satisfaction. This loyalty can increase the value of a brand in 4-5 star international hotels. Customer loyalty acts as mediation in linking the customer construct with the brand value construct. It can be concluded that customer experience and satisfaction are significant in increasing customer loyalty and developing brand reputation and performance in the hotel industry. Therefore, it is important for hotels to be able to maintain their maximum and best service. This study is expected to contribute to developing and creating conceptual models, especially those related to customer experience, customer satisfaction, customer loyalty, brand power, and brand performance. This paper also refers to the theoretical basis for each research variable.

Like any study, this paper is also not free from limitations that must be considered. The sample size used is relatively small and required tourists to have stayed at 4-5 star international hotels as one of the research criteria. In addition, the research variables of brand power and brand performance have not been widely studied, so the sources and hypotheses taken are limited. Hotel brand, which is the object of research, is a general hotel in Indonesia. With positioning and segmenting hotels, it is possible to cause potential differences in society. Therefore, in further research, it is vital to ensure the respondent's knowledge regarding the hotel's reputation (stars) or the domestic origin of each response. In addition, future research can develop a larger number of sample sizes and generalize the findings.

AUTHOR CONTRIBUTIONS

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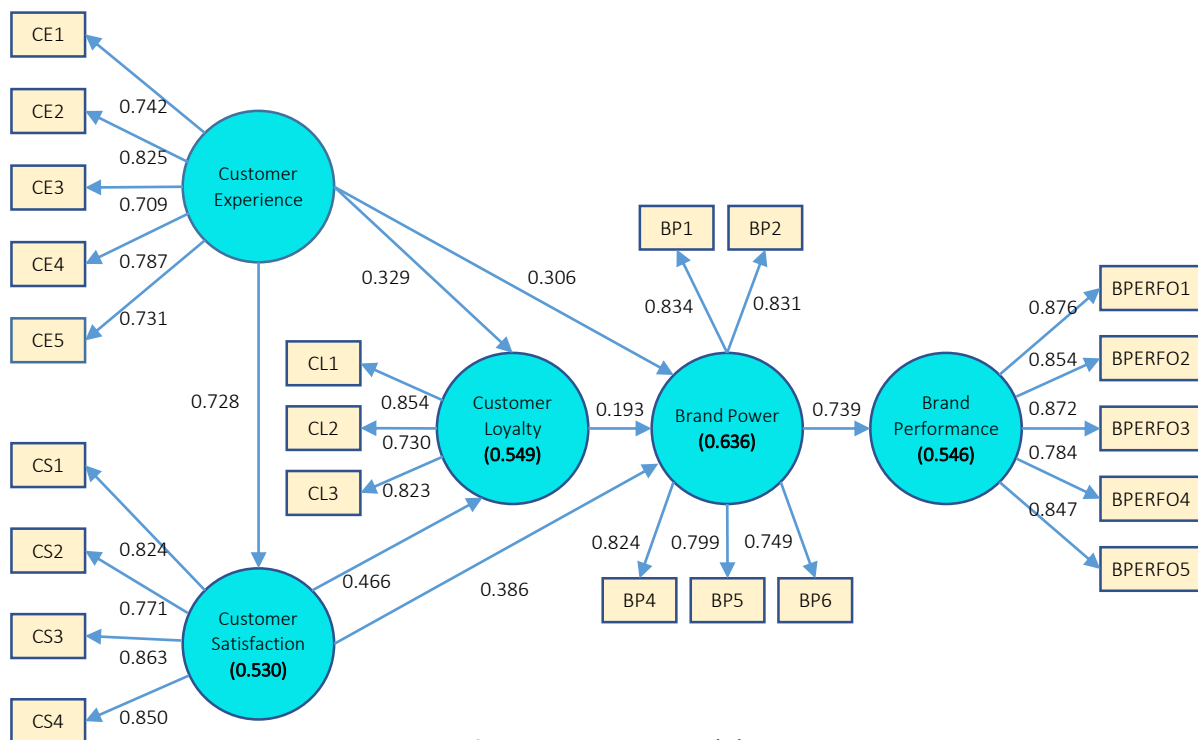
APPENDIX A

Figure A1. Outer model

Table A1. Construct reliability and validity

Construct	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Customer Experience	0.816	0.822	0.872	0.578
Customer Satisfaction	0.846	0.852	0.897	0.685
Customer Loyalty	0.729	0.753	0.845	0.646
Brand Power	0.867	0.875	0.904	0.653
Brand Performance	0.901	0.905	0.927	0.718

Table A2. Discriminant validity – HTMT

Construct	Brand Performance	Brand Power	Customer Experience	Customer Loyalty	Customer Satisfaction
Brand Performance					
Brand Power	0.822				
Customer Experience	0.821	0.843			
Customer Loyalty	0.874	0.814	0.846		
Customer Satisfaction	0.89	0.859	0.866	0.881	

Table A3. Inner VIF

Construct	Brand Performance	Brand Power	Customer Experience	Customer Loyalty	Customer Satisfaction
Brand Performance					
Brand Power	1				
Customer Experience		2.368		2.128	1
Customer Loyalty		2.217			
Customer Satisfaction		2.61		2.128	