# The Association of Five-Star Hotel Experiential Value with Satisfaction and Trust

[1]Mohd Raziff Jamaluddin, [1]Salleh Mohd Radzi and [2]Rahmat Hashim

[1]Faculty of Hotel and Tourism Management, Universiti Teknologi MARA,
Kampus Puncak Alam, Malaysia
[2]Taylor's University, Malaysia

**Abstract:** Brand image strategy is critical to develop and protect firm's reputation at the same time improve financial performance. It is surprising to note that a few five-star hotels were taking advantage of a wide range of brand image elements. Therefore, this study aims to examine the brand experiential value scales against satisfaction and trust in the five-star hotel segment. Purposive sampling is deployed with a total 446 responds were garnered during the three-month data collection. Results indicated that brand experiential value has a positive and significant effect on satisfaction and trust. Besides, satisfaction has a mediating effect toward brand experiential value and trust relationship. It is concluded that a strong hotel brand is not an achievement but the ability to control what the hotel brand offers and how the guest accepts the offer.

**Key words:** Brand Experiential Value · Satisfaction · Trust · Five-Star Hotel

## INTRODUCTION

In the recent years, there are two potential ways to survive in the challenging marketplace i) pervasive network; and ii) long relationship. As a result, a new business model has emerged based on these two notions especially capitalizing on the disruptive technologies. Even how critical technology roles in human life, one part of the business remains essential for survival, in particular, a strong brand. A brand is no longer an intangible asset that carries no monetary value, but it has become a most significant asset with extraordinary value that creates financial benefit and long-term relationship.

As stated by [1], a strong brand and unique image drive the business above the stiff competition and saturated industry. For the five-star hotel players, being in the luxurious segment require the industry players to put peculiar emphasize on a unique strategy to distinguished from each other in the highly saturated industry. In relation to this statement, hotel players have started to come with effective positioning in the form of creating a unique brand with the opportunity of spin-off brand.

Before the shift in focus toward brand and the brand building process, the brand was just a peripheral figure in the marketing process. In the past, marketers regarded marketing as "the heart" of the business but then shifted to the brand as "the brain" of the business. The product offers the functional benefits whereas brand enhances the values of goods and services. By looking at this from the academic standpoint, the real issue in branding is more on the question of "What is the strong brand?" "How can brand offers core competency?" "How to achieve a strong brand?"

From the review of the literature, the evolution of branding studies was evident with constant reviews and redefinitions of concepts, measurements, components, relationships and models. The brand has moved from being a direct object as a name, term, symbol, design and logo into being a subject like identity, image, equity, awareness and association. As a result, research conducted in the chosen discipline was inconclusive in its findings. An abundance of studies had examined the relationship between brand determinants with various outcome measurements.

The primary aim of this paper is to examine the brand image scales represented by brand experiential value with outcome variables that comprised of satisfaction and trust. Even though theories related to the service experience are well-developed, little consumers behavioral studies are found that identifies the relationship between brand variables selected in the study through simplified

**Corresponding Author:** Mohd Raziff Jamaluddin, Universiti Teknologi MARA, Malaysia.
Tel: +60332587603.

modeling. This study proposed a compact brand experiential value that applies to the five-star hotel segment.

## Literature Review

**Brand:** The word "logo" often used to describe brand because it enabled the efficient identification of individuals, groups or movements, or in other words, conveyed essential information about what the brand stands for [2]. The term brand has evolved from becoming too product or company oriented towards emphasizing more on consumer-oriented [3]. [4] notes that brands are not just identifiers but represent products, communications and marketing campaigns that dazzle customer's senses, touch customer's heart and stimulate thinking.

**Brand Experiential Value (BEV):** [5] define product experience as a multi-faceted phenomenon that involves manifestations such as subjective feelings, behavioral responses, strong reactions and psychological reactions. [6] illustrates product experience as the duration of when consumers search the products, inspect and evaluate in a direct manner which involves physical contact with the product. [4] states that brand experiential value is not general evaluative judgments about the brand; it includes specific sensations, feelings, cognitions and behavioral responses triggered by specific brand-related stimuli. [7] develop "The Experience Realms" that establishes a connection between the concept of escapism as activities that comprised of entertainment, education, esthetics and escape. To ensure a memorable experience, the service providers must make sure to reward the customer with activities that enable happiness and fulfillment with greater participation.

**Satisfaction:** As mentioned by [8], satisfaction has rooted in the society a long time ago before the industrial revolution in which the close relationship between villagers, manufacturers, churchgoers and friend of the customer has resulted in a thorough understanding of what everybody wanted and demanded. The revolution in satisfaction concept coexisting with the booming of the service industry in which many service companies committed to measure satisfaction and participate in the service delivery process [9]. The unique characteristics of service industry demanded the service firms provide the service in the top quality because the satisfaction is intangible [9].

**Trust:** The element of trust has been used in the different field of research including management, ethics, sociology, psychology, marketing and economics [10]. [11] defined trust as a consumer's observation of psychological variable reflecting a set of accumulated assumption involving the credibility, integrity and benevolence of a consumer attributes to the brand. For credibility, [11] view it as the capability of the brand to meet the exchange regarding anticipated performance. It is based on the consumer's acknowledgment to the brand of a measure of expertise derived from consumer's functional expectations for the satisfaction of his needs. As for the integrity, they view it as the acknowledgment of faithful motivations to the brand concerning its assurance involving the terms of the exchange. For benevolence, [11] refer it as the acknowledgment towards a long-lasting consumer-oriented policy taking into account consumer interests rather than short-term brand interest.

**The Association between Brand, Satisfaction and Trust:** [7] argue that satisfaction is rather a collective market result than an individual's opinion. They suggest the company should focus more on managing future expectations of the customers than reviewing the past strategies. [12] dispute the approach of measuring satisfaction that looks at the outcome only and further suggest the evaluation must include the process. According to them, the process of satisfaction deals with the cognitive or psychological measurement whereas the outcome only covers affection and fulfillment. From the literature search, there are two thoughts on satisfaction and trust relationship. Relating this two dimensions, [13] note that satisfying customers is the crucial part of gaining their trust in the customer-seller relationship. However, [14] argues that trust is the antecedent for satisfaction because a consumer who places trust in the brand will be satisfied and keen to develop a long-term relationship. [15] assert that satisfaction has an enormous impact on trust based on the role that satisfaction plays in influencing customer's emotion in the buying experience. Furthermore, satisfaction is imperative for a company to stay profitable in the business.

## MATERIALS AND METHODS

**Research Design and Setting:** The present research comprises the element of quantitative, descriptive and causal. This decision made based on [16] who noted that the research design must be accurate because it

influences the strategies of inquiry and procedures to be taken. With the aim of understanding the orientation toward the brand and its effect on the satisfaction and trust toward the five-star hotel brand, non-contrived research setting is suitable for the present study. Apart from that, a three-month field survey was conducted throughout selected five-star hotel segment where the guest of the five-star hotels has become the unit of analysis for the study. With the inclusion of trust in the theoretical framework, an individual guest is a right unit to provide the feedback for satisfaction and trust rather than selecting five-star hotel operator as the unit of analysis.

**Item Development:** In generating items to represent each dimension, narrowing the searches into brand experiential value have garnered numerous research papers that displayed items used to examine the relationship between measurements selected in the study. All in all, the number of items comprised of Brand Experiential Value (7); Satisfaction (6) and Trust (5). For the present study, a continuous seven-point Likert scale was deployed for each measurement. Several experts from the field of hotel branding were interviewed to probe their insight into the overall structure of the study especially with the decision to embark on the selected brand image dimensions. The final draft was sent to the target respondents that comprised of hotel guests who had recently stayed in the five-star hotel (less than six months). The result of the pilot test is encouraging with acceptable internal consistency (BEV, $\alpha$=0.847; S, $\alpha$=0.830; T, $\alpha$=0.783).

**Sampling and Data Collection:** To control for a non-sampling error in and to provide more statistical power, the following calculation is used based on the suggestion by [17].

*Anticipated return rate = 65%*
*Sample Size = 410*
*Adjusted sample size = 410/65% = 631*

In line with [17] and [18], 65 percent response rate is anticipated before the final decision of 631 sample size taken into account. For the sampling technique, due to unavailability of the sampling frame, purposive sampling is employed. The decision is based on the suggestion by [19] who noted that it is important to gather sufficient samples with the predetermined criteria than the getting a large number of people interviewed. An in-person interview is the best method for the data collection because of the ability to get specific population and the most effective in soliciting respond. Furthermore, it is within the researcher capabilities.

**RESULTS**

**Response Rate and Demographic Profile:** From the data collection, about 446 usable or equivalent to 70.7 percent response rate is recorded. The number of male respondents (50.9 percent) is almost comparable to female respondents (49.1 percent) in this survey. An equivalent statistic was also recorded for marital status specifically married respondents (52.5 percent) and single respondents (47.5 percent). The equal representation of these groups is vital in eliminating bias in data collection.

**Descriptive Analysis:** The highest mean among the seven items is BEV7 (M=5.84, SD = .873) which indicates that rooms and services in the five-star hotel are the first things that the guests look to enhance their experience. It is then followed by BEV6 (M=5.82, SD = .869) that suggests convenience is another crucial factor that the hotel guests look for in their decision to stay at the hotel (Table 1).

In Table 2, Six items represented satisfaction where the highest score recorded by S2 (M=5.59, SD = .856) that suggests five-star hotel guests' decision to purchase their preferred brand was a wise one. The second highest score belongs to item S4 (M=, SD = 1.022) which complement the previous item on their action to proceed with the purchase of their preferred brand.

For trust, all items fare quite well among the five-star hotel guests. The lowest score is recorded by item T1 (M=5.61, SD = .882) which suggests guests agree that the hotel brand possesses a positive symbolic meaning. Three items scored almost comparable between 5.71 – 5.77 that shows a slight agreement to the trust toward hotel brand (Table 3).

**Measurement Model:** In Table 4, the modified measurement model is derived from one re-specification of the model that involve deletion of items (S6: $\lambda < 0.7$) and adding three co-variance between measurement error (*e9 <-->e11; e12 <-->e15; e18 <-->e23*). The critical ratio for all constructs are well above required values (CR = 0.6) and therefore retained items are reliable for measuring the constructs. Furthermore, items showed strong internal

Table 1: Descriptive Result for Brand Experiential Value

| Item | *M* | *SD* |
|---|---|---|
| 1. The interior design of this hotel is aesthetically appealing. | 5.76 | .905 |
| 2. The enthusiastic atmosphere of this hotel is joyful. | 5.66 | .916 |
| 3. Staying at this hotel "gets me away from it all." | 5.52 | .916 |
| 4. This hotel makes me understand more about the service sector. | 5.69 | .817 |
| 5. Services that the hotel provides enriched my experience. | 5.52 | .873 |
| 6. Staying at this hotel makes my life easier to move around. | 5.82 | .869 |
| 7. Rooms and services provided at this hotel are worth my money. | 5.84 | .873 |

Table 2: Descriptive Result of Satisfaction

| Item | *M* | *SD* |
|---|---|---|
| 1. I am satisfied with my decision to purchase my preferred brand. | 4.68 | 1.523 |
| 2. My choice to purchase my preferred brand was a wise one. | 5.59 | .856 |
| 3. I feel good about my decision concerning my preferred brand. | 5.01 | 1.303 |
| 4. I did the right thing when I decided to purchase my preferred brand. | 5.57 | .947 |
| 5. This brand turns out better than I expected. | 5.17 | 1.386 |
| 6. I believe that using this brand is usually a very satisfying experience. | 5.51 | .923 |

Table 3: Descriptive Result of Trust

| Item | *M* | *SD* |
|---|---|---|
| 1. I can always count on this brand every time I need a place to stay. | 5.77 | .791 |
| 2. This brand maintains consistent and reliable performance. | 5.72 | .986 |
| 3. This hotel brand possesses a positive symbolic meaning | 5.61 | .882 |
| 4. This brand turns out better than I expected. | 5.71 | .858 |
| 5. Overall experience with this brand was a primary reason I trust this hotel brand. | 5.87 | .856 |

Table 4: Convergent Validity and Reliability Test

| Construct | α | AVE | CR |
|---|---|---|---|
| Brand Experiential Value | 0.874 | 0.503 | 0.872 |
| Satisfaction | 0.811 | 0.515 | 0.839 |
| Trust | 0.827 | 0.501 | 0.822 |

Note. Fitness Indexes

p = .000; RMSEA = .078; GFI = .896; AGFI = .860; CFI = .915; TLI = .898; NFI = .888; $\chi^2$/df = 3.741

Table 5: Convergent Validity and Reliability Test

| Path | SE | C.R. | Hypothesis |
|---|---|---|---|
| BEV -> S | .11 | 10.09*** | Supported |
| BEV -> T | .07 | 10.96*** | Supported |
| S -> T | .03 | 5.31*** | Supported |

Note. Fitness Indexes

p = .000; RMSEA = .078; GFI = .896; AGFI = .860; CFI = .915; TLI = .898; NFI = .888; $\chi^2$/df = 3.741

reliability ($\alpha$ > .70) which indicated the decision to retain items in a designated group is precise and strongly reliable. Nevertheless, the measurement model has no issue with convergent validity since all constructs exceed the cutoff point (AVE = 0.5).

**Structural Research Model:** All causal paths established in the study are significant. As shown in Table 5, brand experiential value has a significant path toward satisfaction (SE = .11, CR =10.09, p < .01) and trust (SE = .07, CR = 10.96, p < .01). Satisfaction on the other hand has a significant path toward trust (SE = .03, 5.31, p > .05).

For mediation test, Satisfaction (M, Sat) mediated the relationship between BEV (X, Bexp) and trust (Y, Tru). The indirect effect ($\beta$=.22, [.17, .28], R2=.19 [.14, .25]) showed that the effect of mediation is significant (p<.01) and positive toward the BEV and trust relationship. Furthermore, BEV ($\beta$=.83, t(444) = 13.68, p<.01) is positively associated with satisfaction, similarly to satisfaction with trust ($\beta$=.27, t(444) = 9.05, p<.01). It is worth noted that the direct effect ($\beta$=.24, [.15, .33]) indicated mediation (p<.01) is observed for BEV and trust relationship; hence, satisfaction mediates the relationship between BEV and satisfaction.

## DISCUSSION

This study found that brand image represented by brand experiential value has a significant relationship with satisfaction. As demonstrated by [9], the unique characteristic of service industry demanded measurement of satisfaction and therefore, the decision to include satisfaction in the framework is justified with a moderate explanatory power.This study, however, disagreed with the finding by [20] who proposed satisfaction and brand image as independent variables to measure customer loyalty. Furthermore, the attempt to measure brand image as the outcome variable for satisfaction is highly debatable as argued in [21] and [22].

Conversely, satisfaction has a significant effect as a mediator in brand experiential value and trust relationship. In addition, the causal paths from brand image to satisfaction and then from satisfaction to trust are both significant. The principal of this mediating effect is explained by [23] who noted that satisfaction let the customer comprehended the gap between "What they think they want?" and "What they want?"

## CONCLUSION

Approaching the respondents using probability sampling is the ultimate goal of research in the social science study, where it is regarded as the pre-requisite for generalizing the conclusion based on the reported findings. However, with the large target population and lack of written characteristic of the five-star hotel guests, it makes using purposive sampling as the main limitation of the study. The sample size established in the research is appropriate considering the conformity toward the structural equation modeling requirements; however, collecting the data on one site, in particular, Greater Kuala Lumpur is not sufficient to represent the entire population of the hotel industry.

Future research may replicate the study to the different hotel classification for extending the findings. Furthermore, the coverage to other density marketplace is also recommended for comparative analysis. A case study on the brand image in favorite tourist spots like Langkawi and Penang is hands-on for future hotel development in these areas.

The significance of brand image in the five-star hotel segment is irrefutable. Strong hotel brand is not an achievement but interlinkage of what the hotel brand offers and how the guest accepts the offer. It is concluded that the brand image determinant that comprised of brand experiential value is significant for establishing satisfaction in the five-star hotel segment. Most importantly, satisfaction with the brand experiential value will eventually influence the decision to trust the five-star hotel brand. Guests of the five-star hotel rate the brand image determinants highly, which warrant special attention by the five-star hotel players.

## REFERENCES

1. Kohli, C. and M. Thakor, 1997. Branding consumer goods: insights from theory and practice. Journal of Consumer Marketing, 14(3): 206-219.
2. Park, C.W., A.B. Eisingerich, G. Pol and J.W. Park, 2013. The role of brand logos in firm performance. Journal of Business Research, 66: 180-187.
3. Wood, L.M., 2000. Brands and brand equity: definition and management. Management Decision, 38(9): 662-669.
4. Schmitt, B.H., 1999. Experiential marketing: how to Get Customers to sense, feel, think, act and relate to your company and brands. New York: Free Press.
5. Desmet, P.M.A. and P. Hekkert, 2007. Framework of product experience. International Journal of Design, 1(1): 57-66.
6. Hoch, S.J., 2002. Product experience is seductive. Journal of Consumer Research, 29(3): 448-454.
7. Pine, B. and J. Gilmore, 1999. The experience economy. Boston: Harvard Business.
8. Evans, J.R. and W.M. Lindsay, 1999. The management and control of quality. New York: West Publishing.
9. Reichheld, F.F. and W.E. Jr. Sasser, 1990. Zero defections: quality comes to services, Harvard Business Review, 68(5): 105-111.
10. Colquitt, J.A., B.A. Scott and J.A. LePine, 2007. Trust, trustworthiness and trust propensity: a meta-analytic test of their unique relationships with risk taking and job performance. Journal of Applied Psychology, 92(4): 909-927.
11. Gurviez, P. and M. Korchia, 2003. May. Proposal for a multidimensional brand trust scale. In 32nd Emac-Conference-Glasgow, Marketing: Responsible and Relevant.
12. Da Silva, R.V. and S.F.S. Alwi, 2008. Online corporate brand image, satisfaction and loyalty. Journal of Brand Management, 16(3): 119-144.
13. Chaudhuri, A. and M.B. Holbrook, 2001. The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. Journal of Marketing, 65(2): 81-93.

14. Berry, L.L., 2000. Cultivating service brand equity. Academy of Marketing Science, 28(1): 128-137.

15. Fuentes-Blasco, M., I.G. Saura, G. Berenguer-Contrí and B. Moliner-Velázquez, 2010. Measuring the antecedents of e-loyalty and the effect of switching costs on website. The Service Industries Journal, 30(11): 1837-1852.

16. Creswell, J.W., 2009. Research Design: qualitative, quantitative and mixed methods approaches (3rd Ed.). Thousand Oaks, CA: Sage.

17. Bentler, P.M. and K.H. Yuan, 1999. Structural equation modeling with small samples: Test statistics. Multivariate Behavioral Research, 34(2): 181-197.

18. Baruch, Y. and B.C. Holtom, 2008. Survey response rate levels and trends in organizational research. Human Relations, 61(8): 1139-1160.

19. Oppong, S.H., 2013. The problem of sampling in qualitative research. Asian Journal of Management Sciences and Education, 2(2): 202-210.

20. Kandampully, J. and D. Suhartanto, 2000. Customer loyalty in the hotel industry: the role of customer satisfaction and image. International Journal of Contemporary Hospitality Management, 12(6): 346-351.

21. Baig, A.J. and A.R. Batavia, 2014. Impacts of customer satisfaction, brand image and advertisement on brand loyalty of ''Sting (energy drink)''with special focus on Karachi. European Journal of Business and Journalism, 6(37): 3.

22. Upamannyu, N.K. and S.S. Bhakar, 2014. Effect of customer satisfaction on brand image & loyalty intention: a study of cosmetic product. International Journal of Research in Business and Technology, 4(1): 296-307.

23. Markovic, S., 2012. Components of aesthetic experience: aesthetic fascination, aesthetic appraisal and aesthetic emotion, i-Perception, 3: 1-17.