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## How to Improve Brand Equity in Tourism

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**Abstract:**

*This research is done on the context of luxurious hotels by developing brand equity dimensions and is done to know the antecedent and consequence, namely servicescape and revisit intention.*

*To test the proposed research model, data were collected from 460 luxurious hotel consumers in Bali using a previously tested questionnaire with validity and reliability tests as a measurement model. As for hypothesis test, data is analyzed by using Structural equation modeling technique.*

*Hypothesis testing results found that servicescape is an antecedent of brand equity and all its dimensions with the consequences of revisit intention. In addition, it is found that brand trust is the strongest factor formed by servicescape, while brand commitment is the strongest factor that will shape the revisit intention.*

*Further research is suggested to see the difference in brand equity based on local and international luxurious hotel, and to analyze the impact of brand equity on word of mouth. From the research results, it is suggested that the hotel manager to work together with the interior design to design the servicescape that satisfy the consumer.*

*This study develops the dimensions of brand equity in the context of a luxurious hotel modified from previous studies.*

**Keywords:** *Servicescape, Brand equity, Revisit intention*

### 1. Introduction

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The tourism industry can play a role in generating huge economic benefits for the country, the local area concerned, as well as for the origin country of the tourists who come to visit. That role is the creation of jobs for hundreds of millions people, both directly or indirectly in any activities of companies related to the tourism, namely stores, transportation, hotels, and restaurants (Wilkins *et al.*, 2010; Bhungez, 2016). In the 21<sup>st</sup> century, it is estimated there are more than 300,000 hotels around the world with 13 millions hotel rooms (Robinot and Giannelloni, 2010). In Indonesia, the number of stars and non-star hotels registered in 2016 were 18.829 hotels, increasing by 17.7% over the last 5 years, with the 3.527,176 rooms and 775.243 beds.

Occupancy rate has been accepted as a performance indicator of a hotel in general and specifically for the hotel sales department. A lower hotel occupancy rate describes the loss of the company's sales opportunities, and this has an impact on revenue (Damonte *et al.*, 1997; Al-Saleem and Al-Juboori, 2013). In Indonesia, the tourists prefer to stay in luxurious hotels when traveling, where Chu *et al.*, (2016), groups 4 and 5 star hotels as luxurious hotels. It can be seen from the average occupancy rate of luxurious hotels in 2015, amounting to 59.78% higher than the average hotel occupancy rate of other stars namely 50.33% .

However, the occupancy rate value has not been able to achieve an average occupancy rate of luxurious hotels around the world by 76%, moreover the average occupancy rate of the world's tallest luxurious hotel namely *Ocean Key Resort and Spa* in Key West, Florida, USA which exceeds the number of 90% (<https://www.forbes.com>). Revisit intention is crucial when the hotel faces less favorable / unfavorable hotel occupancy rate (Al-Saleem and Al-Juboori, 2013). From an economic perspective, revisit intention can be indicators whether tourism businesses were run effectively and efficiently. Revisit intention is important, because it will be more profitable to maintain the existing customers rather than finding new customers, which by maintaining existing customers can reduce promotional cost (Shoemaker and Lewis, 1999), increase revenue and lower marketing expenses (Jang and Feng, 2007), thus improving long-term profitability (Veljko *et al.*, 2014). For the hotel business, revisit intention can play an active role to create survival of hotel businesses (Emir and Kozak, 2011).

Researches on brand equity in some literatures have been available (So and King, 2010; Jing and Andrew, 2010; Yaqian and Jun, 2011), but the development of alternative brand equity models is still very limited (Broyles *et al.*, 2009). Wilkins *et al.*, (2010) examined the role of brand equity that can affect the customer loyalty of hotel services but limited to a few brand dimensions, and suggests to add other brands dimensions that affect the customer loyalty. Aal and Abbas (2016) research, found the hotel brand image influence on revisit intention. The research will be done, adding/integrating the three brand dimensions as key components of brand equity, especially for luxurious hotel: (1) brand image, (2) brand trust, and (3) brand

commitment. Brand name and brand management have been the company's main concern for many years to achieve strategic goals (Kapferer, 2008; Post, 2008). For many companies, having brand equity is the most valuable asset, since a strong, unique and amusing brand will create consumer confidence in the brand that can reduce the level of uncertainty and risk to the brand in its consumption and provide an advantage for the company in facing of tighter business competition (Kotler and Keller, 2011), as well as creating consumer loyalty to the company (Power and Whelan, 2008).

Hotel brand equity is also related to occupancy rate, where as the hotel brand equity increases, occupancy rate will also increase (Kandampully and Suhartono, 2000). Despite the significant influence of strong brand equity on price premiums, brand extensions, great customer loyalty, and higher profitability and market value has been proven, however, only few studies have examined the influence of customer-based brand equity on the revised intention of certain hotel segments (Yaqian and Jun, 2011). This study will investigate whether the revised intention is a consequence of brand equity, especially in the luxurious hotel segment in Indonesia.

The study of servicescape which is the antecedent of brand equity has been done but it is still rare. It is done just to test servicescape dimension toward brand equity, such as physical servicescape on brand equity (Hanaysha, 2016). This study will thoroughly examine/integrate the effect of servicescape on brand equity. Servicescape is an important aspect in the hotel industry (Durna *et al.*, 2015) to support the creation of hotel image (Aal and Abbas, 2016), since the service or services presented by the employees can be felt directly by consumers (Dong and Siu, 2013). Servicescape can be a strategy for improving the consumers internal response (cognitive, emotional, and satisfaction) and external response (willingness to revisit) (Bitner, 1992). In the hospitality industry, servicescape is an important factor to attract and satisfy consumers (Han and Ryu, 2009), plays an important role to differentiate service firm from its competitors (Chen and Hu, 2010), adding value to consumers (Ali *et al.*, 2013), building brand image (Ryu *et al.*, 2012), brand trust and brand commitment (Altschwager *et al.*, 2011). Research carried out will develop brand equity and its dimension namely brand image, brand trust and brand commitment, as well as analyze the antecedent and its consequence namely servicescape and revisit intention on luxurious hotel.

## **2. Literature Review**

### ***2.1 Servicescape***

Servicescape is often used to notice and know the tangible or intangible sign about the company (Hooper *et al.*, 2013). Kotler and Keller (2011) state that services are intangible, could not be seen, felt, touched, heard or smelled before they are purchased, so that consumers rely on tangible cues or physical evidence in evaluating a service. Servicescape is closely related to the physical appearance and experience felt by consumers (Lovelock and Wirtz, 2011). The servicescape of a

hotel includes several elements, namely: overall layout, design, and decoration (Namasivayam and Lin, 2008). This is important, because unlike the retail business, the hotel can not "bring its services" to consumers and can not provide services to consumers living in other areas, or in other words hotel services or services can only be felt inside the hotel (Kotler and Gertner, 2002). Aal and Abbas (2016) classify servicescape into 2 namely: (a) Physical servicescape. Physical servicescape is built, created and controlled by the hotel to facilitate consumers in receiving service delivery from hotels. Physical servicescape can create the first impression to build consumer expectations that will influence consumer preferences, expectations and satisfaction (Aal and Abbas, 2016). (b) Social servicescape. Social servicescape is a relationship between consumers and employees (Rosebaum and Montoya, 2007; Durna *et al.*, 2015; Aal and Abbas, 2016), and refers to how services in an environment are presented and interpreted (Dong and Siu, 2013). The role of employees in serving consumers is an important point because employees are a reflection of the company itself (Yazid, 2005). When consumers perceive the services that employees provide in accordance with their orientation, consumers feel satisfaction (Jang *et al.*, 2015).

## **2.2 Brand equity**

In marketing, the brand becomes an important thing to differentiate the offer of a company with other companies, and the determinant of the company's success. Consumers see a brand as the most important part of a product, so the brand can add value to the product (Kotler and Keller, 2011). Brand equity is a set of assets and brand liabilities related to the brand, its name and its symbol, which can increase or decrease the value given by a product or service to the company or customer (Aaker, 1996). In various studies, brand equity is measured by direct approach (Cobb-Walgreen *et al.*, 1995; Lassar *et al.*, 1995; Park and Srinivasan, 1994). Direct approach is useful to assess the value added given by a brand to the product (Keller, 1993); This approach is linked to the brand equity of a product. The reason for consumer purchase. This study measures brand equity based on a direct approach.

Based on previous literature, some researchers developed dimensions to measure brand equity in hotels as follows: (a) Cobb-Walgreen *et al.*, (1995), with 3 dimensions, namely consumer's brand perception, brand preference and brand choice; (b) Prasad and Dev (2000), with 2 dimensions, namely customer's awareness of brand and brand's performance, (c) Kayaman and Arasli (2007), with 4 dimensions, brand awareness, brand loyalty, perceived quality, and brand image, (d) So and King (2010), with 2 dimensions, brand awareness and brand meaning, (e) Xu and Chan (2010), with 4 dimensions, brand awareness, brand association, quality of experience, and brand loyalty, (f) Kim *et al.*, (2010), with 4 dimensions, namely brand loyalty, perceived quality, brand awareness, and brand association, (g) Yaqian and Jun (2011), with 3 dimensions, brand loyalty, perceived quality and brand awareness/association.

Although many researchers have validated, adapted and developed the dimensions of brand equity, the concept of *brand equity*, especially in the context of services, requires validation, adjustment and still needs to be developed (Krishnan and Hartline, 2001). This research, develop its 3 particular dimensions for luxurious hotel brand equity, namely: (1) brand image, (2) brand trust, and (3) brand commitment. The 3 dimensions are proposed for the brand equity dimensions of luxurious hotel, because the 3 dimensions can be a company asset. For companies, brand image can be considered as a company asset that will provide many benefits (Abd-El-Salam *et al.*, 2013). While Ahmed *et al.*, (2014) said that brand trust is a very important asset for the company because it can create loyal customers. Furthermore, Rizwan *et al.*, (2014), explains that brand commitment is a great asset for the company since it can create long-term relationships with consumers.

Research on the impact of servicecape dimensions as an antecedent of brand equity has been done by Hanaysha (2016) who found the impact of physical servicescape on brand equity in restaurants, and Joung-Hae *et al.*, (2015), who found physical servicescape to brand image and brand loyalty on golf range places.

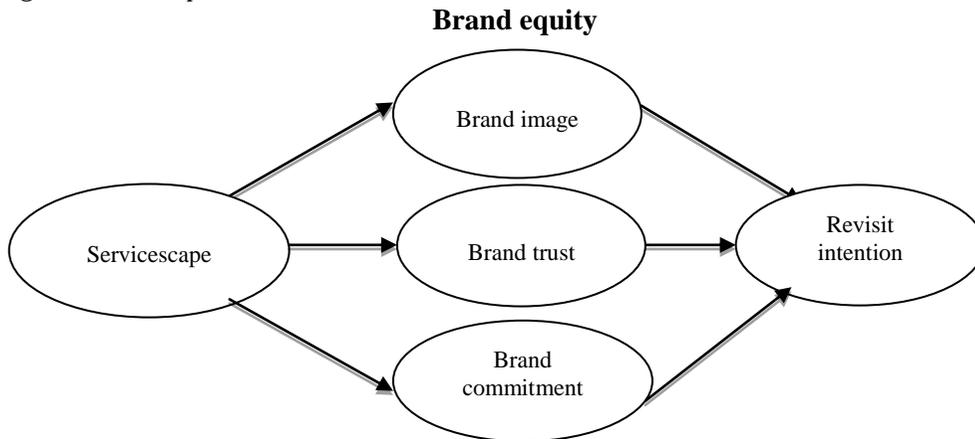
### **2.3 Revisiting Intention**

Revisiting intention is a form of consumer loyalty. Jones and Taylor (2007) explains that service loyalty is important because it provides outcomes, namely: (a) behavioral (repurchase intentions, switching intentions, exclusive intentions), (b) attitudinal (relative attitudes, willingness to recommend, altruism); and (c) cognitive (willingness to pay more exclusive consideration and identification).

In the context of hotels, the term hotel revisit intention is the same as repurchase intention (Yaqian and Jun, 2011; Anuwichanont and Mechinda, 2014). Associated with the concept of repurchase intention from Hellier *et al.*, (2003), repurchase intention is the individual's judgment about wanting to revisit the same hotel in the future. Jones and Sasser (1995) found that revisit intention is a powerful indicator for predicting consumer future behavior, namely recommendation - encouraging people to use the same hotel, and pay more - willingness to pay more. In addition, several studies have also found that the revisit intention is a consequence of brand equity (Cobb-Walgren *et al.*, 1995; Washburn and Plank, 2002; Sarvari, 2012; Anuwichanont and Mechinda, 2014).

## **3. Hypothesis and Conceptual Model**

In this study, there are two main hypotheses and 6 sub hypotheses developed based on theories and supported by previous studies, and will be tested to obtain conclusion about the antecedents and consequences of brand equity. Figure 1 is a conceptual model to be tested and a summary of the hypotheses in this study:

**Figure 1. Conceptual Framework**

### 3.1 Servicescape as an antecedent of brand equity

Some of the five senses in humans are used as a response tool of the physical environment and service delivery by employees perceived by consumers. Servicescape is the impression created by building a comfortable and exciting atmosphere that will be captured by consumer senses, and this will create an experience for consumers (Dong and Siu, 2013). Previous research has found the important role of servicescape in creating strong brand equity (Ali *et al.*, 2013; Moghaddam, 2014; Mukherjee and Shivani, 2013).

In the era of highly competitive hospitality industry, servicescape plays a role in creating good perceive image that produces competitive advantage for service companies (Ha and Jang, 2012; Ryu *et al.*, 2012). Hotel brand image is an accumulation of all hotel activities provided to consumers (Kotler and Gertner, 2002). The hotel servicescape may affect the hotel brand image (Aal and Abbas, 2016). Social relationships between employees and consumers/social servicescape as well as good physical servicescape can satisfy consumers to create a hotel image and encourage consumer behavior (Durna *et al.*, 2015). Hotel brand image can be improved by creating a more competitive hotel quality than its competitors (Kandampully *et al.*, 2011). Servicescape is an indicator of hotel quality. Therefore servicescape can help hotel service companies, in creating image (Dong and Siu, 2013).

Every hotel needs to design its hotel according to the needs and tastes of the consumer by designing every detail of the room as well as possible in order to provide comfort to increase customer satisfaction. This is supported by the study of Hooper *et al.*, (2013), which found a positive impact of servicescape toward satisfaction. Satisfaction is an evaluation of direct experience that will shape brand trust and brand commitment (Singh and Sirdeshmukh, 2000; Wilkins, 2010). Brand trust from the point of view of consumers is a psychological variable that reflects a

series of presumption that brand performance is in line with consumer expectations, can survive because it is considered attractive by consumers, and continue to fulfill its promises/honest (Louis and Lombart, 2010). Brand commitment is not only an important character to maintain a good and long-term relationship, but also an expression of the willingness of consumers to stay with the seller (Hennig-Thurau *et al.*, 1997). Altschwager *et al.*, (2011), has found a direct effect of servicescape on brand trust and brand commitment. Based on the above description, hypothesis developed and will be tested in this study are:

*H<sub>1</sub>: There is a positive effect of servicescape on brand equity.*

*H<sub>1a</sub>: There is a positive effect of servicescape on brand image.*

*H<sub>1b</sub>: There is a positive effect of servicescape on brand trust.*

*H<sub>1c</sub>: There is a positive effect of servicescape on brand commitment.*

### **3.2 Revisit intention as a consequence of brand equity**

Giving brand names to services is more important than goods (Khrisnan and Hartline, 2001). Service brand is a promise to the customer (de Chernatory and Segal-Horn, 2001). Each brand has equity (brand equity). Aaker (1996) states that brand equity is a company asset. This research develops brand equity into three dimensions, namely: brand image, brand trust, and brand commitment. Empirical studies proves a role in creating revisit intention (Washburn and Plank, 2002; Kim *et al.*, 2003; Butcher, 2005).

Hotel brand image contributes to consumer behavior in the future (Durna *et al.*, 2015), due to consumer perceptions of hotels, shaped from consumer information and knowledge about the relevant hotel (Goh, 2015). Two basic attitudes essential to the creation of customer loyalty are trust and commitment (Lewin and Johnson, 1997). Trust is considered an important outcome of investment in buyer-seller relationships that will result in commitment (Gundlach *et al.*, 1995). Moorman *et al.*, (1993) states that consumers who are committed to a relationship will have a greater tendency to act because of their need to remain consistent with that commitment. The stronger the commitment in a relationship, the greater the consumer's tendency to overcome potential obstacles that can occur in a relationship, which will result in repetitive purchasing patterns (Pritchard *et al.*, 1999). The empirical study finds strong brand trust effect on revisit intention (Harris and Goode, 2004; Jones *et al.*, 2000), and brand commitment on revisit intention (Garbarino and Johnson, 1999). Based on theories and previous studies, the hypothesis in this study are:

*H<sub>2</sub>: There is a positive influence of brand equity on revisit intention.*

*H<sub>2a</sub>: There is a positive effect of brand image on revisit intention.*

*H<sub>2b</sub>: There is a positive effect of brand trust on revisit intention.*

*H<sub>2c</sub>: There is a positive influence of brand commitment to revisit intention.*

## 4. Research methodology

### 4.1 Measures

In the research, all measuring instruments used were adapted from previous relevant studies in the context of hotels, where servicescape, brand image, and revisit intention were adapted from Aal and Abbas (2016), while brand trust and brand commitment were adapted from Louis and Lombart (2010). All variables and dimensions use 5-point Likert scale ranging from 1=very disagree to 5=very agree. Prior to distributing the questionnaire, a pretesting of the research instrument was performed by testing the validity and reliability to obtain instrument clarity, questioning and validity. Pretesting is done on 30 luxurious hotel consumers. The results of the measurement model can be seen in Table 1.

**Table 1.** Summary of measurement scale

| Construct/measure  | Factor loading | Construct reliability |
|--|----------------|-----------------------|
| <b>Servicescape</b>  | 0.79           | 0.76                  |
| - <i>Physical servicescape</i>   | 0.79           |                       |
| 1.The hotel has a background of music that makes me comfortable.               | 0.79           |                       |
| 2.Hotel has normal air temperature.  | 0.87           |                       |
| 3.The hotel has adequate lighting.   | 0.75           |                       |
| 4.The hotel has clean air quality  | 0.81           |                       |
| 5.The hotel has a fragrant aroma   | 0.86           |                       |
| 6.The hotel has a restaurant or food service that is easy to be found          | 0.70           |                       |
| 7.The hotel has easy to reach seating  | 0.78           |                       |
| 8.The hotel has an easily accessible toilet                                    | 0.75           |                       |
| 9.Each hotel facility has adequate area  | 0.76           |                       |
| 10.Hotel has an attractive color   | 0.88           |                       |
| 11.Interior hotel gives an interesting impression                              | 0.80           |                       |
| 12.Hotel has an interesting decoration   | 0.70           |                       |
| 13.The hotel's sign and directions made me easier to find the location I want. | 0.77           |                       |
| - <i>Social servicescape</i>   | 0.78           |                       |
| 1.The hotel employees are friendly and courteous.                              | 0.86           |                       |
| 2.The employees of the hotel show a warm personal.                             | 0.72           |                       |
| 3.The hotel employees are happy while serving me                               | 0.81           |                       |
| 4.The hotel employees willing to help me                                       | 0.73           |                       |
| 5.The employees of the hotel show a commitment to satisfy me                   | 0.68           |                       |
| 6.Other consumers look friendly  | 0.87           |                       |
| 7.Other consumers are willing to help me                                       | 0.82           |                       |
| 8.Relationships of employees and consumers look familiar                       | 0.76           |                       |

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|  |      |      |
|--|------|------|
| <b>Brand equity</b>  | 0.81 | 0.83 |
| - <i>Brand image</i>   | 0.82 |      |
| 1.I have a good impression on this hotel   | 0.76 |      |
| 2.Hotel has a good image in the community  | 0.89 |      |
| 3.Hotel has better image compared to other hotels  | 0.86 |      |
| 4.The hotel is fun to visit  | 0.77 |      |
| - <i>Brand trust</i>   | 0.84 |      |
| 1.The service provided by the name/brand of this hotel gives a sense of security                                 | 0.85 |      |
| 2.I believe the quality of service with the name/brand of this hotel   | 0.84 |      |
| 3.Purchase service/service from the name/brand of this hotel is guarantee for me                                 | 0.85 |      |
| 4.The brand of this hotel reflects the sincerity   | 0.85 |      |
| 5. The brand of this hotel reflects honesty  | 0.84 |      |
| 6.I know that this brand always renews its service   | 0.80 |      |
| 7.I believe that this hotel brand is always trying to improve the response in meeting the needs of its consumers | 0.86 |      |
| - <i>Brand commitment</i>  | 0.77 |      |
| 1.I feel secure doing transaction in this hotel  | 0.75 |      |
| 2.Employees are always polite  | 0.68 |      |
| 3.Employees have the knowledge to answer my questions  | 0.76 |      |
| 4.Hotel gave individual attention to me  | 0.85 |      |
| 5.The operational hours of the hotel made me feel good   | 0.84 |      |
| 6.Employees pay personal attention to me   | 0.75 |      |
| <b>Revisit intention</b>   | 0.84 | 0.86 |
| 1.I would like to re-visit this hotel in the near future   | 0.79 |      |
| 2.If I have to stay at the hotel again then I will choose this hotel   | 0.86 |      |
| 3.I will visit this hotel more often   | 0.83 |      |
| 4.This hotel would be my first choice  | 0.89 |      |

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From Table 1 it can be concluded that: (1) All constructs used to measure servicescape, brand equity, and revisit intention, have a factor loading value obtained respectively 0.79; 0.81; 0.84; and all statement items to measure each construct from 0.70 to 0.89. The fit model of a construct analyzed by CFA/Confirmatory Factor Analysis is required to meet the value of *convergent validity*, where based on the sample size, the *cut off* factor loading value is valid if  $\geq 0.70$  (Hair *et al.*, 2010). Therefore, it can be concluded that all indicators to measure each of the relevant constructs are valid or able to explain and define each construct. (2) While construct reliability test for reliability test with internal consistency reliability method, cronbach's coefficient  $\alpha$  was obtained for each construct, that is 0,76; 0,83; and 0.86 are in the required cronbach's coefficient  $\alpha$  cut-off value of  $\geq 0.60$  (Sekaran and Bougie, 2010), so it can be said that the statements used in the study to measure each construct of the servicescape, brand equity, and revisit intention are dependable/reliable/ consistent.

#### **4.2 Subjects and procedure**

In this study, luxurious hotel in Bali island will be analyzed. Hotels in Bali Island are taken as samples, because: (a) The island of Bali is a barometer of Indonesian tourism; (b) the main purpose of foreign tourists (domestic tourists/from various parts of the world) and domestic to Indonesia is Bali island, so the number of foreign tourists to the island of Bali is greater than in other regions in Indonesia; and (c) the most rigorous level of competition in Bali Hotels in Indonesia, which can be seen from the largest number of hotels in all provinces in Indonesia is in Bali island. The number of luxurious hotels in Bali Island until 2015 as many as 140 hotels, consisting of 67 of 4-star hotels and 73 of five-star hotels.

Furthermore, 482 questionnaires as samples distributed by tourists during November 2016. The sampling uses Purposive Sampling technique. Sample criteria selected are luxurious hotel consumers who ever stay at the same hotel, minimum internet users who make the process of online transaction / online shopping at least 2 times in the last one year. From the 482 questionnaires distributed, 460 questionnaires were analyzed since 22 questionnaires were not feasible due to incomplete/empty or incorrect answers. The profile of the respondents surveyed from all data collected and processed were: (a) the majority of consumers staying in luxurious hotels were men (57.6%), travelers from Australia (32%), 40-49.9 years old (49.1%), highly educated (97.6%), and worked as self-employed (58.7%). While the purpose of staying tourists is vacation (61.1%), and visit with family (43.3%). (b) the minority of respondents were women (42.4%), Taiwanese tourists (1.7%), aged 50-59.9 years (17.0%), senior high school (2.4%), and accountant (14.8%), with tourist destination is business (34%), and traveling alone (3.5%).

#### **4.3 Statistical analysis**

Data were analyzed using SEM / Structural Equation Model and assisted with AMOS 24 software. SEM application process uses two-stage models as proposed by Joreskog (2005) and Hair *et al.*, (2010). The first stage, testing the measurement models with Confirmatory Factor Analysis (CFA) to test the validity and reliability of the results is shown in Table 1. Next, the second stage of structural testing model to find out whether the proposed model is fit, so that the hypothesis testing can be continued.

### **5. Results**

#### **5.1 Structural model**

Prior to the proposed hypothesis testing, the goodness of fit model is applied in the proposed model. Fit or not a model is seen based on some criteria of measurement and cut-off value (Hooper *et al.*, 2008; Hair *et al.*, 2010).

**Table 2.** Result of Goodness-of-fit-model

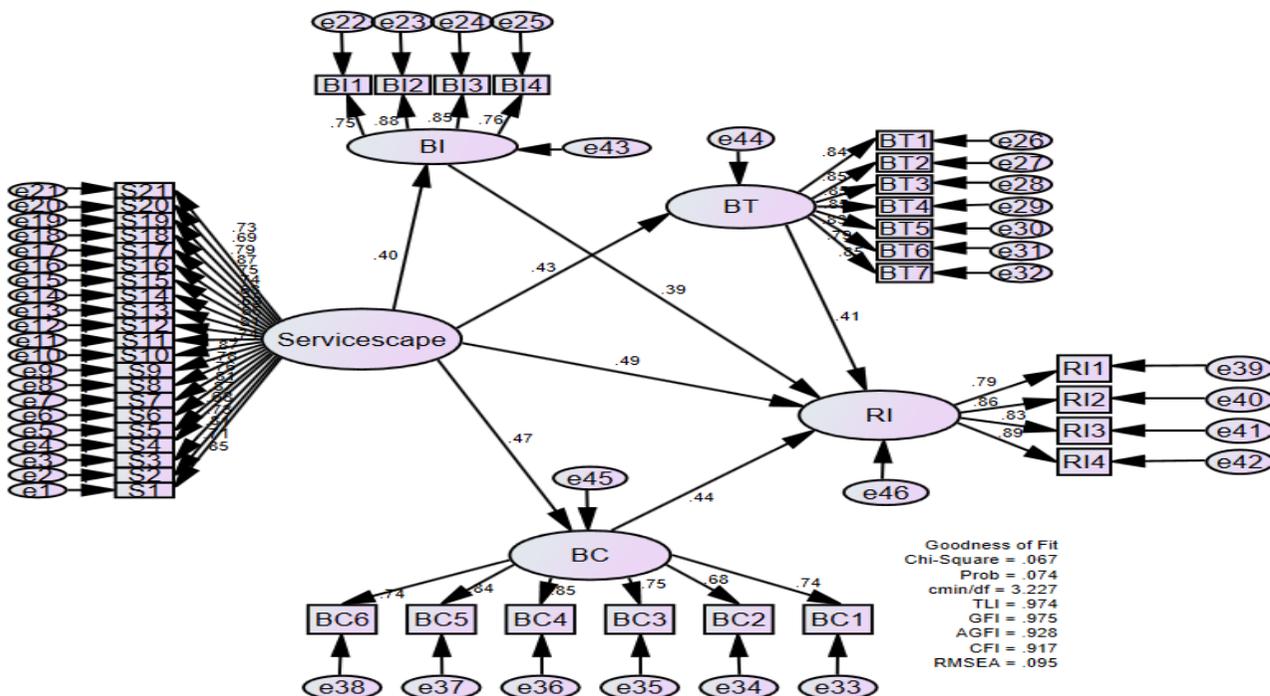
| Typesof measurement | Measurement | Value | Expected value    | Conclusion      |
|---------------------|-------------|-------|-------------------|-----------------|
| <i>Absolute</i>     | Chi-square  | 0,067 | Small expectation | goodness-of-fit |
| <i>Fit Measures</i> | p-value     | 0,074 | > 0,05            | goodness-of-fit |
|                     | GFI         | 0,975 | > 0,90            | goodness-of-fit |
|                     | RMSEA       | 0,095 | < 0.08            | goodness-of-fit |
| <i>Incremental</i>  | AGFI        | 0,928 | > 0,90            | goodness-of-fit |
| <i>Fit Measures</i> | TLI         | 0,974 | > 0,95            | goodness-of-fit |
|                     | NFI         | 0,950 | > 0,90            | goodness-of-fit |

*Source:* The data processed using AMOS 18.00

*Notes:* GFI=Goodness-of-Fit statistic; RMSEA= Root Mean Square Error of Approximation; AGFI=Adjusted Goodness-of-fit statistic; TLI=Tucker-Lewis Index; NFI=Normed Fit Index

From the measurement for fit conformity model or goodness of fit that has been done, it can be concluded that the model proposed in this research is acceptable fit, since all measurement criteria meet all the expected value requirements. The structural equation model obtained is as follows:

**Figure 2.** Output Fit Structural Model



The model proposed in this research is fit model. Therefore hypothesis testing can be continued. The results of hypothesis testing obtained from data processing are summarized in Table 3.

**Table 3.** Result of hypothesis test

| Path to           | Path from        | Hypothesis      | Structural coefficient | <i>p-value</i> | Decision                |
|-------------------|------------------|-----------------|------------------------|----------------|-------------------------|
| Brand equity      | Servicescape     | H <sub>1</sub>  | 0.74                   | 0.000          | H <sub>0</sub> Rejected |
| Brand image       |                  | H <sub>1a</sub> | 0.60                   | 0.030          | H <sub>0</sub> Rejected |
| Brand trust       |                  | H <sub>1b</sub> | 0.78                   | 0.000          | H <sub>0</sub> Rejected |
| Brand commitment  |                  | H <sub>1c</sub> | 0.67                   | 0.000          | H <sub>0</sub> Rejected |
| Revisit intention | Brand equity     | H <sub>2</sub>  | 0.75                   | 0.000          | H <sub>0</sub> Rejected |
|                   | Brand image      | H <sub>2a</sub> | 0.78                   | 0.020          | H <sub>0</sub> Rejected |
|                   | Brand trust      | H <sub>2b</sub> | 0.68                   | 0.000          | H <sub>0</sub> Rejected |
|                   | Brand commitment | H <sub>2c</sub> | 0.83                   | 0.000          | H <sub>0</sub> Rejected |

**Notes:** *p-value* < 0.05 ; H<sub>0</sub> rejected

All hypotheses tested in this study rejected, because *p-value* obtained < 0.05. Hypothesis test results found positive effect of servicescape on brand equity ( $\beta = 0.74$ , *p-value* = 0.000), brand image ( $\beta = 0.60$ , *p-value* = 0.030), brand trust ( $\beta = 0.78$ ; *p-value* = 0.000) and brand commitment ( $\beta = 0.67$ ; *p-value* = 0.000). In addition, the influence of each brand equity, brand image, brand trust, and brand commitment to revisit intention with value ( $\beta = 0.75$ ; *p-value* = 0.000,  $\beta = 0.78$ ; *p-value* = 0.020,  $\beta = 0.68$ ; *p-value* = 0.000, and  $\beta = 0.83$ ; *p-value* = 0.000). From the results, it can be concluded that all hypotheses H<sub>1</sub>, H<sub>1a</sub>, H<sub>1b</sub>, H<sub>1c</sub>, and H<sub>2</sub>, H<sub>2a</sub>, H<sub>2b</sub>, and H<sub>2c</sub> are all supported, in other words proved that servicescape is the antecedent of brand equity, and revisit intention is a consequence of brand equity.

## 5.2 Discussion

This research proposes brand equity in luxurious hotels, and develops brand image, brand trust, and brand commitment as dimensions. All hypotheses have been tested in the discussion below. First, the results of the analysis found positive impact of servicescape on brand equity and its dimensions. The results obtained support the study of Moghaddam (2014); Mukherjee and Shivani, (2013); Aal and Abbas, (2016); Durna, (2015); and Altschwager *et al.*, (2011). In consuming services, consumers will continue to engage and interact with the servicescape that will create consumers experience in consuming services (Hanaysha, 2016). Experience and luxury, is a highly related concept in service industry (Ohmae, 2006). Mathwick *et al.*, (2001) say that consumers will gain experience when they directly obtain the value of luxury, where Jui-Ying's *et al.*, (2012) research finds that consumers will get value of luxury, if consumers gain experience value.

Hotels that provide good servicescape to consumers will create good experience that can build good image in consumer mind (Sabir *et al.*, 2013). The consumer preference to the services to be visited is based on his past experience, this is

because the customer has believed in the company's brand to create a commitment with the previous company (Clark and Wood, 1999). Second, the study also found a positive influence of brand equity and its dimensions on the revised intention, which supports research from Washburn and Plank (2002); Kim *et al.*, (2003); Butcher (2005); Durna *et al.*, (2015); Harris and Goode (2004); and Jones *et al.*, (2000). Consumers who buy services that have a strong brand, will save time to search and reduce purchased risk than consumers who buy with new experiences or consumers who buy by changing brands (Hack Jae, 2005). This led to the creation of customer loyalty and improved hotel revisit intention (Kim *et al.*, 2010; Wilkins *et al.*, 2010). Trust and commitment in service marketing are the most important drivers for the creation of loyal customer behavior (Fullerton, 2005).

## **6. Conclusions**

Important components developed for hotel brand equity luxury, brand image, brand trust, and brand commitment in this study, contributed to the theory literature. The results found that servicescape is an antecedent of brand equity and its dimensions and will provide a consequence to the revisit intention. Furthermore, brand trust is found as the strongest factor influenced by servicescape, but the strongest factor in creating a revisit intention is brand commitment.

### ***6.1 Implications for practitioners***

The following will be described Implications for practitioners, as well as limitation and suggestion for future research. First, to improve servicescape, it is recommended to always innovate designing the hotel environment. For that, market research should always be done to know the tastes of consumers. The hotel manager can work together with interior design to design: (a) ambient condition - temperature, lighting, music, color, fragrance and noise level; (b) spatial layout - floor design, size, furniture, counter, machine and potential equipment. (c) facilities aesthetics - architectural design, interior design and hotel decoration. (d) sign and symbol - symbols and ordinary instructions displayed on the interior and exterior of the hotel. Everything is designed so that consumers feel comfortable, relaxed, not boring, and can communicate symbolically with the hotel. In addition, it is necessary to provide continuous training, motivation, and direction to employees on how to provide friendly, courteous, and responsive service in serving the consumers, so that the relationship between employees and consumers is intimately intertwined. Second, the brand equity of the hotel can be improved by providing satisfactory service proof for consumers, which must periodically conduct customer satisfaction survey and responsive to consumer problem solving. Finally, hotel managers can continue to provide competitive pricing, offer attractive offers, and actively use the internet as an innovative way of marketing in an era of competition.

### ***6.2 Limitation and suggestion for future research***

Limitations and suggestions that can be given from the results of this study are: First, the sample of this study does not distinguish the luxurious local hotel and

international hotel / chain hotel, which allows different effects on the brand equity of five-star hotel. Further research is suggested to see the difference of brand equity based on luxurious local and international hotel. Second, research is done only on luxurious hotels and not in other star hotels or other hotel categories, which can be suggested for further research, such as 1.2 or 3 star hotels, non star hotels, budget hotels and resort hotels. Third, this research is only done on hotel services so it can not generalize other services. It is suggested that subsequent research can be applied to other services, such as restaurants that interact consumers with servicescape continuously. Finally, this study only examines the outcome of loyalty that namely revisit intention. Further research is suggested to see the impact of brand equity on word of mouth as outcome behavior loyalty, as proposed by Durna *et al.*, (2015).

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