The Effect of Value Creation on Brand Trust in Indonesia during the COVID-19 Pandemic

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Abstract: This research investigates the society or guests’ perception of value creation and brand trust and aims to know the effect of public value creation on brand trust in three, four, and five-star hotels in Indonesia during the COVID-19 pandemic. There has only been a little research conducted previously on the effect of value creation on brand trust during a global crisis. This research adopted the quantitative method and used probability sampling. The data were collected using online and personal distribution to the guest who had stayed in three, four, and five-star hotels in Indonesia during the COVID-19 pandemic. The data were analyzed using Smart-PLS to examine the construct validity and reliability of the dimensions in the study. The findings suggested that value creation has a significant impact on brand trust. Furthermore, hotel brands in Indonesia have provided values that are recognized by both the general public and hotel guests. To improve the performance, hotel brands in Indonesia must continue to strengthen their value creations to increase brand trust in the country further.

Keywords: brand trust, COVID-19, hospitality industry, tourism industry, value creation

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Introduction

The world has been devastated by the new coronavirus that caused COVID-19 since it’s first reported in December 2019 in Wuhan, China. The World Health Organization (WHO) declared this a pandemic in March 2020, which triggered the global lockdown. By January 22, 2021, 96.2 million cases and 2.06 million fatalities reported, prompting countries to halt activities and businesses. Indonesia is likewise not spared from the pandemic’s impact, with 952 thousand cases and 27 thousand deaths. This tragedy has prompted Indonesia’s President, Joko Widodo, to issue a government law authorizing the implementation of Large Scale Social Restrictions (LSSR) on March 31, 2020.

LSSR is a restriction of the general public’s activities in an area where there are cases of COVID-19 to press the extension of the virus spreading. Once the LSSR applies in an area, a few public activities are restricted, such as offices and instances closed, limitations on religious activities, and limitations on public transport. The areas that apply LSSR are areas where the number of cases or deaths caused by COVID-19 spiked rapidly and extended from one place to another significantly fast or if there is an epidemiological relation of a similar incident in an area or another country. According to a decision of the Minister of Health Number 9, 2020, LSSR is effective for 14 days and could be extended according to the area’s situation (Dewi, 2020).

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Indonesia’s Finance Minister stated that LSSR during the COVID-19 pandemic significantly impacted the country’s economy (CNN, 2020). Indonesia’s economy contracted 1.26 percent in the first quarter of 2020, compared to the same period in 2019. (BPS). However, LSSR has impacted nearly every economic sector in Indonesia, with the tourism sector includes aviation and travel, hotels, and culinary companies, being the most affected and likely the last to recover once the economy returns to normal (Azhar, 2020). According to the Indonesian Hotels and Restaurants Association (PHRI), a total of Rp 85.7 trillion was lost, with Rp 30 trillion coming from the hospitality sector (Wahyudi, 2020). Indonesia’s hotel occupancy suffered a significant decline, falling nearly 50%. From the hotel’s low occupancy to 95 percent of tourism sector personnel being laid off without pay (Azhar, 2020), it is obvious to see how the pandemic significantly impacts the hotel’s performance in Indonesia.

This is where brand trust comes into play in determining the performance of the hotel. Businesses and their customers may be called business partners if their shared conceptions of trust influenced their exchanged interactions (Singh et al., 2012). In other words, trust can be described as the belief in the integrity and reliability of business partners’ interactions (Delgado-Ballester & Munuera-Aleman, 2005; Morgan & Hunt, 1994).

Khodadad Hosseini & Behboudi (2017) stated that trust is necessary for negotiations, particularly for intangible services. Their concept is connected to a statement stating that when information is partial or asymmetric, the common key predictor of consumer trust in a brand is credibility. Consumers may rely on developed expectations about the quality and safety of a brand’s products simply by knowing the brand (Lassoued & Hobbs, 2015). This relates to Sodano (2002), as stated in Lassoued & Hobbs (2015), who suggest that “consumers who pay a premium price for high-quality products that they cannot inspect prior to or after purchase require a certain measure of “blind” trust in providers.”

According to Portal et al. (2019), a brand must have good intentions and the ability to earn consumers’ trust. Napoli et al. (2014) stated in Portal et al. (2019) that consumers trust brands that deliver on their promises. When consumers are uncertain or insecure about a purchase decision, mainly when it came to the hospitality business in 2020, they go toward trustworthy businesses (Portal et al., 2019).

Creating value for the customer is the cornerstone of business-to-business marketing, even more so in today’s market environments. With global rivalry intensifying, particularly during this pandemic, hotel companies must always look for ways to separate themselves from competitors and earn their clients’ trust. This perspective has shifted managerial focus to a more comprehensive understanding of how hotel organizations create value for their clients (Eggert et al., 2018).

Value creation for clients is a difficult task for marketers, much more so when producing new products or services (Smith & Colgate, 2007). Recognizing and understanding the diverse value dimensions demanded by various individuals across populations with social concerns enables marketers to seek everyday value experiences to design more effective and focused social change campaigns (Butler et al., 2016 in Zainuddin et al., 2017).

Traveloka’s new initiative exemplifies value creation. During the early phases of the COVID-19 outbreak in Indonesia, Traveloka conducted surveys to its consumers to assess their current needs. When it comes to purchasing, customers frequently express their desire for time flexibility. Traveloka aimed to ascertain what clients value most at this time of the pandemic. In exchange, Traveloka creates the “Buy Now Stay Later” program, which allows users to purchase certificates for stays at Traveloka’s hotel partners throughout Indonesia. This ticket enables consumers to select the most convenient time to stay at their preferred hotel (Traveloka, 2020).

According to Lindgreen et al. (2019), “businesses shape and modify social situations.” As a result, leaders have a critical role in creating markets and constructing societies. Such value creation for society has had an enormous impact on the contemporary era, significantly increasing the quality of life on our planet in several ways. Indeed, we have entered an era in which top executives are being pressed to defend or modify the whole concept of value generation to stay current with consumer wants, citizen expectations, and broader societal shifts. Clearly, more than simply doing good is required to bridge the gap between what businesses accomplish and what society views as actually valuable.

The previous paragraph’s statements by Lindgreen et al. (2019) introduce the concept of public value creation. According to them, public value is all about the contributions associated with a business, whether positive
or negative. Public value redefines the concept of value creation by considering moral, political, utilitarian, and hedonistic dimensions. A more significant, additional step beyond good deeds is required in current times to connect what businesses accomplish with what society appreciates (Lindgreen et al., 2019).

However, research on the effect of value creation on brand trust in three, four, and five-star hotels in Indonesia during the COVID-19 pandemic is scarce and ambiguous. In other words, with the COVID-19 epidemic hitting everyone, it is critical to value more than just profit for the business, and the best way to do it is to generate value for not just customers but also society. Recognizing that this is a difficult period in every way, it is critical for hotels in Indonesia to build or give the values that society requires. It is intended that by doing so, society will develop a sense of trust in hotel brands in Indonesia, hence improving future hotel performance.

In the aftermath of the COVID-19 crisis, hotels demonstrating their commitment to their staff and the new normal health protocol is one of the primary reasons consumers trust any particular brand. The primary objective of this study is to investigate the effect of value creation on brand trust in three, four, and five hotels in Indonesia during the COVID-19 pandemic. Additionally, by emphasizing this point, the impact of value creation on brand trust will be shown, contributing to the implementation of effective mitigation strategies. This study will provide relevant information and recommendations to practitioners and managers in this industry in order to help them improve their performance. For managers, the broad picture will be shown to promote both value creation and brand trust and improve the hotel’s performance. As a result, brands are tasked with communicating with their prospects and consumers in a more personal, one-on-one manner, fostering trust.

Otherwise, hotel managers seeking to give value creation and reliable experiences might adjust their methods to ensure a clear overview of the customer and give more relevant messages that help establish confidence during these uncertain times of COVID-19. They can accomplish this more effectively by employing precise data for targeting and personalization in the short term and developing a long-term plan that addresses how identification underlies the entire customer journey in the long run.

**Literature Review**

**Value Creation**

Recently, and particularly at this trying time, value creation that considers the importance of a firm’s clients and the importance of society has had an incredible impact, increasing the earth’s quality of life in several ways. Top executives are under pressure to redefine the purpose of value creation to stay current with customer needs, consumer expectations, and societal changes. It is then critical for them to develop societies rather than just markets, recognizing business’s influence on social conditions. 2019 (Lindgreen et al.).

According to Meynhardt (2009), “public value creation is situated in relationships between individuals and ‘society,’ founded in individuals, defined by subjective assessments of basic needs, activated and realized in emotional-motivational states, and produced and reproduced through experience-intensive practices.” Taking his assertion into account, public value redefines the concept of value creation by incorporating moral, political, utilitarian, and hedonistic components. The rationale for this is that public value is all about a corporation’s contributions, whether they are good or bad (Lindgreen et al., 2019).

**Brand Trust**

Gallo (2014) argued that obtaining a new customer would cost five to twenty-five times as much as retaining an existing one. That is one reason why it is critical to create, nurture, and sustain trusting relationships with customers. Trust is defined as the expectation that each business partner, in this case, the brand and its customers (Singh et al. 2012), will conduct business interactions with honesty and trustworthiness (Delgado-Ballester et al., 2003; Morgan & Hunt 1994). As a result, it is critical to establish customer trust in brands, as businesses seen positively have a greater chance of success. A business can establish brand trust by having good intentions and
demonstrating competence (Portal et al., 2019).

Because trust is more permanent than profits, it is acceptable to assume that brand trust develops and grows and occurs through direct encounters in the context of a relationship (Chaudhuri & Holbrook, 2001; Delgado-Ballester & Luis Munuera-Alemán, 2001). This is consistent with the concept that “effective connections between brands and their customers are interactive, connected, and continuing” (Vargo & Lusch, 2011). The two statements above reinforce the assertion that trust has become a crucial component of branding due to the increased importance of relationship marketing (Delgado-Ballester & Luis Munuera-Alemán, 2001; Hess & Story, 2005; Lantieri & Chiagouris, 2009). Brand trust, especially in intangible services, requires trust (Khodadad Hosseini & Behboudi, 2017).

Sodano (2002) in Lassoued & Hobbs (2015) noted that “consumers who pay a premium price for high-quality products that they cannot inspect before or after purchase require a certain amount of “blind” trust in suppliers.” In other words, brand trust is contingent upon a brand’s perceived fairness and honesty (Portal et al., 2019). Additionally, when a consumer trusts a specific brand despite the danger of disappointment and uncertainty, trust can develop into confidence, which requires knowledge and faith (Lassoued & Hobbs, 2015).

According to Lindgreen et al. (2019), it is critical to tackling the complexity of value, while a firm or brand must remain adaptive in challenging times. Discussions about sustainability initiatives or corporate social responsibility (CSR) are insufficient at the moment. The broader challenge is to manage public value, which is derived from a diversity of perspectives, to assist a business or brand in bridging the divide between corporate life and public perceptions of what the economy is good for. Additionally, Rahmani et al. (2017) argued that the values of customers must be realized. Numerous studies have discovered that creating value has a substantial positive effect on establishing client brand confidence (Carnevale et al., 2018; Laroche et al., 2012; Mosavi & Kenarehfard, 2013; Rahmani et al., 2017). While brand trust is critical for customers to trust a brand’s risky items, it is also critical to cultivate the proper values to earn customers’ trust. According to Chesbrough et al. (2018a), “in the highly competitive hotel industry markets, organizations must consistently invest in the production of new value.” The COVID-19 pandemic has been extremely difficult for everyone in the entire world, including hotel chains. The researcher believes it is critical to earning people’s brand trust, mainly by producing the appropriate value for society.

Methodology

The nature of this study is quantitative and descriptive. The data was gathered through the use of online survey tools and also by personal distribution. The survey questionnaire contains 17 items that relate to the value creation and brand trust variables. Demographic questions are also included in the questionnaire’s introductory section, with the first question soliciting respondents’ experience staying in three, four, or five-star hotels in Indonesia during the COVID-19 pandemic. The items are measured on a four-point Likert scale from one (Strongly Disagree) to four (Strongly Agree).

This study employed a probability sampling methodology in conjunction with a restricted or complex sampling strategy for data distribution. The researchers aimed to collect 100 completed surveys using the Fraenkel & Wallen (1993) sample size theory, as this is a descriptive-correlational study. The questionnaires were sent to residents of Jakarta, Indonesia’s largest province, which also has the country’s largest section of travelers. Descriptive statistics, validity and reliability tests, coefficient determination, exploratory factor analysis, and regression analysis were used to tabulate the data.

Findings and Discussion

Although 100 respondents were surveyed, only 99 questionnaires are valid for use and analysis in this study due to one respondent’s incomplete response to all questions. It should be noted that the researchers had difficulty obtaining respondents who fulfilled the research criteria due to the scarcity of people in the researchers’ network.
who had stayed in hotels during the pandemic and the two-month interval between questionnaire distribution. The majority of respondents (61%) are female; over 50 years old (32%), and between 21 and 30 years of age (27%). Additionally, most of them hold a bachelor’s degree or above (62%) and work as private officials (42%). The majority of respondents stayed for two or three days (29%) or longer (23%) during the pandemic and stayed in the area between Jakarta and Bandung.

### Table 1. Descriptive Statistics

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>Mean Score</th>
<th>Mean/Dimension</th>
<th>Variable Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is it useful?</td>
<td>I could have some leisure time while staying in my choice of hotel during the COVID-19 pandemic.</td>
<td>3.47</td>
<td>3.41</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel comfortable and safe to be served by the hotel's staff while staying during the COVID-19 pandemic.</td>
<td>3.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it profitable?</td>
<td>There are interesting promotion packages to stay at my chosen hotel (example: Pay Now, Stay Later by Traveloka) during the COVID-19 pandemic.</td>
<td>3.32</td>
<td>3.32</td>
<td></td>
</tr>
<tr>
<td>Is it decent?</td>
<td>My chosen hotel made innovations in terms of services, for example, using QR codes to check in during the COVID-19 pandemic.</td>
<td>3.24</td>
<td>3.24</td>
<td>Value Creation 3.40</td>
</tr>
<tr>
<td>Is it politically acceptable?</td>
<td>My chosen hotel fulfils the health protocols that were set by the government.</td>
<td>3.71</td>
<td>3.58</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My chosen hotel has health and safety certification, received from either nationally or internationally.</td>
<td>3.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it a positive experience?</td>
<td>The promotions or service packages in my chosen hotel gave me absolute happiness during the COVID-19 pandemic.</td>
<td>3.40</td>
<td>3.40</td>
<td></td>
</tr>
<tr>
<td>The brand keeps its promises.</td>
<td>The staff in my chosen hotel have the professional ability to fulfil the health protocol during the pandemic.</td>
<td>3.43</td>
<td>3.54</td>
<td>Brand Trust 3.43</td>
</tr>
<tr>
<td></td>
<td>I believe in my chosen hotel brand to fulfil the health protocol that had been set by the government.</td>
<td>3.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The brand can be trusted.</td>
<td>I believe my chosen hotel will keep the guests safe while staying during the pandemic.</td>
<td>3.59</td>
<td>3.54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I choose hotels based on the assurance of the service during the pandemic.</td>
<td>3.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>My chosen hotel serves me outstandingly during the pandemic despite offering promotions.</td>
<td>3.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The brand is trustworthy.</td>
<td>I feel confident about staying in my chosen hotel because of the positive ratings during the pandemic.</td>
<td>3.49</td>
<td>3.49</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher; N=99

Value Creation receives an overall score value of 3.45 (strong explanatory power). This result indicates that hotel brands in Indonesia have made great creations to adapt to the COVID-19 pandemic. Hotel brands must keep...
creating value in order to adapt to a variety of scenarios. As a result of the findings, it is clear that profit-driven motive has the lowest rate. The researcher recommended that hotel businesses restructure their costs internally to provide a more beneficial offer for guests. Switching costs could be accomplished by reallocating funds from one department to another. For instance, people visit hotel restaurants less frequently during a pandemic. One approach that might be implemented is to reduce the restaurant’s food costs and reallocate them to another department in need, such as housekeeping, which requires additional hand sanitizer that is not cheap.

The overall score for the Brand Trust variable is 3.54. (Strongly Agree). This score demonstrates that despite the Covid-19 pandemic, hotel brands in Indonesia are significantly trusted by Jakarta residents. Despite the positive response, it is urged that this continues in the future, even after the pandemic has passed. The researcher recommended that hotel brands maintain their ability to engage in service branding, which is a campaign to inform the market about their services and ensure guests’ and staff’s health and safety during a pandemic. This campaign is free if satisfied guests promote hotel brands by complimenting the hotel’s competence on social media or through word of mouth.

The analysis demonstrates that despite the COVID-19 pandemic, Jakarta residents trust hotel brands. Despite the positive response, it is urged that this continues in the future, even after the pandemic has faded. The researcher recommended that hotel brands maintain their capacity to interact in service branding, which is a campaign to inform the market about their services and ensure guests’ and staff’s health and safety during a pandemic. This campaign is inexpensive if satisfied guests promote hotel brands by complimenting the hotel’s competence on social media or through word-of-mouth.

Table 2. Indicator Loading

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Outer Loading</th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I could have some leisure time while staying in my choice of hotel during the COVID-19 pandemic.</td>
<td>0.667</td>
<td>0.869</td>
<td>0.890</td>
<td>0.840</td>
<td>0.549</td>
</tr>
<tr>
<td>I feel comfortable and safe to be served by the hotel’s staff while staying during the COVID-19 pandemic.</td>
<td>0.639</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are interesting promotion packages to stay at my chosen hotel (example: Pay Now, Stay Later by Traveloka) during the COVID-19 pandemic.</td>
<td>0.562</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My chosen hotel made innovations in terms of services, for example, using QR codes to check in during the COVID-19 pandemic.</td>
<td>0.564</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My chosen hotel fulfils the health protocols that were set by the government.</td>
<td>0.542</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My chosen hotel has health and safety certification, received from either nationally or internationally.</td>
<td>0.639</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The promotions or service packages in my chosen hotel gave me absolute happiness during the COVID-19 pandemic.</td>
<td>0.664</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The staff in my chosen hotel have the professional ability to fulfil the health protocol during the pandemic.

I believe in my chosen hotel brand to fulfil the health protocol that had been set by the government.

I believe my chosen hotel will keep the guests safe while staying during the pandemic.

I choose hotels based on the assurance of the service during the pandemic.

My chosen hotel serves me outstandingly during the pandemic despite offering promotions.

I feel confident about staying in my chosen hotel because of the positive ratings during the pandemic.

Source: Researcher

The validity test is used to analyze each of the research’s constructs, with the respondents being required to respond to 17 questions in total. The validity test procedure used in this study is convergent validity, which involves connecting the component score with the construct score. When the loading factor is at least 0.5 or 0.6, the outcome is acceptable (Chin, 1998; Ghozali, 2008; Hulland, 1988). The independent variable, value creation, has eight items. After the validity test is done, two items were deemed invalid because the test results were below 0.5. Additionally, the dependent variable, brand trust, achieving validity for all seven items except for one.

Cronbach’s alpha and composite reliability are used to determine the amount of reliability of the research variables. If the Cronbach’s alpha of a variable is higher than 0.6 and the composite reliability is higher than 0.7, the variable is considered reliable (Malhotra, 1996). According to Table 1, Cronbach’s alpha for Value Creation is 0.869, whereas the alpha for Brand Trust is 0.837.

Exploratory Factor Analysis

The Exploratory Factor Analysis was done to determine whether the items in the previously established five functional areas can be categorized into logically compatible components. This was accomplished through the use of Principal Component Analysis with Varimax rotation and Kaiser Normalizations. The results are as follows:

Table 3. T-Values and P-Values Results.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Anti -image Matrices</th>
<th>Commonalities Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is it useful?</td>
<td>0.795*</td>
<td>0.646</td>
</tr>
<tr>
<td>Is it profitable?</td>
<td>0.730*</td>
<td>0.698</td>
</tr>
<tr>
<td>Is it decent?</td>
<td>0.784*</td>
<td>0.515</td>
</tr>
<tr>
<td>Is it politically acceptable?</td>
<td>0.734*</td>
<td>0.720</td>
</tr>
<tr>
<td>Is it a positive experience?</td>
<td>0.787*</td>
<td>0.657</td>
</tr>
<tr>
<td>Brand Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The brand keeps its promises</td>
<td>0.742*</td>
<td>0.804</td>
</tr>
<tr>
<td>The brand can be trusted</td>
<td>0.815*</td>
<td>0.769</td>
</tr>
<tr>
<td>The brand is trustworthy</td>
<td>0.943*</td>
<td>0.663</td>
</tr>
</tbody>
</table>

KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy. 0.774
Bartlett’s Test of Sphericity

<table>
<thead>
<tr>
<th>Approx. Chi-Square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>373.244</td>
<td>28</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Researcher

As shown in Table 3, the KMO sample adequacy index is greater than 0.50 at 0.774. KMO levels between 0.5 and 1.0 are considered to be high KMO levels (Hair et al., 2006). As a result, factor analysis is deemed appropriate for the provided data set. Additionally, Bartlett’s test indicates that the estimated chi-square value is 373.244, with an observed significance of 0.000 (Bartlett’s sign 0.005), showing that the overall intercorrelations assumptions are met and that the variables have a strong association. As a result, the data set was deemed suitable for EFA.

Table 4. T-Values and P-Values Results.

<table>
<thead>
<tr>
<th>Value Creation -&gt; Brand Trust</th>
<th>R²</th>
<th>T Statistics</th>
<th>β</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.533</td>
<td>10.514</td>
<td>0.730</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Researcher

According to the findings in Table 4, travel motivation had a β-value of = 0.730, \( p < .000 \), and an R² of .533. According to the T-Statistics data, the value of T-Statistics is 10.514, which is greater than 1.96. The study’s findings indicate that value creation accounts for 53.3 percent of the variance in brand trust. Thus, the finding does support the theory that brand trust is positively related to value generation.

Discussion

The purpose of this study is to examine the relationship between value creation and brand trust in Indonesian three, four, and five-star hotels during the COVID-19 pandemic. The findings indicated that domestic hotel visitors perceived a higher degree of value creation and brand trust in hotel operations during a pandemic. The study’s findings indicate that value creation has a considerable positive effect on brand trust, which is consistent with (Carnevale et al., 2018; Laroche et al., 2012; Mosavi & Kenarehfard, 2013; Rahmani et al., 2017). In addition, this study demonstrated that when hotels innovate in their marketing efforts, guests continue to believe in and trust their current service provider.

Conclusion

The findings contribute to service marketing theory by revealing the dimensional structure of value creation and brand trust in the Indonesian hotel industry during COVID-19. Given the fact that the profit component of public value creation earned the lowest mean value, the researchers recommended that hotel brands switch costs internally in order to generate a more favorable promotion for visitors. Cost switching could be accomplished by reallocating funds from one department to another. For instance, people visit hotel restaurants less frequently during a pandemic. One approach that might be implemented is to reduce the restaurant’s food costs and reallocate them to another department in need, such as housekeeping, which requires additional hand sanitizer that is not inexpensive. Additionally, the researchers recommended that hotel brands maintain their capacity to engage in service branding, which is a campaign to inform the market about the services they provide and to ensure the health and safety of guests and staff during a pandemic. This campaign is free if satisfied guests promote hotel brands by complimenting the hotel’s competence on social media or through word of mouth.

For future research, since value creation has a significant effect on brand trust, it is advised that more variables be included to obtain a far more accurate coefficient determinant. In future studies, additional independent variables including as health and safety and organizational innovation could be included. Moreover, adding more
respondents and participants who are not confined to a single city is proposed for a more valid study. In this challenging time, it is critical to determine how hotel brands can increase the public’s faith in Indonesian hotels. Diversifying the method through which that trust is built is proposed as a way to improve hotel brand success in Indonesia.

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