

Agus Riyadi <agus.riyadi@iptrisakti.ac.id>

# [jeth] Editor Decision

Azilah Kasim <azilah@uum.edu.my> To: Agus Riyadi <agus.riyadi@stptrisakti.ac.id> Tue, May 18, 2021 at 12:19 PM

Dear Agus Riyadi:

Your manuscript entitled " The Effect of Value Creation on Brand Trust in Indonesia During The Covid-19 Pandemic" has undergone a review process.

- Please revise the paper based on the reviewers and editorial board comments. Authors must COPY and PASTE your corrections and/or rebuttal onto the corresponding column in the rebuttal form and highlight your corrections in the text as well using RED font. Click here to download the Rebuttal Form
- 3. You also reminded to format your manuscript and reference list according to the American Psychological Association (APA) Style Manual. Any acknowledgments by the author with or without any grant must be stated before references. Kindly visit our website at http://e-journal.uum.edu. my/index.php/jeth/index for further reference.
- 4. You must ensure that your article has been edited and proof read by a professional editor. We would not accept article with grammatical mistakes and spelling errors. Tables and Figures must be clear and sharp by using jpeg or tiff. Turnitin should be less than 20%.
- 5. List of authors full names and full affiliation with their e-mail.

We hope to see your revised version by or before May 28, 2021.

Azilah Kasim azilah@uum.edu.my

Reviewer A:

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### **1. ARTICLE TITLE**

Check whether title accurately reflects the actual research issues addressed in the study and within the scope of JETH. Suggest a suitable title if the title requires improvement.

Title reflects content

### 2. ABSTRACT

Determine if the abstract contains a concise description of the study. This includes: (i) PURPOSE (problem statement or purpose), (ii)METHOD (design/methodology/approach) (iii) FINDINGS (summary of major findings), (iv) PRACTICAL IMPLICATIONS, and (v) ORIGINALITY/VALUE (contributions).

1) Problem statement was limitedly discussed 2) Practical implication is not mentioned

### 3. RESEARCH PROBLEM AND OBJECTIVES

Determine whether the background to the study is well discussed, the research problems are well defined, and the objectives are clearly stated.

The problem statement of this research needs to be deepen since currently it is briefly discussed. Author can add statistical data or any reports to strengthen the problem statement.

### 4. LITERATURE REVIEW

Determine whether the literature review is relevant to the research issues, is wellreviewed and takes into consideration past and current literature, has identified the gap of knowledge.

The author had mentioned the gap of value and brand trust in tourism and hospitality industry but reference was not included. However, the gap was poorly discussed. Should be added more .

### 5. METHODOLOGY

Determine whether the method is appropriate: research design (e.g. sample size, choice of methods etc.) is appropriate to address the specified research objectives to allow replication by other researchers; and the statistical analysis used is appropriate; qualitative analysis procedures were described clearly (e.g., framework used, sample analysis provided, researcher's perspective, triangulation and trustworthiness)

1)What is the difference between "The brand can be trusted," and "the brand is trustworthy" (Iglesias et al., 2020)? Please describe the difference. 2)The inferential analysis briefly discussed and was not mentioned with references. 3) SPSS should be stated without abbreviation since it was first time mentioned in the draft.

# 6. ANALYSIS AND DISCUSSION OF RESULT

Determine whether the results obtained and its interpretation are in agreement with the research objectives, and findings are discussed with appropriate theories and references.

1)Mean score should be written in point form, not in comma. 2)Lack of discussion given to relate the research results with previous studies. Author should include more discussion related with previous studies 3)The authors should acknowledge why there are words in green colour 4)Lack of implication given to describe on the impact towards hospitality and tourism industry

### 7. PRESENTATION

Determine whether the tables, figures, and pictures are properly labelled, numbered, and placed in the appropriate sequence and are clearly reproduced.

All tables are suitable however there are many grammatical errors detected in the draft. Authors should have the draft proofread by native speaker or english expert.

### 8. NOVELTY

Determine whether the article makes a significant contribution in the field.

This research will bring significant contribution if only the author can highlight the difference in this study using more references.

## 9. REFERENCES

Determine whether the reference list is complete and extensive, include current references, and used APA format throughout the list.

All references are llisted using the APA format.

## **10. KEYWORDS**

Determine whether the appropriate keywords are used to represent the study/field.

Keywords are appropriate.

## **11. CONFLICT OF INTEREST**

Determine whether the authors identify and **declare any** personal circumstances or **interest** that may be perceived as inappropriately influencing the representation or interpretation of reported research results. If there is **no conflict of interest**, please state "The authors **declare no conflict of interest**."

The authors declare no conflict of interest.

# **12. ACKNOWLEDGEMENT**

Determine whether the author(s) have acknowledged relevant funders and/or support in the study.

No acknowledgement listed in the draft.

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Reviewer B:

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# **1. ARTICLE TITLE**

Check whether title accurately reflects the actual research issues addressed in the study and within the scope of JETH. Suggest a suitable title if the title requires improvement.

The title is suitable and can remain as it is.

### 2. ABSTRACT

Determine if the abstract contains a concise description of the study. This includes: (i) PURPOSE (problem statement or purpose), (ii)METHOD (design/methodology/approach) (iii) FINDINGS (summary of major findings), (iv) PRACTICAL IMPLICATIONS, and (v) ORIGINALITY/VALUE (contributions).

The abstract contains all the necessary elements.

#### **3. RESEARCH PROBLEM AND OBJECTIVES**

Determine whether the background to the study is well discussed, the research problems are well defined, and the objectives are clearly stated.

The background of the study is clear and well discussed. The research problems are well defined and the objectives are clear.

### 4. LITERATURE REVIEW

Determine whether the literature review is relevant to the research issues, is wellreviewed and takes into consideration past and current literature, has identified the gap of knowledge.

The literature that were reviewed is relevant to the issues stated in this article. The gap is identifies but in a simplified manner.

### 5. METHODOLOGY

Determine whether the method is appropriate: research design (e.g. sample size, choice of methods etc.) is appropriate to address the specified research objectives to allow replication by other researchers; and the statistical analysis used is appropriate; qualitative analysis procedures were described clearly (e.g., framework used, sample analysis provided, researcher's perspective, triangulation and trustworthiness)

Both the research design and statistical analysis are appropriate.

### 6. ANALYSIS AND DISCUSSION OF RESULT

Determine whether the results obtained and its interpretation are in agreement with the research objectives, and findings are discussed with appropriate theories and references.

Both the results and its interpretation are in agreement with the research objectives. The findings are discussed appropriately.

#### 7. PRESENTATION

Determine whether the tables, figures, and pictures are properly labelled, numbered, and placed in the appropriate sequence and are clearly reproduced.

The author should determine the correct title for Table 1. The other tables are properly labelled and numbered.

#### 8. NOVELTY

Determine whether the article makes a significant contribution in the field.

The article supports previous studies pertaining to value creation's significant positive impact on brand trust. Due to the context of the study being focused on hotels in Jakarta, and during the Covid-19 pandemic, the results from this article are significant towards further understanding of both the theory and its practicality.

### 9. REFERENCES

Determine whether the reference list is complete and extensive, include current references, and used APA format throughout the list.

The references are extensive and appropriate.

### **10. KEYWORDS**

Determine whether the appropriate keywords are used to represent the study/field.

The keywords are appropriate.

### **11. CONFLICT OF INTEREST**

Determine whether the authors identify and declare any personal circumstances or *interest* that may be perceived as inappropriately influencing the representation or interpretation of reported research results. If there is no conflict of interest, please state "The authors declare no conflict of interest."

The authors declare no conflict of interest.

## **12. ACKNOWLEDGEMENT**

Determine whether the author(s) have acknowledged relevant funders and/or support in the study.

No acknowledgments were made.

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Journal of Event, Tourism and Hospitality Studies



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Agus Riyadi <agus.riyadi@iptrisakti.ac.id>

# [jeth] Editor Decision

### Nurhazani Mohd Shariff <hazani@uum.edu.my>

Mon, Jun 14, 2021 at 7:33 AM

To: Agus Riyadi <agus.riyadi@stptrisakti.ac.id>

Agus Riyadi:

We have reached a decision regarding your submission to Journal of Event, Tourism and Hospitality Studies, " The Effect of Value Creation on Brand Trust in Indonesia During The Covid-19 Pandemic".

Our decision is to proceed with the copyediting stage. The paper will be published online on 15 July 2021.

Nurhazani Mohd Shariff School of Tourism, Hospitality & Event Management (STHEM) College of Law, Government & International Studies Universiti Utara Malaysia hazani@uum.edu.my

Journal of Event, Tourism and Hospitality Studies

#### The Effect of Value Creation on Brand Trust in Indonesia During The Covid-19 Pandemic

#### **ABSTRACT**:

This research investigates the society or guests' perception of the value creation and brand trust, and aims to know the effect of value creation on brand trust in 3, 4, and 5-star hotels in Indonesia during the Covid-19 pandemic. The existing literature on improving value creation effect on brand trust during crisis was found little. This research adopted the quantitative method and used probability sampling to determine the sample size. The data were collected using questionnaires via Google Forms and paper questionnaires distributed to people who live in Jakarta who had stayed in 3, 4, and 5 star hotels in Indonesia during the Covid-19 pandemic with a total respondents of 99 people. Construct validity and reliability and the hypothesis were tested using Smart-PLS 3. These fundings suggest that value creation has a significant impact on brand trust. The results suggested how hotel brands in Indonesia in Indonesia still need to improve their creations of value to further boost brand trust for hotel brands in Indonesia in order to improve the hotel performance.

Keywords: value creation, brand trust, hospitality industry, Covid-19

#### **INTRODUCTION**

The world has been tremendously shaken up by the novel coronavirus causing COVID-19, subsequently named SARS-CoV-2 were first reported by officials in Wuhan City, China, in December 2019 and then especially since the World Health Organization (WHO) declared this a pandemic on March 11, 2020 (Hao et al., 2020; World Health Organization, 2020). There are 96.2 million cases with 2.06 million casualties recorded by January 22, 2021; causing countries to halt activities and businesses. Indonesia is also not excused from the impact of the Covid-19 pandemic, having an amount of 952 thousand cases with

27 thousand casualties. This has caused the President of Indonesia, Joko Widodo, to create a government regulation to apply Large Scale Social Restrictions (LSSR) on March 31, 2020 (Purwanto et al., 2020).

The Minister of Finance of Indonesia referred that LSSR amid the Covid-19 pandemic has deeply affected the country's economy (CNN, 2020). Indonesia's economy in the first semester of 2020 had plummeted 1.26% compared to the first semester of 2019 (Wuryandani, 2020). However, LSSR has affected almost every economic sector in Indonesia, with the tourism industry including aviation and travel, hotels, and culinary businesses in the frontline as the most affected industries as well as likely the last to recover after the economy is back to normal (Azhar, 2020). The Indonesian Hotels and Restaurants Association (PHRI) reported, a total of Rp 85.7 trillion loss recorded with Rp 30 trillion from the hospitality industry (Wahyudi, 2020). Indonesia's hotel occupancy suffered a great loss that the occupancy dropped by 50% (BPS). From the hotel's low occupancy to 95% of the tourism industry employees furloughed without pay (Azhar, 2020), it could be seen how the hotel's performance in Indonesia is greatly affected during the pandemic.

This is where brand trust plays a role in the hotel's performance. It is said that brands and their customers could be considered business partners, where their respective perceptions of mutual trust influenced their exchanged relationships (Singh et al., 2012). In other words, trust could be defined as there is a confidence that integrity and reliability during interactions are present during the exchanged interactions of business partners (Delgado-Ballester & Munuera-Alemán, 2005; Morgan & Hunt, 1994b).

Khodadad Hosseini & Behboudi (2017) referred that, especially in intangible services, trust is required in transactions. Their precept connects to a statement saying that with incomplete and asymmetric information, the common key determinant of consumer-based trust in a brand is credibility. Consumers may rely on formed expectations on a brand products' quality and safety just from knowing the brand (Lassoued & Hobbs, 2015). This connects to Sodano (2002) in Lassoued & Hobbs (2015), who argues that: "Consumers who pay a premium price for high-quality products which have quality characteristics they can check neither before nor after the purchase, need a certain amount of "blind" trust in suppliers." The suppliers in the previous statement could be considered as brands. Portal et al. (2019) implied that a brand needs to have good intentions and sound abilities to build consumers' trust towards them. Napoli et al. (2014) in Portal et al. (2019) referred that consumers tend to trust brands that perform as they have promised. When a consumer feel uncertain or insecure of a purchase decision, especially as what is happening in the year 2020 to the hospitality industry, they tend to lean more on trustworthy brands (Portal et al., 2019).

Creating value for the customer is the basis of business to business marketing, especially in today's market-places. Facing increasing competition globally, especially in this pandemic, hotel firms need to continually search for means to differentiate themselves from competitors and gain the customers' trust. This view has directed the managerial attention to a broader and more in-depth understanding of how hotel firms create value for the customers (Eggert et al., 2018).

Particularly when developing new products or services, value creation for customers is challenging for marketers (Smith & Colgate, 2007). Especially during the Covid-19 pandemic, recognizing and understanding the different value dimensions that heterogeneous individuals in the populations of social issues seek allows marketers to seek everyday value experiences to develop more effective and targeted social change programs (Butler et al., 2016 in Zainuddin et al., 2017).

Traveloka's new program is an excellent example of value creation. Amidst the early stages of the Covid-19 pandemic in Indonesia, Traveloka gave out surveys towards its customers to find out the customers' needs at the moment. Customers mostly answer with time flexibility upon buying. Traveloka sought to find out what the customers value the most in this moment of the pandemic. In return, Traveloka creates Buy Now Stay Later for customers to buy vouchers to stay in Traveloka hotel partners in Indonesia. This voucher gives customers the flexibility to choose the best time to stay at their hotel choice (Traveloka, 2020).

Lindgreen et al. (2019) say that: "Businesses form and transform social conditions. Therefore, leaders are highly instrumental not only in making markets but in doing so also in building societies. In modern times, such value creation for society has had an indispensable impact, improving the quality of life on our planet in many respects. In fact, we now enter an era in which top executives are under pressure to defend or revise the notion of value creation itself to remain in sync with customers' needs, citizens' expectations, and societal changes at large. Obviously, a further, bigger step than just doing good is required to cross the divide between what companies do and what society at large recognizes as truly valuable."

Lindgreen et al.'s (2019) statements in the previous paragraph introduce public value creation. According to them, public value is all about contributions associated rightly or wrongly with a company, whether they are good or failures. Taking in moral, political, utilitarian, and hedonistic aspects into account, public value redefines the notion of value creation. A more significant, further step than doing good is required in modern times to connect what the companies do and what the societal at large truly values (Lindgreen et al., 2019).

However, the studies are limited and sometimes confusing when it comes to the effect of value creation on brand trust in 3, 4 and 5 Star Hotels in Indonesia during the COVID-19 pandemic. In other words, the Covid-19 pandemic affecting everyone, it is crucial to value more than just profits for the company, and the best way is to create value for not just the customers but also the society. Understanding that this is a challenging time in every aspect, it is vital for hotels in Indonesia to create or provide the values needed by society. By doing so, it is hoped that society would learn to trust hotel brands in Indonesia and improve future hotel performance.

In the face of the COVID-19 crisis, Hotels showing up for their employees and the new normal health protocoler is one of the top reasons consumers trust any given brand. The primary purpose of this study is to examine the effect of value creation on brand trust in 3,4 and 5 hotels in Indonesia during the Covid-19 pandemic. Furthermore, by highlighting this particular matter, the impact of value creation on brand trust will be revealed for the execution of effective management strategies. This study will offer pertinent knowledge and some recommendations to practitioners and managers in this industry to improve the performance. As for managers, the big picture will be disclosed, to enhance both value creation and brand trust, to provide a higher performance of the hotel and as a result brands are tasked with being in touch with their prospects and customers in a deeper, more one-to-one way, which builds more trust.

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Otherwise, during these uncertain times of COVID-19, Hotel managers looking to deliver value creation and reliable experiences can adjust their strategies to ensure a complete picture of the customer and deliver more relevant messages that help build trust. They can better achieve this by leveraging precise data for targeting and personalization in the short term while building towards a long-term strategy addressing how identity underpins the full customer journey.

#### LITERATURE REVIEW

#### **Value Creation**

Recently, especially in this challenging time, value creation made not only for the importance of a firm's customers but also for society has had an indispensable impact, improving many respects of earth's quality of life. To remain in sync with what the customers need, the expectations of the citizens, and changes in society, top executives are pressured to rectify the purpose of value creation. It is then highly significant for them to build societies and not only make markets, understanding that business is influential towards social conditions. (Lindgreen et al., 2019). Every business company is founded to preserve and increase public confidence in the business through more real engagement and involvement, and public value creation have a positive impact on the behavior of organizational leaders in managing organizations where public value creation have a positive influence on the behavior of organizational leaders in managing organizations (Pasaribu, 2014). Involving multiple stakeholders working together at various stages to create value in a consumption process, value creation is a paradigm (Zainuddin et al., 2017a). Having evolved from a firm-oriented concept to a consumer-oriented one, modern-day value creation has the purpose of understanding what leads to consumer value creation and experience (Holbrook, 1999, 2006; Zainuddin et al., 2017a). Zainuddin et al., (2017b) also stated that "understanding the value creation process in social marketing services allows for the achievement of important outcomes such as satisfaction and intentions to engage with a service or an activity again in the future."

Other researcher, Chesbrough et al., (2018) have a similar opinion on value creation. They stated that value creation is a process that cannot be achieved without capturing a particular part of a value and recreating the captured value in a new creation since value creation is dynamic and ongoing. Meynhardt (2009) said that "public value creation is situated in relationships between the individual and 'society,' founded in individuals, constituted by subjective evaluations against basic needs, activated by and realized in emotional-motivational states, and produced and reproduced in experienceintense practices." Taking his statement into considerations, public value redefines the idea of value creation by including moral, political, utilitarian, and hedonistic aspects as components for public value creation. The reason is because public value is all about contributions that are associated with a company rightly or wrongly, whether they are good or not (Lindgreen et al., 2019). Moreover, Hotel companies need to constantly invest in the new creations of new value, especially in the highly competitive hotel industry markets at the moment (Chesbrough et al., 2018). The customers always remain in the center as they take part in creating valuable experiences since the customers are the only ones who perceive the experienced value (Jensen & Prebensen, 2015). There is a necessity to create meaningful and specific values for each customer since they are the ones at the center experiencing firms' created value.

#### **Brand Trust**

Gallo (2014) argued that acquiring a new customer would be 5 to 25 times more expensive than holding onto existing ones. That is one reason why creating, developing, and maintaining trusting relationships with customers is crucial. Trust is defined that each business partner, in this case, the brand and its customers (Singh et al., 2012), will act with integrity and reliability during business interactions (Morgan & Hunt, 1994b; Munuera-Aleman et al., 2003). Therefore, it is vital to make customers trust brands because brands that are viewed by them have a higher chance of success. A firm can build brand trust by having good intentions and sound abilities (Portal et al., 2019).

Trust is more enduring in nature, so it is safe to say that brand trust develops over time, occurs in the context of a relationship through direct experiences (Chaudhuri & Holbrook, 2001; Delgado-Ballester & Luis Munuera-Alemaan, 2001). This relates to a statement saying that "successful relationships between brands and their customers are interactive, connective, and ongoing" (Vargo & Lusch, 2011). The two statements above support the statement that trust, due to the growing importance of relationship marketing, has become an essential construct in branding (Delgado-Ballester & Luis Munuera-Alemaan, 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), argues that "consumers who pay a premium price for highquality Products which have quality characteristics they can check neither before nor after the purchase, need a certain amount of "blind" trust in suppliers." In other words, the perception of a brand's fairness and integrity are dependent variables for brand trust (Portal et al., 2019). It could also mean that when a consumer trusts a particular brand, even though it involves risk of disappointment and uncertainty, the trust towards the particular brand could evolve into confidence, which involves knowledge and faith (Lassoued & Hobbs, 2015). Other researcher concluded that brand trust is seen as a control mechanism that promotes exchange relationships characterized by volatility, risk, and vulnerability by reducing uncertainty (Hong & Cho, 2011; Li et al., 2015; Morgan & Hunt, 1994a).

#### Hyphotesis

Lindgreen et al., (2019) refers that it is also important to confront the complexity of value, while a company or brand needs to stay agile facing turbulent times. The larger task is to manage public value, since it stems from the plurality of perspectives, to help a company or a brand address the gap of business life and public perception of what the economy is good for. Also, Rahmani et al., (2017) concluded that customers' values need to be realized. A few research have found that value creation has a significant positive impact on building customers' brand trust (Carnevale et al., 2018; Laroche et al., 2012; Mosavi & Kenarehfard, 2013; Rahmani et al., 2017). Companies may set consumer expectations by communicating

the value commitments of their corporate brands in a branding framework (Ozdemir et al., 2020). While brand trust has significant as well for customers to trust risky products developed by a brand, it is also significant to create the right values in order to gain customers' trust. Chesbrough et al., (2018a) revealed that "in the highly competitive hotel industry markets, companies need to continually invest in the creation of new value."

A study on value creation and brand trust has been done before. The studies of value creation as the dependent or independent variable has been done. However, the study of the effect of value creation on brand trust in the service industry, especially in the hospitality industry has never been done. Covid-19 pandemic has been a very challenging time for every single people in the whole wide world, hotel brands included. The researcher finds it important to build people's brand trust especially by creating the right value for the society in large. Sanz-Blas et al., (2019) stated that his findings support the hypothesis that value creation practices have an effect on consumer-brand bonding. Managers, according to Carnevale et al., (2018), should take more constructive measures to create and maintain value expectations. We suggest that consumers should use brand trust as a powerful cue to minimize perceived risk and thereby mitigate its negative impact on perceived value based on these propositions. Based on these, comes up hypotheses as follows:

H0: Value creation does not affect brand trust.

H1: Value creation affects brand trust.

#### METHODOLOGY

This research used a quantitative-descriptive approach. The questionnaires are distributed by Google Forms as well as paper questionnaires. The questionnaires have a total of 17 items that fit the measurements of both the value creation and the brand trust variables. Demographic questions are put as well in the first section of the questionnaire, where the very first question is to ask whether the respondents have stayed in 3, 4, and 5-star hotels in Indonesia during the Covid-19 pandemic. Likert scale was used in the questionnaire with a scale ranging from 1 (Strongly Disagree) to 4 (Strongly Agree). For value creation, it is limited

to finding out the values that the public sought while buying products or services from hotel brands in Indonesia during the Covid-19 pandemic through five measurements of public value creation: "Is it useful?"; "Is it profitable?"; "Is it decent?"; "Is it politically acceptable?"; and "Is it a positive experience?" (Lindgreen et al., 2019). Meanwhile, brand trust is limited by using three brand trust indicators: "The brand keeps its promises," "The brand can be trusted," and "the brand is trustworthy" (Iglesias et al., 2020).

This research used a probability sampling technique with the restricted or complex sampling data distribution technique. Using the Fraenkel & Wallen (1993) sample size theory, the researchers planned to collect 100 answered questionnaires since this is a descriptive-correlational research. The questionnaires were distributed to people in Jakarta who had stayed in 3, 4, and 5-star hotels in Indonesia during the Covid-19 pandemic. SPSS version 24.0 was used as the data analysis software in this research that includes: descriptive statistics, Validity and Reliability Tests, Coefficient Determination, Exploratory Factor Analysis and regression).

#### FINDINGS AND DISCUSSION

There were a total of 100 respondents who participated was studied but only 99 questionnaires are valid to be used and analysed in this research since 1 of the respondents didn't fully complete answering the whole questions. It has to be noted that the researchers found it hard to find respondents who fit the research criteria since it was quite rare to find people who had stayed in hotels during the pandemic in the researchers' circle and the limited time of two months of questionnaire distribution. Most of the respondents are women with 61%; mostly are older than 50 years old with 32% or in between the age of 21-30 years old with 27%; bachelor or higher degree graduate with 62%; working as private officials with 42%; staying for 2 or 3 days with 29% each or more than 3 days with 23%; and most of the respondents stayed in between Jakarta or West Java during their hotel stay in the Covid-19 pandemic with 26.26% and 36.36% accordingly.

#### Table 1. Respondents' demographic profile and behaviour

Dimension	Items	Mean Score	Mean/ Dimension	Variable Mean
Is it useful?	I could have some leisure time while staying in my choice of hotel during the Covid-19 pandemic.	3,47	3,41	Value Creation
	I feel comfortable and safe to be served by the hotel's staff while staying during the Covid-19 pandemic.	3,34		3,40
Is it profitable?	There are interesting promotion packages to stay at my hotel choice (example: Pay Now, Stay Later by Traveloka) during the Covid-19 pandemic.	3,32	3,32	
Is it decent?	My hotel choice made innovations in terms of services, for example, using QR code to check-in during the Covid-19 pandemic.	3,24	3,24	
Is it politically	My hotel choice fulfill the health protocols that were set by the government.	3,71	3,58	_
acceptable?	My hotel choice has health and safety certification, either nationally or internationally.	3,45		
Is it a positive experience?	The promotions or service packages in my hotel choice gave me absolute happiness during the Covid-19 pandemic.	3,40	3,40	
The brand keeps its promises	The staff in my hotel choice have the professional ability to fulfill the health protocol during the pandemic.	3,43	3,54	Brand Trust 3,43
p. 0	I believe in my hotel choice brand to fulfill the health protocol that had been set by the government.	3,59	-	0,10
The brand can be	I believe my hotel choice will keep the guests' safety while staying during the pandemic.	3,59	3,54	
trusted	I choice hotels based on the assurance of the service products during the pandemic.	3,54	_	
	My hotel choice serves me maximally during the pandemic despite the promotions.			
The brand is trustworthy	I feel sure to stay in my hotel choice because of positive reviews during the pandemic.	3,49	3,49	

#### Table 1. Descriptive Statistics

Source: Result of Primary Data, (2021)

Value Creation receives an overall score value of 3.45 (Very Good). This concludes that hotel brands in Indonesia have made great creations in order to adapt with the Covid-19 pandemic. It is suggested for hotel brands to keep creating values in order to adapt with different kind of situations. From the results, it could be seen that creation that focuses on profit has the lowest rate. The researcher suggested for hotel brands to internally switch cost in order to create a more beneficial promotion for the guests. Switching cost could be done by allocating the budget from one department to another department. For example, during the pandemic, guests don't come to the hotel restaurants as often. One solution that could be made is cutting the food cost for the restaurant and allocate it to another department in need, for example the housekeeping department where it needs more hand sanitizer that is not cheap.

Brand Trust variable receives an overall score value of 3.54 (Strongly Agree). This concludes that hotel brands in Indonesia are trusted enough by people in Jakarta despite the Covid-19 pandemic. Even though it receives great responses, it is suggested to keep this up in the future even after the pandemic goes. The researcher suggested that hotel brands maintain their ability to do service branding, which is a campaign to the market that they provide and assure the health and safety of the guests as well as the employees during the pandemic. This campaign is done with the minimum cost, if satisfied guests promote the hotel brands by praising the hotel competence through social media or word of mouth.

	Outer Loading	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Constructs	Value Creation	Brand Trust			
I could have some leisure time while staying in my choice of hotel during the Covid-19 pandemic. (VC.1)	0,667	0,869	0,890	0,840	0,549
I feel comfortable and safe to be served by the hotel's staff while staying during the Covid-19 pandemic. (VC.2)	0,639				
There are interesting promotion packages to stay at my hotel choice (example: Pay Now, Stay Later by Traveloka) during the Covid-19 pandemic. (VC.3)	0,562				
My hotel choice made innovations in terms of services, for example, using QR code to check-in during the Covid-19 pandemic. (VC.5)	0,564				

#### **Table 2. Indicator Loading**

My hotel choice made a new security check protocol once guests arrived, for example, checking the guests' body temperature to ensure the hotel guests' safety and health during the Covid-19 pandemic. (VC.6)	0,542					
My hotel choice fulfills the health protocols that were set by the government. (VC.7)	0,639					
My hotel choice has health and safety certification, either nationally or internationally. (VC.8)	0,664					
The staff in my hotel choice have the professional ability to fulfill the health protocol during the pandemic. (BT.1)		0,826	0,837	0,885	0,881	0,535
I believe in my hotel choice brand to fulfill the health protocol that had been set by the government. (BT.2)		0,824				
I believe my hotel choice will keep the guests' safety while staying during the pandemic. (BT.3)		0,823				
I choice hotels based on the assurance of the service products during the pandemic. (BT.4)		0,803				
My hotel choice serves me maximally during the pandemic despite the promotions. (BT.5)		0,842				
I feel sure to stay in my hotel choice because of positive reviews during the pandemic. (BT.6)		0,543				

Source: Result of Primary Data, (2021)

Validity test is used to test every single construct of this research, where the total construct of this research are 17 questions that have to be answered by the respondents. This research uses convergent validity as its validity test procedure which is correlating the component score with the construct score where then it would result in loading factor with a minimum of 0.5 or 0.6 (Chin, 1998; Ghozali, 2018; Hulland, 1999). For the independent variable (X) Value Creation, it has 8 items. After the validity test is done, there are two items deemed invalid because the test result didn't reach 0.5. Otherwise, the dependent variable, Brand Trust, it has 7 items. After the validity test is done, there are one item deemed invalid because the test result didn't reach 0.5.

In order to determine the level of reliability of the research variables, the Cronbach's alpha and composite reliability are used. Variables are deemed reliable if the Cronbach's alpha is greater than 0.6 and the composite reliability is more significant than 0.7 (Malhotra, 1996). According to Table 1, it could be concluded that the Cronbach's alpha for Value Creation is 0,869 and for Brand Trust is 0,837 are reliable.

#### **Exploratory Factor Analysis**

This analysis was used to assess whether the items in the five functional areas identified earlier are grouped into logically consistent factors. This was done using Principal Component Analysis with Varimax rotation and Kaiser Normalizations on the seventeen (17) four scale items (10 items in Value Creation and 7 items in Brand Trust) used in the instrument assessing Value Creation on Brand Trust used in the study.

	Dimension	Anti -image	Communalitie
		Matrices	s Extraction
Value	Is it useful?	0,795 <sup>a</sup>	0,646
Creation	Is it profitable?	0,730 <sup>a</sup>	0,698
	Is it decent?	0,784ª	0,515
	Is it politically acceptable?	0,734ª	0,720
	Is it a positive experience?	0,787ª	0,657
Brand Trust	The brand keeps its promises	0,742ª	0,804
	The brand can be trusted	0,815ª	0,769
	The brand is trustworthy	0,943ª	0,663
	KMO and Bar	tlett's Test	
Kaiser-Mey	er-Olkin Measure of Samplin	ng Adequacy.	,774
•	Approx. C	hi-Square	373,244
Bartlett's Te	est of Sphericity df	•	28
	Sig.		,000
	Source: Result of Prin	nary Data, (2021	)

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

Table 3, shows that the KMO sampling adequancy index is 0.774 is greater than 0.50. KMO values that are between 0.5 and 1.0 can be categorized as high KMO values (Hair et al.,2006). Hence, the factor analysis is considered approriate for the given data set. Also, Bartlett's test shows an approximate chi-square of 373.244, with an observed significance of 0.000 (Bartlett's sign<0.005) and thus indicating that

the overall intercorrelations assumptions are met and have a strong relationship among the variables. As a result, the data set was considered appropriate for conducting EFA.

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

	<b>R</b> <sup>2</sup>	T Statistics	β	P Values
Value Creation -> Brand Trust	0.533	10.514	0.730	0,000
Sources Desult of Drimony Data (2021)				

Source: Result of Primary Data, (2021)

The finding reported in Table 4, revealed that the travel motivation recorded a value of  $\beta$ =0.730, p<.000 with R<sup>2</sup>= .533. From the T-Statistics data, it shows that the T-Statistics value is 10.514, which is higher than 1.96. The result revealed that value creation explains 53.3% of the variance in brand trust. Thus, the result does support hypothesis whereby value creation is positively significant with brand trust.

#### DISCUSSION

This study aims to investigates the effect between value creation and brand trust in 3, 4, and 5-star hotels in Indonesia during the Covid-19 pandemic. The results showed that the guests of domestic hotels perceived higher levels of value creation and brand trust during hotel operations in pandemic. The result revealed that value creation has a significant positive impact on brand trust, and the finding is consistent with (Carnevale et al., 2018; Laroche et al., 2012; Mosavi & Kenarehfard, 2013; Rahmani et al., 2017). This study showed that the hotels create new ideas in their promotion, the guests still believe and trust with the existing service provider

#### CONCLUSION

The results contribute to the service marketing theory by providing an empirically based insight into the dimensional structure of value creation and brand trust in the hotel industry in Indonesia during COVID-19. Since the profit dimension of value creation received the lowest mean value, the researchers suggested for hotel brands to internally switch cost in order to create a more beneficial promotion for the guests. Switching cost could be done by allocating the budget from one department to another department. For example, during the pandemic, guests don't come to the hotel restaurants as often. One solution that could be made is cutting the food cost for the restaurant and allocate it to another department in need, for example the housekeeping department where it needs more hand sanitizer that is not cheap. The researchers also suggested that hotel brands maintain their ability to do service branding, which is a campaign to the market that they provide and assure the health and safety of the guests as well as the employees during the pandemic. This campaign is done with the minimum cost, if satisfied guests promote the hotel brands by praising the hotel competence through social media or word of mouth.

For future research, since value creation only affects brand trust for 65.7%, it is suggested to do a research with other variables in the future to reach a much better coefficient determinant. Health and safety and organisational creativity could be added as another independent variable in future research. Adding more respondents, as well as respondents that do not domiciled in only one city, for a more valid research is also suggested. In this challenging time, finding out how hotel brands could improve the society's trust towards hotels in Indonesia is important. Finding out different means to build that trust is suggested to boost hotel brand performance in Indonesia.

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