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EFFECTS OF BRAND INNOVATION AND MARKETING DYNAMIC CAPABILITY ON THE PERFORMANCE OF INTERNATIONAL HOTELS

Abstract

The Covid-19 epidemic has resulted in a dramatic decline in hotel public consumption. Hotel performance must be enhanced through the use of a hotel marketing strategy to compete with others. The aim of this paper is to examine the relationship between the innovation of the brand, dynamic capability of marketing, brand communication, brand experience, and brand performance in Indonesian 3-5 star international hotels. The data for this study were acquired using an electronic questionnaire on Google Forms from 530 customers who stayed in hotels throughout Indonesia prior to and during the Covid-19 pandemic. Smart-PLS 3.2.9 was used to analyze the data using the outer model and the inner model. The findings indicated as follows: brand innovation has a positive effect on brand communication; dynamic marketing capability has a positive influence on brand communication; brand communication directly has a positive effect on brand experience; brand experience significantly has a positive effect on brand performance; brand communication directly has a positive effect on brand performance; brand innovation has a positive influence on brand performance, and dynamic marketing capability has a positive effect on brand performance. This study contributes to the worldwide hotel strategy's global marketing efforts in order to compete and improve performance in an increasingly competitive hotel business.

Keywords brand, innovation, performance, dynamic capability, hotel, Indonesia

JEL Classification M31, Z32

INTRODUCTION

Following the emergence of Covid-19, some countries enacted restrictions such as locks, border closures, and guarding distance legislation, all of which damaged the world economy, particularly the tourism industry, which includes the hotel industry (Japutra & Situmorang, 2021). Furthermore, locking down a country affects people's income, which reduces public consumption of tourism, notably hotel spending (Anguera-Torrell et al., 2021).

Indonesia has 72 international hotel chains and five local hotel chains, indicating that Indonesian and foreign guests choose international star hotels over domestic star hotels, owing to the country's greater quantity of international star hotels (BPS, 2020). However, according to Maulana Yusran, Secretary-General of Persatuan Hotel dan Restoran Indonesia (PHRI), the Covid-19 pandemic has wreaked havoc on Indonesia's hotel and restaurant business with around 1,600 establishments ceasing operations since March 2019 (Idris, 2020).



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To remain competitive in today's dynamic worldwide hotel industry, which is intrinsically linked to tourism, hotels must first acquire clients (Wiastuti et al., 2020). The hotel sector must include innovative approaches for providing better service that visitors from all over the world highly value. This concept should be implemented in the hotel and tourism industries (Roespinoedji et al., 2019). Hotels should offer novel services to their clients by leveraging their service innovation skills and using dynamic marketing capability (DMC) to conduct successful marketing campaigns for their consumer segments in dynamic marketplaces (Hariandja, 2016b). International hotels should be able to expand their DMCs in order to maintain a competitive edge (Elsharnouby & Elbanna, 2021). A business that aspires to thrive in this increasingly challenging climate must constantly strengthen its capacity for innovation. When new ideas are developed and applied, innovation occurs (Jiménez-Jiménez & Sanz-Valle, 2011).

With the global Covid-19 pandemic in full swing and multiple multinational hotel chains in Indonesia, hotels must utilize intelligent marketing tactics to stay afloat. This study assembles empirical facts to determine the critical assessment of brand innovation, brand communication, brand experience, and dynamic marketing competency to enhance the brand performance of 3-5 star international hotels in Indonesia.

1. LITERATURE REVIEW, AIMS AND HYPOTHESES

1.1. Brand innovation

Through every interaction of innovative concepts, brand innovation aims to convey both direct and indirect experiences to consumers. When doing brand innovation, the vital thing to do in the beginning is to win consumer trust and value to build the brand (Chien, 2013). In addition, brand innovation is to increase brand value, service products, and experience by integrating the company's competence with the participation of its consumers, which is currently snowballing in the market and becoming an attractive trend (Hsieh & Chang, 2016).

Hotels are compelled to innovate somehow because of the intense competition in the hotel industry. The ability to build brand innovation expectations is dependent on the company's ability to effectively and persuasively convey this knowledge about its brand to target consumers. Branding can promote creativity over time, offer an innovation more credibility and legitimacy, boost its profile, and make communication more feasible and efficient (Aaker, 2007). If a company can communicate this about its brand to target audiences efficiently and persuasively, it will be able to create brand innovation expectations (Pappu & Quester, 2016).

Being creative and adaptable is needed in the hospitality market climate that has changed due to the Covid-19 pandemic to develop and maintain a company's success. Brand innovation is a brand strategy that can improve brand performance (Grant, 2006). Customers' awareness of brand innovation has been shown to improve brand performance, reinforce a brand, and provide it with a competitive advantage (Fazal-e-Hasan et al., 2019). To improve brand performance, each company employs a different strategy, such as brand extension, the launch of new products, continuous technological growth, and logotype change (Weerawardena et al., 2006).

1.2. Dynamic Marketing Capability (DMC)

Marketing capabilities are described as a method of coordinating organizations using the organizational assets and capabilities to understand the clients' need to create a variety of products that are separated from rivals and achieve brand prominence (Hariandja, 2016b). On the other hand, dynamic marketing capabilities allow businesses to liberate themselves from their rigid structures. DMC is composed of three elements. First, market sensing is the ability of a business to accept the ability of its clients, partners, and competitors to interpret, store, and use data, as well as react to advancements and activities in present and futures markets. Following that, market learning, or the capacity to learn, enables an organization

to maintain a long-term competitive edge over competitors, adjust to a complex and competitive environment, and be receptive to acquiring and combining external information. Learning enables us to identify new opportunities, accounts for redundancy, and incorporates information from the external environment to maximize effectiveness. Finally, consumer targeting and positioning are major considerations. This component integrates its capacity to recognize additional opportunities and then choose the best target market with the resources and strengths of the company (Hariandja, 2016a).

In the marketing industry, dynamic marketing capabilities include new product invention, pricing, advertising, delivery, sales, and relationship marketing (Walugembe et al., 2017). Companies with dynamic marketing capabilities can react rapidly in different markets by improving consumer communication patterns (Hoque et al., 2021). Dynamic marketing capabilities and service innovation capabilities should be combined through marketing communications to communicate with consumers effectively (Hariandja et al., 2014). To maximize efficiency, a firm's more outstanding marketing capabilities should complement one another because then that one capability may reinforce the impact of another in a cross-functional unit (Hoque et al., 2021). Understanding customer and competitor needs, as well as raising industry awareness, marketing skills, and capital, has the potential to increase company performance (Elsharnouby & Elbanna, 2021). Strong customer relationships are established due to marketing capabilities, which positively affect customer satisfaction and loyalty (Konwar et al., 2017). Therefore, it is possible to create strong positioning and value to preserve their loyalty by developing marketing capabilities, which are essential in organizational performance (Reimann et al., 2021). These skills assist companies in developing effective customer relationships and retaining current customer bases, thus impacting organizational performance (Takahashi et al., 2017).

1.3. Brand communication

Brand communication is an integral part of public relations, being a form of marketing. PR must ensure that a brand communication strategy provides a clear message that consumers can easily accept

as authentic and relevant (Bhasin, 2021). Brand communication is the process of reducing the gap between consumers and their perceptions of products and services. Brand communication aims to introduce a service or product to an audience so that customers are fully aware of what is available on the market (Asy'ari & Jayen, 2020). According to Sahin et al. (2011), brand communication is done by businesses with the aim not only to create brand awareness but also to build a respectable image and standardization that the organization must aim for or exceed (Chinomona, 2016).

Companies must communicate the brand to potential customers before consumers remember and experience it. Because of the communicative nature of products, it is essential to recognize this to convey the brand promise and experience accurately (Ngatno, 2017). Brand managers must communicate efficiently and engage with their consumers during the entire buying process and after the consumption experience (Kang et al., 2017). Brand communication is not only based on promotional messages sent through the elements of integrated marketing communication but also involves the experience that a brand provides to its users so that a close relationship is established between the brand and its users (Suharyanti et al., 2019). Communicating with customers will help hotels understand what needs to be changed. Individual customers are influenced by the information given by an organization or company to take action (buy a product), and then tell others based on their experience with the product (Xie et al., 2016). If they have a positive experience when they connect with a brand, they are more likely to be satisfied. Since correlation is found between brand experience and brand loyalty, the more satisfied clients there are, the more faithful customers there would be, and the greater their loyalty, which can influence brand performance (Hussein, 2018).

1.4. Brand experience

According to Brakus et al. (2009), brand experiences are described as customers' responses (such as emotions, feelings, awareness) and behavioral tendencies stimulated by brand-related factors found in branding, packaging, communication, and the environment (Coelho et al., 2020). According to

Wibowo (2011), brand experience is integral to experiential marketing. Consumers create experiences with brands ranging from product search, selecting and buying products in stores, interacting with customer service to using products so that the experience can provide value to the brand (Hanifah et al., 2018).

Providing a unique and memorable brand experience is essential to increasing the success of the performance results (Khan & Fatma, 2017). Emotions derived from interactions with a specific brand may impact the brand performance outcomes. If consumers remember its brand experience, they will remember the positive feelings associated with that brand, which will affect their intention to return and will minimize the size set by their decision when making potential accommodation choices (Casidy et al., 2018).

1.5. Brand performance

Brand performance is often a primary outcome of company operations and overall business strategy. The definition of brand performance shows the consumer strength of a company's brand. In the tourism industry, field research on brand performance mainly assesses and analyzes brand marketing performance and brand performance from visitors' perspectives. Additionally, field research on tourism brand performance commonly focuses on hotel companies and aims to shed light on the connection among other variables affecting hotel brand performance in visitors' eyes (Unurlu & Uca, 2017).

Financial and non-financial performance are combined to create a brand performance. Market share and profitability are used to evaluate financial brand performance, whereas non-financial brand performance is measured by brand maintenance (Iyer et al., 2018). Customer satisfaction, as well as brand loyalty, have been used to assess the success of non-financial brands. According to Mason et al. (2006), several additional variables that quantify customer satisfaction, the causes of its loyalty, and even the relationship among consumer devotion and performance throughout the hotels and tourism sectors are of significant interest. Based on O'Neill and Xiao (2006), hotel branding would aim to increase brand loyalty among customers and hotel businesses. Furthermore, O'Neill and Mattila (2004) affirmed that consumer loyalty is the most crucial factor to consider when evaluating hotel branding strategies (Liu et al., 2020).

1.6. Hypotheses

This study aims to determine the consumer impact of brand innovation, DMC, brand communication, and brand experience on brand performance in 3-5 star international hotels in Indonesia. Based on the available literature, the following hypotheses were developed:

- H1: *Brand innovation has a favorable effect on brand communication.*
- H2: *Dynamic marketing capability has a beneficial effect on brand communication.*
- H3: *Brand communication has a beneficial effect on brand experience.*
- H4: *Brand innovation has a beneficial effect on brand performance.*
- H5: *Brand experience has a beneficial effect on brand performance.*
- H6: *Brand communication has a beneficial effect on brand performance.*
- H7: *Dynamic marketing capability has a beneficial effect on brand performance.*

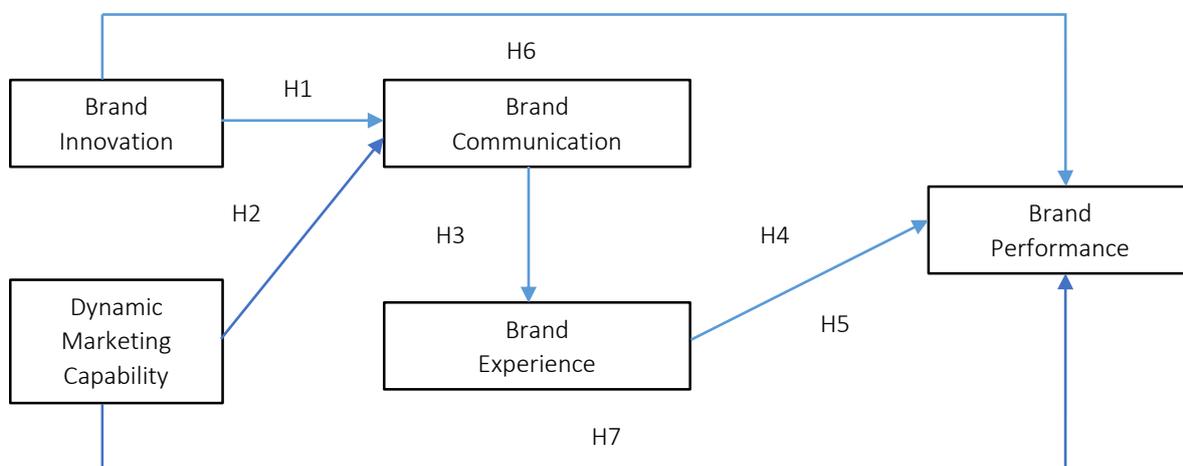


Figure 1. Research framework

- H3: *Brand communication has a favorable effect on the brand experience.*
- H4: *Brand experience has a beneficial effect on brand performance.*
- H5: *Brand communication has a favorable effect on brand performance, mediated by brand experience.*
- H6: *Brand innovation has a favorable effect on brand performance.*
- H7: *Dynamic marketing capability and brand performance have a beneficial effect.*

The research framework is depicted in Figure 1.

2. METHODS

A quantitative research method was used in this study. Since this study aims to figure out how variables are related, descriptive research is used. Brand innovation, brand communication, and DMC are investigated as independent variables that affect brand performance as the dependent variable. Brand experience serves as a mediating variable between brand communication and brand performance. This study examines brand innovation using five scales adapted from Fazal-e-Hasan et al. (2019) and Shams et al. (2015). DMC variables with market sensing dimension use three scales, market learning dimension uses three scales, and market targeting and positioning dimension uses four scales adapted from Hariandja et al. (2014). Brand communication variables use five scales adapted from Chinomona (2016) and Ngatno (2017). Brand experience uses seven scales adapted from Gómez-Suárez and Veloso (2020). Brand performance variables with brand recommendation dimension use three scales, customer satisfaction dimension uses four scales, brand loyalty dimension uses eight scales, and repurchase dimension uses three scales adapted from Foroudi (2019) and Liu et al. (2020).

The Likert scale was used as the interval measurement scale in this study. The Likert scale is used to determine the extent to which respondents agree or disagree with a question or statement contained in

an electronic questionnaire distributed via G-Forms. This study employed judgmental sampling, a type of non-probability sampling. A sample size of 530 participants multiplied by the 53 indicators used was required to conduct the analysis. Individuals who stayed in 3-5 star international hotels in Indonesia before and after the Covid-19 pandemic were surveyed. The questionnaire was completed by most female respondents in the gender group, with a sample size of 62.6 percent from Tangerang, Jakarta, and Bandung. It is essential to emphasize that most of the 272 respondents were 20-24 years old. These Gen Z travelers dubbed the next generation, wield surprising influence over family travel decisions (Wiastuti et al., 2020). This is demonstrated by the fact that 80.9 percent of respondents work as college students, 80.6 percent earn less than Rp100.000 per month, and 76.2 percent travel with family as shown in Table A1, Appendix A.

The data were analyzed using the outer and inner models in Smart-PLS 3.2.9. To begin, the outer model's convergent validity, discriminant validity, and reliability were evaluated as shown in Table A3, Appendix A. The inner model is tested for goodness of fit as depicted in Table A4, Appendix A, common method bias, common method variation, VIF, R^2 , predictive relevance as shown in Table A5, Appendix A, and hypothesis testing.

3. RESULTS

3.1. Measurement model

Following the actual convergent validity test via the loading factor value, 45 indicators are valid with a loading factor value greater than 0.7 as depicted in Table A2, Appendix A. The results of the convergent validity test using Average Variance Extracted (AVE) indicated that ten variables in this study had a value greater than 0.5 and were thus considered valid. Thus, eleven variables (brand innovation, market sensing, learning, targeting and positioning, brand communication, brand experience, brand recommendation, customer satisfaction, brand loyalty, dynamic marketing capability, brand repurchase, and performance) are declared valid by the convergent validity test conducted using AVE. The AVE value for the dynamic marketing capability variable is

Table 1. Measurement model

Variable	Cronbach's α	Composite Reliability	Average Variance Extracted (AVE)
Brand Communication	0.883	0.914	0.681
Brand Experience	0.870	0.900	0.562
Brand Innovation	0.802	0.863	0.557
Brand Loyalty	0.913	0.930	0.624
Brand Performance	0.945	0.951	0.519
Brand Recommendation	0.838	0.903	0.756
Brand Repurchase	0.871	0.921	0.795
Customer Satisfaction	0.863	0.907	0.708
Dynamic Capability of Marketing	0.880	0.903	0.482
Learning of The Market	0.696	0.831	0.622
Sensing of The Market	0.716	0.841	0.638
Positioning and Targeting	0.764	0.850	0.856

Table 2. HTMT ratio

Variable	Brand Communication	Brand Experience	Brand Innovation	Brand Performance	DMC
Brand Communication					
Brand Experience	0.815				
Brand Innovation	0.669	0.817			
Brand Performance	0.851	0.852	0.669		
DMC	0.808	0.843	0.871	0.764	

0.482, which is close to 0.5. While the AVE should be greater than 0.5, Fornell and Larcker (1981) observe that even when the value is less than 0.5, and the composite reliability exceeds 0.6, the construct retains sufficient convergent validity (Huang et al., 2013). Additionally, the dynamic marketing capability variable in composite reliability has a value

of 0.903, indicating that dynamic marketing capability is deemed valid.

Following the data in Table 1, all 12 variables are considered reliable because their values are greater than the 0.7 composite reliability rule of thumb. Additionally, the Learning variable's Cronbach's

Table 3. VIF statistics

Brand Innovation		DMC						Brand Communication	
		Market Sensing		Market Learning		Market Targeting and Positioning			
Item	VIF	Item	VIF	Item	VIF	Item	VIF	Item	VIF
INNO1	1.478	SENS2	1.364	LEARN1	1.292	TAPO1	1.448	COMM1	2.005
INNO2	1.666	SENS3	1.382	LEARN3	1.392	TAPO2	1.468	COMM2	2.085
INNO3	1.576	SENS4	1.486	LEARN4	1.406	TAPO3	1.479	COMM3	2.060
INNO5	1.618					TAPO4	1.577	COMM4	2.121
INNO6	1.591							COMM5	2.269
Brand Experience		Brand Performance						Brand Repurchase	
		Brand Recommendation		Customer Satisfaction		Brand Loyalty			
Item	VIF	Item	VIF	Item	VIF	Item	VIF	Item	VIF
EXP1	1.748	RECOM1	1.873	SATIS1	2.181	LOYAL1	1.874	REPUR1	2.276
EXP2	1.909	RECOM2	1.980	SATIS2	1.864	LOYAL2	2.592	REPUR2	2.215
EXP3	1.717	RECOM3	2.084	SATIS3	2.095	LOYAL3	2.869	REPUR3	2.476
EXP6	1.797			SATIS4	2.052	LOYAL4	2.951		
EXP8	1.636					LOYAL5	2.337		
EXP9	1.732					LOYAL6	2.404		
EXP10	1.993					LOYAL8	1.725		
						LOYAL9	1.754		

alpha value of 0.696 is close to acceptable. Cronbach’s coefficients greater than 0.90 indicate exceptional internal consistency, greater than 0.80 indicates strong internal consistency, greater than 0.70 indicates acceptable internal consistency, greater than 0.60 indicates doubtful internal consistency, greater than 0.50 indicates poor internal consistency, and less than 0.50 indicates unacceptable internal consistency, according to George and Mallery 2003 cited in Saidi & Siew, 2019).

HTMT was more successful at detecting discriminant validity. The accepted correlation value for HTMT is below 0.9. As a result, Table 2 below shows the suitable value of HTMT since the value obtained is below 0.9. As a result, the discriminant validity test is deemed valid.

PLS-SEM calculates the Variance Inflation Factor (VIF) in Common Method Bias testing. The VIF statistic indicates the effect of additional independent variables on the standard error of the regression coefficient. The outer VIF value, as shown in Table 3, identifies the indicator variables that can be evaluated regardless of bias or multicollinearity.

Additionally, Podsakoff et al. (2012) argue that Harman’s single-factor test is the technique most frequently used to determine CMV infection in a single-method study design. When the variance exceeds 50%, bias exists. Table 4 illustrates the results of the Common Method Variance measurement in the SPSS application using factor analysis, indicating that the variable is appropriate because the percent variance is less than 50%.

Table 4. CMV

Total Variance Explained		
Total	% Variance	% Cumulative
21.106	39.82	39.82

3.2. Structural model

According to Hair et al. (2019), an R² value of 0.75 indicates that the product is substantial in a marketing study. If the R² value is 0.50, it falls into the medium category; if it is 0.25, it falls into the weak category. Table 5 will include the R² value for each variable.

Table 5. R² and Q²

Variable	R ²	R ² Adjusted	Q ²
Brand Communication	0.527	0.525	0.356
Brand Experience	0.562	0.561	0.313
Brand Performance	0.668	0.666	0.339

The R² adjusted value of 0.525 in Table 5 indicates that brand innovation can explain brand communication by 52.5 percent. Thus, the R² adjusted value of 0.561 for the brand experience variables indicates that the brand communication variable can clarify the brand experience variable by 56.1 percent. The adjusted R² value of 0.666 for brand performance shows that 66.6 percent of the variance in brand innovation, dynamic marketing capability, brand communication, and brand experience can be explained by the brand performance variable. In this analysis, predictive relevance is evaluated by blindfolding the dependent variable until it produces a value greater than the rule of thumb Q² > 0, demonstrating predictive relevance. The effects of the data processing are shown in Table 5. The value of Q² indicates that the endogenous constructs, brand communication is 0.356, brand experience is 0.313, and brand performance is 0.339, all of which are greater than 0, indicating that the route model prediction is valid. Additionally, the predictive significance of the structural model is 0.02, 0.15, and 0.35, indicating that the model is weak, moderate, or strong. The predictive relevance value achieved indicates that the model is of moderate quality.

The goodness of fit metric places a premium on the comparison of the anticipated value to the variable’s observed value. Additionally, when a model is validated to reflect empirical evidence adequately, the goodness of fit (GOF) statistic can be used to determine its applicability. The GOF value is computed as follows (Ghozali & Latan, 2015):

$$GOF = \sqrt{\text{Communality} \cdot R^2}, \tag{1}$$

$$GOF = \sqrt{0.627 \cdot 0.586} = 0.606.$$

The GOF value of 0.606 indicates that the empirical data is appropriate and matches the model. The SRMR is a suitable model component that estimates the applicability of the measured model (good fit). It estimates the observed difference between the correlation matrix and the

Table 6. Hypothesis testing

Hypotheses	Original Sample	T-statistics	Sig P-Value	Result
Brand Innovation → Brand Communication	0.282	5.161	0.000	Supported
DMC → Brand Communication	0.493	9.221	0.000	Supported
Brand Communication → Brand Experience	0.750	31.800	0.000	Supported
Brand Experience → Brand Performance	0.552	12.932	0.000	Supported
Brand Communication → Brand Experience → Brand Performance	0.414	11.766	0.000	Supported
Brand Innovation → Brand Performance	0.206	4.994	0.000	Supported
DMC → Brand Performance	0.151	2.931	0.002	Supported

correlation matrix implied by the model. As a result, SRMR is frequently referred to as the average magnitude of reflected fluctuations. If the SRMR value is less than 0.08 (Hair Jr. et al., 2019) or less than 0.1 (Garson, 2016), the model is more appropriate or a good fit. The fit model results in this study indicate that the SRMR value of 0.096 is less than 0.1, indicating that the data fit the model rather well.

The result of the hypothesis testing is shown in Table 6. Hypotheses 1, 2, 3, 4, 5, 6, and 7 are acceptable as long as the T-statistic is greater than 1.96 and the p-value is less than 0.05.

4. DISCUSSION

The first hypothesis asserts that brand innovation improves brand communication. As shown in Table 6, this hypothesis is accepted because the T-statistic exceeds 1.96, equaling 5.161, and the p-value is less than 0.05, equaling zero. According to the path coefficient data from the original study, brand innovation has a 0.282 direct effect on brand communication.

The second hypothesis states that dynamic marketing capability benefits brand communication. As shown in Table 6, this hypothesis is accepted since the T-statistic value is more than 1.96, equals 9.221, and the p-value is less than 0.05, which is .000. Therefore, the direct influence of dynamic marketing capability on brand communication is 0.493, based on the original sample data from the route coefficient.

According to the third hypothesis in this study, brand communication has a favorable effect on brand experience. This hypothesis is supported

by the fact that the T-statistic is greater than 1.96, which equals 31.800, and the p-value is less than 0.05, which equals 0.000. Therefore, according to the route coefficient's original sample data, brand communication directly affects brand experience of 0.750.

The fourth hypothesis is that brand experience improves brand performance. As shown in Table 6, this hypothesis is supported since the T-statistic value is more than 1.96, which = 12.932, and the p-value is less than 0.05, which equals 0.000. According to the path coefficient's first sample data, brand experience significantly affects brand performance of 0.552.

The fifth hypothesis in this study claims that through brand experience, brand communication has a beneficial effect on brand performance. As shown in Table 6, this hypothesis is accepted because the T-statistic exceeds 1.96, which equals 11.766, and the p-value is less than 0.05, which is .000. As established by the original sample data from the route coefficient, brand communication directly affects brand performance of 0.414.

The sixth hypothesis asserts that brand innovation improves brand performance. As shown in Table 6, this hypothesis is accepted because the T-statistic exceeds 1.96, which equals 4.994, and the p-value is less than 0.05, which equals .000. As established by the original sample data from the path coefficient, the direct influence of brand innovation on brand performance is 0.206.

The seventh hypothesis is that dynamic marketing capability improves brand performance. This theory is confirmed by the T-statistic value above 1.96, which equals 2.931, and the p-value being less than 0.05, which equals 0.002. Therefore, accord-

ing to the path coefficient's original sample results, dynamic marketing capability has a 0.151 direct effect on brand performance.

According to the brand innovation variable analysis, if a hotel wishes to capture market share from millennials and generation Z, it must innovate by offering new amenities and services. DMC requires hotels to provide accurate and consistent information about their properties in order for guests to make an informed selection. Additionally, hotels must collect feedback from guests to help them improve their marketing strategy. Following that, hotels are advised to adapt culturally to their surroundings to attract the appropriate market. Finally, hoteliers should use tempting advertising and incentives to entice guests to stay at their

property. According to brand experience analysis, consumers can have a more pleasant experience at a hotel by giving the best service available, such as more courteous and concerned hotel staff.

Additionally, hotels must optimize their operations, innovation, and marketing efforts to entice guests to recommend the hotel to others eventually. Hotels should maintain their performance and ensure that their guests have a positive hotel experience. Additionally, hotels must supply services commensurate with the marketed and promoted features to entice repeat customers. Finally, hotels are advised to ensure that their services comply with the standards established and presented, instilling a strong desire in prospective customers to remain at the hotel.

CONCLUSION

This study aimed to develop a model of brand innovation, dynamic marketing skills, brand communication, and brand experience in 3-5 star international hotels and correlate these factors with brand performance. Brand experience will be a moderator in the relationship between brand communication and brand performance. The model's conclusions are crucial for the study as well as the performance and development of global hotel industry brands, particularly in terms of consumer responsiveness. This discovery is likely to contribute to creating a conceptual model combining brand innovation, dynamic marketing capability, brand communication, brand experience, and brand performance in the global hotel industry. This study lays the theoretical groundwork for dynamic marketing capabilities and brand performance. The purpose of this study is to analyze the relationship between brand innovation, dynamic marketing capabilities, brand communication, brand experience, and brand performance, with a focus on the hospitality industry's brand management in the context of global branding and marketing.

This study was not without limitations. The research object was respondents who have stayed at one of the 3-5 star international hotels. Obtaining respondents who fit the necessary criteria, on the other hand, is not easy. It could be due to potential differences in the positioning and segmentation of foreign three-to five-star hotels. Additionally, because this research paradigm has not been extensively explored, the available sources and hypotheses are relatively limited. Following that, the study object must be adjusted to represent the perceptions of the local audience regarding 3-5 star foreign hotels. To effect these improvements, future studies must ascertain the level of knowledge among the local community with the hotel's reputation (stars) or origin (domestic or international). By boosting the number of respondents and the generalizability of the findings, familiar research objects may help the continuation of the study. Additionally, future research is planned to examine extending the duration of the study in order to acquire the best findings and to identify other ideas that support the research model's hypothesis.

AUTHOR CONTRIBUTIONS

Conceptualization: Evo Sampetua Hariandja.

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Validation: Evo Sampetua Hariandja.

Visualization: Lusiana Sartika.

Writing – original draft: Evo Sampetua Hariandja.

Writing – review & editing: Evo Sampetua Hariandja, Lusiana Sartika.

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APPENDIX A

Table A1. Respondent profile

Description	Frequency	%
Gender		
Male	198	37.4%
Female	332	62.6%
Age		
15-19	206	38.9%
20-24	272	51.3%
25-29	36	6.8%
30-34	7	1.3%
35-39	3	0.6%
> 40	6	1.1%
Domicile		
Jakarta	174	32.8%
Bandung	20	3.8%
Tangerang	187	35.3%
Surabaya	31	5.8%
Others	118	22.3%
Profession		
College student	429	80.9%
Entrepreneur	32	6%
Student	39	7.4%
Employee	28	5.3%
Others	2	0.4%
Marital Status		
Single	502	94.7%
Married	27	5.1%
Widower/Widowed	1	0.2%
Education		
Bachelor	365	68.9%
High School	133	25.1%
Diploma	19	3.6%
No school education	1	0.2%
Junior high school	4	0.7%
Doctorate	1	0.2%
Master	7	1.3%
Monthly Income (in thousands Rp)		
< 10.000	427	80.6%
10.000 – 15.000	44	8.3%
15.000 – 20.000	28	5.2%
20.000 – 25.000	12	2.3%
> 25.000	19	3.6%
Frequency of Stay/year (in times)		
1-2	354	66.8%
3-4	128	24.2%
5-6	24	4.5%
> 6	24	4.5%
Hotel Type		
3 star	65	12.3%
4 star	176	33.2%
5 star	289	54.5%
Travel Companion		
With family	404	76.2%
With friends	69	13%
With partner	19	3.6%
For business	24	4.5%
Solo travel	14	2.7%

Table A2. Outer loadings

Item	Brand Communication	Brand Experience	Brand Innovation	Learning	Brand Loyalty	Brand Recommendation	Brand Repurchase	Customer Satisfaction	Market Sensing	Targeting & Positioning
COMM1	0.808									
COMM2	0.824									
COMM3	0.826									
COMM4	0.826									
COMM5	0.841									
EXP1		0.737								
EXP10		0.791								
EXP2		0.768								
EXP3		0.738								
EXP6		0.747								
EXP8		0.724								
EXP9		0.743								
INNO1			0.738							
INNO2			0.756							
INNO3			0.728							
INNO5			0.747							
INNO6			0.761							
LEARN1				0.772						
LEARN3				0.790						
LEARN4				0.803						
LOYAL1					0.740					
LOYAL2					0.821					
LOYAL3					0.857					
LOYAL4					0.853					
LOYAL5					0.790					
LOYAL6					0.814					
LOYAL8					0.706					
LOYAL9					0.720					
RECOM1						0.861				
RECOM2						0.870				
RECOM3						0.877				
REPUR1							0.888			
REPUR2							0.884			
REPUR3							0.903			
SATIS1								0.854		
SATIS2								0.818		
SATIS3								0.848		
SATIS4								0.846		
SENS2									0.789	
SENS3									0.783	
SENS4									0.824	
TAPO1										0.764
TAPO2										0.756
TAPO3										0.756
TAPO4										0.785

Table A3. Common method variance

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	21.106	39.824	39.824	21.106	39.824	39.824
2	3.341	6.305	46.128			
3	2.589	4.885	51.013			
4	1.311	2.474	53.487			
5	1.202	2.267	55.754			
6	1.098	2.071	57.825			
7	1.008	1.902	59.727			
8	0.984	1.857	61.584			
9	0.92	1.736	63.319			
10	0.87	1.641	64.96			
11	0.823	1.553	66.513			
12	0.776	1.464	67.977			
13	0.756	1.427	69.404			
14	0.711	1.342	70.746			
15	0.685	1.293	72.039			
16	0.656	1.237	73.276			
17	0.648	1.222	74.498			
18	0.634	1.196	75.694			
19	0.615	1.161	76.856			
20	0.59	1.112	77.968			
21	0.571	1.077	79.045			
22	0.562	1.06	80.106			
23	0.529	0.999	81.104			
24	0.505	0.953	82.058			
25	0.487	0.919	82.977			
26	0.472	0.891	83.868			
27	0.469	0.885	84.753			
28	0.458	0.864	85.618			
29	0.44	0.83	86.448			
30	0.427	0.806	87.253			
31	0.413	0.779	88.033			
32	0.39	0.737	88.769			
33	0.387	0.73	89.5			
34	0.375	0.708	90.208			
35	0.367	0.692	90.9			
36	0.357	0.673	91.573			
37	0.353	0.667	92.24			
38	0.346	0.652	92.892			
39	0.328	0.619	93.511			
40	0.322	0.608	94.12			
41	0.299	0.564	94.684			
42	0.293	0.552	95.236			
43	0.283	0.533	95.769			
44	0.268	0.506	96.275			
45	0.26	0.49	96.765			
46	0.25	0.471	97.236			
47	0.24	0.453	97.69			
48	0.237	0.447	98.137			
49	0.223	0.421	98.557			
50	0.214	0.405	98.962			
51	0.196	0.37	99.332			
52	0.191	0.361	99.692			
53	0.163	0.308	100			

Table A4. Model fit

Description	Saturated	Estimated
SRMR	0.086	0.096
d_ ULS	20.081	25.111
rms Theta	0.142	

Table A5. Predictive relevance

Variable	SSO	SSE	Q ²
Brand Communication	2650,000	1707,608	0.356
Brand Experience	3710,000	2547,659	0.313
Brand Performance	9540,000	6302,995	0.339