How do Brand Image and Service Quality Influence Tourist Buying Decisions and Satisfaction at Puri Saron Madangan Hotel, Bali, Indonesia

Ni Luh Putu Agustini Karta1,*, Ni Kadek Ayu Saptawati2, I. Ketut Putra Suarthana1, and Raden Ayu Rani Kusumo Wardani3

ABSTRACT

The purpose of this paper is to analyze how the brand image and service quality impact buying decisions and guest satisfaction at Puri Saron Madangan Hotel Gianyar Bali. The sample used was 98 respondents, using the accidental sampling technique. The primary data collection method is distributing questionnaires and conducting in-depth interviews with the stakeholders. Path analysis was the analysis method used. The results of the investigation show that brand image, customer satisfaction, and service quality all have a significant and direct impact on consumer decisions. The choice to buy also directly and significantly affects satisfaction. The findings of this study offer direction for the Puri Saron Hotel to concentrate more on enhancing its brand image and service quality to increase the number of visitors who choose to come and stay at the hotel because they are happy with the service.

Keywords: Brand image, decision, satisfaction, service quality.

1. Introduction

The main driving force in world economic development in recent years has been the service industry. In world business competition, entrepreneurs compete to provide quality service and brand image while offering customer satisfaction and loyalty (Mai & Cuong, 2021). One of the businesses included in the service sector is the tourism industry. For decades, this business has experienced quite tight competition, especially in the hotel services business. Its current growth is very rapid and continues to grow, where the basic things are service quality and customer satisfaction (Ali et al., 2021). The tourism industry, especially the hospitality business, is considered crucial to its development, given that it is the main source of income for the country.

Customer satisfaction can realize customer retention, namely where customers persist in using the company’s products or services, which can benefit the company because getting new customers will require costs that are not cheap compared to efforts to maintain loyal customers (Barreto et al., 2022). According to Dewi et al. (2023), in their research, it states that if a company can provide quality products or services, fulfilling customer ambitions will strengthen the customer’s impression of a brand’s image so that customers, when using the product or service, will feel satisfied.

Service quality is an important element for companies to have a competitive and sustainable advantage in the international economic environment (Velazco Gonzales et al., 2021). According to Lupiyoadi (2013), there is a direct correlation between service quality and purchase choices, and it can act as a significant motivator or incentive. So, superior service quality can be a stimulus in accelerating decision-making. According to research by Hastoko and Stevany (2022), service quality has a significant influence on purchasing decisions; the stronger the quality of service provided, the more purchasing decisions can be made.

Building a positive brand image and being able to maintain the values of its brand image is believed to be one of the key factors for entrepreneurs in attracting consumers’ buying interest. Forming a positive brand image in consumers’ memories of a particular product opens up high opportunities for consumers to make purchasing decisions.
According to Dewi et al. (2022), the influence of a particular brand is very large in determining the level of customer trust because it is manifested in the reputation of the brand image itself. According to Rahmdhany's research (2022), brand image influences purchases in a positive and significant way.

2. Theoretical Studies

2.1. Brand Image

Kurniadi and Karta (2020) stated that strong consumer beliefs and impressions of a brand can have a strong impact on consumer beliefs and perceptions of a product or service, which can create an image. Kotler and Keller (2012) claim that a brand’s image is the consumer’s perception and as it manifests in an association or collection in their memory. Three factors have been identified by Pawitra (2001) as indicators of brand image: (1) Consumer views of businesses that generate goods or services make up corporate image. (2) User perceptions related to users who use products or services make up the user image. (3) A collection of links between consumer views of various products or services makes up a product image.

2.2. Service Quality

According to Lovelock et al. (2010), service quality is everything that is regularly and continuously carried out to fulfill or even exceed consumer desires. Service quality is said to be good if it follows consumer wishes and even exceeds expectations. If the wishes do not match expectations, it can influence consumers to look for services with quality according to their wishes from other competitors. There are five service quality indicators, according to Fahitra (2020), namely: Tangible (direct form), namely the ability in the form of the company’s physical facilities. Reliability, namely reliability in providing fast, precise services and providing clear information. Responsiveness, namely the ability to provide services according to promises and respond quickly to consumer desires. Assurance, namely knowledge, courtesy, skills, and reliable attitudes of employees. Empathy is a caring attitude that pays special attention to understanding consumer desires.

2.3. Purchase/Buying Decision

According to Tjiptono (2014), the purchasing decision is a stage where consumers find out about the problem, then look for information or input about a product or brand, which is analyzed from several types of options that can solve the problem, and finally move on to the purchasing decision stage. According to Kotler and Keller (2012), four factors can influence consumer purchasing decisions, including culture, which is influenced by cultural factors, subcultures, and social class. Social factors are influenced by family, reference groups, roles, and status. Motivational factors, perception, learning, beliefs, and attitudes influence psychology. Individuals are influenced by personal characteristics such as age, job, income, and different lifestyles.

2.4. Customer Satisfaction

According to Tjiptono (2012), satisfaction is a feeling that arises from consumers after comparing the impressions and capabilities of a product, accompanied by expectations. According to Rangkuti (2011), customer satisfaction is the response given by the customer to the differences that occur between previous needs and the real performance felt after using a product. The impact of customer satisfaction on companies, according to Tjiptono (2015), is as follows: the occurrence of good and aligned relationships with customers, encouraging repurchasing, creating customer loyalty, willingness to recommend from customers, creating a positive image for the company, and being able to increase company profits.

3. Methodology

This research is classified as quantitative descriptive with two dependent variables, namely brand image and service quality, and an independent variable, namely satisfaction with the mediating variable, namely purchasing decisions. Questionnaires were distributed to 98 respondents using an accidental sampling technique for tourists at the Puri Saron Madangan Kaja Hotel, Petak Village, Gianyar Bali. Data analysis techniques use path analysis (path analysis) with the following research hypotheses:

According to Peter & Olson (2009), brand image is a consumer’s impression and tendency towards a brand, which arises from various collections of brands in the consumer’s mind. If a company has attractiveness and a positive image, it can cause or trigger consumers to make purchases (Pawitra, 2001). Amron (2018), Anwar and Andrean (2021), and Pradita and Sitio (2020) state that brand image has a positive and significant effect on purchasing decisions, showing that the better the brand image, the more purchasing decisions will be made.

H1: Brand image has a positive and significant effect on purchase decisions.
TABLE I: Validity and Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Validity test</th>
<th>Reliability test</th>
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<tbody>
<tr>
<td></td>
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<td>Pearson correlations</td>
<td>Remark</td>
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<tr>
<td>Brand image (X₁)</td>
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<td>0.641</td>
<td>Valid</td>
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<td>X₁.4</td>
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<tr>
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<td>0.603</td>
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<td></td>
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<tr>
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</tbody>
</table>

According to Lupiyoadi (2013), there is a significant correlation between service quality and purchase choices, and that relationship might even act as a motivating factor. Superior service quality might, therefore, encourage decision-making to proceed more quickly. Research by Luthfianto and Suprihadi (2017) indicates that customer service levels have a significant impact on buying choices. The findings of studies by Sihombing et al. (2022), Vierdewiyan and Syafarudin (2020), and Zafira and Sugarti (2022) indicate that service quality has a considerable impact on purchase decisions and that good service quality can also enhance purchasing decisions support these findings.

\( H₂ : \text{Service quality has a positive and significant impact on decisions.} \)

A leading brand, accompanied by a good reputation, certainly makes customers remember the brand continuously, which is considered capable of adding customer satisfaction. According to the American Marketing Association (AMA), consumers tend to trust brands they remember and are unwilling to research further a brand that is not yet recognized. According to studies by Dewi et al. (2023), Kusmadeni (2021), Diputra and Yasa (2021), and Cuong and Long (2020), brand image significantly and favorably affects satisfaction. This shows that brand image can increase customer satisfaction. The higher the brand image value that the company builds, the higher the level of satisfaction felt by customers.

\( H₃ : \text{Brand image has a positive and significant effect on satisfaction.} \)

According to Kotler and Armstrong (2008), service quality is the overall uniqueness and nature of a product or service that is capable of satisfying the needs that consumers expect. Paying particular attention to company service performance standards is the best way to improve...
service quality (Vierdwiyani & Syafaruudin, 2020). The creation of customer satisfaction is to provide guarantees for improving good service quality standards for customers that are tailored to their wishes and expectations (Ali et al., 2018). According to studies by Rusmahafi and Wulandari (2020) and Fairliantina and Fachrurozi (2022), service quality significantly and favorably influences customer satisfaction.

H₄ : Service quality has a positive and significant effect on satisfaction.

According to Kotler and Armstrong (2012), consumer behavior is knowledge that examines a person or group in the process of selecting and purchasing goods or services that consumers expect in order to fulfill their wants and needs. Research conducted by Putra and Hartono (2020), Tjahjono et al. (2021), Rahmdhany (2022), and Pradita and Sito (2020) state that purchasing decisions have a significant effect on consumer satisfaction; the higher the decision level, the greater the satisfaction.

H₅ : Decisions have a positive and significant effect on satisfaction.

The concept of this research is described in Fig. 1.

4. Results

4.1. Validity and Reliability Test

Table I shows that the results of the validity and reliability tests of all statement items for the four variables are declared valid and show good data reliability, so they are suitable and can be used for research purposes.

4.2. Data Normality Test and Multicollinearity Test

The data normality test carried out using the Kolmogorov-Smirnov test shows that the sig value of the Kolmogorov-Smirnov test is 0.177 > 0.05, so it can be concluded that all the variables studied are normally distributed.

Given that the tolerance values for brand image (X₁), service quality (X₂), and purchase decision scale (Y₁) are all above 0.10 and the VIF value is 10.0, it can be said that the influence of brand image and service quality on decisions and satisfaction does not manifest symptoms of multicollinearity.

By applying the White Test above, it can be seen that from the calculated C² value < C² table, namely 13.33 < 120.99, it can be concluded that there are no symptoms or are free from the Heteroscedasticity Test.

4.3. Results of the Path Analysis

The basis for calculating path coefficients is correlation and regression analysis. Based on data testing, the results of structural regression analysis showed that the coefficient of significance value of the two variables X₁ and X₂ was 0.000 less than 0.05. This result concluded that regression model 1, namely variables X₁ and X₂, had a significant effect on Y₁.

Furthermore, based on the R-squared value contained in the model summary, it is 0.612. X₁ and X₂ contribute 61.2% to Y₁, while other variables not examined contribute the remaining 38.8%. Meanwhile, to evaluate e₁, we can find the formula e₁ = \sqrt{(1 - 0.612)} = 0.623. Thus, the path diagram image for structure I is presented in Fig. 2.

According to the structural regression analysis II, the coefficient of the significant value of the variables X₁ and Y₁ is 0.000, 0.001 and 0.011, respectively, all of which are less than 0.05. These findings lead to the conclusion that Y₂ is significantly impacted by the variables in Regression Model II, X₁, X₂, and Y₁.

Furthermore, based on the R-squared value contained in the model summary of 0.699, this indicates that the contribution or influence of X₁, X₂, and Y₁ on Y₂ is 69.9%, while the remaining 30.1% is a contribution from other variables not examined. Meanwhile, to evaluate e², e² = \sqrt{(1 - 0.699)} = 0.549. The path diagram image for structure II is given in Fig. 3.

Table II shows the findings of Structure I and Structure II tests on the impact of brand image and service quality on purchasing decisions and satisfaction.

5. Discussion

5.1. Effect of Brand Image on Decisions at Puri Saron Hotel Madangan

The first hypothesis states that brand image has a positive and significant effect on decisions. The analysis’s findings indicate that brand image has a direct impact on decisions of 0.485 with a significance level below 0.05. It may be stated that an improvement in brand value can influence tourists’ decisions to spend more money at Puri Saron Hotel Madangan.

This research is in line with research conducted by Ecsstash and Mafiukhah (2018) and Atan (2021), which state that brand image has a direct and significant effect on purchasing decisions. The brand image of Puri Saron Hotel Madangan seems good and is considered to have a fairly extensive network because Puri Saron Hotel has several location units in Bali and even outside Bali. Positive perceptions and confidence to buy quality products and services offered by the company can increase customer confidence so that the brand image is well perceived in the minds of customers, thereby increasing tourist purchasing decisions. Puri Saron Hotel Madangan.
5.2. Effect of Service Quality on Buying Decisions at Puri Saron Hotel Madangan

The second hypothesis states that Service Quality has a positive and significant effect on Buying Decisions. According to the analysis’s findings, the direct impact of service quality on purchasing decisions is 0.353, with a significance level below 0.05. It may be stated that improving service quality may influence tourists staying at Puri Saron Hotel Madang to make more purchases.

The findings of this study are consistent with those of Prakoso (2022) and Kurniadi and Karta (2020), who found that the quality of a company’s customer service significantly influences its customers’ decisions to make purchases. The quality of service provided by Puri Saron Hotel Madangan is considered very good, especially on the assurance indicator, which receives the highest average response. This shows that customers feel comfortable and safe because employees are always friendly and polite, employees have fairly good knowledge of the products offered by the company, and employees are able to understand the desires of customers.

5.3. Effect of Brand Image on Satisfaction at Puri Saron Hotel Madangan

The third hypothesis states that brand image has a positive and significant effect on satisfaction. According to the analysis’s findings, brand image has a direct impact on satisfaction that is measured at 0.384 with a significance level below 0.05. We may get the conclusion that the Puri Saron Hotel Madangan would experience higher visitor satisfaction with a higher brand image value.

This research is in line with research conducted by Dewi et al. (2023) and Diputra and Yasa (2021), who state that brand image has a positive and significant effect on satisfaction. The product image offered by Puri Saron Hotel Madangan has received quite a high response. These results indicate that the product/service attributes that are owned are quite good and are rated positively, such as a logo that is easy to remember, and the advantage is having several Puri Saron Hotel units that make it easier for customers to get information about the products/services offered, quality assurance, and product/service offerings offered, either by packaging attractive promotions on the Puri Saron Hotel Group website and on social media such as Facebook and Instagram.

5.4. Influence of Service Quality on Satisfaction at Puri Saron Madangan

The fourth hypothesis states that service quality has a positive and significant effect on satisfaction. According to the analysis’s findings, the direct influence of service quality on decisions is 0.301, with a significance level below 0.05. The Puri Saron Hotel Madangan can boost visitor satisfaction by improving service quality, it can be said.

This research is in line with research conducted by Herman (2022) and Vierdwiyani and Syafarudin (2020), which state that service quality has a positive and significant influence on satisfaction and that increasing service quality can also increase consumer satisfaction. The quality of service shown by Puri Saron Madangan employees is considered very good because employees always behave well, politely, and friendly so that customers feel comfortable and safe. Customers feel that they receive special treatment and that it is easy to get the information and assistance they need, reflected in the sense of empathy that is always shown in every service by Puri Saron Hotel Madangan staff.

5.5. Influence of Decisions on Satisfaction at Puri Saron Madangan

The fifth hypothesis states that decisions have a positive and significant effect on satisfaction. From the results of the analysis, the value of service quality on satisfaction shows a direct effect of 0.236 and a significance level below 0.05. It can be concluded that an increase in decisions can increase tourist satisfaction at Puri Saron Hotel Madangan.
This research is in line with research conducted by Tjahjono et al. (2021) and Rahmdhany (2022), who state that purchasing decisions have a positive and significant effect on satisfaction. The higher the purchase decision, the greater customer satisfaction. The increase in guests’ decision to stay at Puri Saron Hotel Madangan is strengthened by the ease of finding information about products and services offered by travel agents offline and online through other social media. The ease of transactions offered by Puri Saron Hotel Madangan, such as the availability of machines for payments using credit cards and Qris services, always provide products and services according to consumer needs.

Efforts to increase tourist satisfaction are carried out by Puri Saron Hotel Madangan through offering products and services that meet customer expectations both in terms of price and quality. Quality staff service, friendly, polite, paying special attention, and making it easier for guests. The facilities offered are adequate, such as 1 large swimming pool for the public, 2 private and private swimming pools for children, 2 meeting rooms, and 1 restaurant. The benefits obtained from the products and services offered are adequate and as expected. Increasing customer purchasing decisions at Puri Saron Hotel Madangan makes customers get satisfaction that matches or even exceeds expectations.

6. Conclusions and Suggestions

6.1. Conclusions

There are various findings from this research after analysis and discussion of the research outcomes from data collecting, processing, and hypothesis testing that have been carried out:

1. Brand image has a direct and significant influence on decisions; this means that the better the brand image of Puri Saron Hotel Madangan, the more tourists will be able to make a purchase.
2. Service quality has a direct and significant effect on decisions; this means that increasing the service quality of Puri Saron Hotel Madangan employees will be able to improve tourist decisions.
3. Brand image has a direct and significant effect on satisfaction; this means that the higher the positive perception of the brand image of Puri Saron Hotel Madangan, the higher the level of tourist satisfaction.
4. Service quality has a direct and significant effect on satisfaction, which means that an increase in the quality of service provided by Puri Saron Hotel Madangan will be able to increase tourist satisfaction.
5. Decisions have a direct and significant effect on satisfaction, which means that increasing decisions in purchasing products and services offered by Puri Saron Hotel Madangan will increase tourist satisfaction.

6.2. Suggestions

According to the results of the research, suggestions that can be given include:

1. Increasing customer reviews by continuing to provide satisfaction to customers is expected to be able to form positive perceptions and maintain customer trust.
2. Improve the company’s user image by being able to recognize consumers, their lifestyle, and their social status so that the target market share is more precisely targeted and focuses on marketing development and improving marketing strategies.
3. Intensively disseminate information about the company by carrying out promotions through the media so that the consumer perception association with the brand image of Puri Saron Hotel Madangan becomes stronger and customers have the confidence to buy or make high decisions to buy products or services.

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Conflict of Interest

The authors declare that there is no conflict of interest.

References

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