

The Influence of Experiential Value on Customer Satisfaction and its impact on Customer Loyalty

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ABSTRACT

This study seeks to ascertain the degree to which experiential value affects customer satisfaction and its subsequent influence on customer loyalty at Crowne Plaza Bandung. This study used the exogenous measure Experiential Value (X), which comprises three dimensions: service excellence, aesthetics, and fun. The initial endogenous variable (Y1) is Customer Satisfaction, which encompasses four dimensions: expectation satisfaction, perceived value, pricing satisfaction, and fulfillment satisfaction. The second endogenous variable (Y2) is Customer Loyalty, which encompasses repeat purchases and the propensity to suggest. Consequently, drawing from prior findings, the researchers delineate the fundamental challenges encountered by the hotel and propose viable remedies. The applied study methodology is descriptive and verificative, utilizing online questionnaires for data collecting. The study population comprises guests with memberships residing in Crowne Plaza Hotel Bandung, with a sample size of 212 respondents. The investigation employs Structural Equation Modeling (SEM) with AMOS 24.0 and SPSS 24.0 software. The test results demonstrate that Experiential Value substantially impacts both Customer Satisfaction and Customer Loyalty. Nonetheless, when evaluated separately, it is determined that solely Experiential Value influences consumer satisfaction. Consequently, the researchers advocate for the maintenance of Experiential Value to enhance client happiness and loyalty at Crowne Plaza Hotel Bandung.

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1. INTRODUCTION

Customer loyalty is an extensively debated phenomena across multiple industries. The industries encompass hospitality (Nurchahyo et al., 2017; Rathore & Seema Modi, 2022; Shamsudin et al., 2019), transportation (Abadi et al., 2020), tour and travel (Kanapathipillai & Mahbob, 2021), banking (Hayati et al., 2020), food and beverage (Taufik et al., 2022), telecommunications (Agha, 2021), and retail (Andri, 2022; Slack et al., 2020). The phenomenon of client loyalty has been thoroughly examined in several studies, yet it remains a subject of divergent perspectives. Since 1996, customer loyalty has been a prominent subject in both marketing practice and academic research, with varying outcomes in each study.

Prior research on customer loyalty, as articulated by Hallowell (1996), Pratiwi et al. (2020), and Tabelessy et al. (2023), indicates that customer satisfaction may affect consumer loyalty. Nonetheless, a disparity persists between prior and contemporary research. A study by Andri (2022) concluded that customer happiness did not affect customer loyalty. Bintari & Maharani (2022) and Dewi & Mawardi (2015) similarly reported that customer happiness does not significantly influence customer loyalty levels. A study by Karina Vashti Devi (2023) elucidates that the challenge of customer loyalty can be tackled by evaluating service quality and outcome quality as potential solutions. Research conducted by Kanapathipillai & Mahbob (2021) indicates that consumer loyalty may be affected by social media and the quality of relationships.

Customer happiness and loyalty continue to be crucial subjects in contemporary marketing discourse (Rathore & Seema Modi, 2022). As the globe modernizes, swift improvements in technology, commerce, and economic systems persist in transforming many industries. Today, a multitude of service-oriented enterprises exists in daily life, one of which is the hospitality sector. To maintain their business operations, service providers, especially in the hospitality sector, must comprehend their consumers' needs (Tablessy et al., 2023). One method to tackle this difficulty involves evaluating consumer behavior, allowing firms to formulate plans to improve customer happiness (Tablessy et al., 2023). Satisfied customers are more inclined to return and make repeat bookings at a hotel, reflecting their devotion to the establishment (Tablessy et al., 2023).

Grasping the notion of client loyalty is essential for the enduring viability of a firm, particularly in the hospitality sector (Kandampully & Suhartanto, 2000). A multitude of studies has been undertaken regarding client loyalty within the hotel sector. Jahromi et al. (2015) indicate that Experiential Marketing, Experiential Value, and Purchase Behavior can affect customer loyalty levels. A study by Nobar & Rostamzadeh (2018) similarly highlights that customer satisfaction and expectations contribute to the formation of consumer loyalty.

Research on customer loyalty has also been undertaken in the Indonesian hotel sector. Isabelle et al. (2019) discovered that client Relationship Marketing (CRM) influences client loyalty. Furthermore, Pratiwi et al. (2020) indicated that Service Quality and customer satisfaction affect customer loyalty. A study by Saipuloh & Surono (2023) similarly demonstrated that customer satisfaction has a major impact on customer loyalty. Previous studies indicate that consumer loyalty concerns necessitate further focus (Abadi et al., 2020; Taufik et al., 2022). Identifying the various aspects that drive consumer loyalty is vital for raising loyalty levels (Agha, 2021).

The hotel industry is a sector dedicated to offering services like accommodation, food and beverage, and entertainment, all conducted on a commercial basis (Hamzah, 2018). Diverse elements, such as architectural design, spatial configurations, in-room environment,

dining atmosphere, and an array of supplementary amenities, exemplify the offerings of this industry (Falakh, 2016). Numerous global hotel chains prioritizing client experience including InterContinental Hotels Group, Marriott, Hilton, Hyatt, and Accor Group (Damnjanović et al., 2020). The Crowne Plaza Hotel is one of the international hotel chains located in Bandung. The Crowne Plaza Hotel Bandung, a five-star establishment, is managed by InterContinental Hotels Group and has been operational since 2015. The hotel is situated at 19 Lembong Street, Bandung.

TABLE 1.1
Occupancy Data of Crowne Plaza Hotel Bandung (2021–2023)

YEAR	FIT	GROUP	OCCUPANCY	TARGET
2021	31.388	21.278	54,19%	60,20%
2022	36.591	31.816	69,59%	70,15%
2023	26.304	17.650	67,17%	75,36%

Source: Front Office Department, Crowne Plaza Hotel Bandung, 2023

According to Table 1.1, the occupancy rate of Crowne Plaza Hotel Bandung rose by 15.4% from 2021 to 2022. A decrease of 2.42% was noted from 2022 to the second quarter of 2023. An interview with the Assistant Front Office Manager of Crowne Plaza Bandung revealed that the decrease in hotel occupancy is due to the rising number of competing hotels in Bandung, along with factors such as insufficient facilities, unappealing promotions, and service quality that does not meet guest expectations.

Service-oriented enterprises aim to bolster client loyalty by optimizing customer satisfaction through many techniques, including the implementation of a membership program (Santoso & Sutjipto, 2013). Membership programs enable hotels to cultivate robust relationships with their guests and promote repeat patronage (Santoso & Sutjipto, 2013). InterContinental Hotels Group (IHG), which oversees Crowne Plaza Hotel Bandung, has a membership program named IHG ONE REWARDS, with five tiers: Club, Silver, Gold, Platinum, and the apex tier, Diamond.

The marketing strategy employed by Crowne Plaza Hotel Bandung corresponds with the experiential value theory posited by Jin et al. (2019), H. Kim et al. (2020), Y. J. Kim et al. (2021), and Mathwick et al. (2001). Despite the longstanding nature of experiential value, the academic marketing literature examining the importance of customer experience is still sparse (Jahromi et al., 2015). The experiential value recognized by hotel patrons can be evaluated by service excellence, aesthetics, and fun (H. Kim et al., 2020). Experiential marketing is a strategy that emphasizes the creation and provision of direct experiences for consumers (Smilansky, 2009). Experiential marketing prioritizes customer experiences and their assessments in consumption contexts, acknowledging that consumers are influenced by both rational and emotional factors (Schmitt, 1999).

Experiential marketing aims to facilitate marketing communication and augment experiential value for consumers (Smilansky, 2009). Research by Octaviani (2016) substantiates that experiential value is influenced by experiential marketing. This assertion corresponds with previous studies indicating that experience marketing and experiential value are interdependent concepts that exhibit a positive correlation (Astari et al., 2016; Schmitt, 1999). Schmitt (1999), cited in Ainy et al. (2022) and Yuan & Wu (2008), articulates that experiential marketing can produce experiential value, derived from both emotional and functional value.

Experiential value is a marketing term that delineates the advantages or benefits customers have from their interactions with a certain product or service (Kim et al., 2022). It offers an essential foundation for comprehending customer behavior (Setianingsih & Nursaidah, 2023; Yu, 2019). Experiential value denotes a value-centric marketing idea grounded in consumer experience (Octaviani, 2016). Moreover, experiential value pertains to pleasurable consuming experiences that can be provided to clients by augmenting the experiential advantages inherent in products and services (Stavrianea & Kamenidou, 2022). Although physical experiences are ephemeral and can only be sensed during engagement, the experiential value acquired by customers gets embedded in their memory (Larasati & Suprpto, 2013). Customer satisfaction is a vital metric for assessing hotel performance, necessitating a comprehensive grasp of the aspects that affect customer satisfaction and discontent for effective hotel management (Wang et al., 2021). Investigations of customer satisfaction have been undertaken in the hotel sector in Indonesia. A prior investigation by Sutomo (2012) revealed that physical support (supporting facilities) had not fully optimized customer happiness, as consumer expectations for these facilities exceeded the actual perceived performance. Conversely, research conducted by Falakh (2016) and Nurcahyo et al. (2017) indicated that hotel amenities positively influence customer happiness. Grasping the notion of contentment is essential for securing the success of any enterprise in the service sector, especially within the hotel industry (Díaz & Duque, 2021). Guest reviews are essential for assessing consumer satisfaction in mass service industries, particularly in hotel and tourism contexts (Vo et al., 2022).

Customer satisfaction occurs when the service provided aligns with their expectations, signifying that it is a post-decision attitude that reflects an individual's degree of approval or disapproval towards a service following their experience (Krudthong, 2017; Suhari et al., 2012). Four dimensions exist for assessing consumer satisfaction: Expectation satisfaction, perceived value, price satisfaction, and satisfaction as fulfillment (Kandampully & Suhartanto, 2003; Kim et al., 2022; Tinamberan et al., 2021; Winasis & Sembel, 2023).

Prior studies demonstrate that elevated customer satisfaction correlates with increased customer loyalty potential (Kotler et al., 2021). This corresponds with the findings of Ainy et al. (2022), who assert that satisfied customers cultivate robust emotional connections and enduring loyalty to a brand, thereby becoming loyal to enterprises that have fulfilled their needs. Customer loyalty denotes a consumer's propensity to consistently acquire a particular product or service without transitioning to rival alternatives. Loyal customers exhibit a close correlation with consumer behavior patterns (Hermawan, 2023). Schiffman and Wisenblit's (2019) decision-making model posits that consumer loyalty manifests as an output stage subsequent to repurchase, classified as trust and loyalty. Customer loyalty can be assessed by two primary dimensions: (1) frequency of repeat purchases and (2) propensity to recommend (Andri, 2022; Devi, 2023; Taufik et al., 2022).

This study's problem-solving approach utilizes consumer behavior theory, emphasizing customers to enhance customer loyalty. Customer loyalty is intricately connected to consumer behavior (Hermawan, 2023). Schiffman & Wisenblit (2019) define consumer behavior as the examination of customer actions during the processes of searching for, utilizing, and assessing goods and services in relation to their expectations and requirements. Customer loyalty, underpinned by prior research, continues to be a prevalent topic of discourse across multiple sectors, including marketing and hospitality. Previous research has identified various critical variables as answers to customer loyalty challenges, including service quality, customer relationship management (CRM), customer happiness, customer

expectations, experiential marketing, experiential value, result quality, and purchasing behavior.

Research regarding the effect of experiential value on customer satisfaction and its subsequent influence on customer loyalty within Indonesia's hotel sector is still scarce. This study identifies experiential value as a critical feature, given its significant influence on contemporary marketing and its function in formulating corporate strategy. Through the use of this notion, firms seek to cultivate distinctive, affirmative, and unforgettable experiences for customers, hence augmenting customer pleasure (Styawan & Astuti, 2012). Prior research has advocated for additional investigation into client loyalty utilizing various solution characteristics (Abadi et al., 2020; Taufik et al., 2022). Identifying the characteristics that drive customer loyalty is crucial for enhancing and augmenting client retention (Agha, 2021).

This study aims to analyze Experiential Value, Customer Satisfaction, and Customer Loyalty at Crowne Plaza Hotel Bandung. This study investigates the implementation of Experiential Value for hotel visitors, the degree of Customer Satisfaction they attain, and the extent of Customer Loyalty developed. This study is to analyze the influence of Experiential Value on Customer Satisfaction and its subsequent effect on Customer Loyalty at Crowne Plaza Hotel Bandung.

This study is to delineate and examine the execution of Experiential Value, Customer Satisfaction, and Customer Loyalty at Crowne Plaza Hotel Bandung, in accordance with the identified research problems. This study aims to acquire empirical evidence concerning the correlation between Experiential Value and Customer Satisfaction, along with its effect on Customer Loyalty. This research's findings are anticipated to offer significant insights for the hotel in improving service tactics to bolster customer loyalty.

According to the definition of the research problem, theoretical framework, and premises established by other researchers, the hypotheses to be examined in this study are:

Hypothesis 1: The experiential value variable significantly affects both customer satisfaction and customer loyalty.

Hypothesis 2: Experiential value significantly influences consumer satisfaction.

Hypothesis 3: Experiential value significantly influences consumer loyalty.

Hypothesis 4: client pleasure significantly influences client loyalty.

2. METHODS

2.1 Research Design

This study employs both descriptive and verificative research methods. Descriptive research is designed to describe or collect data that illustrate the characteristics of objects, events, or situations. In descriptive research, research questions and hypotheses are formulated in advance, indicating that this type of research is planned and structured (Malhotra, 2017).

Through descriptive research, a detailed understanding can be obtained regarding respondents' perceptions of experiential value, which includes service excellence, aesthetics, and playfulness; customer satisfaction, which consists of expectation satisfaction, perceived value, satisfaction with the price, and satisfaction as fulfillment; and customer loyalty, which includes repeat purchase behavior and willingness to recommend, particularly among guests at Crowne Plaza Hotel Bandung.

Verificative research is applied in this study to provide empirical evidence of causal relationships. One of its key objectives is to identify which variables act as causes (independent variables), often represented on the x-axis, and which variables are affected (dependent variables), typically placed on the y-axis (Malhotra, 2017). This type of research is conducted to test hypotheses by collecting field data, thereby enabling an understanding of the influence of experiential value on customer satisfaction and customer loyalty among guests of Crowne Plaza Hotel Bandung.

2.2 Population, Sample, and Sampling Technique

A population refers to the entire group of individuals, events, or objects of interest that a researcher intends to investigate, from which conclusions can be drawn as the outcome of the study (Sekaran & Bougie, 2016). Based on this definition, the population in this study comprises guests who have previously stayed at Crowne Plaza Hotel Bandung, totaling 43,954 individuals in 2023. Due to constraints such as time, cost, and labor, studying an entire population is often impractical. As a result, researchers use samples—subsets of the population selected through specific procedures to represent the whole (Siyoto & Sodik, 2015). Sampling is essential to enable the research process while allowing conclusions and recommendations to be generalized to the larger population.

Kelloway (1998) recommends a minimum sample size of 200 respondents for Structural Equation Modeling (SEM). Sample size is typically determined using statistical calculations to ensure representativeness, with acceptable margins of error ranging from 1% to 10% (Deni Darmawan, 2016). In this study, the sample size was calculated using Slovin's formula, resulting in a minimum of 395.98 respondents from a population of 43,954, which was rounded up to 400 participants.

The sampling technique used in this study is simple random sampling. Simple random sampling is a method in which each individual element in the population has an equal chance of being selected as part of the sample (Sugiyono, 2017). The sample for this study consists of 212 individuals who have previously stayed at Crowne Plaza Hotel Bandung and are registered as members.

2.3 Data Collection Techniques

Data collection techniques refer to the methods used to gather the information needed to address the research questions. According to Sekaran and Bougie (2016), data collection is an integral part of research design. The data collection techniques used in this study include questionnaire, interview, and observation.

Questionnaire served as the primary data collection technique, distributed through a set of written questions or statements regarding the characteristics of the respondents, their experiences after staying at the hotel, and their perceptions related to the implementation of experiential value, customer satisfaction, and customer loyalty. The questionnaire was distributed to a sample of guests of Crowne Plaza Hotel Bandung via Google Forms and was administered directly to the respondents.

Interview was conducted through direct communication with relevant parties, specifically the management of Crowne Plaza Hotel Bandung and guests who had stayed at the hotel. Lastly observation was carried out by directly reviewing and observing the research object, namely Crowne Plaza Hotel Bandung, with a particular focus on the implementation of experiential value, customer satisfaction, and customer loyalty within the hotel.

2.4 Validity and Reliability Testing

The role of data in research is highly significant, as it represents the variables under investigation and serves as the basis for hypothesis formulation. To assess the feasibility of

the data collection instruments to be distributed, two stages of testing are required—validity testing and reliability testing. Therefore, the research instrument must meet the criteria of being both valid and reliable in order to be considered a good instrument. This study conducted validity and reliability testing using the IBM Statistical Product and Service Solutions (SPSS) software, version 24.0 for Windows.

2.4.1 Validity Testing

Validity refers to the extent to which an instrument accurately measures the intended concept (Sekaran & Bougie, 2016). Internal validity is the degree to which the items within the instrument logically (theoretically) reflect the concept being measured, while external validity refers to the extent to which the criteria within the instrument are based on established empirical facts. The formula used to test validity is the Product Moment Correlation formula (Malhotra & Birks, 2013).

The decision criteria for testing the validity of the respondents' answers were based on the following significance level:

1. The value of r is compared to the r -table value with degrees of freedom (df) = $n - 2$ and a significance level of $\alpha = 0.05$.
2. A questionnaire item is considered valid if the calculated r ($r_{\text{calculated}}$) is greater than the r -table ($r_{\text{calculated}} > r_{\text{table}}$).
3. A questionnaire item is considered not valid if the calculated r is less than or equal to the r -table ($r_{\text{calculated}} \leq r_{\text{table}}$).

Based on the calculation results using IBM SPSS Statistics 24.0 for Windows, the validity testing results for the questionnaire items developed by the researcher were obtained. The validity test was conducted with a sample of 40 respondents, and the results are presented as follows:

TABLE 2.1
RESULTS OF VALIDITY TESTING

No.	Question	$r_{\text{calculated}}$	r_{table}	Notes
EXPERIENTIAL VALUE (X)				
Service excellence				
Staff Friendliness (X1.1)				
1.	How friendly is the service provided by the staff at Crowne Plaza Hotel Bandung (willingness to assist and serve guests politely and courteously)?	0,779	0,320	Valid
Performance Reliability (X1.2)				
2.	How punctual is the service provided by the staff at Crowne Plaza Hotel Bandung (from the check-in process, during the guest's stay, until the check-out process)?	0,801	0,320	Valid
Service Excellence (X1.3)				
3.	How Superior is the service provided by the staff at Crowne Plaza Hotel Bandung compared to other five-star hotels?	0,839	0,320	Valid
4.	How fast is the service provided by the staff at Crowne Plaza Hotel Bandung?	0,713	0,320	Valid
Aesthetic				
Interior design (X1.4)				
5.	How appealing is the interior decoration of the public spaces at Crowne Plaza Hotel Bandung?	0,731	0,320	Valid
6.	How appealing is the interior decoration of the guest rooms at Crowne Plaza Hotel Bandung?	0,865	0,320	Valid

Exterior design (X1.5)			
7. How appealing is the outdoor environment at Crowne Plaza Hotel Bandung?	0,769	0,320	Valid
Design and layout of the room (X1.6)			
8. How appealing are the design and layout of the rooms at Crowne Plaza Hotel Bandung?	0,802	0,320	Valid
Hotel Atmospher (X1.7)			
9. How comfortable is the atmosphere created at Crowne Plaza Hotel Bandung?	0,533	0,320	Valid
Landscape (X1.8)			
10. How beautiful is the mountain view or city view from the rooms at Crowne Plaza Hotel Bandung?	0,699	0,320	Valid
Playfulness			
Interactions with the servicestaff (X1.9)			
11. How easy is it for guests to interact with the staff/employees of Crowne Plaza Hotel Bandung during their stay?	0,805	0,320	Valid
Happiness (X1.10)			
12. How satisfied are guests with the physical appearance of the hotel during their stay at Crowne Plaza Hotel Bandung?	0,844	0,320	Valid
Entertainment facilities (X1.11)			
13. How complete are the entertainment facilities available at Crowne Plaza Hotel Bandung?	0,752	0,320	Valid
CUSTOMER SATISFACTION (Y1)			
Expectation Satisfaction			
Expectations of the Hotel Room (Y1.1)			
14. How well does the hotel room product at Crowne Plaza Hotel Bandung meet your expectations?	0,817	0,320	Valid
Expectations of the Service (Y1.2)			
15. How well does the service provided by the staff/employees at Crowne Plaza Hotel Bandung meet your expectations?	0,884	0,320	Valid
Expectations of the Facilities (Y1.3)			
16. How well do the facilities at Crowne Plaza Hotel Bandung meet your expectations?	0,734	0,320	Valid
Perceived Value			
Functional (Y1.4)			
17. How well does the quality of service provided by the staff of Crowne Plaza Hotel Bandung align with the price paid?	0,856	0,320	Valid
Emotional (Y1.5)			
18. How memorable was the guest's stay at Crowne Plaza Hotel Bandung?	0,796	0,320	Valid
Satisfaction with the Price			
Price Satisfaction with the Service (Y1.6)			
19. How satisfied were the guests with the services at Crowne Plaza Hotel Bandung in relation to the price paid?	0,877	0,320	Valid
Price Satisfaction with Food and Beverages (Y1.7)			
20. How satisfied were the guests with the food and beverages at Crowne Plaza Hotel Bandung in relation to the price paid?	0,938	0,320	Valid
Satisfaction as Fullfilment			
Satisfaction with the Room in Meeting Needs (Y1.8)			

21. How satisfied were the guests with the room and the provided amenities in meeting their needs during their stay at Crowne Plaza Hotel Bandung?	0,720	0.320	Valid
Satisfaction with the Service in Meeting Needs (Y1.9)			
22. How satisfied were the guests with the services provided by the staff/employees of Crowne Plaza Bandung in meeting their needs?	0,733	0.320	Valid
Satisfaction with Food and Beverages in Meeting Needs (Y1.10)			
23. How satisfied were the guests with the food and beverages consumed at Crowne Plaza Bandung in meeting their needs?	0,823	0.320	Valid
CUSTOMER LOYALTY (Y2)			
Repeat Purchase			
Regular repurchase (Y2.1)			
24. How interested are the guests in staying again at Crowne Plaza Hotel Bandung?	0,875	0.320	Valid
Buy Other Product (Y2.2)			
25. How interested are the guests in purchasing other products offered by Crowne Plaza Bandung besides rooms, such as spa services or food and beverage products?	0,882	0.320	Valid
Guest Loyalty (Y2.3)			
26. How willing are the guests to remain loyal and not easily switch to other hotels besides Crowne Plaza Hotel Bandung?	0,887	0.320	Valid
Willingness to Recommend			
Room Recommendation (Y2.4)			
27. How willing are the guests to recommend the hotel room products of Crowne Plaza Hotel Bandung to friends or family?	0,837	0.320	Valid
Service Recommendation (Y2.5)			
28. How willing are the guests to recommend the services provided by the staff of Crowne Plaza Hotel Bandung to friends or family?	0,820	0.320	Valid
Food and Beverage recommendation (Y2.6)			
29. How willing are the guests to recommend the food and beverages sold at Crowne Plaza Hotel Bandung to friends or family?	0,754	0.320	Valid
Facilities recommendation (Y2.7)			
30. How willing are the guests to recommend the facilities at Crowne Plaza Hotel Bandung to friends or family?	0,879	0.320	Valid

Based on Table 2.1 regarding the results of the validity test, it is shown that each item measuring the concept of Experiential Value (X) in relation to Customer Satisfaction (Y1), as well as its impact on Customer Loyalty (Y2), is declared valid. This is because the calculated correlation coefficient $r_{calculated}$ is greater than the critical value $r_{calculated} > r_{table}$. Therefore, each of these items can be used as a measurement tool for the respective concept being studied. The Experiential Value (X) variable consists of 13 statement items, all of which are valid, with the highest validity score found in the Interior Design indicator at 0.865, part of the Aesthetic dimension, and the lowest in the Atmosphere indicator at 0.533. The Customer Satisfaction (Y1) variable includes 10 items, with the highest score at 0.938 and the

lowest at 0.720. For the Customer Loyalty (Y2) variable, which includes 7 statement items, the highest validity score is 0.887 and the lowest is 0.754.

2.4.2 Reliability Testing

Reliability refers to the consistency and stability of a measurement tool in assessing the intended concept (Sekaran & Bougie, 2016). It evaluates the quality of the measurement by ensuring that a scale produces consistent results for the same variable (Sugiyono, 2017). According to Malhotra (2017), reliability indicates a measure free from random error. In this study, reliability was tested using Cronbach's alpha (α), as the research instrument's response options included more than two alternatives. Cronbach's alpha indicates how well the items in a set are correlated (Sekaran & Bougie, 2016).

The criteria for reliability are as follows:

1. If the internal coefficient ($r_{\text{calculated}}$) $>$ r_{table} at a 5% significance level, the item is reliable.
2. If the internal coefficient ($r_{\text{calculated}}$) $\leq r_{\text{table}}$ at a 5% significance level, the item is not reliable.

According to Ghazali (2018), a Cronbach's alpha $>$ 0.600 indicates reliability, with values closer to 1 representing higher reliability.

TABLE 2.2
RESULTS OF RELIABILITY TESTING

No.	Variable	Ca calculated	Ca	Reliability Status
1.	<i>Experiential Value</i>	0,883	0,600	Reliable
2.	<i>Customer Satisfaction</i>	0,913	0,600	Reliable
3.	<i>Customer Loyalty</i>	0,910	0,600	Reliable

The reliability testing results show that the Cronbach's alpha values for the variables exceed the 0.600 threshold, indicating reliability. The Experiential Value (X) variable has a Cronbach's alpha of 0.883, Customer Satisfaction (Y1) has 0.913, and Customer Loyalty (Y2) has 0.910, confirming that all items under these variables are reliable.

2.5 Data Analysis

The data analysis approach is regarded as a method for statistically examining the gathered data. The objective of data analysis is to ascertain if the proposed hypotheses are substantiated by the data (Sekaran & Bougie, 2016). Data processing is conducted to furnish the requisite information and to evaluate the hypotheses posited in the investigation. The data analysis method focuses on hypothesis testing in relation to the identified research issues. This research utilized a questionnaire as the principal instrument, focusing on the variables of experiential value (X), customer satisfaction (Y1), and customer loyalty (Y2).

The data analysis in this research was conducted in three phases. The initial phase, Data Compilation, entailed the selection and examination of data to verify the completeness of respondent identities, data accuracy, and conformity with the research objectives. The second stage, Data Examination, concentrated on validating the precision and comprehensiveness of the gathered responses. The concluding phase, Data Tabulation, involved allocating scores to each item, aggregating these scores, and ranking each item correspondingly.

This study investigates the effect of experiential value (X) on customer satisfaction (Y1) and its subsequent influence on customer loyalty (Y2). A semantic differential scale was employed for each variable, segmented into quantifiable dimensions represented by indicators, which were subsequently utilized to design the questionnaire items. Each inquiry was crafted to elicit respondents' attitudes or perceptions via verbal statements. Participants had the option to select from a five-point scale, with responses varying from "Very Friendly," "Very Accurate," "Very Excellent," and other positive adjectives (scale 5) to "Very Unfriendly," "Very Inaccurate," "Very Poor," and further negative characteristics (scale 1). The measure enabled respondents to indicate differing levels of agreement or satisfaction across several aspects, including speed, attractiveness, comfort, and willingness (Malhotra, 2017).

2.5.1 Descriptive Data Analysis Methodology

This study utilizes descriptive data analysis to elucidate relevant aspects and provide research variables in a clear and interpretable manner. Descriptive analysis converts raw data into significant insights, with questionnaire data undergoing three phases: preparation, tabulation, and application according to the research methodology.

The initial method employed is cross-tabulation analysis, which delineates the joint distribution of two or more variables. In contrast to frequency distribution, which examines a solitary variable, cross-tabulation provides a comprehensive perspective that uncovers correlations between many variables (Malhotra, 2017). The subsequent step involves calculating the ideal score, which assesses the impact level of each variable. The subsequent formulas are utilized:

Maximum Index Value = Highest score $\times$ Quantity of items $\times$ Quantity of respondents

Minimum Index Value = Lowest score $\times$ Quantity of items $\times$ Quantity of respondents

Variable Range = Maximum - Minimum Interval Width = Range $\div$ Number of Intervals

The findings are presented in a detailed data table, encompassing three principal variables: Customer Satisfaction (Y1), Customer Loyalty (Y2), and Experiential Value (X), evaluated across three dimensions. Interpretation is founded on a percentage continuum ranging from 0% to 100%.

A continuum line is established and segmented into five levels to elucidate variable comparisons. Steps involve identifying the maximum and minimum continuum values, computing level intervals, and situating the study score utilizing:

Score per level = (Maximum – Minimum) $\div$ Number of levels

Percentage Score = (Score $\div$ Maximum Score) $\times$ 100%

2.5.2 Verification Data Analysis Methodology

Verificative analysis is performed subsequent to descriptive analysis and after the complete collection of respondent data. The objective is to analyze the effect of experiential value (X1) on customer satisfaction (Y1) and its subsequent influence on customer loyalty (Y2).

This research use Structural Equation Modeling (SEM) to investigate these correlational relationships. Structural Equation Modeling (SEM) is a statistical technique that integrates component analysis and regression to examine connections between indicators and constructs, as well as interrelations among constructs (Santoso, 2011). SEM assesses and validates proposed models instead of formulating new theories. It integrates two statistical methodologies: factor analysis from psychology and psychometrics, and simultaneous equation modeling from econometrics (Ghozali, 2014). Structural Equation Modeling (SEM) incorporates route and factor analysis to evaluate and estimate causal linkages (Hamid & Suhardi M. Anwar, 2019).

SEM analysis has two model types: the measurement model and the structural model, which are further upon below.

1. Measurement Framework

The measurement model is a facet of the SEM architecture that connects latent variables to their observable indicators. It is utilized to assess construct validity and instrument reliability. The pure measurement model is known as Confirmatory Factor Analysis (CFA), which involves unmeasured covariances among all potential variable pairs. The measurement model is assessed similarly to other SEM models, utilizing goodness-of-fit metrics.

This study characterizes the exogenous latent variable as Experiential Value, which, in conjunction with other pertinent variables, affects the endogenous latent variable Customer Loyalty. The measurement model specifications for each variable are stated as follows.

a. Measurement Model of the Exogenous Latent Variable

The following figure illustrates the measurement model of the Experiential Value variable.

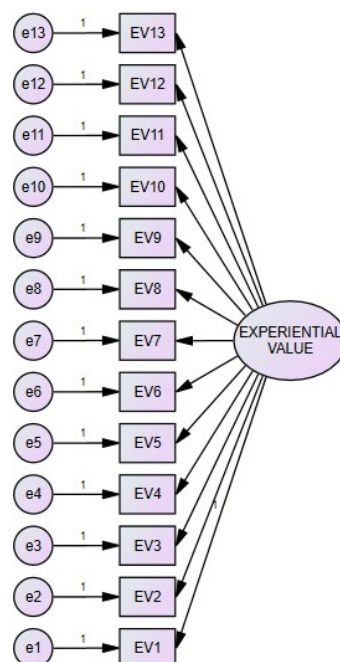


FIGURE 2.1
MEASUREMENT MODEL OF EXPERIENTIAL VALUE

Description:

EV 1 = Employee friendliness indicator
 EV 2 = Reliability/performance reliability indicator
 EV 3 = Service excellence indicator 1
 EV 4 = Service excellence indicator 2
 EV 5 = Interior design indicator 1
 EV 6 = Interior design indicator 2
 EV 7 = Exterior design indicator
 EV 8 = Room design and layout indicator
 EV 9 = Hotel atmosphere indicator
 EV 10 = Landscape/scenery indicator
 EV 11 = Interactions with service staff indicator
 EV 12 = Happiness indicator
 EV 13 = Entertainment facilities indicator
 e = Error

b. Measurement Model of the First Endogenous Variable

In this study, the first endogenous variable is represented by customer satisfaction. The following illustrates the measurement model of the first endogenous variable:

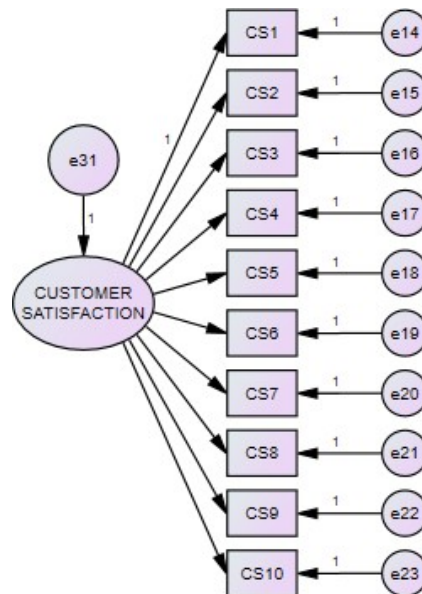


FIGURE 2.2
MEASUREMENT MODEL OF CUSTOMER SATISFACTION

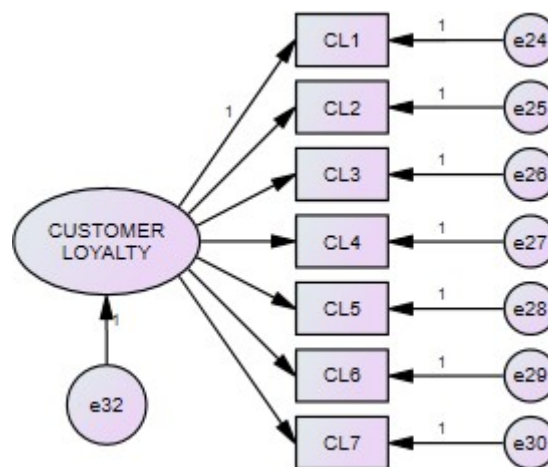
Description:

CS 1 = Indicator of expectations toward room product
 CS 2 = Indicator of expectations toward service
 CS 3 = Indicator of expectations toward facilities
 CS 4 = Functional indicator
 CS 5 = Emotional indicator

CS 6 = Indicator of price satisfaction toward service
 CS 7 = Indicator of price satisfaction toward food and beverages
 CS 8 = Indicator of needs for room product
 CS 9 = Indicator of needs for service
 CS 10 = Indicator of needs for food and beverages
 e = Error

c. Measurement Model of the Second Endogenous Variable

This study identifies *customer loyalty* as the second latent endogenous variable in the measurement model.



Source: Processed Data, 2023

FIGURE 2.3
 MEASUREMENT MODEL OF CUSTOMER LOYALTY

Description:

CL 1 = Indicator of regular repurchase
 CL 2 = Indicator of purchasing other products
 CL 3 = Indicator of customer loyalty
 CL 4 = Indicator of room recommendation
 CL 5 = Indicator of service recommendation
 CL 6 = Indicator of food and beverage recommendation
 CL 7 = Indicator of facility recommendation
 e = Error (level of measurement error)

2. Structural Model

The structural model is a component of the SEM framework that consists of independent and dependent variables. It represents the direct relationships among latent constructs, and these relationships are generally assumed to be linear, although more advanced developments may incorporate nonlinear equations. Graphically, a single-headed

arrow represents a regression relationship, while a double-headed arrow indicates a correlation or covariance between constructs.

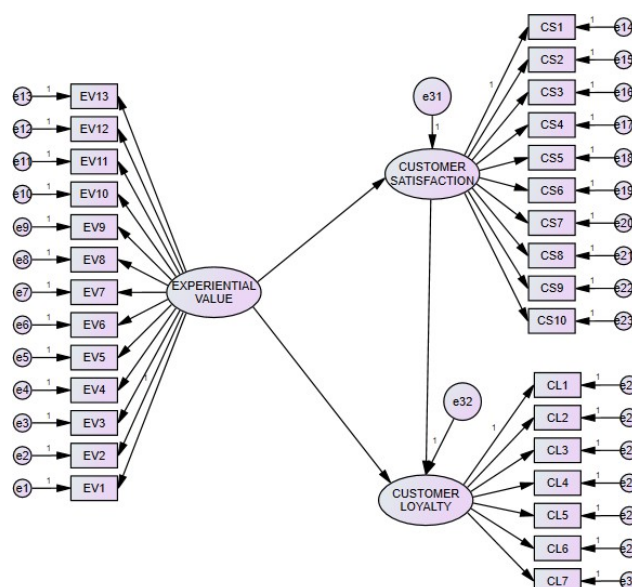


FIGURE 2.4
STRUCTURAL MODEL OF THE INFLUENCE OF EXPERIENTIAL VALUE ON CUSTOMER SATISFACTION AND ITS IMPACT ON CUSTOMER LOYALTY

ASSUMPTIONS, STAGES, AND PROCEDURES OF SEM

Structural Equation Modeling (SEM) analysis generally uses the Maximum Likelihood (ML) method, which requires several assumptions to ensure model validity (Ghozali, 2014):

1. Sample Size: SEM requires a minimum of 100 respondents. For reliable ML estimation, 100–200 is optimal (Ghozali, 2014).
2. Normality: Data must be normally distributed. Normality is confirmed if skewness and kurtosis c.r values are within ± 2.58 (Santoso, 2011).
3. Outliers: Identified using Mahalanobis distance. Outliers exist when the value is less than the chi-square value or p^2 equals 0.000, with p^1 small and p^2 large (Ghozali, 2014; Augusty, 2006).
4. Multicollinearity: There should be no perfect correlation among exogenous variables.
5. Correlations must be below 0.9, verified through the determinant of the covariance matrix (Ghozali, 2014).

Once SEM assumptions are met, the analysis proceeds through five stages (Bollen & Long, 1993). The first is model specification, where theoretical relationships between latent and observed variables are defined (Sarjono & Haryadi, 2015; Wijanto, 2007). This involves specifying the measurement model (latent variables, indicators, and their linkages) and the structural model (causal paths among latent variables). A hybrid path diagram illustrates these components.

The second stage, model identification, determines if the model can be estimated by calculating degrees of freedom ($df = \text{known values} - \text{estimated parameters}$). If $df < 0$, the model is under-identified and not estimable; if $df = 0$, it is just-identified or saturated; and if $df > 0$, it is over-identified and can be estimated (Wijanto, 2007).

Estimation, the third stage, generally uses Maximum Likelihood (ML) under multivariate normality. For non-normal data, Robust ML (RML) or Weighted Least Square (WLS) may be used. The goal is to align the sample covariance matrix (S) with the estimated matrix $\Sigma(\Theta)$ (Sarjono & Haryadi, 2015).

The fourth stage is model fit testing, assessing how well the model aligns with the data. Key fit indices include: Chi-square (χ^2/df) < 2.00 (good fit); GFI/AGFI ≥ 0.90 , AGFI ≥ 0.95 (excellent); RMSEA 0.05–0.08 (acceptable); TLI/CFI ≥ 0.90 (good fit); and PNFI/PGFI, with higher values (PNFI: 0.60–0.90) indicating better parsimony and comparison (Augustine & Kristaung, 2013; Ghazali, 2014).

Finally, model respecification may be performed if the model requires improvement. Guided by theoretical justification and Modification Indices (M.I.) from AMOS, adjustments such as adding covariances or regression weights can enhance model fit, but must remain theoretically sound (Santoso, 2011).

2.6 Hypothesis Testing

Hypothesis testing was performed using IBM SPSS AMOS version 24.0 for Windows to analyze the relationships in the structural model, which examined the causal links among Experiential Value (X), Customer Satisfaction (Y_1), and Customer Loyalty (Y_2). Hypotheses were tested using t -values, with a significance level of 0.05 (5%). In AMOS, the t -value is represented by the Critical Ratio (C.R.). A hypothesis is accepted (H_1 supported) if C.R. ≥ 1.967 or $p \leq 0.05$; otherwise, the null hypothesis (H_0) is not rejected. The acceptance or rejection criteria for each hypothesis are outlined below.

Hypothesis 1

H_0 : C.R. ≤ 1.967 , indicating that Experiential Value has no significant effect on Customer Satisfaction and its subsequent impact on Customer Loyalty.

H_1 : C.R. ≥ 1.967 , indicating that Experiential Value significantly affects Customer Satisfaction and subsequently influences Customer Loyalty.

Hypothesis 2

H_0 : C.R. ≤ 1.967 , indicating that Experiential Value has no significant effect on Customer Satisfaction.

H_1 : C.R. ≥ 1.967 , indicating that Experiential Value significantly affects Customer Satisfaction.

Hypothesis 3

H_0 : C.R. ≤ 1.967 , indicating that Experiential Value has no significant effect on Customer Loyalty.

H_1 : C.R. ≥ 1.967 , indicating that Experiential Value significantly affects Customer Loyalty.

Hypothesis 4

H_0 : C.R. ≤ 1.967 , indicating that Customer Satisfaction has no significant effect on Customer Loyalty.

H_1 : C.R. ≥ 1.967 , indicating that Customer Satisfaction significantly affects Customer Loyalty.

3. RESULTS AND DISCUSSION

3.1. Respondent Profile

This study uses customer loyalty as a control variable to identify the profile of loyal guests at Crowne Plaza Hotel Bandung. By examining the relationship between customer loyalty and respondents' demographic characteristics and prior experiences, the study offers a comprehensive view of loyalty patterns in this context. Customer loyalty is measured using two key indicators: repeat purchase behavior and willingness to recommend. These reflect

respondents' behavioral tendencies toward continued patronage and word-of-mouth advocacy—both crucial for evaluating loyalty outcomes in the hospitality industry.

A cross-tabulation analysis was conducted to examine the relationship between customer loyalty and respondents' gender, age, and domicile, based on data from 212 guests who had stayed at Crowne Plaza Bandung. The majority of respondents were male (122), while females accounted for 90. The largest age group was 36–45 years, totaling 79 respondents, followed by those aged 26–35 (72), over 46 (34), and under 25 (27). By domicile, the highest number of respondents came from Jakarta (63), followed by Bekasi (33), Bogor (32), Tangerang (27), Bandung (13), Bali (22), Surabaya (12), and others (10). Among males, the largest subgroup was aged 36–45, particularly those from Bekasi, Bogor, and Bali. For females, the most prominent age group was 26–35, mainly from Jakarta and Tangerang. The lowest representation was found in the <25 age group, and the least common domicile was classified as “Other,” with 10 respondents.

This analysis examines the income, occupation, and education of 212 guests at Crowne Plaza Bandung. Most respondents (100) earned IDR 10,000,000–15,000,000 per month, with 59 working in the private sector and the majority holding a Bachelor's degree (S1). The second-largest group (64 respondents) earned IDR 5,000,000–10,000,000, dominated by private employees (46), with most holding S1 (41) and S2 (12) degrees. The lowest income group (<IDR 5,000,000) included 18 respondents, mostly entrepreneurs (9) and private employees (8), with education levels centered on high school (6) and S1 (9). At the highest income level (>IDR 15,000,000), 30 respondents were recorded—mainly entrepreneurs (11) and military/police personnel (11), with most holding Diplomas (20), S1 (6), and a few S2 (2) and S3 (1) degrees. Overall, private employees made up the largest occupational group (89), followed by civil servants (72), entrepreneurs (34), and military/police (17). In terms of education, most held an S1 (142), followed by Diploma (32), S2 (22), high school (13), and S3 (3).

This study examines guest characteristics at Crowne Plaza Bandung based on their reason for choosing the hotel, how they discovered it, and their purpose of visit. The majority of respondents (128) cited the hotel's strategic location as their primary reason for staying, followed by promotional offers (53) and the hotel's unique concept (31). Most guests became aware of the hotel through friends or acquaintances (84), followed by social media advertisements (51), family or relatives (48), online travel agents (OTAs) (28), and other sources (1). In terms of purpose, business or meetings was the dominant reason for staying (117), followed by leisure (73) and weddings (22). Promotional offers were most associated with leisure stays (40), while strategic location primarily influenced business travelers (101). Guests who selected the hotel for its unique concept were relatively evenly distributed across business (12) and wedding (12) purposes.

3.2 Descriptive Analysis Results

Overview of Experiential Value at Crowne Plaza Hotel Bandung

Based on the responses from 212 guests, the experiential value at Crowne Plaza Bandung was consistently rated highly across all 13 indicators. The highest score was recorded for the statement regarding **service excellence compared to other five-star hotels**, with 91.6% of respondents rating it as “high” or “very high,” resulting in a score of 898. Similarly, the **design and layout of the rooms** (91.5%, score: 891), the **hotel atmosphere and comfort**

(90.1%, score: 891), and the **ease of interaction with staff** (90.1%, score: 890) also received strong positive responses.

Other aspects with high perceived value include **staff hospitality** (90.6%, score: 894), **the appeal of room views** such as mountain or city views (90.6%, score: 884), and **satisfaction with the hotel's physical appearance** (90.2%, score: 885). Respondents also expressed satisfaction with the **interior décor of rooms** (92%, score: 881), **interior décor of public spaces** (88.3%, score: 882), and **speed of service** (87%, score: 888). The **timeliness of services**, from check-in to check-out, was rated positively by 84.9% of respondents (score: 877), while the **entertainment facilities** were perceived as complete by 85.9% of guests (score: 868). Lastly, the **appeal of the hotel's outdoor environment** also received a positive response, with 84% rating it as high or very high (score: 866).

In total, the experiential value variable received a score of 11,495 out of a maximum possible 13,780, yielding an 83% satisfaction rate, which places it in the "Good" category based on the calculated continuum scale. This interpretation is based on its position within the continuum scale, as illustrated in Figure 3.1

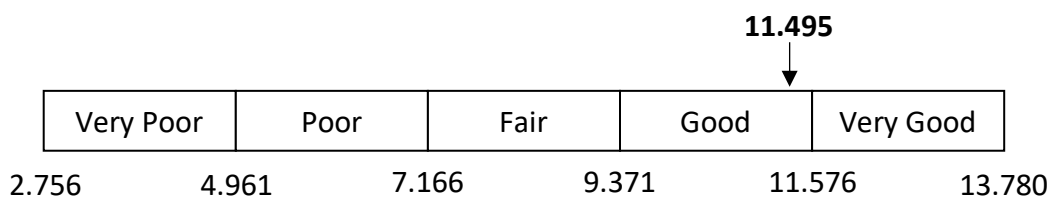


Figure 3.1
Continuum Line of Experiential Value

Overview of Customer Satisfaction at Crowne Plaza Hotel Bandung

Based on responses from 212 guests, customer satisfaction at Crowne Plaza Bandung was rated very positively across all 10 indicators. The highest-rated aspects included **guest impressions during their stay** and **room quality**, both scoring **904 points (84%)**. Similarly, the perceived **match between service and expectations (892)**, and the **room and amenities meeting guest needs (897)**, also received strong ratings. **Service quality relative to price** scored **897**, while satisfaction with **hotel services aligned with price** was **890**. The **food and beverage experience** also received favorable responses, with **satisfaction and alignment with guest needs scoring 876** and **satisfaction aligned with price scoring 882**. Other indicators, such as **overall satisfaction with hotel facilities (889)** and **service fulfillment of guest needs (891)**, showed consistent results. Overall, the total score for customer satisfaction was 8,922 out of a maximum of 10,600, yielding a percentage of 84%, categorizing guest satisfaction as very good based on the evaluation scale as the continuum line in Figure 3.2 below.

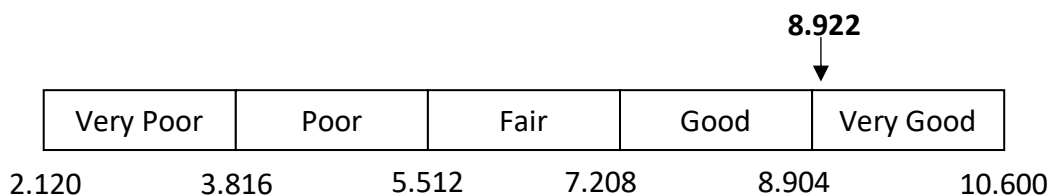


Figure 3.2
Customer Satisfaction Continuum Line

Overview of Customer Loyalty at Crowne Plaza Hotel Bandung

Based on data processing through the distribution of questionnaires to 212 respondents, customer loyalty at Crowne Plaza Bandung received positive feedback across all indicators. The highest ratings were given for **interest in returning to stay at the hotel**, which scored **908 points (15%)**. Similarly, **interest in purchasing other products** such as SPA services, food, and beverages scored **891**. Respondents also showed a strong **willingness to remain loyal and not switch to other hotels**, with a score of **886**. Additionally, **recommendation rates for both hotel rooms and employee services** were high, scoring **882**. The **willingness to recommend food and beverage options** at the hotel was **868**, while the **recommendation of hotel facilities** scored **886**. The total score for customer loyalty was 6,203 out of a possible 7,420, yielding a percentage of 84%, which categorizes the customer loyalty variable as "Good", as shown in the continuum line in Figure 3.3 below.

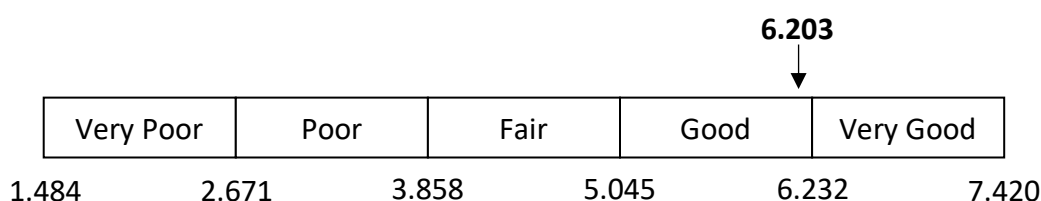


FIGURE 3.3
Customer Loyalty Continuum Line

3.3 ASSUMPTION TESTING RESULTS

This study employed Structural Equation Modeling (SEM) to analyze the influence of experiential value on customer satisfaction and its subsequent impact on customer loyalty. Prior to conducting the model testing, several assumption tests were carried out to ensure the validity of the analysis. The sample size, comprising 212 respondents, satisfied the minimum requirement for SEM, particularly with 30 observed indicators. The data demonstrated normal distribution, as indicated by a multivariate critical ratio of 1.007, which falls below the threshold of 2.58. Additionally, no multivariate outliers were identified, with the highest Mahalanobis distance recorded at 47.589, remaining well below the critical chi-square value of 457.56. Furthermore, multicollinearity was not a concern in this study, as the highest correlation observed among variables was 0.486, which is considerably lower than the acceptable limit of 0.90.

SEM Model Testing

The measurement models for all constructs (experiential value, customer satisfaction, and customer loyalty) demonstrated a **good model fit**, as indicated by **RMSEA values below 0.08**, and other fit indices including **CFI, TLI, and GFI**, all of which were ≥ 0.90 . In terms of **indicator validity**, all items showed **standardized loadings ≥ 0.50** . Regarding **construct reliability**, the following results were obtained: **Experiential Value: CR = 0.832 | AVE = 0.421**, **Customer Satisfaction: CR = 0.819 | AVE = 0.449**, and **Customer Loyalty: CR = 0.743 | AVE = 0.434**. All constructs met the reliability threshold ($CR \geq 0.70$). Although the AVE values were slightly below 0.50, they are still considered acceptable based on previous studies.

Structural Model & Hypothesis Testing

The structural model yielded the following results:

Experiential value $\rightarrow$ Customer satisfaction: CR = 6.617, $p < 0.001$

Experiential value $\rightarrow$ Customer loyalty: CR = 2.710, $p = 0.007$

Customer satisfaction $\rightarrow$ Customer loyalty: CR = 1.393, $p = 0.164$ (not significant)

These results indicate a direct and significant effect of experiential value on customer loyalty, while the influence of customer satisfaction on loyalty was not statistically significant.

OVERALL MODEL FIT

TABLE 3.1
GOODNESS OF FIT TEST RESULTS

No	Goodness-of-Fit Measures	Cut-off value	Results	Evaluation
Absolute Fit Measures				
1	Statistic Chi-square (χ^2) (df = 371)	$\chi^2_{hit} < \chi^2_{Tabel}$ (457,560)	371,194	Good Fit
2	Goodness of Fit Index (GFI)	GFI $\geq$ 0.90 <i>good fit</i> , 0.80 $\leq$ GFI < 0.90 <i>marginal fit</i>	0,901	Good Fit
3	Root Mean Square Error of Approximation (RMSEA)	RMSEA < 0,05 <i>close fit</i> , 0,05 $\leq$ RMSEA < 0.08 <i>good fit</i>	0,002	Close Fit
Incremental Fit Measures				
1	Trucker-Lewis Index (TLI)	TLI $\geq$ 0.90 <i>good fit</i> 0.80 $\leq$ TLI < 0.90 <i>marginal fit</i>	1,000	Good Fit
2	Adjusted Goodness of Fit Indices (AGFI)	AGFI $\geq$ 0.90 <i>good fit</i> , 0.80 $\leq$ AGFI < 0.90 <i>marginal fit</i>	0,876	Marginal Fit
3	Comparative Fit Index (CFI)	CFI $\geq$ 0.90 <i>good fit</i> 0.80 $\leq$ CFI < 0.90 <i>marginal fit</i>	1,000	Good Fit
Parsimonious Fit Measures				
1	Parsimonious Goodness of fit Index (PGFI)	PGFI < GFI	0,719	Good Fit
2	Parsimonious Normed Fit Index (PNFI)	A higher value indicates a better outcome	0,713	Good Fit

3.4 HYPOTHESIS TESTING RESULTS

Hypothesis testing in this study was conducted at a 5% significance level ($\alpha = 0.05$), corresponding to a 95% confidence level. In SEM analysis using IBM SPSS AMOS, the t-value is referred to as the Critical Ratio (C.R.). A hypothesis is considered significant if C.R. ≥ 1.967 and p-value ≤ 0.05 (Waluyo, 2016), indicating that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted.

In this context, the structural model tested the influence of experiential value on customer satisfaction and its impact on customer loyalty. The parameter estimation results for the proposed model are summarized as follows.

Table 3.2
Overall Parameter Estimation Results of the Model

MODEL			Estimate*			C.R	P	R ²
			RW	SRW	S.E			
CUSTOMER SATISFACTION	<---	EXPERIENTIAL VALUE	1.089	0.969	0.165	6.617	***	
CUSTOMER LOYALTY	<---	CUSTOMER SATISFACTION	0.353	0.347	0.254	1.393	0.164	0.939
CUSTOMER LOYALTY	<---	EXPERIENTIAL VALUE	0.813	0.710	0.300	2.710	0.007	1.102
EV1	<---	EXPERIENTIAL VALUE	1.000	0.536				0.288
EV2	<---	EXPERIENTIAL VALUE	0.990	0.529	0.158	6.251	***	0.280
EV3	<---	EXPERIENTIAL VALUE	0.765	0.448	0.139	5.507	***	0.200
EV4	<---	EXPERIENTIAL VALUE	0.990	0.528	0.160	6.205	***	0.279
EV5	<---	EXPERIENTIAL VALUE	0.993	0.538	0.142	7.001	***	0.289
EV6	<---	EXPERIENTIAL VALUE	0.701	0.451	0.126	5.574	***	0.203
EV7	<---	EXPERIENTIAL VALUE	0.716	0.374	0.150	4.764	***	0.140
EV8	<---	EXPERIENTIAL VALUE	0.845	0.494	0.149	5.683	***	0.244
EV9	<---	EXPERIENTIAL VALUE	1.050	0.587	0.156	6.727	***	0.345
EV10	<---	EXPERIENTIAL VALUE	0.924	0.558	0.142	6.498	***	0.311
EV11	<---	EXPERIENTIAL VALUE	0.880	0.510	0.144	6.110	***	0.260
EV12	<---	EXPERIENTIAL VALUE	0.997	0.590	0.147	6.760	***	0.348
EV13	<---	EXPERIENTIAL VALUE	1.134	0.630	0.162	7.016	***	0.397
CS1	<---	CUSTOMER SATISFACTION	1.000	0.593				0.351
CS2	<---	CUSTOMER SATISFACTION	0.776	0.489	0.125	6.205	***	0.239
CS3	<---	CUSTOMER SATISFACTION	0.669	0.450	0.116	5.775	***	0.202
CS4	<---	CUSTOMER SATISFACTION	0.976	0.596	0.134	7.254	***	0.356
CS5	<---	CUSTOMER SATISFACTION	0.834	0.518	0.129	6.471	***	0.269
CS6	<---	CUSTOMER SATISFACTION	0.968	0.622	0.139	6.948	***	0.271
CS7	<---	CUSTOMER SATISFACTION	0.916	0.597	0.127	7.229	***	0.356
CS8	<---	CUSTOMER SATISFACTION	0.943	0.595	0.130	7.260	***	0.354
CS9	<---	CUSTOMER SATISFACTION	1.048	0.631	0.137	7.625	***	0.398
CS10	<---	CUSTOMER SATISFACTION	0.887	0.568	0.127	7.007	***	0.323
CL1	<---	CUSTOMER LOYALTY	1.000	0.591				0.349
CL2	<---	CUSTOMER LOYALTY	0.561	0.357	0.114	4.912	***	0.128
CL3	<---	CUSTOMER LOYALTY	0.716	0.438	0.122	5.873	***	0.192
CL4	<---	CUSTOMER LOYALTY	0.930	0.576	0.126	7.349	***	0.332
CL5	<---	CUSTOMER LOYALTY	0.958	0.586	0.128	7.463	***	0.344
CL6	<---	CUSTOMER LOYALTY	1.011	0.606	0.132	7.659	***	0.367
CL7	<---	CUSTOMER LOYALTY	0.951	0.600	0.126	7.576	***	0.360
AVERAGE			0.890	0.552	0.147	6.247		0.338

The hypothesis criteria applied in this study are defined as follows:

Hypothesis 1

H_0 : C.R. ≤ 1.967 — There is no significant influence of experiential value on customer satisfaction and its impact on customer loyalty.

H_1 : C.R. ≥ 1.967 — There is a significant influence of experiential value on customer satisfaction and its impact on customer loyalty.

Based on the parameter summary presented in Table 3.2, the Critical Ratio (C.R.) for the influence of experiential value on customer satisfaction and its subsequent effect on customer loyalty is 6.247. As this value exceeds 1.967, H_0 is rejected, indicating a significant positive influence of experiential value on customer satisfaction and its impact on customer loyalty.

Hypothesis 2

H_0 : C.R. ≤ 1.967 — There is no significant influence of experiential value on customer satisfaction.

H_1 : C.R. ≥ 1.967 — There is a significant influence of experiential value on customer satisfaction.

As shown in Table 3.2, the Critical Ratio (C.R.) for experiential value's influence on customer satisfaction is 6.617, which exceeds the threshold of 1.967. Therefore, H_0 is rejected, indicating a statistically significant positive influence of experiential value on customer satisfaction.

Hypothesis 3

H_0 : C.R. ≤ 1.967 — There is no significant influence of experiential value on customer loyalty.

H_1 : C.R. ≥ 1.967 — There is a significant influence of experiential value on customer loyalty.

According to Table 3.2, the C.R. value for this relationship is 2.710, which is greater than 1.967. However, the corresponding p-value is 0.007, which does not meet the significance criteria ($p \leq 0.05$). Therefore, H_0 is accepted, suggesting that the influence of experiential value on customer loyalty is not statistically significant.

Hypothesis 4

H_0 : C.R. ≤ 1.967 — There is no significant influence of customer satisfaction on customer loyalty.

H_1 : C.R. ≥ 1.967 — There is a significant influence of customer satisfaction on customer loyalty.

Based on Table 3.2, the C.R. value is 1.393, which is below the threshold of 1.967. Thus, H_0 is accepted, indicating that there is no significant influence of customer satisfaction on customer loyalty.

The squared multiple correlation (R^2) represents the coefficient of determination, which reflects the extent to which variable X can explain variations in variable Y (Ghozali, 2014). Referring to the overall parameter estimates in Table 3.2, the R^2 value is 0.338, indicating that experiential value explains approximately 33.8% of the variation in customer

satisfaction and customer loyalty. The remaining 62% of the variance is unaccounted for in this study and may be explained by other variables not included in the model.

Based on the data analysis, the *Implied Correlation of All* table was generated to describe the correlations among manifest factors across the latent variables. The estimated correlation values between the manifest indicators of the latent variables in the model provide empirical support for the research hypotheses, as presented in Table 3.3.

TABLE 3.3
IMPLIED CORRELATION OF ALL VARIABLES

	<i>EXPERIENTIAL VALUE</i>	<i>CUSTOMER SATISFACTION</i>	<i>CUSTOMER LOYALTY</i>
CL7	0.628	0.621	0.600
CL6	0.634	0.627	0.606
CL5	0.613	0.607	0.586
CL4	0.603	0.596	0.576
CL3	0.458	0.453	0.438
CL2	0.374	0.370	0.357
CL1	0.618	0.611	0.591
CS10	0.551	0.568	0.588
CS9	0.611	0.631	0.653
CS8	0.576	0.595	0.616
CS7	0.436	0.450	0.466
CS6	0.603	0.529	0.612
CS5	0.502	0.518	0.536
CS4	0.578	0.596	0.617
CS3	0.578	0.597	0.618
CS2	0.474	0.489	0.506
CS1	0.574	0.593	0.613
EV13	0.630	0.611	0.659
EV12	0.590	0.572	0.617
EV11	0.510	0.494	0.533
EV10	0.558	0.541	0.584
EV9	0.587	0.569	0.615
EV8	0.494	0.363	0.477
EV7	0.374	0.362	0.391
EV6	0.451	0.437	0.471
EV5	0.538	0.521	0.563
EV4	0.528	0.512	0.426
EV3	0.448	0.434	0.468
EV2	0.529	0.513	0.554
EV1	0.536	0.520	0.561

As shown in Table 3.3, the highest loading factor of the experiential value variable in forming customer loyalty is EV13 (Entertainment Facilities), with a loading factor of 0.659, which also correlates with customer satisfaction. For customer satisfaction, the strongest indicator contributing to customer loyalty is CS9 (Service Needs), with a loading factor of 0.653, and it also correlates with experiential value. Conversely, the lowest loading factor for experiential value is EV7 (Exterior Design) at 0.391, while the lowest for customer satisfaction is CS7 (Price Satisfaction for Food and Beverages) at 0.466.

3.4 RESEARCH DISCUSSION

DISCUSSION ON CUSTOMER SATISFACTION OVERVIEW

In this study, customer satisfaction is positioned as the first endogenous variable, comprising four dimensions: *expectation satisfaction* (with three indicators), *perceived value* (two indicators), *satisfaction with the price* (three indicators), and *satisfaction as fulfillment* (three indicators). Based on questionnaire responses from 212 participants, the total score obtained was 8,922, equivalent to 84% overall. These results indicate that loyalty program members who stayed at Crowne Plaza Bandung experienced a high level of satisfaction, categorized as positive or very good.

Among the indicators, the statement “To what extent does the room product at Crowne Plaza Hotel Bandung meet your expectations?” received the highest score of 904, representing 10% of the total. Conversely, the statement “How satisfied are you with the food and beverage consumption at Crowne Plaza Bandung in fulfilling your needs?” received the lowest score of 876, or 9.9%. This suggests that not all guests were fully satisfied with the food and beverage offerings at Crowne Plaza Bandung.

DISCUSSION ON CUSTOMER LOYALTY OVERVIEW

In this study, customer loyalty is identified as the second endogenous variable, consisting of two dimensions: *repeat purchase* (comprising three indicators) and *willingness to recommend* (comprising four indicators). Following the distribution of questionnaires to 212 respondents, the total score recorded was 6,203, representing 84% of the maximum possible score. Based on this score, the customer loyalty variable is categorized as good. The data suggest that the majority of loyalty program members who stayed at Crowne Plaza Bandung can be classified as loyal customers with a generally positive perception.

The statement “How interested are you in staying again at Crowne Plaza Hotel Bandung?” received the highest score of 908, accounting for 15% of the total. In contrast, the statement “How willing are you to recommend the food and beverages offered at Crowne Plaza Hotel Bandung to friends or family?” received the lowest score of 868, or 14%, indicating that not all guests were willing to recommend the hotel’s food and beverage offerings.

Meanwhile, the statements “How willing are you to recommend the room products of Crowne Plaza Hotel Bandung to friends or family?” and “How willing are you to recommend the services provided by Crowne Plaza Hotel Bandung staff to friends or family?” received scores of 882 each, both contributing 14%. These results reflect a generally favorable willingness among guests to recommend the hotel’s room products and staff services to others.

DISCUSSION ON EXPERIENTIAL VALUE OVERVIEW

In this study, experiential value serves as the exogenous variable and consists of three dimensions: *service excellence* (three indicators), *aesthetics* (six indicators), and *playfulness* (three indicators). Based on responses from 212 participants, the total score obtained was 11,495, equivalent to 83% of the maximum possible score. According to this result, experiential value is categorized as good.

The highest-scoring indicator was the statement: “How superior is the service provided by Crowne Plaza Bandung staff compared to other five-star hotels?”, which scored 898, accounting for 7.8% of the total. The lowest-rated indicator was from the aesthetic dimension: “How attractive is the outdoor environment at Crowne Plaza Hotel Bandung?”, which received a score of 866 or 7.5%. Meanwhile, the statements: “How attractive is the design and layout of the rooms at Crowne Plaza Hotel Bandung?” and “How comfortable is the atmosphere created at Crowne Plaza Hotel Bandung?” each received scores of 891, contributing 7.8%. These findings suggest that most loyalty program guests perceived the room design and overall atmosphere at the hotel as attractive and comfortable.

THE INFLUENCE OF EXPERIENTIAL VALUE ON CUSTOMER SATISFACTION AND ITS IMPACT ON CUSTOMER LOYALTY

Of the four theories examined, only two received empirical support. The first hypothesis validated a beneficial effect of experiencing value on consumer satisfaction, which in turn affects customer loyalty. The second hypothesis exhibited a substantial effect of experiential value on consumer satisfaction. Nevertheless, the third and fourth hypotheses—specifically, the direct impact of experiential value on customer loyalty and the effect of customer satisfaction on customer loyalty—were not substantiated by the test results.

Customer happiness and customer loyalty both achieved the highest total response scores at 84%, closely followed by experience value at 83%.

The coefficient of determination (R^2) in this study was 0.338, signifying that experience value accounts for roughly 33.8% of the variance in consumer happiness and loyalty. The remaining 62% is presumably attributable to other variables not encompassed in

this study, indicating that further criteria beyond customer happiness and loyalty may be necessary to comprehensively understand the effects of experiencing value.

The Implied Correlation of All table offers further information by depicting the correlations across manifest indicators across latent variables. The experiential value indicator with the highest loading factor contributing to customer loyalty was EV13 (Entertainment Facilities), which is associated with customer happiness and had a loading factor of 0.659. The primary element influencing customer loyalty within customer satisfaction was CS9 (Service Needs), with a loading factor of 0.653 and a link with experiential value.

In contrast, the lowest loading factor from experiential value influencing customer loyalty was EV7 (Exterior Design), with a value of 0.391, which was likewise associated with customer pleasure. Furthermore, CS7 (Price Satisfaction for Food and Beverages) was recognized as the least robust indicator of customer satisfaction influencing customer loyalty, with a loading factor of 0.466.

4. CONCLUSION

This study provides theoretical and empirical insights into the effect of experiential value on customer satisfaction and its subsequent influence on customer loyalty among loyalty program participants at Crowne Plaza Hotel Bandung. The results demonstrate that consumer satisfaction—especially for room quality, emotional experience, and service excellence—was seen as highly favorable. Customer loyalty was notably high, particularly for intents to buy and refer services; nevertheless, contentment with food and beverage offerings and corresponding recommendations were comparatively weaker.

The study, utilizing Structural Equation Modeling (SEM), established that experiential value greatly impacts consumer pleasure and indirectly promotes customer loyalty. The direct influence of experiential value on customer loyalty, as well as the impact of customer satisfaction on loyalty, lacked statistical significance, indicating that loyalty is not only determined by satisfaction but may be contingent upon other intervening variables or situational considerations. The model accounted for approximately 33.8% of the variance in happiness and loyalty, leaving 62% potentially attributable to other factors.

These findings highlight the intricacy of consumer behavior within the hospitality sector. Despite elevated satisfaction levels, client loyalty remains uncertain, as choices may be swayed by rival alternatives, changing consumer tastes, promotional activities, social factors, or discrepancies in service.

Future research should replicate and expand this study within wider contexts of the tourism and hospitality sector. Integrating supplementary exogenous or endogenous variables and other dimensions may yield a more thorough comprehension of the factors

influencing loyalty. Future research should incorporate more diverse and heterogeneous samples to enhance generalizability. The findings of this research are anticipated to bolster the strategic development of Crowne Plaza Bandung and enhance the field of tourism marketing management scholarship.

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