The Dynamic Marketing Capability for Service Excellence and Satisfaction of the Brand: Investigation from Customer's Perspective of Hotel Industry

Evo Sampetua Hariandja
Faculty of Economics and Business, University of Pelita Harapan
Tangerang, Banten 15811, Indonesia
evo.hariandja@uph.edu

Stephanie Ophelia Masman
Faculty of Economics and Business, University of Pelita Harapan
Tangerang, Banten 15811, Indonesia
opheliamasman@gmail.com

Tanggor Sihombing
Faculty of Economics and Business, University of Pelita Harapan
Tangerang, Banten 15811, Indonesia
tanggor.sihombing@uph.edu

Liza Handoko
Faculty of Economics and Business, University of Pelita Harapan
Tangerang, Banten 15811, Indonesia
liza.handoko@uph.edu

Abstract

This paper aims to analyze the relationship between dynamic marketing capabilities, service excellence, and hotel satisfaction in the hotel industry from the customer's perspective. This study is built from conceptual framework relevant to each other with the dynamic capability approach and service design logic. Data was gathered from online survey through G-Forms where respondents need to answer the questionnaire based on their experience and perspective. The data were collected from 357 customers who stayed in the hotel before and during the pandemic Covid-19. The analysis data Structural Equation Modeling using Smart-PLS 3.3.2 version. The outer model consists of a validity and reliability test, while the inner model examines R-square, T-statistics, and P-value tests. Further, structural equation modeling was performed to test the construct relations in this study's theoretical framework. The model tested using the inner and outer model and predictive relevance. Result show that dynamic marketing capabilities, service excellence, and satisfaction of the brand are all supported. The study provides information and suggestions for the further marketer, not only in the hotel industry, for what can be done to work on the market that is always changing effectively.

Keywords: Dynamic marketing capability, Hotel, Indonesia, Satisfaction of the Brand, Service excellence

1. Introduction

Tourism itself is a source of foreign exchange for Indonesia, with Indonesia being an archipelagic country, where Indonesia has a lot of natural wealth, making many foreign tourists interested in visiting Indonesia. If the tourism of a country is very developed, it can improve the country's economy, where the income generated by consumption tourist goods and services, taxes that are imposed on businesses in industry tourism and opportunities for employment and open employment opportunities for the community to support the tourism industry activities (Sari

et al., 2016). It can be seen that, over the years, there is an increase in the number of hotels in each province. This thing leads to how important it is for the tourism sector, where the need to focus on service innovation is hugely required, not only in Bali but also in Indonesia overall, where tourism highly contributes to the country's income. As stated by Hipp and Grupp that during the past years, to push the service sector and its peculiarities concerning innovation, economic policy research has been highly studied (Hipp & Grupp, 2005), where the internal innovation activities in companies are the major stimulating force of (company) growth and change also in the service sector.

The major problem that arises from this situation has the relation with the developers who continue to build hotels in Indonesia to support accommodation for tourists, wherein certain areas that they might think will attract more tourists to choose their place, the developers continue to build and create hotels with their uniqueness to attract tourists to want to stay at their place and creating competition among them. With many new hotels being built in every region in Indonesia that is potentially attractive, it has also triggered a tariff war. Especially during the high season (holiday period), usually with businessmen in the tourism sector applying promotional rates, new tourism accommodation causes the price set between tourist accommodations in the region to be damaged.

1.1 Objectives
That is why the researcher came up with the idea of seeking the truth of how necessary it is for a hotel to keep up with changes in the market. Lastly, this research wants to study how the hotel dynamic marketing capabilities could enhance the power of service excellence and satisfaction of the brand from the guest's perspectives because due to the dynamic nature of customers' taste and preferences, it increases the competition between the service sector where the service providers have realized the importance of co-creating with customers across various stages of new service development (Sarmah & Rahman, 2018).

2. Literature Review

Dynamic capabilities
Dynamic capabilities can be defined as the ability of a firm to create new manufacturing processes and new products/services to rapidly respond to changing environments. It also can be defined how well the firm integrates, establish, and redeploy internal and external resources into the best configuration to be able to create and develop new capabilities and create new market opportunities. Concurring unique abilities are generally installed in authoritative cycles and schedules that permit an undertaking to adjust to the changing economic situations to reconfigure its source base, empower transforming and variation, and in the long run accomplish an edge over contenders (Tseng & Lee, 2014). Subsequently, this examination characterized the dynamic capacities zone association's capacity to make and use hierarchical installed assets for accomplishing a supportable upper hand. As such, a firm ought to depend on its capacity to make, keep up, and recharge its bases of the upper hand in violent natural conditions. On the off chance that a firm with exceptionally powerful abilities can rapidly adapt to the emotional changes in the outer climate, it can build up the upper hand and increment their reasonable worth. Be that as it may, it is hard to assemble another ability as it requests powerful hierarchical cycles for new learning.

Marketing capability
Marketing capability is considered as the association's capacity to comprehend and oblige market needs (Srivastava et al. 2001). It tends to be characterized as the company's capacity to properly its assets for the presentation of advertising activities so that clients' requirements are fulfilled. For this situation, the scientist expressed that promoting capacities (arranging and execution) are significant in asset organization to meet item advertisement objectives (Srivastava et al., 2001).

Dynamic marketing capability (DMC)
Marketing capability in the market has various ramifications and estimations. Promoting capacity is describing the path toward planning the associations, which use the association's resources and aptitudes to appreciate the necessities of customers to make unmistakable kinds of things related to the resistance and get the brand pervasiveness. According to Hariandja (2016), It likewise infers the limit of the association to the joining of learning, capacities, and techniques to address the issues of customers and assembling a market opportunity better than anything competitors and uses resources for relations with customers and can incite "market detecting" limits. The ability to introduce a dynamic market that engages associations to develop new things for the business considering science. The advertising limit can be made by the staff using their knowledge and aptitudes in promoting the resistance limit that moves powerfully (Sampetua Hariandja, 2016).

The dynamic marketing capability (DMC) idea builds from the key administration hypothesis and gives another translation of how organizations in the climate that change quickly acquire their upper hand, quoted from various researchers, that defined the ability to create new resources, identify, respond to and exploit changes and classified them into market sensing, learning, and market targeting or positioning as the total that creates dynamic marketing capabilities. This market sensing capability is the firm's capacity to gain from their clients, colleagues, and rivals to detect, cycle, and use data just as to act persistently on patterns and occasions in planned and present business sectors. While to maintain the sustainability of the firm, it has to keep up long haul upper hands over its opponents, to make due in powerful and serious conditions, and to be responsive to gaining and acclimatizing outside information. Last, market targeting or the positioning capability is the firm capability to recognize elective chances and afterward select fitting business sectors focus on that are adjusted for the best impact. Adjusting assets and abilities to changing business sectors need to assess the showcasing skills.

Service excellence (SE)
Service excellence, according to Hariandja (2014), is made from some aspects, which are, service delivery, servicescapes, customer participation, and customer responsiveness. To receive customer high appreciation, flexibility, and customization in-service process and delivery are well needed. All around arranged and planned assistance conveyance may straightforwardly add to the service excellence. Servicescape is identified with the style and presence of the actual air and climate in a help association that impact affects clients' experience. Additionally, quoted by Hariandja, affirmed the significance of engineering and plan as key worth drivers that impact clients' impression of service excellence (Hariandja et al., 2014).

Satisfaction of the brand (SB)
Brand fulfillment has likewise been considered as a significant component of client connections). (Anderson et al., 1994) characterized brand fulfillment as an absolute appraisal of the brand because of by and large buy utilization and experience. When all is said in done, brand fulfillment has been conceptualized to mirror the capacity of a brand to offer items and administrations that satisfy the necessities and desires of conclusive clients. Solid brands give high accentuation to improve consumer loyalty to encourage the way toward picking up brand devotion, improving clients' readiness to pay, and supporting the lifetime estimation of the client for a significant period (Hanaysha & Hilman, 2015).

Dynamic marketing capabilities (DMC) and service excellence (SE)
To win over their competitors behind, hotels are competing for market share and developing new strategies. Hotels should put more effort into investigating the needs and expectations of their target groups if they want to improve their image and increase their profit (Hariandja et al., 2014).
H1: There is a positive and significant relationship between DMC and SE

Dynamic marketing capabilities (DMC) and satisfaction of the brand (SB)
Satisfaction of the brand can be accomplished if the firm can perform well to the client, where cited by Cabanero from the past examination, the effect of promoting arranging abilities, past exploration has demonstrated that hierarchical arrangement aptitudes upgrade firms just as unrivaled arranging measure capacities. Formalizations in advertising arranging upgrades methodology execution by empowering coordination and arrangement of individuals and exercises. Thoroughness, accentuation on showcasing resources and capacities, and assets (Cabañero et al., 2015). Thus, the study proposed:
**H2: There is a positive and significant relationship between DMC and SB**

Service excellence (SE) and satisfaction of the brand (SB)
From an exploration led by Thaher, 2015, it was demonstrated that administration greatness and fulfillment of the brand do have a good relationship, where to accomplish administration greatness, the organization must have certain aptitudes, for example, great and respectable, be benevolent, show confidence and demeanor are consistently prepared to serve, calm work, not honorable because they feel required, to dominate his employment better errands identified with the segment or office or another part, ready to impart well, ready to know and comprehend communication via gestures (motion) 13 clients just as can deal with client objections expertly (Thaher, 2015). The better assistance greatness in the main measurements, that is speed administrations or all the better administrations in responsiveness, so will be the higher consumer loyalty (Kock, 2015).
H3: There is a positive and significant relationship between SE and SB

Based on the explanation of the theoretical above, this study summarized the conceptual model as depicted in Figure 1 below.
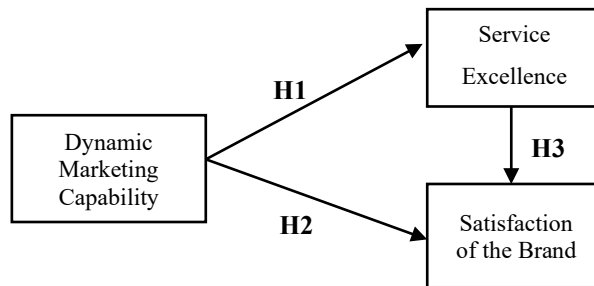
Figure 1. Conceptual Model
Source: Developed from the study of Hariandja (2014)

3. Methods

Conceptual and Operational Definition
The conceptual definition is a limitation on variable problems that is used as a guide in research so that it will make it easier to operate it in the field (Sudjarwo & Basrowi, 2008). There are also other definitions regarding the characteristics of a problem to be researched which will be explained in the research element. Therefore, the conceptual definition of each variable has also been presented based on the theoretical basis made (Dakhi & Lubis, 2014). Still from the book by Sekaran and Bougie, operationalizing is done by looking at the behavioural dimensions, facets, or properties denoted by the concept. These are then translated into observable and measurable elements so as to develop an index of measurement of the concept. (Sekaran & Bougie, 2016). At that point, it is important to consider the substance of the measure; that is, an instrument (at least one things or questions) that really quantifies the idea that one needs to quantify must be created. Accordingly, a reaction design (for example, a seven-point rating scale with end-points secured by "strongly disagree" and "strongly agree") is required, and, at last, the legitimacy and dependability of the estimation scale must be surveyed as depicted in Table 1 below.

Table 1. Conceptual and Operational Definition Table

Variable	Conceptual Definition	Operational Definition	Scale	Source
Dynamic Marketing Capability	Capability to create new resources, identify, respond to and exploit changes and classified them into market sensing, learning, and market targeting or positioning. (Hariandja et al., 2014)	These are eight indicators, as follows:	Likert Scale (1-5)	(Hariandja et al., 2014)
		1. I have got to feel the events and trends in the market environment to help me to decide which hotel should I stay.		
		2. I use the information about my needs and intentions when making decisions at a specific hotel.		
		3. I utilize review from Agoda starting from the hotel overall performance and the value for money.		
		4. I utilize the data review from a hotel review website that is discussed or rated the hotel certain facilities.		
		5. I utilize the information provided by company image studies when making decisions.		
		6. I prefer a hotel that is appropriate to my segmentation and position.		
		7. I receptive to acquiring and assimilating external knowledge regarding the hotel to help in decision making.		
		8. I also identify for another alternative opportunities from another hotel that I have targeted.		
Service Excellence	An integral part of their superior service to win the	These are fourteen indicators, as follows:	Likert Scale (1-5)	(Hariandja et al., 2014)
		1. Structure (facilities, equipment, etc.) of the hotel influences my decision making.		

	customers' hearts and stay competitive in the market. (Hariandja et al., 2014)	2. Infrastructure (job design, skills, etc.) of the hotel influences my decision making.		
		3. The process of service delivery influences my decision making.		
		4. Space or functions influence my decision making.		
		5. Signs, symbols, and artefacts of the hotel influences my decision making.		
		6. The hotel's ambience condition influences my decision making.		
		7. Selecting specific event that is being held by the hotel influences my decision making.		
		8. Sharing knowledge regarding the hotel influences my decision making.		
		9. Entering data about the hotel influences my decision making.		
		10. The interactions between me and the hotel staff influence my decision making		
		11. Word-of-Mouth delivery regarding the hotel influences my decision making.		
		12. Speed of the hotel's service influence my decision making.		
		13. Service variety of the hotel influences my decision making.		
		14. Service willingness influences my decision making.		
Satisfaction of the Hotel	Brand satisfaction has been conceptualized to reflect the ability of a brand to offer products and services that fulfill the needs and expectations of final customers. (Hanaysha & Hilman, 2015)	These are five indicators, as follows:	Likert Scale (1-5)	(Hanaysha & Hilman, 2015)
		1. I am satisfied with my decision to stay in 3, 4, or 5-star hotel.		
		2. My choice to stay in 3, 4, or 5-star hotel was a wise one.		
		3. I think that I did the right thing when I stayed in 3, 4, or 5-star hotel.		
		4. I am happy that I stayed at 3, 4, or 5-star hotel.		
		5. I am truly enjoyed with the decision I made to stay at 3, 4, or 5-star hotel.		

Source: Created for this study (2020)

Partial Least Squares (PLS)

PLS has a standard on each validation testing, where according to Ghozali and Latan (Latan & Ghozali, 2015):

•Loading factor or also known as outer loading will be declared as valid and fulfill the criteria for convergent validity if each indicator value > 0.70.

•Average Variance Extracted (AVE), will be declared as valid and fulfill the criteria for convergent validity if each indicator value > 0.50.

•Cross-loading will be declared as valid and fulfill the criteria for discriminant validity if each indicator value > 0.70.

•Cronbach's Alpha will be declared as valid and fulfill the reliability measurement if each indicator value > 0.70.

•Composite Reliability will be declared as valid and fulfill the criteria for discriminant validity if each indicator value > 0.70.

•R-squares can be concluded as a strong, moderate, and weak type of model, if the value of R-squares 0.75, 0.50, and 0.25.

•Significance, for two-tailed significance with t-value conditions 1.65 (significance value = 10%), 1.96 (significance level = 5%), and 2.58 (significance level = 1%), then if the T-statistics value > t-value it is qualified for significance measurement.

•P-value, if the P-value < 0.05, is declared as significance statistically.

4. Data Collection

In the process of collecting data during this research, researchers used primary and secondary collection methods (mixed methods). Where to collect data primarily, data collection techniques were carried out by distributing questionnaires containing questions and statements related to predetermined variables and then addressed directly to respondents who met the criteria, where prospective respondents would fill out the answers to the questionnaires that had been made based on what they feel and experience. To fulfill the initial step, namely the literature review stage, the researcher compiled a questionnaire. Then, the questionnaires that had been distributed were tested for accuracy by surveying the guest's hotel with certain standards that had been made. Only then did the researcher conduct a large-scale hypothesis test from the quantitative data that had been obtained. Also, to support this research, researchers collected secondary data as sources of information regarding this research, where the data itself was obtained through quotes from experts, electronic books, websites, and reliable data sources. Respondents that are qualified to answer the questionnaire are those who have experienced staying in a 3-star up to 5-star hotel in Indonesia. A total of 357 questionnaires were collected, which all are valid later to be calculated in the data analysis using Smart-PLS software.

5. Result and Discussion

5.1 Numerical Result

Convergent Validity Test
After eliminating some indicators from the smallest number to earn a valid number from the first actual test, it shows that some indicators that are not valid become valid because the dropping (removing) method and keep on re-calculating the data, so that, the new result of convergent validity using factor loading is shown below here, at the following Table 2.

Table 2. Convergent Validity

	DMC	SB	SE
DMC 3	0.712		
DMC 4	0.767		
DMC 5	0.798		
DMC 7	0.794		
SB 1		0.823	
SB 2		0.824	
SB 3		0.818	
SB 4		0.708	
SB5		0.704	
SE 10			0.748
SE 12			0.745
SE 14			0.762
SE 2			0.703
SE 3			0.792

The table above shows that all indicators are already valid after being processed (dropping some indicators) with the value > 0.7. The convergent validity using the AVE test also shows that all the variables are valid. This result is shown after the elimination of the indicators that are being dropped from the smallest number from the first actual test as shown in Table 3.

Table 3. Convergent Validity

	Cronbach's Alpha	Rho-A	Composite Reliability	Average Variance Extracted (AVE)
DMC	0.785	0.821	0.852	0.591
SB	0.835	0.844	0.884	0.604
SE	0.806	0.809	0.866	0.563

AVE = Average Variance Extracted, with the rule of thumb > 0.50 can be said valid. The reliability of the construct DMC, SB and SE is reliable.

Discriminant Validity Test (Cross Loading and HTMT)
Discriminant validity also supports the elimination of certain indicators by showing all the cross-loadings between the indicators and variables are valid because the values are above 0.70 which is the rule of thumb of discriminant validity using the cross-loading as shown in Table 4. The discriminant validity measures of construct that theoretically should not be related to each other while the convergent validity measures of construct that theoretically should be related to each other. Both convergent and discriminant validity in the form of construct validity. Therefore, with the proof that all indicators are valid, it is said that the construct is valid. After all the indicators are valid and proved with the convergent and discriminant validity, then it can be performed to the reliability test and for the inner model test which consists of R-square and significance test.

Table 4. Discriminant Validity

	DMC	SB	SE
DMC 3	0.712	0.104	0.160
DMC 4	0.767	0.152	0.214
DMC 5	0.798	0.296	0.251
DMC 7	0.794	0.334	0.318
SB 1	0.294	0.823	0.428
SB 2	0.322	0.824	0.364
SB 3	0.243	0.818	0.395
SB 4	0.198	0.708	0.360
SB5	0.191	0.704	0.333
SE 10	0.302	0.347	0.748
SE 12	0.203	0.333	0.745
SE 14	0.166	0.368	0.762
SE 2	0.286	0.350	0.703
SE 3	0.253	0.417	0.792

Table 4 shows that all indicators are valid after being processed (dropping some indicators) with the value > 0.7. Discriminant Validity Heterotrait Monotrait Ratio (HTMT).

Table 5. Discriminant Validity HTMT

	DMC	SB	SE
DMC			
SB	0.346		
SE	0.375	0.588	

Table 5 shows all variables are valid under criteria that the value is under 0.85, the maximum value cannot be above 0.90 or equal to 0.90 (Gudergan et al., 2008).

Goodness of Fit Index (GoF)

The goodness of Fit index regarding the book by Joseph F. Hair, et al. (2018), is also part of assessing the measurement of model validity, where it indicates that how well the user-specified the model mathematically to reproduce the already observed covariance matrix among the indicator items (Jr et al., 2018). The Standardized Root Mean Square (SRMR) with a value less than 0.10 or of 0.08 is considered a good fit (Hu & Bentler, 1999). Henseler et al. also introduced a way that can be used to avoid model misspecification by using the SRMR as a goodness of fit measure for PLS-SEM (Henseler et al., 2014). Lohmeller also provides detailed information on the NFI computation of PLS path models (Lohmöller, 1989). While RMS_theta is another alternative way to measure the Goodness of Fit which if the value below 0.12 indicates a well-fitting model, whereas higher values indicate a lack of fit (Henseler et al., 2014) as depicted in Table 6 below.

Table 6. Goodness of Fit Index

	Saturated Model	Estimated Model
SRMR	0.083	0.083
d_ULS	0.722	0.722
d_G	0.204	0.204
Chi-Square	438.199	438.199
NFI	0.776	0.776
rms Theta	0.185	

GoF shows how to fit the data has been represented by the specified theoretical structure. Table 6 shows a good result from the Goodness of Fit – SRMR, with the value 0.083 which indicates a good correlation fit. Then from the NFI, it shows a marginal fit with the value 0.776. While, the RMS_theta turns out valued above 0.12, which is, 0.185, which is not a good fit.

Collinearity (VIF)

Table 7 show VIF results value the number between 1.307 until 2.352 which interprets that all indicators are free from bias. Along these lines, if all VIFs coming about because of a full collinearity test are equivalent to or lower than 3.3, the model can be viewed as liberated from normal strategy inclination (Kock, 2015).

Table 7. Outer and Inner Variance Inflation Factor (VIF)

Outer VIF Values			
DMC 3	1.868		
DMC 4	2.038		
DMC 5	1.526		
DMC 7	1.307		
SB 1	1.970		
SB 2	2.352		
SB 3	2.336		
SB 4	1.688		
SB5	1.729		
SE 10	1.524		
SE 12	1.714		
SE 14	1.762		
SE 2	1.386		
SE 3	1.671		
Inner VIF Values			
	DMC	SB	SE

DMC		1.120	1.000
SB			
SE		1.120	

The above Table 7 shown that all indicators with outer and inner VIF value < 3.3 stated that free from bias.
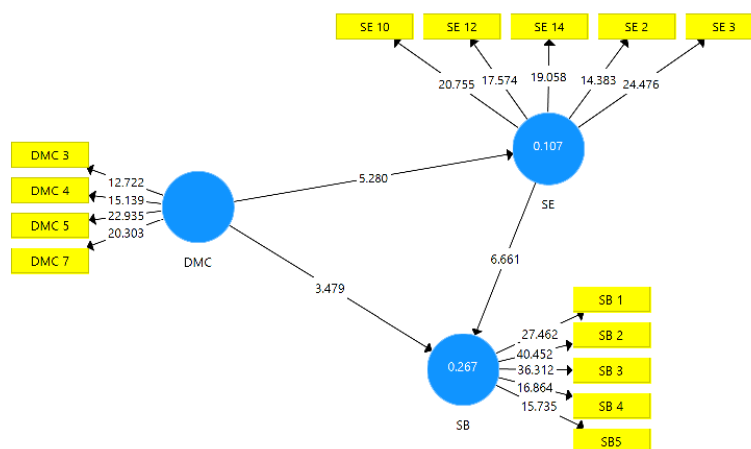
5.2 Graphical Result

Figure 2. Outer Model

Figure 2 show the result of outer model from the variables.

Table 8 shows the R^2 of satisfaction of the brand (hotel) shows the value 0.267 which means that 26.7% of the variance from the value of the dependent variable can be explained by the independent variable, while 73.3% of the variance can be explained by the independent variable which not included in the regression equation. Service excellence shows the value 0.107 which means that 10.7% of the variance from the value of the dependent variable can be explained by the independent variable, while 89.3% of the variance can be explained by the independent variable which is not included in the regression equation. According to the book by Ghozali and Latan (2015), stated in their books that the R^2 value of 0.75, 0.50, and 0.25 indicates that the model is strong, moderate, and weak. Based on the value obtained, it can be concluded that this research model is weak (Latan & Ghozali, 2015). The weak model can be happened because this model is predictive. Many constructs or variables necessary involved in the model. F^2 is calculated as the increase in R^2 relative to the proportion of variance of the endogenous latent variable that remains unexplained. According to Cohen (1988), F^2 values of 0.02 signify small, 0.15 signifies medium, and 0.35 signifies large effects (Cohen, 1988). The results of the Q^2 value test are included in the assessment criteria, it also works as the predictive relevance, where if the value that is owned shows several more than 0.3 it can be said to be strong, if 0.125 or 0.135 is moderate, and if it is 0, it is weak. The data itself is taken through the blindfolding calculation – Construct Cross-validated Redundancy. Satisfaction of the brand valued 0.153 is moderate and service excellence valued at 0.055 is weak.

Table 8. R2, F2, and Q2

R^2		R Square	R Square Adjusted
SB		0.267	0.263
SE		0.107	0.104
F^2	DMC	SB	SE
DMC		0.042	0.120
SB			
SE		0.220	

Q²	SSO	SSE	Q² (=1-SSE/SSO)
DMC	1428.000	1428.000	
SB	1785.000	1511.065	0.153
SE	1785.000	1686.000	0.055

Hypothesis Testing

The hypothesis that has been given should be measured its significance. This can be obtained by looking at the T-statistics > 1.96 and P-value < 0.05 because this research used 95% confidence levels. Here is a table of hypothesis testing results. Table 9 shows there are three hypotheses in the table of direct effects that give a significant effect. It can be seen from the table, that all hypotheses are supported and significant because they fulfilled all the requirements which P-values < 0.05.

Table 9. Hypothesis Testing

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
DMC -> SB	0.186	0.189	0.052	3.589	**0.000**
DMC -> SE	0.327	0.334	0.064	5.093	**0.000**
SE -> SB	0.425	0.423	0.066	6.482	**0.000**

H1: There is a positive and significant relationship between dynamic marketing capability and service excellence

From Table 9, it shows that the T-statistics is 5.093 implies that there is a direct impact of dynamic marketing capability towards the service excellence of the hotel because T-statistics is higher than the T-value of 1.96. The original sample is 0.327 indicates that dynamic marketing capability towards service excellence of the hotel is positive, by all means, that every single point of Dynamic Marketing Capabilities (DMC) will increase 0.327 points of Service Excellence (SE). Also, the p-value is 0.000 implies that the impact is significant because the p-value is lower than 0.05. Therefore, it can be concluded that this hypothesis is supported and significant.

H2: There is a positive and significant relationship between dynamic marketing capabilities and satisfaction of the brand (hotel)

From Table 9, it shows that the T-statistics is 3.589 implies that there is a direct impact of dynamic marketing capability towards satisfaction of the brand (hotel) because T-statistics is higher than the T-value 1.96. The original sample is 0.186 indicates that dynamic marketing capability towards satisfaction of the brand (hotel) is positive, by all means, that every single point of Dynamic Marketing Capabilities (DMC) will increase 0.186 points of Satisfaction of the Brand (SB). Also, the p-value is 0.000 implies that the impact is significant because the p-value is lower than 0.05. Therefore, it can be concluded that this hypothesis is supported and significant.

H3: There is a positive and significant relationship between service excellence and satisfaction of the brand (hotel)

From table 9, it shows that the T-statistics is 6.482 implies that there is a direct impact of service excellence towards satisfaction of the brand (hotel) because T-statistics is higher than the T-value 1.96. The original sample is 0.425 indicates that service excellence towards satisfaction of the brand (hotel) is positive, by all means, that every single point of Service Excellence (SE) will increase 0.425 points of Satisfaction of the Brand (SB). Also, the p-value is 0.000 implies that the impact is significant because the p-value is lower than 0.05. Therefore, it can be concluded that this hypothesis is supported and significant.

Discussion

This research is the extension and development by the previous study, Hariandja (2014), in which this study used people who did stay in 3 to 5-star hotels in Indonesia as the research object, especially before this corona pandemic. The majority of respondents who fill this questionnaire are female by 221 respondents or 61.9% sample size. Also, most respondents are 15-25 years old with a total of 252 respondents. It doesn't matter what age played the major role in this study because this study can be classified as a general study where any age could have an experience staying at a hotel. Most of the respondents domiciled in Jakarta with a total of about 108 respondents. Moreover, the majority of respondents' monthly income is > Rp. 10.000.000,00 it is also the reason why mostly this research respondent's profession is mainly still a student. The actual study that the researcher did after the preliminary test. In this actual test, the number of respondents must meet the number of sample sizes previously calculated which is

equal to 340 or ten times the total indicators that have been made, but in this research, the researcher has collected a total of 357 respondents. The first analysis is analysis of convergent validity and discriminant validity. In the three round of running the actual test, there are thirteen indicators that are not valid because the value still below 0.70, which are, DMC 1, DMC 2, DMC 6, DMC 8, SE 1, SE 4, SE 5, SE 6, SE 7, SE8, SE 9, SE 11, SE 13, hence those indicators were eliminated to get an accurate result for the model and structural measurements, starting by dropping the smallest number in each construct and re-run the PLS-Algorithm, until all numbers become valid. The validity test is done repeatedly to prove the results to be valid indicators. Furthermore, the reliability test examined that all the variables and indicators are reliable. Basically, in the actual data processing process, the researcher divides it into three types of data processing, the first is the PLS-Algorithm (as previously mentioned), then there is also in the PLS-Algorithm, such as checking construct and reliability in a study, which in this study stated that all were reliable. Then, there is an explanation of HTMT, in which HTMT is a new way to assess discriminant validity, which in this study to state a valid indicator is that all values must be green or cannot be above 0.90 or equal to 0.90.

Limitations and Recommendation for Future Research
There are several limitations of this research as follows, the results from the data collected are based on the honesty of respondents and based on their own experiences during their stay in 3-star until 5-star hotels in Indonesia. For the next research, it is recommended to find more respondents regardless of the ten times standard and wider geographical location and may use the longitudinal research to get the result more accurate because different geographical will contain different characteristics and the longer time might help to analyze more deeply as well. Last, this research can be implemented in other industries besides hospitality. For example, banking, securities, airlines, or public services, and hospital.

6. Conclusion

The first hypothesis is dynamic marketing capability has a positive and significant effect on service excellence of the hotel is verified with 5.093 which the T-statistics is higher than the T-value of 1.96. Supported by the thoughts when as time goes by, there would be changes in some parts, including in the service world. Organizations can perform a good service if they know what the market wants or needs which always changes during certain times. The second hypothesis is dynamic marketing capability has a positive and significant effect on the satisfaction of the brand (hotel) is verified where the number shows the number 3.589 that implies T-statistics is higher than the T-value 1.96. The last hypothesis is service excellence has a positive and significant effect on the satisfaction of the brand (hotel) is verified with the number 6.482 that implies the T-statistics is higher than the T-value of 1.96.

References

Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer Satisfaction, Market Share, and Profitability: Findings from Sweden. *Journal of Marketing*, *58*(3), 53. https://doi.org/10.2307/1252310

Cabañero, C. P., Ros, S. C., & Cruz, T. G. (2015). The contribution of dynamic marketing capabilities to service innovation and performance. *International Journal of Business Environment*, *7*(1), 61. https://doi.org/10.1504/ijbe.2015.065996

Cohen, J. (1988). Set Correlation and Contingency Tables. *Applied Psychological Measurement*, *12*(4), 425–434. https://doi.org/10.1177/014662168801200410

Gudergan, S. P., Ringle, C. M., Wende, S., & Will, A. (2008). Confirmatory tetrad analysis in PLS path modeling. *Journal of Business Research*, *61*(12), 1238–1249. https://doi.org/10.1016/j.jbusres.2008.01.012

Hanaysha, J., & Hilman, H. (2015). The Impact of Product Innovation on Relationship Quality in Automotive Industry: Strategic Focus on Brand Satisfaction, Brand Trust, and Brand Commitment. *Asian Social Science*, *11*(10). https://doi.org/10.5539/ass.v11n10p94

Hariandja, E. S., Simatupang, T. M., Nasution, R. A., & Larso, D. (2014). Dynamic marketing and service innovation for service excellence. *Gadjah Mada International Journal of Business*, *16*(2), 143–166. https://doi.org/10.22146/gamaijb.5461

Henseler, J., Ringle, C. M., & Sarstedt, M. (2014). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*(1), 115–135. https://doi.org/10.1007/s11747-014-0403-8

Hipp, C., & Grupp, H. (2005). Innovation in the service sector: The demand for service-specific innovation measurement concepts and typologies. *Research Policy*. https://doi.org/10.1016/j.respol.2005.03.002

Hu, L., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, *6*(1), 1–55. https://doi.org/10.1080/10705519909540118

Jr, J. F. H., Black, W. C., Babin, B. J., Anderson, R. E., Black, W. C., & Anderson, R. E. (2018). *Multivariate Data Analysis*. https://doi.org/10.1002/9781119409137.ch4

Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. *International Journal of E-Collaboration*, *11*(4), 1–10. https://doi.org/10.4018/ijec.2015100101

Latan, H., & Ghozali, I. (2015). *Partial Least Squares: Concepts, Techniques and Applications using SmartPLS 3*.

Lohmöller, J.-B. (1989). *Latent Variable Path Modeling with Partial Least Squares*. https://doi.org/10.1007/978-3-642-52512-4

Murray, P. J., & Wynn, T. A. (2011). Protective and pathogenic functions of macrophage subsets. In *Nature Reviews Immunology*. https://doi.org/10.1038/nri3073

Ngatno, N. (2017). Effect of Brand Communication and Experience on Loyalty: Mediating Effect of Brand Satisfaction and Trust. (Case Study of Customers of Inul Vista Karaoke, Semarang, Central Java, Indonesia). *Archives of Business Research*, *5*(4). https://doi.org/10.14738/abr.54.2828

Sampetua Hariandja, E. (2016). *The Interaction Between Dynamic Marketing Capability and Service Innovation Capability on Performance*. https://doi.org/10.2991/gcbme-16.2016.73

Sari, N. K., Wibowo, L. A., & Ridwanudin, O. (2016). Upaya Menciptakan Customer Delight Melalui Service Excellence Hotel Santika Siligita Nusa Dua Bali (Survei terhadap Tamu SIP Member yang Menginap di Hotel Santika Siligita Nusa Dua Bali). *THE Journal : Tourism and Hospitality Essentials Journal*. https://doi.org/10.17509/thej.v4i2.1986

Srivastava, R. K., Fahey, L., & Christensen, H. K. (2001). The resource-based view and marketing: The role of market-based assets in gaining competitive advantage. *Journal of Management*. https://doi.org/10.1016/S0149-2063(01)00123-4

Tseng, S. M., & Lee, P. S. (2014). The effect of knowledge management capability and dynamic capability on organizational performance. *Journal of Enterprise Information Management*, *27*(2), 158–179. https://doi.org/10.1108/JEIM-05-2012-0025

Zehir, C., Şahin, A., Kitapçi, H., & Özçahin, M. (2011). The effects of brand communication and service quality in building brand loyalty through brand trust; the empirical research on global brands. *Procedia - Social and Behavioral Sciences*, *24*(December), 1218–1231. https://doi.org/10.1016/j.sbspro.2011.09.142

Biography

Evo Sampetua Hariandja, is assistant professor at the Department of Management Faculty of Economics and Business Universitas Pelita Harapan. He earned BE in Industrial Engineering from Institute of Technology Bandung, Master of Management in Finance and Marketing from Kwik Kian Gie Business School, Indonesia and Doctor of Science in Management from Institute of Technology Bandung. Dr. Evo has completed research projects with Mitsubishi Motors Indonesia, Volkswagen Indonesia, General Motors Indonesia, Post Indonesia, Naviikarana Consulting Group, and Busana Perkasa Garment. His research interests include service sector, manufacturing, dynamic capability, service innovation, product development management, and design thinking. He is a member of IEOM Society International, Academy of Management, British Academy of Management, Institute of Industrial and System Engineers, Indonesian Engineers Association, Strategic Management Society, and American Marketing Association.

Stephanie Ophelia Masman, is a research assistant, earned her Bachelor degree in Management from Universitas Pelita Harapan. Research interest in marketing and innovation management.

Tanggor Sihombing, Lecturer at Universitas Pelita Harapan in the accounting and management. He holds a Bachelor of Business Administration from University of Advent Indonesia, MBA from University of The East, and Doctoral Management Science from Technological University of the Philippine. Has experiences at multi-national corporation at L'Oreal. His research interest in accounting, finance, auditing and management.
.
Liza Handoko, is a Lecturer at Pelita Harapan University in the field of corporate finance and investment. Currently, pursue a Doctoral Research in Management Program at Universitas Pelita Harapan. Research interest in corporate finance, investment, and business management.