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Sustainable Marketing Strategies for Reviving Customer-Based Hotel Performance after Rebranding Decline

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ABSTRACT

Rebranding under a global hotel brand is expected to enhance marketing performance; however, brand affiliation does not necessarily lead to improved customer outcomes when service delivery and product quality fail to meet heightened expectations. This study examined a five-star hotel in Central Jakarta that experienced declining occupancy following its rebranding in 2019. The study aimed to investigate the effects of Brand Promise Fulfillment, Service Delivery Excellence, Digital Customer Experience, and Perceived Value on Customer-Based Hotel Performance, assessed through customer satisfaction, loyalty intentions, revisit intentions, hotel preference, and word-of-mouth recommendations, and to formulate strategic managerial recommendations. A quantitative, descriptive-explanatory, cross-sectional research design was employed, drawing on the Customer-Based View and Expectation–Disconfirmation Theory. Data were collected through structured questionnaires administered to guests who had stayed at the hotel following its rebranding. Respondents were selected using criterion-based purposive sampling, yielding 122 valid responses. The data were analyzed using multiple linear regression in IBM SPSS Statistics. The results indicated that the regression model explained 73.5% of the variance in customer-based hotel performance. Perceived Value emerged as the strongest statistically significant predictor, followed by Service Delivery Excellence, whereas Brand Promise Fulfillment and Digital Customer Experience exhibited positive but statistically nonsignificant associations with hotel performance. These findings suggested that guests placed greater emphasis on the value and quality of their actual experiences than on brand affiliation alone. Accordingly, hotel management should prioritize enhancing overall guest value and ensuring consistent service delivery, supported by alignment between brand promises and guest experiences and reliable digital service touchpoints. The study concluded that sustainable customer-based performance following rebranding required operational improvements rather than relying exclusively on brand communication strategies. However, the findings represented statistical associations within a single-hotel context and should not be interpreted as evidence of causal relationships.

INTRODUCTION

Hotels commonly undertake rebranding to improve marketing performance, strengthen competitive differentiation, and enhance customer-perceived value (Florentina et al., 2025; Kotler et al., 2022). Brand repositioning and changes in market positioning can influence

revenue performance and pricing power (Hanson et al., 2009). An analysis of 95 hotel properties indicated that repositioning toward higher market segments was associated with increased average daily rates (ADR), although net operating income generally declined during the first year because of transition costs before recovering in subsequent years. A panel study of U.S. lodging properties also reported an average 6.31% increase in occupancy following rebranding, attributed to both the market appeal of established brand names and internal operational improvements, including more effective local management and greater employee motivation. Global hotel brands offer advantages such as established loyalty programs, standardized marketing strategies, and broader distribution networks. Consequently, owners of aging hotel properties in competitive metropolitan markets frequently consider rebranding a strategic response to declining business performance (Bonotto, 2019; Mishra et al., 2026; Tang & O'Neill, 2025).

However, affiliation with an established hotel brand can rapidly increase customer expectations, while translating a new brand identity into improved customer outcomes requires organizational readiness, consistent service delivery, product quality alignment, digital capabilities, and effective value communication. Brand affiliation does not necessarily protect hotel performance across different economic conditions (O'Neill & Carlbäck, 2011). Similarly, improvements in brand perception contribute to organizational performance when supported by adequate organizational and social capital (Fan et al., 2023). Brand identity elements, awareness, attitudes, and image also influence hotel brand performance (Foroudi, 2019). Therefore, when operational practices following rebranding fail to fulfill heightened brand promises, the anticipated improvements in customer satisfaction, loyalty, and overall hotel performance may not materialize.

This study examined these challenges at a five-star hotel located in Jakarta's central business district, referred to as Hotel Y, which had previously operated as Hotel X before undergoing rebranding in 2019. Before rebranding, Hotel X was positioned as a value-oriented upscale property offering competitive room rates, spacious accommodations, and an established customer base comprising repeat corporate and government guests. Despite its aging facilities, the hotel maintained relatively stable occupancy rates. Following its affiliation with the global Hotel Y brand, customer expectations increased regarding service consistency, staff responsiveness, digital booking convenience, Wi-Fi reliability, loyalty program recognition, and value for money. However, several physical facilities, including room layouts, bathrooms, furniture, and public areas, had not undergone comprehensive renovations. Furthermore, service delivery procedures and service recovery protocols remained largely unchanged, while improvements in digital infrastructure were limited. The implementation of loyalty program benefits and brand-consistent communication also required a transitional adjustment period. These conditions created potential discrepancies between the hotel's enhanced brand positioning and the actual guest experience. Table 1 summarizes changes in key hotel performance indicators following rebranding.

Table 1. Key Performance and Guest Perception Indicators Before and After Rebranding

Indicator	Pre-rebranding: Hotel X (2017–2018)	Post-rebranding: Hotel Y (2019–2023)	Interpretation
Average occupancy	Approx. 62–68% (corporate-driven)	Approx. 39–45% in the early post-rebranding period	Occupancy declined despite a stronger global brand
Average daily rate	Competitive mid-upper upscale pricing	Higher pricing aligned with Hotel Y positioning	Higher price without proportional value enhancement
Guest review tone	Generally positive, tolerant of ageing facilities	Increasingly critical and expectation-driven	Expectation escalation
Room and bathroom feedback	"Spacious but old"	"Outdated, not matching Hotel Y standard"	Brand–product misalignment
Service consistency	Friendly, familiar service	Inconsistency and weak service recovery	Operational strain
Digital experience	Low expectations, limited complaints	Frequent complaints on Wi-Fi and digital reliability	Business traveller dissatisfaction
Brand expectation alignment	Aligned with Hotel X positioning	Strong negative expectation–disconfirmation	Rebranding amplified dissatisfaction

Source: Hotel Y internal performance summaries, OTA guest reviews and Medallia guest feedback, 2019–2023.

Although the COVID-19 pandemic and economic uncertainty affected the hospitality industry, Hotel Y experienced a slower recovery than its competitors, suggesting potential weaknesses in operational execution. Reviews on online travel agency (OTA) platforms frequently highlighted concerns regarding value for money, room and bathroom conditions, service consistency, staff responsiveness, and Wi-Fi reliability. Similar shortcomings appeared to have been more acceptable to guests under the former Hotel X brand but were evaluated more critically following the transition to Hotel Y. This pattern suggested that rebranding had raised customer expectations more rapidly than the hotel's operational capabilities could accommodate. Rather than directly measuring brand equity (Batat, 2021; Erdem & Swait, 1998), this study focused on the gap between brand promises and actual guest experiences across four dimensions: Brand Promise Fulfillment, Service Delivery Excellence, Digital Customer Experience, and Perceived Value (Mat Ghani et al., 2025).

The study was grounded in the Customer-Based View, which emphasizes customer value creation as a central organizational objective (Slater, 1997; Woodruff, 1997), and Expectation–Disconfirmation Theory, which explains how customers evaluate their experiences by comparing perceived service performance with prior expectations. The Technology Acceptance Model (TAM) provided additional theoretical support for examining Digital Customer Experience. Accordingly, the study investigated the associations between Brand Promise Fulfillment (RQ1), Service Delivery Excellence (RQ2), Digital Customer Experience (RQ3), and Perceived Value (RQ4) and Customer-Based Hotel Performance, assessed through customer satisfaction, loyalty intentions, revisit intentions, hotel preference, and word-of-mouth recommendations. It also aimed to formulate evidence-based managerial

recommendations for improving post-rebranding performance (RQ5). The research was limited to a single hotel and focused on customer-based performance indicators rather than directly examining financial performance or profitability.

The significance of this study encompassed practical, academic, and theoretical contributions. From a managerial perspective, the findings were intended to provide Hotel Y's management with empirical insights into the factors most strongly associated with customer satisfaction, loyalty intentions, revisit intentions, hotel preference, and positive word-of-mouth recommendations. These insights could support the prioritization of improvements in service delivery, perceived value, digital customer experience, and alignment between brand promises and actual guest experiences. From an academic perspective, the study contributed to hospitality marketing research by examining post-rebranding customer-based performance through an integrated model incorporating four interrelated marketing and service dimensions. Theoretically, it combined the Customer-Based View, which emphasizes the importance of creating customer-perceived value for sustainable organizational performance, with Expectation–Disconfirmation Theory, which explains how guests evaluate the extent to which their experiences meet expectations established by an international hotel brand. Although the single-hotel research context limited the generalizability of the findings, the study offered relevant insights for hospitality businesses experiencing similar post-rebranding challenges. Ultimately, the research sought to provide an evidence-based managerial framework that positioned rebranding as an organizational and operational transformation rather than merely a change in brand identity, enabling hotel managers to allocate resources toward improvements most closely associated with favorable customer outcomes.

METHOD

Research Design

The study employed a quantitative, descriptive-explanatory, cross-sectional design to examine the associations between Brand Promise Fulfillment (X1), Service Delivery Excellence (X2), Digital Customer Experience (X3), Perceived Value (X4), and Customer-Based Hotel Performance (Y). Hypothesis testing was conducted using 122 valid questionnaire responses analyzed with SPSS. Internal performance data, online travel agency (OTA) reviews, and Medallia feedback provided supplementary contextual evidence. The Customer-Based View and Expectation–Disconfirmation Theory guided the theoretical interpretation of the findings.

Population, Sample and Screening

The population comprises guests who have stayed at Hotel Y. Purposive sampling was used because respondents needed contextual knowledge to evaluate the hotel before and after rebranding. A preliminary list was drawn from the hotel’s Property Management System (PMS), pre-filtered by stay history, and the Google Forms questionnaire applied forced-response screening with conditional branching so that respondents failing any key criterion were automatically terminated (Table 2). Recency of stay was recorded as a profiling variable to assess possible recall bias rather than as an exclusion criterion.

Table 2. Screening Questions and Logic

No	Screening question	Logic	Purpose
SQ1	Have you ever stayed at the hotel?	No → survey terminated	Ensure actual hotel experience
SQ2	Have you stayed at the hotel after the 2019 rebranding?	No → survey terminated	Ensure ability to evaluate the rebranding
SQ3	What was your length of stay? (minimum two nights)	1 night → survey terminated	Ensure sufficient exposure to services
SQ4	Were you personally involved in the booking decision?	No → survey terminated	Ensure ability to judge value and digital experience
SQ5	When was your most recent stay?	Profiling only	Assess potential recall bias

Using the Cochran formula at a 95% confidence level and 5% margin of error, the minimum sample was set at 107 respondents. The 122 valid responses exceed this minimum and are adequate for a regression model with four independent variables (Hair et al., 2022).

Data Collection and Instrument

The questionnaire, developed from the operationalisation of each construct, consisted of four sections: screening questions (A); respondent profile covering gender, age group, purpose and frequency of stay (B); items for the independent variables (C); and items for the dependent variable (D). All items used a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Brand Promise Fulfilment was measured with six items (brand standards, international expectations, consistency with the promise, brand trust, image alignment and expectation–experience gap), Service Delivery Excellence with nine items (tangibles, reliability, responsiveness, assurance and empathy), Digital Customer Experience with eight items (usability, information accuracy, communication, responsiveness and accessibility), Perceived Value with six items (price fairness, quality worth the price and emotional value) and Customer-Based Hotel Performance with six items.

Each construct was assessed with multiple indicators to ensure construct validity and internal consistency (Hair et al., 2022). The Customer-Based View and Expectation–Disconfirmation Theory were not operationalised as separate questionnaire variables; instead, the four independent variables represent the hotel capabilities and touchpoints through which customer-recognised value is created and evaluated, while the Technology Acceptance Model supports the Digital Customer Experience construct through perceived usefulness, ease of use, accessibility and responsiveness. Combining screening logic with these measures ensures that all constructs are evaluated only by qualified respondents, reducing response bias and strengthening the subsequent analysis.

A pre-test with 41 respondents was conducted before the main survey. With an r-table of 0.306, all items were valid and all constructs exceeded the Cronbach's Alpha threshold of 0.70 (Table 3). Items X1_4 and X2_1 showed relatively lower correlations but were retained because they represent important theoretical dimensions.

Table 3. Pre-Test Validity and Reliability (n = 41)

Variable	Items	r-count range	Cronbach's Alpha	Result
Brand Promise Fulfilment (X1)	6	0.390–0.907	0.846	Valid, reliable
Service Delivery Excellence (X2)	9	0.344–0.917	0.925	Valid, reliable
Digital Customer Experience (X3)	8	0.622–0.887	0.891	Valid, reliable
Perceived Value (X4)	6	0.797–0.895	0.916	Valid, reliable
Customer-Based Hotel Performance (Y)	6	0.814–0.913	0.936	Valid, reliable

r-table = 0.306; reliability threshold = 0.70.

Data Analysis Technique

Data were processed in SPSS in six stages (Table 4). Multiple linear regression was chosen over PLS-SEM because the model examines the influence of several observed independent variables on a single dependent variable, and it allows both the direction and the relative strength of each predictor to be assessed.

Table 4. Stages of Data Analysis

Stage	Analysis technique	Purpose	Output
1	Data screening	Ensure only qualified respondents are included	Clean dataset
2	Descriptive statistics	Describe respondent profile and variable tendencies	Frequency, percentage, mean, standard deviation
3	Validity and reliability tests	Assess whether items are eligible and consistent	r-count, r-table, Cronbach's Alpha
4	Classical assumption tests	Ensure regression assumptions are fulfilled	Normality, multicollinearity, heteroscedasticity
5	Multiple linear regression	Examine the influence of X1–X4 on Y	Regression coefficients
6	Hypothesis testing	Test partial and simultaneous effects	t-test, F-test, R^2

The regression model is:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$$

The decision criteria for the assumption tests and hypothesis tests are summarised in Table 5.

Table 5. Decision Criteria for Assumption and Hypothesis Tests

Test	Purpose	Decision criterion
Normality (Kolmogorov–Smirnov, histogram, P–P plot)	Residuals normally distributed	Asymp. Sig. > 0.05
Multicollinearity	Independent variables not excessively correlated	Tolerance > 0.10 and VIF < 10
Heteroscedasticity (scatterplot, Glejser)	Constant residual variance	No clear pattern; Glejser Sig. ≥ 0.05
t-test	Individual effect of each independent variable	Sig. < 0.05 = hypothesis supported
F-test	Simultaneous effect of all independent variables	Sig. < 0.05 = model significant
Coefficient of determination (R^2)	Explanatory power of the model	Higher R^2 = stronger explanatory power

The hypotheses are: H1, Brand Promise Fulfilment positively and significantly influences Customer-Based Hotel Performance; H2, Service Delivery Excellence positively

and significantly influences Customer-Based Hotel Performance; H3, Digital Customer Experience positively and significantly influences Customer-Based Hotel Performance; and H4, Perceived Value positively and significantly influences Customer-Based Hotel Performance.

RESULTS AND DISCUSSION

Respondent Profile

Table 6. Respondent Profile (n = 122)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	73	59.8
	Female	49	40.2
Age group	18–24	3	2.5
	25–34	30	24.6
	35–44	39	32.0
	45–54	33	27.0
	55–64	14	11.5
	65 or older	3	2.5
Purpose of stay	Leisure	72	59.0
	Business	46	37.7
	Other	4	3.3
Frequency of stay	2–3 times	59	48.4
	More than 3 times	63	51.6

Male guests made up 59.8% of the sample, consistent with the hotel's history of serving corporate and business travellers in the central business district. The largest age segment was 35–44 years, followed by 45–54 and 25–34, indicating mature guests with purchasing power and extensive travel experience who can compare hotels across brands. Leisure guests (59.0%) outnumbered business guests (37.7%), which likely reflects post-pandemic growth in domestic leisure travel, staycations and city breaks and signals an opportunity beyond the traditional corporate base; leisure guests are also particularly sensitive to value for money. All respondents were repeat guests, with 51.6% staying more than three times, so their judgements rest on several experiences rather than on brand communication alone.

Descriptive Statistics

Table 7. Descriptive Statistics of Research Variables

Variable	Items	Min	Max	Total mean	Mean score	SD	Category
Brand Promise Fulfilment (X1)	6	14	30	21.43	3.57	4.268	High
Service Delivery Excellence (X2)	9	22	45	34.60	3.84	6.180	High
Digital Customer Experience (X3)	8	18	40	28.89	3.61	6.013	High
Perceived Value (X4)	6	15	30	23.64	3.94	3.755	High
Customer-Based Hotel Performance (Y)	6	14	30	24.25	4.04	3.840	High

Mean score = total mean divided by the number of items (five-point scale); n = 122.

All variables scored above 3.50, indicating a generally favourable evaluation of Hotel Y. Among the independent variables, Perceived Value scored highest (3.94), followed by Service Delivery Excellence (3.84), suggesting that guests value what they receive and the

service they experience. Brand Promise Fulfilment (3.57) and Digital Customer Experience (3.61) scored lowest. Although still high, these scores suggest that guests recognise the brand but do not fully experience its promise, and that digital interactions have not yet matched the higher expectations of seamless booking, accurate online information and fast responses that accompany an international brand. Customer-Based Hotel Performance achieved the highest mean (4.04), indicating strong satisfaction, loyalty, preference, revisit intention and willingness to recommend.

Brand Promise Fulfilment (X1). This construct captures brand standards, international expectations, consistency with the brand promise, brand trust, image alignment and the gap between expectation and actual experience. Its mean of 3.57 shows that guests broadly agree that Hotel Y reflects the standards of its brand, yet it is the lowest among the independent variables. Where operational execution, facility condition or service consistency fall short of the promise, guests perceive a gap; the brand therefore needs tangible support from service quality, physical product standards and consistent delivery across touchpoints.

Service Delivery Excellence (X2). With a mean of 3.84, guests view frontline interactions, namely staff responsiveness, professionalism, reliability and personalised attention, favourably. This indicates that the hotel's service culture has held up despite the challenges of rebranding and market competition. Because service quality can be improved through training, standards, supervision and staff empowerment, it is one of the most controllable levers of performance.

Digital Customer Experience (X3). The mean of 3.61 shows that digital channels are perceived as functional and useful, but their quality has not reached the level of value or service. Rebranding to an international brand raises expectations of digital convenience, accurate online information, simple booking and fast responses; if the digital ecosystem lags behind brand positioning, guests experience inconsistency along the customer journey.

Perceived Value (X4). At 3.94, Perceived Value is the highest-rated independent variable. Guests consider that room comfort, location, service quality, facilities, brand reputation and emotional satisfaction justify the price paid, which matters greatly in Jakarta's market, where rival hotels can be compared easily across price points and service tiers.

Customer-Based Hotel Performance (Y). The mean of 4.04 indicates strong satisfaction, loyalty intention, hotel preference, revisit intention and willingness to recommend, all of which support customer retention and reputation building. Descriptive statistics, however, cannot show which factors drive these outcomes; this is addressed by the regression analysis below.

Validity and Reliability

With n = 122, the r-table value is 0.177. All items of the five constructs exceeded this value with significance below 0.001, and all Cronbach's Alpha values exceeded 0.90, indicating excellent internal consistency (Table 8). The strongest items were X1_3 on keeping the brand promise (0.890) and X2_4 on staff responsiveness (0.871), while X1_4 on brand trust (0.746) and X2_1 on physical service quality (0.631) were lowest but still well above the threshold.

Table 8. Item Validity and Reliability of the Main Survey (n = 122)

Item	X1	Item	X2	Item	X3	Item	X4	Item	Y
X1_1	0.849	X2_1	0.631	X3_1	0.870	X4_1	0.876	Y1	0.877
X1_2	0.889	X2_2	0.833	X3_2	0.889	X4_2	0.835	Y2	0.904
X1_3	0.890	X2_3	0.848	X3_3	0.858	X4_3	0.871	Y3	0.872
X1_4	0.746	X2_4	0.871	X3_4	0.811	X4_4	0.831	Y4	0.889
X1_5	0.880	X2_5	0.824	X3_5	0.835	X4_5	0.791	Y5	0.891
X1_6	0.825	X2_6	0.838	X3_6	0.895	X4_6	0.797	Y6	0.875
		X2_7	0.860	X3_7	0.828				
		X2_8	0.856	X3_8	0.830				
		X2_9	0.840						
Alpha	0.918	Alpha	0.940	Alpha	0.946	Alpha	0.912	Alpha	0.944

Values are r-count (corrected item–total correlation); r-table = 0.177; all items significant at $p < .001$; all constructs rated Excellent (Alpha > 0.90).

Classical Assumption Tests

The regression model satisfies all classical assumptions (Table 9). The Kolmogorov–Smirnov test returned Asymp. Sig. 0.188, and the bell-shaped histogram and the P–P plot points clustering around the diagonal confirm normally distributed residuals. Tolerance values of 0.302–0.321 and VIF values of 3.115–3.315 show no multicollinearity, so each predictor contributes unique explanatory information despite being conceptually related. The scatterplot of standardised residuals shows points randomly distributed above and below zero without a funnel or wave pattern, and the Glejser test shows no predictor significantly affecting the absolute residuals.

Table 9. Classical Assumption Test Results

Test	Variable	Result	Conclusion
Normality (K–S)	Unstandardised residual	Statistic 0.072; Asymp. Sig. 0.188	Normal
Multicollinearity	X1	Tolerance 0.302; VIF 3.315	No multicollinearity
	X2	Tolerance 0.303; VIF 3.300	No multicollinearity
	X3	Tolerance 0.321; VIF 3.115	No multicollinearity
	X4	Tolerance 0.307; VIF 3.257	No multicollinearity
Heteroscedasticity (Glejser)	X1 / X2 / X3 / X4	Sig. 0.057 / 0.050 / 0.177 / 0.061	No heteroscedasticity

Multiple Linear Regression and Hypothesis Testing

The regression results (Table 10) produce the equation:

$$Y = 3.289 + 0.059X1 + 0.132X2 + 0.027X3 + 0.607X4 + e$$

Table 10. Regression Coefficients and t-Test Results

Hyp.	Variable	B	Std. Error	Beta	t	Sig.	Decision
	Constant	3.289	1.184	–	2.778	0.006	–
H1	Brand Promise Fulfilment (X1)	0.059	0.078	0.065	0.755	0.451	Not supported
H2	Service Delivery Excellence (X2)	0.132	0.054	0.212	2.453	0.016	Supported
H3	Digital Customer Experience (X3)	0.027	0.054	0.042	0.499	0.619	Not supported
H4	Perceived Value (X4)	0.607	0.088	0.594	6.912	0.000	Supported

The constant of 3.289 is the baseline value of Customer-Based Hotel Performance when all predictors are zero and has no direct operational meaning. Holding the other variables constant, a one-unit increase in Brand Promise Fulfilment, Service Delivery Excellence, Digital Customer Experience and Perceived Value is associated with increases of 0.059, 0.132, 0.027 and 0.607 units in Customer-Based Hotel Performance, respectively. The standardised coefficients indicate the relative strength of each predictor.

All coefficients are positive, but only two are significant. Service Delivery Excellence ($B = 0.132$; $p = 0.016$) and Perceived Value ($B = 0.607$; $p < 0.001$) significantly increase Customer-Based Hotel Performance, so H2 and H4 are supported. Perceived Value is by far the strongest predictor ($\beta = 0.594$), followed by Service Delivery Excellence ($\beta = 0.212$). Brand Promise Fulfilment ($p = 0.451$) and Digital Customer Experience ($p = 0.619$) have positive but non-significant effects, so H1 and H3 are not supported. Simultaneously, the four variables significantly explain Customer-Based Hotel Performance ($F = 81.044$; $p < 0.001$), and the model explains 73.5% of its variance ($R^2 = 0.735$; adjusted $R^2 = 0.728$), leaving 26.5% to factors outside the model such as room quality, brand trust, customer engagement, location, loyalty programme effectiveness, online reputation and competitive positioning (Table 11).

Table 11. F-Test and Coefficient of Determination

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1,322.497	4	330.624	81.044	0.000
Residual	477.503	117	4.081		
Total	1,800.000	121			

$R = 0.857$; $R^2 = 0.735$; adjusted $R^2 = 0.728$; standard error of the estimate = 2.020.

The significant F-test confirms that the research model is appropriate for interpretation and that customer-based hotel performance is a multidimensional outcome shaped jointly by brand-related perceptions, service delivery quality, digital experience and value perception. The adjusted R^2 of 0.728, close to R^2, shows that the model's explanatory strength is not inflated by the number of predictors, so the four selected variables capture the main determinants of satisfaction, loyalty, preference, revisit intention and word-of-mouth at Hotel Y.

Discussion

H1: Brand Promise Fulfilment

Brand Promise Fulfilment did not have a significant unique effect once the other predictors were controlled ($\beta = 0.065$; $p = 0.451$). Consistent with Expectation–Disconfirmation Theory (Oliver, 1980), brand promise shapes anticipated experience, but satisfaction and behavioural intention depend on whether the actual stay confirms or exceeds those expectations. Because most respondents were repeat guests who had experienced both Hotel X and Hotel Y, they judged the hotel on its overall service experience rather than on brand communication, so the brand promise functions as a baseline expectation rather than a differentiator. This supports research showing that brand impressions become positive outcomes only through authentic experiences and reliable operations (Fan et al., 2023; Foroudi, 2019). The non-significant result does not mean the brand is unimportant; it adds little direct explanation once service and value are considered, so Hotel Y cannot rely on the brand name alone without consistent room quality, reliable service and meaningful guest benefits.

H2: Service Delivery Excellence

Service Delivery Excellence had a positive and significant effect ($\beta = 0.212$; $p = 0.016$). Service encounters from arrival and check-in to housekeeping, complaint handling and personalised attention are the points at which expectations are confirmed or disconfirmed: guests expecting five-star service who receive professional, responsive and personal treatment experience positive disconfirmation, whereas inconsistent service erodes performance. The finding aligns with the SERVQUAL dimensions (Parasuraman et al., 1988), with Wu and Ko (2013) on service quality as a key factor in hotel evaluations, and with Rather et al. (2019) on engagement and behavioural outcomes. Because service delivery is among the most controllable elements of hotel management, training, supervision, empowerment, service recovery standards and systematic monitoring of guest feedback should remain priorities; from the Customer-Based View, service delivery converts resources and employee behaviour into customer-recognised value.

H3: Digital Customer Experience

Digital Customer Experience had no significant unique effect ($\beta = 0.042$; $p = 0.619$). One plausible explanation, not empirically tested because booking channels were not measured, is that many guests interacted with the hotel through corporate travel arrangements, travel agents, OTAs or company travel coordinators rather than the hotel's own platforms. According to the Technology Acceptance Model (Davis, 1989), technology influences evaluations when it is used and perceived as useful and easy to use, and digital experience matters more when platforms are seen as useful, trustworthy and convenient (Lemon & Verhoef, 2016; McLean et al., 2018). Digital touchpoints therefore act as enablers of convenience, information accuracy and consistency: when they work they are taken for granted, and when they fail they undermine the credibility of the value proposition. Reliable Wi-Fi, accurate website and OTA content, responsive communication, simple booking, CRM integration and online reputation management should be strengthened as part of an integrated guest-experience strategy.

H4: Perceived Value

Perceived Value had the strongest positive and significant effect ($\beta = 0.594$; $p < 0.001$). Guests judge Hotel Y mainly by whether the benefits received, including room and service quality, facilities, location, emotional satisfaction and the overall experience, justify the price paid. As a post-consumption evaluation of what was expected, paid and received, positive value leads to satisfaction, loyalty, revisit intention and recommendation, consistent with Paulose and Shakeel (2022) on perceived value and satisfaction as determinants of hotel loyalty and El-Adly et al. (2024) on emotional value, commitment and loyalty. In Jakarta's highly competitive market, where guests easily compare rates, facilities and service, value should be raised by increasing guest benefits rather than by cutting prices.

Table 12. compares the hypothesis results with prior literature.

Hyp.	Result	Prior literature	Interpretation
H1	Not supported (β = 0.065; p = 0.451)	O'Neill & Carlbäck (2011); Fan et al. (2023)	Brand affiliation does not automatically produce customer outcomes without operational readiness and credible delivery
H2	Supported (β = 0.212; p = 0.016)	Parasuraman et al. (1988); Ali et al. (2021); Rather et al. (2019)	Consistent service delivery is associated with satisfaction, loyalty and behavioural intention
H3	Not supported (β = 0.042; p = 0.619)	Lemon & Verhoef (2016); McLean et al. (2018)	Digital touchpoints matter, but their direct contribution depends on active use and journey context
H4	Supported (β = 0.594; p < 0.001)	Paulose & Shakeel (2022); El-Adly et al. (2024)	Perceived value is consistently associated with satisfaction, loyalty and post-stay behaviour

Integrated Discussion and Managerial Insight

Taken together, the four variables jointly explain a large share of Customer-Based Hotel Performance, but they do not contribute equally. From the Customer-Based View, Perceived Value and Service Delivery Excellence are the most recognisable benefits and service outcomes of a stay, while Brand Promise Fulfilment and Digital Customer Experience act as enabling capabilities: the brand defines the expected value proposition and digital channels provide convenience, trust and journey consistency. Expectation–Disconfirmation Theory explains why the rebranding did not by itself lift performance: the Hotel Y brand raised expectations, but guests rewarded only what they actually experienced. Post-rebranding success should therefore be measured not by brand visibility but by the extent to which the new identity is backed by better service standards, product quality and value.

Several managerial implications follow for Hotel Y:

a) Make Perceived Value the core of business improvement by increasing total guest benefits, such as room quality, service consistency, food and beverage, loyalty benefits and stay packages, rather than discounting.
b) Treat Service Delivery Excellence as a key operational driver through training, service recovery, personalised guest recognition, complaint-handling standards and cross-departmental coordination.
c) Convert the brand promise into tangible experience through brand–experience alignment reviews of rooms, facilities, service interactions and digital touchpoints.
d) Strengthen Digital Customer Experience as a supporting enabler through website usability, booking ease, content accuracy, response speed and CRM integration.
e) Use the repeat-guest and leisure-heavy profile to grow weekend and leisure business through recognition of repeat guests, personalised offers, loyalty packages and family staycation promotions.
f) Treat rebranding as an operational transformation rather than a communication exercise, delivering measurable gains in room condition, service consistency, staff professionalism, F&B quality and overall value.

These priorities should be managed as one customer-value system guided by a single question: does the guest clearly recognise that the total Hotel Y experience is worth the price, effort and expectation involved?

Several limitations should be noted when interpreting these findings. The study covers a single rebranded five-star hotel in Jakarta, so generalisation to other hotels or segments is limited. Brand equity, financial performance and profitability were not measured directly, and booking channels were not recorded, so the explanation offered for the non-significant digital effect remains a plausible interpretation rather than a tested finding. The cross-sectional design also relies on respondents' recall of their stays, although stay recency was captured to assess potential recall bias.

Future research could extend the model to multiple properties and brands, include booking channel as a control or moderating variable, and add the factors that may account for the unexplained 26.5% of variance, such as room quality, brand trust, customer engagement, location, loyalty programme effectiveness, online reputation and competitive positioning. Longitudinal designs that track guest evaluations before and after specific operational improvements would further clarify how brand promise is converted into customer-based performance over time.

CONCLUSION

Based on the research findings, Perceived Value and Service Delivery Excellence demonstrated positive and statistically significant associations with Customer-Based Hotel Performance at Hotel Y, whereas Brand Promise Fulfillment and Digital Customer Experience exhibited positive but statistically insignificant associations. Perceived Value emerged as the strongest predictor, indicating that guests primarily assessed hotel performance based on whether the overall benefits received, including room quality, service, facilities, convenience, and the overall stay experience, justified the price paid. Service Delivery Excellence also contributed significantly to customer-based hotel performance, highlighting the importance of consistent, reliable, and responsive service in supporting guest satisfaction, loyalty, revisit intentions, and positive word-of-mouth.

Meanwhile, the statistically insignificant associations of Brand Promise Fulfillment and Digital Customer Experience suggested that brand reputation and digital interactions alone were insufficient to explain variations in customer-based hotel performance. These dimensions required reinforcement through tangible service quality and meaningful value creation. Overall, the findings suggested that sustainable improvements in hotel performance following rebranding required an integrated marketing strategy that prioritized perceived value and service excellence while maintaining brand consistency and effective digital touchpoints. The findings were consistent with the Customer-Based View and Expectation–Disconfirmation Theory, emphasizing the importance of delivering customer value and aligning actual guest experiences with brand-related expectations. However, these findings should be interpreted as statistical associations derived from a single-hotel, cross-sectional study rather than as definitive evidence of causal relationships.

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CONFLICT OF INTEREST

The author hereby expressly states that no conflicts of interest, whether personal, commercial, or financial, were found, which have the potential to influence, interfere with, or reduce the objectivity and integrity of the findings in this study. The entire research process is carried out independently and free from the interests of any party.

AUTHOR CONTRIBUTIONS

All authors have made balanced and equal contributions at each stage of research. These contributions include the process of ideation and formulation of research concepts, data collection and analysis, to writing, editing, and refining the final manuscript before submitting it for publication.

GENERATIVE AI STATEMENT

In the process of preparing this manuscript, the author uses Artificial Intelligence (AI) technology to a limited extent, which is only as a tool to check the accuracy of grammar and refine the choice of words and writing style. The author emphasizes that AI is not involved in the stage of data collection, substantive analysis, or drawing research conclusions. All scientific substances, interpretations, and academic decisions are entirely the result of the author's thoughts and responsibilities.

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