
E-WOM As Mediation Of The Influence Of Budget Room, Service Quality, And Brand Personality On Re-Stay Intention Of Reddoorz Hotel Guests In Banda Aceh

***Athika Irmayana, Sorayanti Utami, Syafruddin**

Management Department, Universitas Syiah Kuala, Indonesia

DOI - <http://doi.org/10.37502/IJSMR.2021.4511>

Abstract

Consumers in certain segments choose hotels with relatively affordable prices (low budget) so that many hotels that offer hotel rooms with low budget, facilities, and good service quality become the target of consumers to be chosen. This condition makes accommodation providers compete to provide the best facilities and services but still at affordable prices (low budget). The purpose of this study is to see the effect of Budget Room, Service Quality, and Brand Personality on E-WOM, and its impact on Re-stay Intention of Reddoorz Hotel guests, in Banda Aceh city, Indonesia. The population in this study was all guests of the Reddoorz Hotel in Banda Aceh, whose number was infinite. Sample taken used a sampling technique with a method of at least 5 times the number of indicator variables. The number of indicators in this study was 41 indicators so that there were 205 samples. The results showed that of the 7 existing direct hypotheses all had a significant effect. The results show the independent variables in this study, namely Budget Room, Service Quality, Brand Personality and E-WOM are appropriate as the determinants of re-stay intention. And, the result that the E-Word of Mouth variable can mediate the effect of the Budget Room, Service Quality, Brand Personality on Re-stay Intention. Overall, because the direct influences of these three indirect influences are significant, the roles of E-WOM in that three indirect hypothesis models are categorized as partial mediators. These findings confirm that the hypothesized models apply to an increase in re-stay intention among Reddoorz Hotel consumers in Banda Aceh. The novelty lies in the simultaneous combination of increasing re-stay intention among Reddoorz Hotel consumers in Banda Aceh, where the role of factors such as Budget Room, Service Quality, Brand Personality are needed, and as well as E-Wom which also functions as an independent factor and mediator. Further researchers can develop this tested model by adding other variables such as Brand Trust and Customer Experience.

Keywords: Budget Room, Service Quality, Brand Personality, E-Wom, Re-stay Intention.

1. Introduction

Aceh, one of the provinces in Indonesia, is one of the tourist destinations that currently has the potential to be developed, including its accommodation. There are no less than 79 hotels and inns in Banda Aceh City (Source: Aceh Tourism Office 2019). This makes many choices for consumers to choose the type of hotel and lodging that suits consumers' wishes, from prices, services, facilities, and others.

There are certain consumer segments who choose hotels with relatively affordable prices (low budget), so many hotels offer hotel rooms with low budgets. Accommodation with a low budget, facilities, and good service quality are the targets of consumers to be chosen. This condition makes accommodation providers compete to provide the best facilities and services at an affordable price (low budget). However, accommodation providers often get stuck in marketing their hotel rooms, with the current condition accommodation owners must be able to introduce and make it easy to book rooms both offline and online.

One of the largest online budget lodging networks in Indonesia is ReDoorz. RedDoorz has a hotel network in the form of Digital (Asset Light Hotel Chain), by establishing cooperation between property owners as property providers and Online Travel Agency (OTA) as a form of marketing through Digital Marketing Online. This online marketing makes it easier for consumers to book the desired hotel room. Therefore, from this the authors make this research aims the effect of Budget Room, Service Quality, Brand Personality on E-WOM, and its impact on Re-stay Intention of Reddoorz Hotel guests, in Banda Aceh city, Indonesia

2. Literature Review

Re-stay Intention

Interest to stay again (Re-stay Intention) is a consumer commitment that is formed after the consumer purchases a product or service. This commitment arises because consumers have a positive impression of a brand, and consumers are satisfied with the purchase (Hicks, Page, Behe, & Dennis, 2005). Many factors can influence consumers to repurchase a product or service that has been consumed. The most prominent factor is the satisfaction factor which not only comes from the good quality of the product or service but is also influenced by other factors such as service during and after purchase, payment methods, and others.

E-WOM (Electronic Word Of Mouth)

According to Richins and Root-Shafer in (Sari, 2012), WOM is the process of conveying information from person to person and plays a major role in customer purchasing decisions in Twitter Power: Tweets as Electronic Word of Mouth. In addition, the journal also explains that in commercial situations, WOM involves customers to share attitudes, opinions, or reactions about a business, product, or service with others. Positive WOM is also considered a powerful

marketing communication medium for companies to influence customers. WOM functions based on social networking and trust, people rely on family, friends, and other people in their social networks. (Fhonna, RA 2018).

Budget Room

Price is the amount of value given by customers to benefit from owning or using a product or service. This includes the cost of goods, discounts, payment terms, rebates, and credits. In line with (Dharmmesta & Handoko, 2016) stated that price is the amount of money (plus some products if possible) needed to get some combinations of products and services. From the definition of price, it can be concluded that price is the value of a product or service as measured by a certain amount of money. Although there is an increasing role of non-price factors in marketing, price is an important element in the marketing mix.

Definition of Service Quality

According to Kotler, service is any action or performance offered by one party to another that is essentially intangible and does not result in any transfer of ownership. Its production may or may not be tied to a physical product. (Lupiyodi & Hamdani, 2006). The definition of service quality is centered on efforts to meet customer needs and desires and the accuracy of delivery to balance customer expectations. There are two main factors that affect service quality, namely expected service, and perceived service. (Ambartiasari, Lubis, & Chan, 2017). If the service received or perceived (perceived service) is as expected, then the perceived quality is good and satisfactory.

Brand Personality

Brand Personality is a set of human characteristics associated with a brand name. Brand personality is something that consumers can relate to; Effective brands increase their brand equity by having a consistent set of traits that are enjoyed by certain consumer segments (Vahdati, Hadi, & Nejad, 2016). Brand personality is very important for consumers and marketing because it can create procedures for differentiating various brands and is a major determinant of consumer purchase intentions (Bruwer & Buller, 2012). In fact, when it is difficult to judge product features, consumers usually trust the brand personality.

Research Paradigm

Paradigms or relationships between concepts (variables) in this study can be illustrated in Figure 1 below.

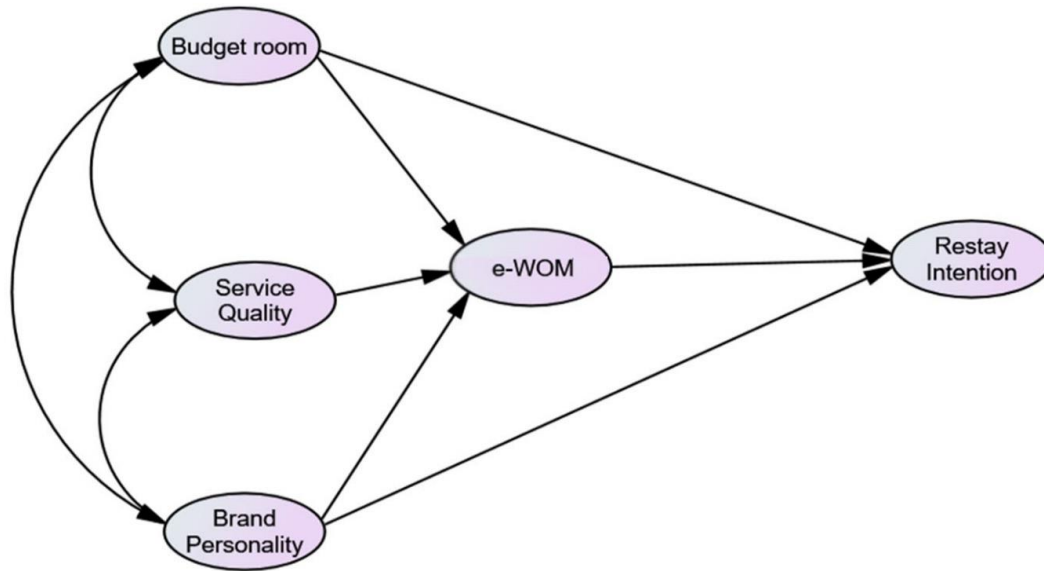


Figure 1 Research Paradigm

Research Questions

Based on the phenomenon and theoretical basis that has been stated previously, several alternative research questions can be stated as follows:

- H1: budget room affects guest's re-stay intention of Hotel Reddoorz in Banda Aceh
- H2: service quality affects guests' re-stay intention of Hotel Reddoorz in Banda Aceh
- H3: Brand personality affects guests' re-stay intention of Hotel Reddoorz in Banda Aceh
- H4: budget room affects guest's e-wom of Hotel Reddoorz in Banda Aceh
- H5: service quality affects guest's e-wom of Hotel Reddoorz in Banda Aceh
- H6: brand personality affects guest's e-wom of Hotel Reddoorz in Banda Aceh
- H7: guest's e-wom affects guests' re-stay intention of Hotel Reddoorz in Banda Aceh
- H8: e-wom mediates the effect of the budget room on the guest's re-stay intention of Hotel Reddoorz in Banda Aceh
- H9: guest's e-wom mediates the effect of service quality on guests' re-stay intention of Hotel Reddoorz in Banda Aceh
- H10: guest's e-wom mediates the effect of brand personality on the guest's re-stay intention of Hotel Reddoorz in Banda Aceh

3. Research Method

Research Location and Object

This research was conducted at the Reddoorz hotel in Banda Aceh. As the subject of this research was the guests who stay at the Reddoorz hotel in Banda Aceh. The objects of this research were Budget Room, Service Quality, Brand Personality, E-WOM, and Re-stay Intention of Guests of

Reddoorz Hotel in Banda Aceh.

Population and Sampling

The population was the entire guests who come and stay at the Reddoorz hotel in Banda Aceh. This study used a sampling technique with a method of at least 5 times the number of indicator variables (Ferdinand, 2014). The number of indicators was 41 indicators, so a minimum of 41 x 5 or 205 respondents as a sample was needed.

Data analysis method

Processing of data obtained in the field was carried out using the structural equation model technique, namely the multivariate statistical analysis technique to be able to analyze not only the influence between variables but also the relationship between variables and their respective indicators. Ha acceptance criteria were Critical Ratio (CR) > 1.96 and Probability (P) < 0.05.

4. Results and Discussion

Measurement Model Test

Testing the validity of the loading factor can be seen in the following figures and tables:

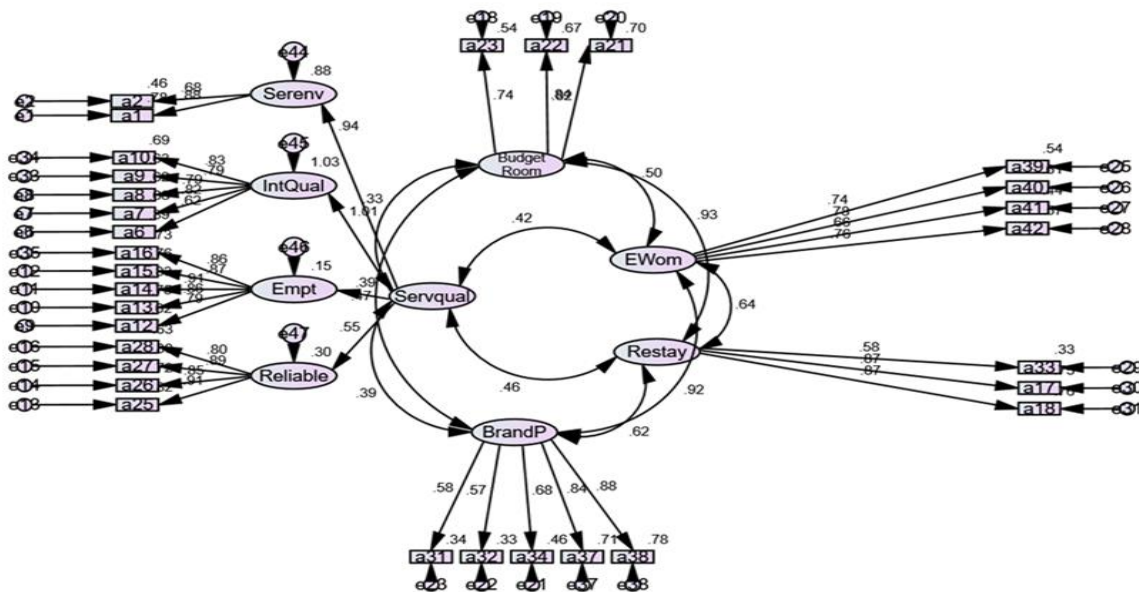


Figure 2. Loading Factor

The measurement test results show that several indicators of the research variables have a loading factor value below 0.5. The following table shows the results of the net measurement test which can later be included in the structural test.

Table 1. Loading Factor

No	Indicator		Variable	Estimate
1	Servenv	<---	Servqual	.936
2	IntQual	<---	Servqual	1.013
3	Empt	<---	Servqual	.391
4	Reliable	<---	Servqual	.545
5	a1	<---	Servenv	.883
6	a2	<---	Servenv	.681
7	a6	<---	IntQual	.622
8	a7	<---	IntQual	.822
9	a8	<---	IntQual	.786
10	a12	<---	Empt	.787
11	a13	<---	Empt	.864
12	a14	<---	Empt	.910
13	a15	<---	Empt	.869
14	a25	<---	Reliable	.905
15	a26	<---	Reliable	.849
16	a27	<---	Reliable	.893
17	a28	<---	Reliable	.796
18	a23	<---	Budget_Room	.736
19	a22	<---	Budget_Room	.818
20	a21	<---	Budget_Room	.838
21	a34	<---	BrandP	.676
22	a32	<---	BrandP	.574
23	a31	<---	BrandP	.581
24	a39	<---	eWom	.736
25	a40	<---	eWom	.779
26	a41	<---	eWom	.665
27	a42	<---	eWom	.758
28	a33	<---	rest	.577
29	a17	<---	rest	.868
30	a18	<---	rest	.872
31	a9	<---	IntQual	.793
32	a10	<---	IntQual	.831
33	a16	<---	Empt	.857
34	a37	<---	BrandP	.845
35	a38	<---	BrandP	.884

Table 1 shows the loading factor of all the indicators in the model, and it has met the requirements for further processing because all have loading factor values of > 0.5.

Table 2. The goodness of Fit after MI

Size Index Criteria	Cut-off Value	Analysis Results	Model Evaluation
Chi-Square	Expected small	770.195	Good
CMIN/DF	CMIN/DF < 2	1.860	Good
GFI	0.90	0.804	Good
AGFI	0.90	0.765	Good
RMSEA	<0.08	0.066	Good

Structural Model Test (Direct Effect Test)

The results of the structural testing carried out have produced the information needed to answer the hypotheses that have been built previously whether they are proven or not. Figure 3 below illustrates the influence between variables.

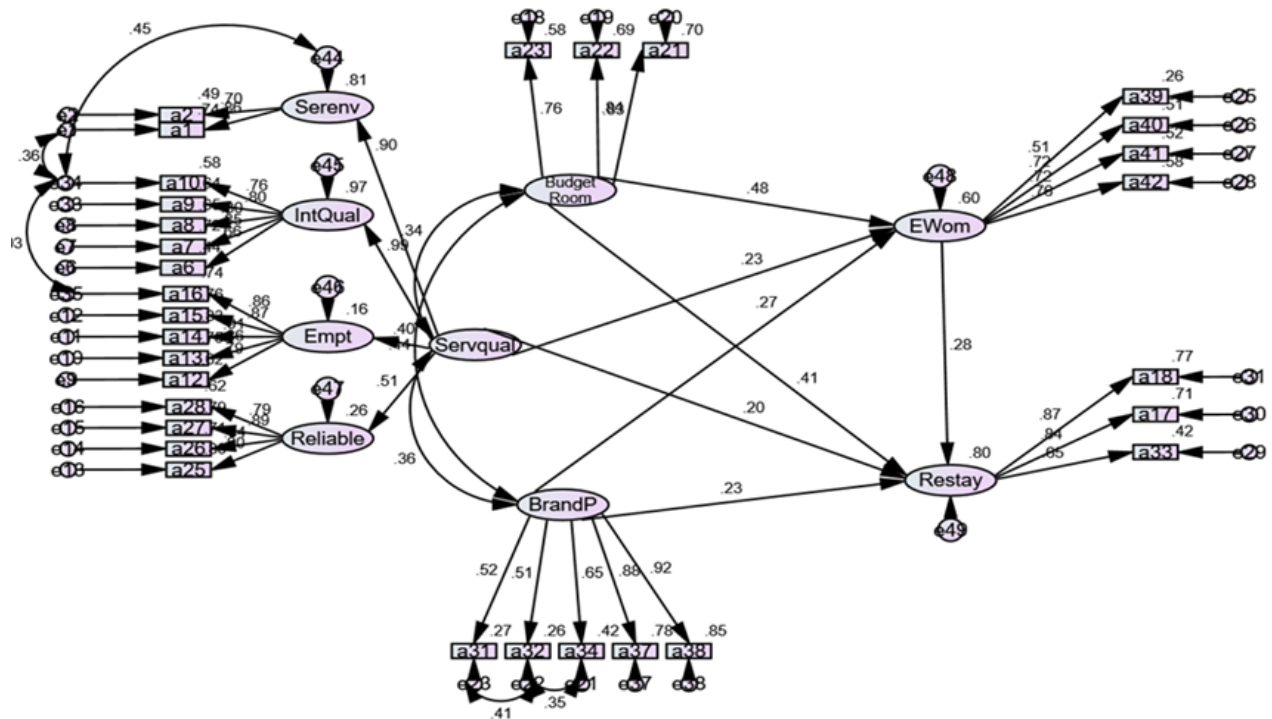


Figure 3. Structural Test

Based on Figure 3, it describes that the influence of each variable is Service Quality, Budget Room, Brand Personality, E-Word of Mouth, and Re-stay intention. An overview of all hypothesis testing along with the results can be seen in Table 3 below:

Table 3. Conclusion of the Direct Hypothesis

No	Hypothesis	CR Cut off >1.96	P-Value Cut off < 0.05	Information
H1	The Effect of Budget Room on Resting Intention	***	0.413	Ha Accepted
H2	The Effect of Service Quality on Resting Intention	***	0.201	Ha Accepted
H3	The Effect of Brand Personality on Resting Intention	***	0.229	Ha Accepted
H4	The Effect of Budget Room on E-Word of Mouth	***	0.483	Ha Accepted
H5	The Effect of Service Quality on E-Word of Mouth	***	0.234	Ha Accepted
H6	The Effect of Brand Personality on E-Word of Mouth	***	0.268	Ha Accepted
H7	The Effect of E-Word of Mouth on Re-stay Intention	***	0.281	Ha Accepted

Of the 7 direct hypotheses that exist, all have significant effects. In other words, the independent variable in the study is appropriate as a determinant of re-stay intention.

Indirect Effect Test

In the following, the conclusions of the indirect hypothesis are presented, namely the influence of Budget Room, Service Quality, Brand Personality, on the Re-stay Intention of Reddoorz Hotel Guests in Banda Aceh through E-Word of Mouth.

Table 4. Indirect Hypothesis Conclusion

No	Indirect Hypothesis	P-Value < 0.05	Beta	Information	Mediation Role
H8	The Effect of Budget Room on Re-stay Intention through E-Word of Mouth	***	0.136	Ha Accepted	Partial Mediating
H9	The Effect of Service Quality on Re-stay Intention through E-Word of Mouth	***	0.065	Ha Accepted	Partial Mediating
H10	The Effect of Brand Personality on Resting Intention through E-Word of Mouth	***	0.075	Ha Accepted	Partial Mediating

The results of the indirect hypothesis testing are from the 3 tested hypotheses, the E-Word of Mouth variable can mediate the effect of the Budget Room, Service Quality, Brand Personality on Re-stay Intention. And overall, because the direct influences of these three indirect influences are significant, the roles of E-WOM in that three indirect hypothesis models are categorized as partial mediators.

5. Discussion

The variable that is considered the most important for guests to stay again is their perception of the budget room. The most prominent indicator to increase the perception of the budget room in the minds of consumers is related to the value considered in this hotel offer, whether it is worth what the staying guests pay because this indicator is considered the most important compared to all indicators on the budget room variable. Furthermore, although the Budget Room is considered the most important, what can't be forgotten is the role of service quality and its 4 dimensions which also received positive appreciation from guests who stayed. Talking about the dimensions that exist in this variable, it turns out that the dimension of interaction quality (INTQUAL) has the highest contribution in improving the service quality of this RedDoorz hotel. At least this is indicated by the highest loading factor value compared to other dimensions in this service quality variable. Meanwhile, from the indirect effect of the 3 hypotheses tested, the most prominent role shown by the E-Word of Mouth variable is in mediating the influence of the Budget Room on Re-stay Intention.

6. Conclusion

From the result we can see that:

1. Testing the influence of the budget room on the Re-stay intention shows the CR value and the probability that meets the requirements for the acceptance of Ha. Thus, it indicates that the influence of the budget room on the stay intention is significant.
2. Testing the influence of service quality on Re-stay intention shows the CR value and probability that has met the requirements for acceptance of Ha. Thus, it explains that the effect of service quality on stay intention is significant
3. Testing the Effect of Brand Personality on Re-stay Intention shows the CR value and the probability that meets the requirements for acceptance of Ha. Thus, it describes that the influence of Brand Personality on Re-stay intention is significant
4. Testing the influence of Budget Room on the E-Word of Mouth shows the CR value and the probability that has met the requirements for Ha acceptance, namely the CR value which is greater than the critical value. Thus it reveals that the influence of the Budget Room on the E-Word of Mouth is significant
5. Testing the influence of Service Quality on E-Word of Mouth shows the CR value and the probability that has met the requirements for Ha acceptance, namely the CR value

which is greater than the critical value. Thus it states that the influence of Service Quality on E-Word of Mouth is significant.

6. Testing the influence of Brand Personality on E-Word of Mouth shows the CR value of and the probability that meets the requirements for the acceptance of H_a , namely the CR value which is greater than the critical value. Thus it explains that the influence of Brand Personality on E-Word of Mouth is significant.
7. Testing the influence of E-Word of Mouth on Re-stay intention shows a CR value of and a probability that has met the requirements for acceptance of H_a . Thus, it reveals that the effect of E-Word of Mouth on stay intention is significant.
8. In testing the Effect of Budget Room on Re-stay Intention through E-Word of Mouth It shows the p-value of the two-tailed Sobel test = *** < 0.05, so it is proven that the indirect effect is significant. Because the direct influence of the Budget Room on Re-stay Intention is significant and the Effect of Budget Room on Re-stay Intention through E-Word of Mouth is also significant, then the E-Word of Mouth variable is proven as a partial mediator
9. In testing the Effect of Service Quality on Re-stay Intention through E-Word of Mouth, It shows that the p-value of the two-tailed Sobel test = *** < 0.05, so it is proven that the indirect effect is significant. Because both direct and indirect effects are significant in the Effect of Service Quality on Re-stay Intention, the role of E-WOM in this model is as a partial mediator.
10. In testing the Effect of Brand Personality on the Re-stay Intention through E-Word of Mouth It shows that the p-value of the two-tailed Sobel test = *** < 0.05, so it is proven that the indirect effect is significant. Because both the influence of Brand Personality on Re-stay Intention directly and the Effect of Brand Personality on Re-stay Intention through E-Word of Mouth are significant, then the role of E-Word of Mouth in this model, is as a partial mediator.

These findings confirm that the hypothesized models apply to an increase in re-stay intention among Reddoorz Hotel consumers in Banda Aceh. The novelty lies in the simultaneous combination of increasing re-stay intention among Reddoorz Hotel consumers in Banda Aceh, where the role of factors such as Budget Room, Service Quality, Brand Personality are needed, and as well as E-Wom which also functions as an independent factor and mediator. Further researchers can develop this tested model by adding other variables such as Brand Trust and Customer Experience.

References

- 1) Ambartiasari, G., Lubis, A. R., & Chan, S. (2017). Pengaruh Kualitas Pelayanan, Kepercayaan Dan Fasilitas Kampus Terhadap Kepuasan Dan Dampaknya Kepada Loyalitas Mahasiswa Politeknik Indonesia Venezuela. *Jurnal Manajemen Inovasi*, 8(3), 12–23.

- 2) Bruwer, J., & Buller, C. (2012). Product involvement, brand loyalty, and country-of-origin brand preferences of Japanese wine consumers. *Journal of Wine Research*, 24(1), 1–21. <https://doi.org/10.1080/09571264.2012.717221>
- 3) Dharmmesta, B. S., & Handoko, T. (2016). *Manajemen Pemasaran Analisis Perilaku Konsumen*. Yogyakarta: BPFE UGM.
- 4) Ferdinand, A. (2014). *Structural Equation Modeling dalam Penelitian Manajemen* (5th ed.). Semarang: Badan Penerbit Universitas Diponegoro.
- 5) Hicks, J. M., Page, T. J., Behe, B. K., & Dennis, J. H. (2005). Delighted consumers buy again. *HortScience: A Publication of the American Society for Horticultural Science*, 18(4), 94–104. <https://doi.org/10.21273/HORTSCI.40.4.1063E>
- 6) Lupiyodi, R., & Hamdani, A. (2006). *Manajemen Pemasaran Jasa* (2nd ed.). Jakarta: Salemba Empat.
- 7) Sari, V. M. (2012). *Pengaruh EElectronic Word of Mouth (eWOM) di Social Media Twiter Terhadap Minat Beli Konsumen*. Universitas Indonesia.
- 8) Vahdati, H., Hadi, S., & Nejad, S. H. M. (2016). Brand Personality Toward Customer Purchase Intention: The Intermediate Role Of Electronic Word-Of-Mouth And Brand Equity. *Asian Academy of Management Journal*, 21(2), 1–26. <https://doi.org/10.21315/aamj2016.21.2.1>