The Role of Traditional Product Development in Building Relationship Quality and its Impact on Resort Hotel Brand Loyalty

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ABSTRACT

Customer loyalty is seen as one of the most important driving factors of the success of a business and is also one measure of performance in business. The purpose of this study is to investigate the role of traditional product development in building relations with customers in order to create resort hotel brand loyalty. The paper reviews the theoretical and empirical studies in field of brand performance and relationships marketing. A conceptual model is developed and tested in 180 samples of foreign tourists who have purchased the Balinese traditional food at number of resort hotels in Bali. The research then tests a model of hypothesized relationships using structural equation modeling. Specifically, recent procedures for assessing direct and mediated effects are adopted. Results showed that two relationship quality factors consisting of satisfaction and trust, was trust plays an important role in determining the resort hotel brand loyalty. The trust mediates the association of satisfaction with resort hotel brand loyalty. The findings also show the traditional product development has an influence on satisfaction and trust. Trust is shown to be important predictor of hotel brand loyalty as well as the satisfaction of having an influence on trust. The paper is conducted within Balinese traditional food business at resort hotels in Bali, and the findings may not be generalizable to other locations or to other markets. The findings suggest that hotel managers must realizes that developing traditional food should be able to touch the customer and provide strategic impact for hotel. However, in order for hotel brand loyalty, they must be earned customer trust, since the effects of satisfaction are indirect. This study presents potentially valuable information for hotel managers with regards to understanding traditional product development and relationship quality, which are the key drivers of resort hotel brand loyalty.

Keywords: Traditional Food Consumption; Relationship Quality; Hotel Brand Loyalty

I. Introduction

Nowadays, the hotel business has entered a period of maturity that is globally marked by increasingly tight competition. Almost all hotel resorts offer the same products, services and experiences so that tourists do not feel much difference and uniqueness during their stay at the hotel. In fact, it is as argued in 'two-dimensional motivation theory' (Iso-Ahola, 1982), that every individual in a journey aims to escape from their daily routine or to look for a new thing. If a tourist travels with the aim of looking for something new, then the odds of the tourist to earn the new thing in a hotel resort is very unlikely. Tourists who have several experiences in staying at multiple hotel resorts will not experience new things
as the products and services delivered are all identical for the travelers. Tourist satisfaction and loyalty is increasingly difficult to maintain as their attention to switch to other hotels that offer new products and experiences is common. In this case, hotel management is required to maintain relations with tourists and create a continuous innovation in products and services in order to attract and retain its target market.

The phenomenon of decreasing loyalty of tourist at hotel resorts has occurred in Bali marked by a decline in the length of stay of hotel visitors. On the other hand, tourist attraction in Bali has succeeded in increasing the number of international tourist visits to these destinations. According to statistics (BPS - Statistics of Bali Province, 2017) in the last five years, the number of international tourist visits to Bali increased significantly from 2.9 million people in 2012 to 4.9 million people in 2016. Until 2015, the number of star hotels raised as much as 281 units and non-star hotels to 1,798 units. The increasing number of international tourist visits is paired with the increase in the occupancy rate of hotel rooms. Star hotel room's occupancy rose from the previous year, at 60.48 percent to 61.75 percent in 2016, while non-star hotels also increased from 30.87 percent in 2015 to 37.51 percent in 2016. However, the increasing number of foreign tourist visits does not line up with guest's average length of stay at the hotel. Unfortunately for star hotels, the average length of stay of international tourists is 2.91 days, which is lower than the previous year reaching 3.08 days. Same goes for non-star hotels with the average length of international tourists reaching 2.57 days, a moderate fall from the previous year which had reached 2.90 days.

The availability of wide range of hotels spreading across resorts in Bali makes it almost effortless for tourist to jump from hotels in order to find better services at lower prices. In this case, guest loyalty needs to get serious attention in order to maintain the business continuity of a hotel resort. Tourists who frequently switch hotels is not entirely due to poor service quality. This can occur as it is solely the customer's desire to seek variation and is not caused of dissatisfaction with the product, this behavior from the customer can be categorized as seeking variation (Assael, 1995: p. 19). Motivation to seek new experiences on vacation may be one of the factors driving tourists to move from one place to another (Crompton, 1979; Cha et al., 1995). In order to fulfill the motivation of tourists, the management of hotel resorts must to continue to innovate on hotel products and services in order to be able to retain customers and reduce the flow of guests to other hotels. The success of Bali as an international tourist destination is inseparable from the image of the island itself, a small island with beautiful nature and a unique culture (Peters and Wardana, 2013). The uniqueness of Balinese culture is often used as a source of inspiration for tourism businesses in comparing their products to the tourist market, including hotel businesses. Almost all resort hotels in Bali display Balinese architectural styles implied in the walls and decors of the buildings, traditional Balinese motifs and styles in hotel interiors, employee uniforms, and traditional Balinese music and dances in welcoming guests to the hotel. However, there are still few resort hotels that display traditional Balinese culinary in their menus presenting to their guests at the hotel. Data from the FBMA (Food and Beverage Manager Association, 2014) revealed that in general, the composition of star-rated hotels in Bali is dominated by continental food (55%), followed by oriental food (15%), other foreign foods (15%), Indonesian food (non-Balinese food)(10%), and traditional Balinese food (5%). The low presentation of traditional Balinese dish shows that the product is less popular than other foods. Starred hotels are less interested in providing food in larger quantities, as there is a large risk that these foods will not be sold. Presenting traditional food as part of product innovation at a hotel is an interesting feature by resort hotel management. Food and tourism can be considered as a packet, where culinary is one component of tourism. Food can play a role in decision making and determine the satisfaction of tourists, so food is a tourist attraction and a center of experience for tourists (Henderson, 2009).
survive physically, tourists must eat when traveling, though for some travelers, food can be a major attraction and motivator for some who have strong needs and desires ‘travel to eat’. In addition to fulfill the needs for living, food also offers fun and entertainment, and even has social goals.

Increasing the competition among hotel companies globally makes market share and customer loyalty the main goal of hotel branding strategies (Lin, 2013). The rapid growth in the number of hotels can have an impact on competition in the hotel business which leads to maintaining customer loyalty as a priority. The possible effort by hotels in gaining customer loyalty is to establish relationships with guests, so that the hotel marketing program is directed at relationship marketing. Relationship marketing programs are interactive processes that utilize relationships as an important foundation for product marketing (Gronroos, 1994; Holmlund and Kock, 1996). These relationships involve producers and customers who interact as partners in mutually beneficial relationships, and lead to more complex relationships and grow into networks (Chung and Park, 2017). In the hotel business, the application of relationship marketing does not only stand for creating sales transactions, but resort hotels need to build relationships with hotel guests in strong economic and social ties, so as to create a mutually beneficial network of cooperation. Relationships with one customer will be able to create a customer life time value that result in a lifetime of repeated transactions for customers in building relationships with the company (Smith, 2003; Moraga et al., 2008). The transaction is not limited to one product, but also other products owned by the company (Soderlund, 2006). Thus, hotel guest loyalty is often used as a measure of marketing performance, in addition to the market share obtained by the hotel.

The success of the relationship marketing program in creating customer loyalty is largely determined by relationship quality that describes the extent to which relations can meet the needs and expectations of the parties involved in the relationship (Lin and Ding, 2005). Satisfaction and trust have been seen as dimensions of relationship quality (Wray et al., 1994; Selnes, 1998; Kuhne et al., 2013; Chen et al., 2014; Park, 2018). Thus tourist loyalty is very dependent on tourist satisfaction and trust in hotel resorts. However, the relationship between the satisfaction of customers and loyalty is still debated by a number of experts. Satisfaction can have a significant effect on customer loyalty (Alegre and Cladera, 2009; Espejel and Fandos, 2009; Hsu et al., 2010; Ha et al., 2010; Fang et al., 2011; Kitapci et al., 2013), but satisfaction was also proven to have no significant effect on customer loyalty (Jiang and Rosenbloom, 2005; Tsoukatos and Rand, 2006; Bigne et al., 2009). This non-consistent influence requires further analysis to find out the exact bond between satisfaction of customer and loyalty.

This study aims to investigate the role of tourist experience in consuming traditional food, creating relationship quality and its impact on the loyalty in hotel resort brands. The results of the analysis are expected to contribute to the development of hotel marketing management knowledge, especially in traditional product development, relationship quality, and customer loyalty. Furthermore, the results of the analysis are also expected to provide managerial implications for resort hotel services in order to increase the length of stay of tourists in hotels.

II. Literature review

A. Hotel Brand Loyalty

Customer loyalty is seen as one of the most important driving factors of business success and is also one measure of business performance (Yap et al., 2012). Understanding customer loyalty can provide strategic information for marketers to maintain existing customers, improve brand image, and gain competitive advantage (Zeithaml et al., 1996). The benefit of the company having loyal customers is that customers will continue to buy existing products and are willing to spend more money on purchases, so they can increase revenue, reduce acquisition costs for new customers,
and produce high profit rates (Khan et al., 2012). Therefore, loyal tourists will be able to increase the popularity and profitability of the hotel as they will continue to buy products, improve the image of the hotel, and spend more money within their stay in the hotel.

In the hospitality industry, customer loyalty is often conceptualized as the customer's willingness to revisit a hotel and word of mouth communication (Ladhari, 2009). Advertising and word of mouth communication are often used by hotels to help guests in getting information regarding hotel brands to create brand awareness and brand associations (Xu and Chan, 2010). Consumers who have experience with a brand can be a credible communicator and able to do external stimuli to other parties in changing their attitudes and behavior in regards of a brand (Wang, 2011). Although the characters of tourists whom tends to switch hotels, in the side of the resort hotels still get tourist loyalty in the form of word of mouth communication which has a very broad impact on hotel marketing. Word of mouth communication is interpersonal communication between two or more individuals who are members of a reference group (Assael, 1995: p.633). This type of interpersonal communication can be in the form of stories on personal experiences, giving advice and recommendations about product information.

B. Relationship Quality

Relationship marketing is an integrated effort in order to identify, maintain, and develop networking with customers, also to strengthen networks continuously through interactive contact and additional value over a long period of time (Shani and Chalasani, 1993). The concept of relationship marketing is oriented towards the creation of long-term relationships with customers to gain customer’s loyalty. The success of relationship marketing program in gaining customer loyalty can be determined by the relationship quality itself as the strength of the relationship between the company and the customer in maintaining customers for a long period of time through the level of loyalty within the customers themselves (Ivens, 2004; Lin and Ding, 2005; Chen et al., 2014; Park, 2018). Relationship quality is a general assessment of relationship strength that describe how far the relations can meet the needs and expectations of the parties involved (Lin and Ding, 2005). Satisfaction, trust, and commitment are viewed as dimensions of relationship quality, though satisfaction and trust gets more attention than commitment (Wray et al., 1994; Selnes, 1998; Lin and Ding, 2005; Caceres and Paparoidamis, 2007; Kuhne et al., 2013; Chen et al., 2014). Furthermore, relationship quality is more commonly known as the satisfaction and trust of the parties involved in the relation.

Satisfaction can be understood with the expectation-disconfirmation theory which explains that customer satisfaction is a customer's perception of product expectations and performance differences, where positive disconfirmation can increase customer satisfaction and negative disconfirmation has the opposite effect (Oliver, 1980). Another opinion explains that satisfaction is a feeling resulted from the process of evaluating what is received from what are expected, and /or fulfilling needs and desires (Parker and Mathews, 2001). This feeling is an emotional state as a post-purchase customer reaction which is a customer affective response to its perception on a series of attributes developing the performance of a product (Yu and Dean, 2001). This emotional state can be expressed positively which is a feeling of pleasure in the product and negative emotions expressed by feeling disappointed in the product. Feelings of pleasure in the product include joy, cheerful, full of hope, and positive surprises, whereas feelings of disappointment in the product are expressing anger, depressed, guilt, and insulted. Those are the level of satisfaction or customer dissatisfaction is very dependent on the extent to which customer expectations can be met by a product. In this study, satisfaction is conceptualized as the feelings of visitors/tourists resulted from the process of evaluating what was perceived as expected in traditional Balinese food. This satisfaction can be measured by four indicators, that is happiness, cheerful, hopeful, and a positive
surprise.

Relationship marketing is not just an ordinary transactional relationship, but a connection that benefits all parties on an ongoing basis. This bond is developed on the basis of trust that can facilitate the solving of common problems and reduce suspicion between parties involved in the exchange (Koo, et al., 2017). In the theory of trust commitment, it is explained that trust occurs when customers are confident with the reliability and integrity of the trusted party (Morgan and Hunt, 1994). The belief from customers will grow if certain parties who become partners in the interaction are able to demonstrate ability and commitment in meeting their expectations. In the business context, brand trust is a belief in brand reliability and intentions (Ballester and Aleman, 2005). The dimensions of reliability are competency-based technical dimensions related to ability and willingness to keep promises, and to fulfill the needs of customers. The dimension of intention is the goodwill of the brand in relation to the interests and welfare of the customer.

Customer trust is also explained to have cognitive and affective components (Belaid and Behi, 2011). The cognitive component emphasizes brand credibility that is the perception of the truth of brand information, brand performance, and brand features which aims to fulfill customer needs. Affective components emphasize brand integrity, such as the results of affective and social trust in customer perceptions, as well as brand intentions on customers. Trust is born if one party has the belief in the reliability and integrity of exchange partners, so that trust consists of components of reliability and integrity (Zboja and Voorhees, 2006). A broader understanding shows that trust has dimensions of competence, integrity, and benevolence (Brun et al., 2014). The dimensions of competency reflect the capacity of one party to meet the expectations of others, the dimension of integrity is the belief that trusted parties comply with applicable rules, such as honesty and keeping promises, while the dimension of benevolence represents the achievement of mutual benefits and concern for the welfare of others. Based on a number of opinions, the trust in this study was conceptualized from the belief of tourists in regards to hotel resorts in fulfilling their expectations, keeping promises, and caring for resorts in tourist conditions. This variable is measured by three indicators, credibility, integrity, and benevolence.

C. Product Development

All efforts in the development of products by providing added value aim to increase product value so that products can appear different in certain type of markets (Knox and Bickerton, 2003). Increasing the value of a product can be guided by brand metrics which is a concept of measuring brand performance consisting of customer touch points metrics and strategic metrics (Smith, 2003). Customer touch points metrics is a measurement of brand in touching customer knowledge on the brand during pre-purchase, at purchase, and post-purchase, while strategic metrics are a measurement of brand in how much of an impact it is to the company. With that, the effort to develop a product in touching the interests of two parties, that is both customers and companies.

In the concept of customer-based brand equity explained that the brand from the customer's perspective is a differential effect of brand knowledge on customer responses to brand marketing (Keller, 1993; Kayaman and Arasli, 2007; Fayrene and Lee, 2011). The power of the brand arises due to the different responses from customers as a result of customer knowledge consists of all thoughts, feelings, images, experiences, beliefs, and others related to the brand. The principle of customer-based brand equity is the strength of the brand lies in what customers see, read, hear, learn, think and feel about the brand at all times. The response of differences from customers shapes the strength of the brand that is reflected in the perceptions, preferences, and behavior of customers fully relating in all aspects of brand marketing. Thus, a strong brand is a brand that is able to differentiate itself than other brands to the customers.

Brand equity is known to be high when the customer is aware of the existence of the brand, to have a
strong, profitable association, and is aware of the uniqueness or excellence of the brand (Aaker, 1996). The key to the success of the association and the components of the differences in brand equity lies in the unique dimensions of the brand (Motameni and Shahrokhi, 1998). Thus, the main element of brand equity is the uniqueness of the brand that is perceived as a difference by the customer, and the difference is a fundamental characteristic of a brand. The brand basically shows the company's ability to provide benefits to products with uniqueness that cannot be obtained from other products. Uniqueness is the level of customer's feelings and opinion that a brand is different from other competitive brands (Anselmsson et al., 2007). The uniqueness felt in a brand is determined by consumer judgment on the features that distinguish a brand from the others (Kemp et al., 2012). The uniqueness can be found in one attribute or combination of all the features together which made the brand unique, where the attribute can be tangible or intangible. The unique attributes of a brand can influence customer preferences on the brand, i.e. customers often associate the uniqueness of the brand with superior value and higher quality.

Consumption activities carried out by customers are basically motivated by two needs, the need for comfort and the need for uniqueness (Shukla, 2012). In marketing traditional products on the international market, uniqueness can be a major factor for consumers to buy and consuming products. Tourists who visit a destination in addition to needing comfort also have a need to know the uniqueness of the destination, including the uniqueness of traditional foods (Amuquandoh and Adjei, 2013). In the food category, uniqueness can be attached to the attributes that shape food quality, including taste, aroma, texture, appearance, and ingredients (Anselmsson et al., 2007; Fandos and Flavian, 2006). Based on the opinion of a number of experts, product development that aims to touch in the customer's knowledge may be done by presenting the product's uniqueness, in result, the product can appear differently in the market.

Meanwhile, the development of a product for the benefit of the company can refer to the strategic concept of metrics which is a measurement of brand features in giving an impact to the company (Smith, 2003). From a company perspective, brand loyalty is the main element of brand equity which is a medium of measure in consumer loyalty in the form of consistent purchases over time (Aaker, 1996). The making of brand loyalty can have a strategic impact on the company, resulting in an increase in the values of trust in the brand and a guarantee in increasing sales, and even predicting the possibility of consumers moving to other brands. Brand loyalty is the result of customer learning that brands can satisfy needs and represent customer attitudes that are profitable in producing sales that are consistent over time (Assael, 1995: p.131). Brand loyalty lies in the post-purchase experience that measures the extent to which customer returns to buy a brand and recommend it to others (Smith, 2003). Satisfied customers can become good salespeople by issuing opinions about brand excellence and influencing other parties to have a positive response on the brand. These opinions from the customers can be a strategic force for companies to improve business performance. Based on these opinions, product development aimed to serve the importance of a company is directed at creating positive product opinions from customers so that the products developed have a positive image.

### III. Hypothesis and Research Model

#### A. Relations of Traditional Product Development and Relational Quality

Brand marketing activities not only aim to satisfy customers, but brand can be used as a medium to foster relationships with customers (Davis, 2002; Story and Hess, 2006). This means that brands have an important role in creating relationships with customers, so that brand performance can determine relationship quality. From this opinion it can be believed that the development of traditional food
products can affect the relationship quality of guests of hotel and resort hotels. According to the theory of expectations and disconfirmation by Oliver (1980), it is explained that customer satisfaction is the customer's perception of product expectations and performance differences, where positive disconfirmation can increase satisfaction and negative disconfirmation has the opposite effect. If the development of traditional food products is perceived to be in accordance with the expectations of tourists, they will be satisfied, and conversely if the development of the product is perceived below the expectations of tourists, then they will be disappointed. Based on this opinion, the following hypothesis can be proposed:

**Hypothesis 1:** Product uniqueness has a significant positive effect on tourist satisfaction

The relationship between product development and relationship quality can also be seen in the influence of product uniqueness on customer trust. At the pre-purchase stage, customer behaviour is to search for information about a brand, where one of the information captured is the company's promise that the brand will perform in accordance with expectations and will not act against the customer. After purchase, customers evaluate brand performance, and the results of these evaluations may become brand knowledge. Referring to the expectation-disconfirmation theory by Oliver (1980), if the brand's quality is perceived according to the company's promise, the customer will believe, and vice versa, if the brand's performance fails to fulfil its promise, the customer will lose the trust. Based on this opinion, the following hypothesis can be proposed:

**Hypothesis 2:** Product uniqueness has a significant positive effect on tourist trust

According to the theory of persuasive communication, it is explained that the behaviour of satisfied customers can communicate by word of mouth and become a reliable communicator in communicating the superiority of a brand. This satisfied customer behaviour can be an external factor for other prospective customers, and can have a strategic impact on the company in marketing the brand. Customers will respond to external stimuli from satisfied customers who are characterized by a change in attitude towards the brand (Myers, 2012: p.304). The attitude of the customer has an affective component that concerns the emotions and feelings of the customer towards a stimulus (Taylor et al., 2009: p.165). The emotional state can be anger, dissatisfaction, irritation, neutrality, excitement, or pleasure that describes and indicates the level of customer satisfaction. Thus, based on these thoughts the following hypothesis is proposed:

**Hypothesis 3:** Product opinion has a significant positive effect on tourist satisfaction

Attitudes also have a cognitive component that concerns trust (Taylor et al., 2009: p.165). Thus, persuasive communication by satisfied customers can determine the trust of other prospective customers. Based on these thoughts the following hypothesis is proposed:

**Hypothesis 4:** Product opinion has a significant positive effect on trust

B. Relation Between Relational Quality and Hotel Brand Loyalty

In this research model, relationship quality and loyalty have two asymmetrical relationships, consisting of the influence of satisfaction on loyalty and the effect of trust on loyalty. The influence of satisfaction on loyalty can refer to the theory of reasoned action by Fishbein and Adzen (1975) which explains individual behavior depending on the beliefs, attitudes, and intentions of individuals. The relationship of these variables is described as a hierarchy of influences, namely beliefs influence attitudes, attitudes affect intention, and intention is a predictor of behavior. The attitude of the customer towards the brand has an affective component which is the feeling of the customer for the results of the evaluation on the brand (Assael, 1995: p.267). Evaluation on brands produces customer satisfaction (Oliver, 1980), so satisfaction can predict loyalty behavior. Based on
this opinion, the following hypothesis can as follow:

**Hypothesis 5:** Satisfaction has a significantly positive effect on hotel brand loyalty

Individual behaviour can be influenced by individual attitudes. Attitudes have a cognitive component (mind) that concerns the customer's beliefs in the brand (Assael, 1995: p.267). Attitudes can be born from customer confidence in past experiences as part of customer knowledge. The customer experience that has proven the credibility of the company in meeting expectations, keeping promises, and caring for the condition of the customer will create a positive attitude regarding customer trust, and that trust can affect loyalty behaviour. Based on this opinion, the following hypothesis can be proposed:

**Hypothesis 6:** Trust has a significantly positive effect on hotel brand loyalty

Satisfaction and trust in the concept of relationship quality have a very close relationship, such as satisfaction is the antecedent of customer trust (Lin and Ding, 2005; Kuhne et al., 2013; Chen et al., 2014). Brands can be interpreted as an expectation of the promise given by the company in fulfilling customer desires. The promise is implicitly a guarantee that what the customer expects from the brand will be obtained if the customer buys and uses the product with the brand, so that the brand can also be understood as a group of beliefs offered by the company in the form of brand identity. Searching for information about brand conducted by customers at the pre-purchase stage can capture the company's promise that the brand will perform according to customer expectations, and will not act to harm the customer. After making a purchase, the customer will evaluate brand performance, that is, if the brand's performance is perceived according to the company's promise, the consumer will be satisfied, and if the brand's performance is perceived as not in line with the company's promise, consumers will be disappointed (Oliver, 1980; Kotler and Keller, 2009: 177). Furthermore, satisfaction with the company's promise will create the belief that the company can be relied upon to meet customer expectations, keep promises, and not take advantage of customer weaknesses, so satisfaction can determine customer trust. Based on this opinion, the following hypothesis can be proposed:

**Hypothesis 7:** Satisfaction has a significantly positive effect on trust

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![Conceptual Model](image-url)

**Figure 1.** Conceptual Model
C. Research Model

This study aims to determine the effect of traditional product development on relationship quality and its impact on hotel brand loyalty. In Figure 1, the conceptual model, explains the traditional product development consists of two variables, they are product uniqueness and product opinion, while relationship quality is formed by variables of satisfaction and trust variables. The relationship between variables is described in a research model as follow:

IV. Method

In this study, a survey was conducted on foreign tourists who bought traditional Balinese food at a number of resort hotels in Bali in 2016. Using a purposive sampling method, 200 data surveys were collected. With the exception of data on careless respondents or missing values, 180 data were used in the analysis. Based on the demographic analysis of the respondents, 52.2% were women and 47.8% were men, and their age distribution was as follows: 12.8% less than 30 years, 31.1% at the age of 30, 31.7% in their 40s, 17.2% in their 50s and 7.2% over 59 years. A total of 6.7% of respondents came from America, 21.1% from Europe, 28.3% from Asia, and 43.9% from Australia. All respondents aim for vacation, where 18.9% are very interested in Balinese traditional food, 52.2% are quite interested in Balinese traditional food, 28.9% are less interested. Descriptive analysis shows that tourists from Australia, Europe and America view Balinese traditional food as truly unique, meaning they are attracted to it. For Asian tourists, Balinese traditional food has much in common with the food in their country as Asians with a gastronomic pattern are identical, so the traditional food is not a big factor for them to visit Bali. Tourists in their teens are less interested in Balinese traditional food than mature tourists. Young tourists while on vacation in Bali are more interested in things other than local culinary, such as nightlife and adventurous activities. Mature tourists are quite interested in Balinese traditional food as it is part of discovering the uniqueness of Balinese culture. The results of the Pearson correlation analysis carried out with SPSS 21.0 show a value above 0.463 at the 0.01 significance level, so that a valid questionnaire can be interpreted. The Cronbach’s alpha value of each construct is above 0.60, so the questionnaire is well in reliability.

A. Measurement

All over measurement using semantic differential scale, measures psychological significance using bipolar adjectives (Cooper and Schindler, 2006). This scale of 7-point rating scale to measure bipolar attitude is arranged in a line continuum. A very positive answer lies in the left side of the line. The resulting data is the data interval.

In this study, product uniqueness is defined as the performance of Balinese traditional food in implying to tourists’ knowledge in resorts as measured by five indicators, that is the uniqueness of aroma, the uniqueness of taste, the uniqueness of ingredients, the uniqueness of the texture, and the uniqueness of appearance. Product opinion is defined as the performance of Balinese traditional food in giving a strategic impact to hotel resorts from the data taken from three indicators, the opinion of product uniqueness, opinion of product excellence, and opinion of product value. Satisfaction is conceptualized as a tourist’s emotion resulted from the process of evaluating what is perceived as expected within the traditional cuisine itself. This satisfaction can be seen by four signs from tourists-, the feeling of happiness, cheerful, hopeful, and a positive surprise. Trust is the belief of tourists to resorts in fulfilling tourist expectations, keeping promises, and caring for them in their conditions. This is measured by three factors which are credibility, integrity, and benevolence. Hotel brand loyalty is defined as the support of tourists to resorts with word to word communication, from
stories of personal experiences on the hotel resort brand, giving recommendations and giving information about the brands.

V. RESULT

A. Assessment of the Reliability and Validity of the Measurement Scale

Before testing each hypothesis, the reliability and validity of measurement scales developed for each construct were run through SPSS 21.0 and AMOS 21.0. As shown in Table 1, goodness of fit indices are in a position threshold acceptance, especially Chi-square ($\chi^2$) ≤ 152.094 and $p \geq .05$ which are an absolute fit indices on which to base the measurement of other criteria. Similarly, other criteria consisting of CMIN/DF ≤ 2.0, GFI ≥ .90, RMSEA ≤ .08, TLI ≥ .95, CFI ≥ .94, and AGFI ≥ .90, they all meet the cut of value. Cronbach’s alphas for all constructs were found to be larger than .6 (ranging from .726 to .912) and all constructs were reliable. Convergent validity could be assessed from the average variance extracted (AVE) and composite reliability (CR). AVE should be higher than the .5 and CR should be higher than .6 (Hair et al., 2010). All constructs have AVE higher than .5 (ranging from .567 to .649) and CR higher than .6 (ranging from .798 to .902). For all indicators have loading factor higher than .7 (ranging from .701 to .861), meaning all indicators could measure its latent construct well.

Discriminant validity was assessed by comparing squared correlations among the constructs against average variances extracted by their respective factors (Hair et al., 2010). As shown in Table 2, all squared correlations were less than the average variances extracted. This result implies that the variances shared among variables (squared correlation coefficients) were less than the variances explained by each construct.

Table 1. Construct reliability and validity

| Construct           | Items                          | Loading Factor | Cronbach’s Alpha | AVE    | Composite Reliability |
|---------------------|--------------------------------|----------------|------------------|--------|-----------------------|
| Product Uniqueness  | The uniqueness of aroma        | .764           | .774             | .649   | .902                  |
|                     | The uniqueness of taste        | .840           |                  |        |                       |
|                     | The uniqueness of the ingredients | .824         |                  |        |                       |
|                     | The uniqueness of the texture  | .767           |                  |        |                       |
|                     | The uniqueness of appearance  | .829           |                  |        |                       |
| Product Opinion     | The opinion of product uniqueness | .754         | .730             | .614   | .826                  |
|                     | The opinion of product excellence | .861         |                  |        |                       |
|                     | The opinion of product value   | .730           |                  |        |                       |
| Satisfaction        | The feeling of happiness       | .772           | .815             | .567   | .881                  |
|                     | Cheerful                       | .804           |                  |        |                       |
|                     | Hopeful                        | .732           |                  |        |                       |
|                     | Positive surprise              | .701           |                  |        |                       |
| Trust               | Credibility                    | .729           | .726             | .568   | .798                  |
|                     | Integrity                      | .804           |                  |        |                       |
|                     | Benevolence                    | .726           |                  |        |                       |
| Hotel Brand Loyalty | Stories of personal experiences | .806           | .912             | .579   | .805                  |
|                     | Giving recommendations         | .716           |                  |        |                       |
|                     | Giving information             | .758           |                  |        |                       |

$\chi^2$ (125) = 133.964    $p = .276$    CMIN/DF = 1.072   GFI = .927   RMSEA = .02   TLI = .993   CFI = .994   AGFI = .900
Table 2. Test of discriminant validity

|                      | Product Uniqueness | Product Opinion | Satisfaction | Trust | Hotel BL |
|----------------------|--------------------|-----------------|--------------|-------|----------|
| Product Uniqueness   | .649               | -.132 (.017)    | .614         |       |          |
| Product Opinion      |                    | .531 (.282)     | .472 (.223)  | .567  |          |
| Satisfaction         |                    |                | .65 (.423)   | .595  | .732 (.536)| .568 |
| Trust                |                    |                |              | .656  |          |
| Hotel BL             | .47 (.221)         | .477 (.228)     | .574 (.329)  | .715 (.511) | .579    |

Note: The figures in the sub-diagonal are correlation coefficients (squared correlations) and the bold figures in the diagonal represent averages variance extracted.

Table 3. Testing of hypotheses

| Causality relationship | S.E. Regression Weight (β) | C.R   | p    |
|------------------------|----------------------------|-------|------|
| Product Uniqueness → Satisfaction | 0.476 | 5.941 | ***  |
| Product Uniqueness → Trust | 0.429 | 5.036 | ***  |
| Product Opinion → Satisfaction | 0.410 | 4.914 | ***  |
| Product Opinion → Trust | 0.398 | 4.630 | ***  |
| Satisfaction → Hotel Brand Loyalty | 0.093 | 0.685 | 0.493 | n.s |
| Trust → Hotel Brand Loyalty | 0.656 | 4.415 | ***  |
| Satisfaction → Trust | 0.387 | 3.233 | 0.001 | s   |

n.s = not significant; s = significant

B. Testing of Hypotheses

Within this study are 7 hypotheses of causality relations. The limit of hypothesis acceptance value is the value of C.R > t-table, p < .05, and β are positive (Hair et al., 2010). The model has a degree of freedom (df) 127, the value of t-table value at the significance level of .05 is 1.657, so the value of C.R must be greater than 1.657. All of the result testing of hypotheses displayed in Table 3.

1. The association of traditional product development and relationship quality

The effect of product uniqueness on satisfaction has a value of C.R = 5.941; p ***; β = .476, so hypothesis 1 is accepted. The effect of product uniqueness on trust has a value of C.R = 5.036; p ***; β = .429, so hypothesis 2 is accepted. The effect of product opinion on satisfaction has a value of C.R = 4.914; p ***; β = .410, so hypothesis 3 is accepted. The effect of product opinion on trust has a value of C.R = 4.630; p ***; β = .398, so hypothesis 4 is accepted.

2. The association of relationship quality and hotel brand loyalty

The effect of satisfaction on hotel brand loyalty has a value of C.R = .685; p = .493; β = .093, so hypothesis 5 is rejected. The effect of trust in hotel brand loyalty has a value of C.R = 4.415; p = ***; β = .656, so hypothesis 6 is accepted. The effect of satisfaction on trust has a value of C.R = 3.233; p = 0.001; β = .387, resulting that hypothesis 7 is accepted.
3. The mediating role of trust in association of satisfaction and hotel brand loyalty

The purpose of mediation analysis is to find out the role of trust as intervening variable in association of satisfaction and hotel brand loyalty. The direct effect of satisfaction on hotel brand loyalty is 0.093 (not significant). The indirect effect of satisfaction on hotel brand loyalty through trust is 0.254 (significant). The result shows that trust can mediate fully in association of satisfaction and hotel brand loyalty.

VI. Conclusion

This study examines the effect of traditional product development on relationship quality and its impact on hotel brand loyalty. The traditional product developed by hotel resorts in Bali for tourists is traditional Balinese cuisine itself. This product development on the emphasis on traditional foods aims to innovate in food service for hotel resorts, so that tourists experiences new and fresh air when spending their holidays in Bali. Meeting the expectations of tourists to feel new experiences is expected to increase tourist trust and loyalty in resort brands.

The development of traditional dishes is done by referring to the brand concept that is used as a tool to sell products. The concept of a brand can create a deeper difference and character within a product compared to other products that seem similar. The development of a product by providing added value aims to increase the value of the product for it to appear differently in a particular market. At first, Balinese traditional food is a daily routine for Balinese. It is effortless to find as the food are always in traditional markets or local restaurants. By improving the quality of food and the way it is presented, the hope is for the dishes can provide new experiences to tourists who stay at the resorts. These delicious cuisines have been developed by hotel resorts which may vary from what can be found in traditional markets.

A more emphasis on its presentation aims to increase the satisfaction and trust of tourists in resort hotel services, resulting a good relationship between the resort hotels and tourists. A strong relationship between the hotel and tourists can ultimately create tourist loyalty at the hotel.

Based on the results, it can be summarized that two variables in relationship quality which consist of satisfaction and trust, is that trust plays an important role in determining hotel brand loyalty. The trust that comes from tourists’ causes their satisfaction can increase the resort hotel brand loyalty. This finding is able to explain the behavior of tourists that their trust has an important role in increasing the influence of tourist satisfaction in the level of loyalty on the hotel brands. Tourist satisfaction over Balinese traditional food cannot directly encourage tourist loyalty brands without their trust. Tourist’s trust is a belief that resort hotels can meet their expectations, keeping their promises, and they care about the interests of tourists. This trust is why tourists are satisfied with Balinese traditional food at resort hotels to be loyal to the hotel.

An interesting finding from this study is that tourist satisfaction with unique experiences in resort hotels has no effect on tourist loyalty to their brands. In the marketing concept, it is widely known that customer satisfaction and loyalty have a close relationship. Most studies show that customers who are satisfied with a product can be sure to be loyal customers. When tourists decide to stay at a hotel, they sometimes have a high belief, choosing to stay in a hotel without much consideration, and then they evaluate and observe the hotel while on their stay. In another occasion, tourists decided to try other hotels as a result of boredom or the need to try something different/new so which is why they do not choose previous hotels. The more hotels available at a resort provide tourists more available options to stay during their vacation. The behavior of tourists changing hotels occurs as it is solely the desire to seek variety, and not because of tourist dissatisfaction with hotel services. This tourist act can be categorized as the act of searching in variation which is characterized by the purchase...
of situation with consumer involvement in low purchases and insignificant brand differences. The success of hotel resorts in earning the trust from tourists will eventually bring back these tourists who are satisfied with the products to be loyal to the hotel. This research also shows that Balinese traditional food can play an important role in improving relations with guests at resort hotels.

Efforts to increase the value of Balinese traditional food by resort hotels can create tourist satisfaction and trust. Tourist satisfaction and trust are very important for any resort hotels in building relationship quality with hotel guests that can lead to tourist loyalty. The results of this study also provide practical implications for hotel practitioners. Tourist trust needs to be well managed by hotel managements in order to encourage their loyalty. This study shows that traditional products can support tourism businesses.

VII. Limitations and Suggestions

This study has limitations with large open opportunities for the development of further studies. First, this study uses primary data taken at a time period with certain sample of characteristics. The same study involving different sample of characteristics will produce different results. Second, this study cannot be applied equally well in other industries, as each industry has unique characteristics where possible changes of composition in variables that affect consumer behavior. Thus, the relationship between variables in this study requires further study to develop a model that matches the dynamics that occur in the market.

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