A Study on the Influence of Brand Trust and Customer Satisfaction on Brand Loyalty Against the Background of Hainan Free Trade Port
Taking Hainan Star-rated Hotels as Examples

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ABSTRACT

Against the backdrop of the construction of a free trade port, the competition in Hainan's hotel industry is becoming increasingly fierce. Brand loyalty is considered the only way to deal with this situation, as hotel brands help establish a stable relationship between consumers and operators. Therefore, this study takes Hainan star-rated hotels as the research objects, with service quality, perceived quality, and perceived value as independent variables, and brand trust and customer satisfaction as intervention variables, to construct a conceptual model of brand loyalty. The research results show that brand trust and customer satisfaction are two important factors for consumer brand loyalty in the hotel industry, and show a significant positive correlation. The results provide a better understanding for enterprises to analyze brand loyalty and the role of each factor in the development of brand loyalty.

Keywords: Brand loyalty, Brand trust, Customer satisfaction.

1. INTRODUCTION

Since the construction of Hainan Free Trade Port, the scale of hotels in Hainan has been continuously expanding. In the first half of 2023, sales increased by 30.60% year-on-year, reaching 27.483 billion yuan (Liang Bing & Zheng Bang, 2023-08-12). However, as the closure of the entire island approaches, the hotel industry in Hainan is also facing many challenges, such as the increasingly perfect laws and regulations, and the intensification of market competition. In this situation, how Hainan hotel management can respond to the challenges of development and gradually establish its own core competitiveness is an important issue facing various hotel operators.

As is well known, brands not only help hotels shape a positive image, but also differentiate them from competitors (Liu Haiyan, 2007). In the era of globalization and the internet, competition in the hotel industry is becoming more intense, which highlights the importance of hotel brands in the field of marketing. Hotels need to establish a strong brand through marketing strategies to win consumer loyalty, and loyal consumers have a high value identification with the hotel brand, so they are willing to pay higher prices for the hotel brand they like (Wang Min, 2021).

At the same time, hotel brands can help consumers quickly understand the services and products promised by the purchased hotel brand, thereby making purchasing decisions that better meet their requirements. If consumers have a full understanding of the services provided by the hotel brand they purchase, they will have more trust and dependence, laying a solid foundation for brand loyalty.

Loyal consumers will purchase and use a hotel brand's services and products for a long time, and even if there is a price increase or a relatively high price compared to other similar brands, they will not easily change their purchasing intention. Therefore, in order to cultivate customer loyalty, hotels must provide high-quality products and services and carry out effective marketing activities. Loyal consumers can not only bring stable income

to hotels, but also help improve their reputation through word-of-mouth, ultimately achieving the effect of expanding market share (Chang Yi, 2021).

In addition, brand is also an important asset of hotels, which can help hotels encourage consumers to make purchasing decisions and establish trust and loyalty with consumers, thereby gaining more market share and good consumer relationships. However, compared to the past, consumers nowadays are more likely to obtain information about their purchased services and make horizontal and vertical comparisons of their purchased products. Therefore, hotels need to meet consumer needs through innovation. If a hotel cannot meet consumer needs, it will affect its brand image and reputation, and even lead to consumer loss.

From a practical perspective, it is important to understand how to enhance the loyalty of a specific brand in order to enhance the brand experience. Loyal consumers are often willing to pay a premium for their favorite brands. This can be attributed to factors such as brand communication, trust, and service quality (Liu Zhenhua, 2017). Loyal consumers also have a high perceived quality of the brand and will repeatedly purchase it. Therefore, brand loyalty can also be measured by credibility, service quality, and perceived quality (Chen Zhendong, 2022).

In summary, brand loyalty has complex and multidimensional connotations, including satisfaction, trust, perceived quality, fairness, etc. Therefore, this study will focus on exploring the impact of factors such as service quality, perceived quality, perceived value, customer satisfaction, and brand trust on brand loyalty, in order to provide a new perspective for the study of brand loyalty.

2. LITERATURE REVIEW

2.1 Brand Loyalty

Consumers with brand loyalty typically only purchase and use branded products they trust, rather than those they do not trust. In addition, consumers with brand loyalty will not easily turn to other brand suppliers to purchase products, even if other brands offer higher quality products at lower prices, consumers will still be loyal to their specific brand. Existing literature shows that brand loyalty can be measured through indicators such as word-of-mouth, customer satisfaction, brand trust, and price sensitivity (Ouxia & Lu Dingguang, 2016).

Therefore, any hotel that wants to compete with its competitors' services and products and gain profits must establish brand loyalty (Gu Feng & Huang Peiqing, 2008). Therefore, major hotel groups are competing to provide consumers with various brands, such as Hilton Hotels Group with 19 brands in 6 categories, Marriott Hotels Group with 30 brands in 4 categories, Accor Hotels Group with 46 brands in 5 categories, and so on. However, not every brand can establish brand loyalty, only a few brands can establish a highly loyal consumer group. This forces hotels to enhance brand recognition through marketing strategies to establish consumer brand relationships (Lin Zerui, 2022). From the perspective of existing literature research, marketing has become increasingly important in helping establish brand loyalty in the past few decades (Li Cuiling, Qin Xuzhong & Zhao Hong, 2017).

It is worth noting that good brand recognition is built on the perceived quality or positive image of the brand, rather than on price (Liu Meilian & Xu Lifang, 2019). Overall, customer satisfaction level can be measured by brand loyalty, that is, whether the brand meets their expectations (Liu Jin, 2022), while brand performance can be judged by higher consumer brand loyalty (Li Guihua & Shen Yuanting, 2019).

2.2 Brand Trust

Consumer trust in a brand is built on its ability to provide high-quality products and services, as well as a good customer experience. Brand trust is one of the important factors in achieving brand loyalty, which helps consumers maintain loyalty to the brand. To establish trust, consumers must be able to obtain relevant information from the services or products provided by the brand and conduct evaluations. If the information obtained by consumers can prove that brand products can meet their expectations and are exclusive to them, consumers can establish some emotional trust with the brand. Brands that can maintain consistency between marketing and reality have the above characteristics. Therefore, brand loyalty is the result of brand trust or commitment, as well as the reason for establishing and maintaining a sustained relationship between enterprises and consumers (Zhao Yun & Li Rongri, 2019).

2.3 Service Quality

Service quality can be understood as the difference between the results presented by consumers and their expectations of the service. In other words, service quality is the judgment value made by consumers based on the evaluation process of comparing the services provided with the services they feel (Chen Zhenghui, Wang Qian & Park Mingxie, 2011). This evaluation value includes evaluations of dimensions such as service environment, equipment and facilities, physical products, and interactive perception, as well as more detailed evaluations of dimensions such as quality, interest, commitment, and consistency (Yin Huaguang, Li Wenjie &Yuan Guobin, 2015). That is to say, if the consumer experience meets their expectations for the quality of brand service, they will have a good perception of service quality. Therefore, service quality has a significant impact on establishing brand loyalty. Relevant empirical research also clearly shows that word-of-mouth, consumer expectations of the brand, consumer brand awareness of price, and consumer complaint behavior are the four main indicators that affect service quality (Jin Lei, 2023).

2.4 Customer Satisfaction

Customer satisfaction refers to the overall feeling that consumers experience after using a product or service. It objectively reflects whether the products and services provided by enterprises meet the needs and expectations of consumers (Liu Zihan & Fu Shaoling, 2023). Satisfied customers may purchase brand products and services provided by the company again and may make recommendations to others. Related studies have shown that by measuring customer satisfaction levels, researchers can predict consumer purchasing intentions and behaviors towards branded products (Li Tingting, 2022). Therefore, enterprises should focus on improving customer satisfaction in order to enhance brand loyalty and consumer value.

2.5 Brand Perceived Quality

Brand perceived quality is a subjective perception of brand products and services by consumers, which is influenced by their personal experiences, expectations, and other factors. Brand perceived quality is a subjective perception of brand products and services by consumers, which is influenced by their personal experiences, expectations, and other factors. Brand perceived quality can be shaped and improved through advertising, social media, and public relations activities, with the aim of attracting consumers to purchase products and services. There is a certain correlation between perceived quality and customer satisfaction (Zheng Junyi et al., 2021). Therefore, perceived quality has a positive impact on customer satisfaction. In addition, some scholars (Xue Yongji & Sun Yutong, 2016) believe that perceived quality also has a positive impact on brand trust.

2.6 Brand Perceived Value

Brand perceived value refers to the evaluation that consumers make of products and services based on their prices. Consumers are not very familiar with the true cost of products and services, so they can only judge whether the product is worth it based on their own feelings after using or enjoying it (He Mang et al., 2022). Therefore, brand perceived value has become a criterion for consumers to judge whether the prices of products and services are reasonable and whether they meet their needs. When consumers purchase products, they hope to obtain value higher than cost. This also encourages brand owners to enhance the value of their products and services in the eyes of consumers through the use of marketing strategies. In addition, there is a significant correlation between perceived value and brand trust (Shao Jingbo et al., 2019), that is, if consumers have a higher level of trust in the brand, their perceived product value will increase.

Based on the literature above, this study can draw the following assumptions:

H1: Brand trust is positively correlated with brand loyalty.

H2: Service quality is positively correlated with brand trust.

H3: Customer satisfaction is positively correlated with brand loyalty.

H4: Perceived quality is positively correlated with customer satisfaction.

H5: Perceived quality is positively correlated with brand trust.

H6: Perceived value is positively correlated with customer satisfaction.

H7: Perceived value is positively correlated with brand trust.

3. RESEARCH DESIGN

3.1 Questionnaire Design

The impact of customer brand loyalty in the Hainan hotel industry is the focus of this study. On the basis of in-depth analysis of previous research, researchers combined with the characteristics of the Hainan hotel industry and proposed hypotheses on relevant influencing factors. Then, based on the assumptions, a survey questionnaire was designed and distributed and collected in the form of an electronic questionnaire. The survey questionnaire for this study is divided into three parts: the first part is the introduction, which introduces the purpose of the questionnaire, filling out methods, and gratitude; the second part is about the basic characteristics of the population, understanding information such as gender, age, education level, occupation, and income of the respondents; the third part is a survey on six variables, mainly to understand the attitudes of the respondents towards the perceived value, brand loyalty, brand trust, satisfaction, perceived quality, and service quality of the hotel brand. The questionnaire was rated using the Likert 5-point scale, with "1" representing "strongly agree" and "5" representing "strongly disagree". All data will be encoded in SPSS software for subsequent statistical analysis such as reliability, validity, correlation, and regression, in order to help researchers better understand the survey results.

3.2 Data Collection

The main target audience for this study questionnaire is tourists aged 18-50, high income, highly educated, and who value personal and family quality of life while staying in hotels in Hainan. The questionnaire was designed and distributed starting from May 2023, with a total of 235 copies distributed and 221 collected. After removing invalid data, 209 valid questionnaires were obtained. The effective response rate of the questionnaire is 88.94%, which meets the requirements of statistical analysis. The survey results showed that women accounted for 63.8% of the respondents, much higher than men. This is because that, tourists to Hainan are mainly in form of family tours, and the vast majority of family travel decisions are made by women. In addition, the respondents generally have higher educational qualifications and a generally above average income level.

4. EMPIRICAL RESULTS AND ANALYSIS

4.1 Reliability and Validity Analysis

This study used 26 project indicators to measure 6 variables, so it is necessary to analyze the reliability of the secondary scale. The reliability test results show that the Alpha coefficients of the first and second level influencing factors of consumer loyalty to branded hotels exceed 0.621, with most of them exceeding 0.70. KMO and Bartlett tests show that KMO values both exceed 0.73. Therefore, the questionnaire has high reliability and validity.

4.2 Regression Analysis

According to the regression analysis results in "Table 1", assuming H1 is true, brand trust has a positive impact on brand loyalty. β coefficient is 0.521, and the p-value is less than 0.01, indicating that brand trust contributes 52.1% to brand loyalty. Assuming H2 is established, there is a significant positive correlation between service quality and brand trust. β coefficient is 0.327, with the p-value is less than 0.01, indicating that service quality contributes over 32% to building brand trust among consumers. Assuming H3 is established, customer satisfaction has a positive impact on brand loyalty. β coefficient is 0.141, and the p-value is less than 0.05, indicating that customer satisfaction explains more than 14% in establishing brand loyalty.

Assuming H4 is established, perceived quality is an important factor affecting customer satisfaction. β coefficient is 0.378, and the p-value is less than 0.01, indicating that perceived quality can explain more than 38% of customer satisfaction. Assuming H5 is established, perceived quality has a positive impact on brand trust. β coefficient of 0.345 and the p-value is less than 0.01, indicating that perceived quality contributes over 34% to building brand trust. Assuming H7 is established, perceived value is an important factor affecting brand trust. β coefficient is 0.147, and the p-value is less than 0.05, indicating that the contribution rate of perceived value to establishing consumer brand trust exceeds 14%. However, the 0.072 β coefficient and the p-value is greater than 0.05, indicating that hypothesis H6 is not valid, meaning that perceived value has no significant impact on customer satisfaction.

Table 1. Regression analysis results

Hypotheses	Variables	Standard error	β	C.R	p value	Conclusion
H1	Brand loyalty, brand trust	0.083	0.521	6.541	***	True
H2	Service quality, brand trust	0.074	0.327	3.867	***	True
H3	Customer satisfaction, brand loyalty	0.073	0.141	1.662	0.012	True
H4	Perceived quality, customer satisfaction	0.081	0.378	4.875	***	True
H5	Perceived quality, brand trust	0.076	0.345	4.613	***	True
H6	Perceived value, customer satisfaction	0.089	0.072	0.925	0.273	False
H7	False	0.075	0.147	2.167	0.027	True

5. RESULTS DISCUSSION

This study aims to explore the impact of brand trust and customer satisfaction on brand loyalty. The research results show that brand loyalty is a multidimensional structure that includes five factors: perceived quality, perceived value, service quality, brand trust, and customer satisfaction.

Brand trust refers to the attitude that consumers hold towards brand reliability and brand intention, and is an important basis for consumers to make purchasing decisions when facing risks. Brand trust is a key factor affecting brand loyalty, and it is the cornerstone of establishing brand loyalty. Customer satisfaction refers to the overall feeling that consumers experience after using a product or service. Customer satisfaction is a key factor affecting brand loyalty, as confirmed by research results. This indicates that enterprises should start with improving customer satisfaction to enhance brand loyalty.

Therefore, hotels should strive to enhance brand trust and customer satisfaction to cultivate a loyal consumer group. Specifically, hotels can enhance brand trust by fulfilling commitments to consumers, providing high-quality products and services, and establishing good consumer relationships. They can also enhance customer satisfaction by understanding consumer needs and desires, providing high-quality products and services, and providing high-quality after-sales services.

Service quality, perceived quality, and perceived value can positively or negatively impact consumers, leading to loyalty or loss of loyalty. The regression analysis in this study shows a highly significant positive correlation between customer satisfaction and perceived quality. This indicates that the higher the satisfaction of consumers with brand products and services, the higher the quality of their brand awareness, thereby improving their brand loyalty.

There is a positive relationship between perceived quality and brand trust. This means that the higher the perceived quality, the higher the consumer's trust in the brand, and further affects consumer brand loyalty. In addition, service quality is also a key factor affecting consumer loyalty. It can help businesses cultivate consumer loyalty, thereby helping them expand market share. Therefore, hotels should focus on enhancing these factors in order to enhance consumer loyalty and hotel brand competitiveness.

Perceived value refers to the evaluation of hotel products and services by consumers based on factors such as price and quality, and is considered to be one of the important factors affecting brand loyalty. This study indicates that perceived value can have a positive impact on brand trust. Therefore, hotels should attach importance to perceived value and enhance brand loyalty by enhancing the perceived value of brand products and services. Specific measures include: paying attention to the quality and price of products, truthfully promoting brand products and services, not making unfulfilled promises, and providing a large amount of effective details to help consumers understand brand products and services.

Finally, the results of this study indicate that there is no significant correlation between perceived value and customer satisfaction. This may be because perceived value is the degree of matching between consumer expectations and actual experiences of a product, while customer satisfaction is the overall evaluation of consumer experience of using a product. Although they are related, they are not exactly the same.

6. CONCLUSION

Firstly, this study mainly targets tourism consumers in Hainan who aim for family tourism, and consumers with different purposes, such as business, wedding, sports, etc., may have different

views on hotel brand loyalty. Therefore, future research can expand the sample population to consumers of different purposes in other regions, in order to gain a more comprehensive understanding of the factors influencing brand loyalty. Secondly, this study only considered Hainan star-rated hotel brands, and different hotel categories may have different influencing factors. Future research can expand the scope of research to other hotel categories of products, in order to gain a deeper understanding of the factors influencing hotel brand loyalty. Finally, brand loyalty is a complex concept, and this study is only a preliminary exploration. Future research can delve deeper into other factors that affect brand loyalty in order to better understand it.

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