



Enhancing Indonesian Hotel Performance Through Distribution-Market Orientation and Value-Centric Innovation in Distribution

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Abstract

Purpose: Evaluating hotel performance is crucial in the tourism industry, and expanding knowledge through value-centric innovation in distribution is approached from the service-dominant logic perspective. This study aims to explore and enhance understanding of efforts to improve hotel performance by introducing a new concept of significant value-centric innovation in distribution. A novel proposition is presented, synthesizing diverse marketing innovations through the lens of service-dominant logic to foster originality. **Research Design, Data, and Methodology:** Data from 166 respondents across various levels of hotel structural positions in Indonesia were analyzed using SEM-PLS. The relationship between market orientation and hotel performance was explored using the SEM-PLS technique. **Results:** The findings indicate that market orientation contributes to enhancing hotel performance. Additionally, value-centric innovation in distribution is crucial in addressing inconsistencies observed in previous studies and indicators related to variables significantly affecting hotel performance. Moreover, value-centric innovation in distribution directly improves performance indicators. **Conclusions:** The practical implication of this research is leveraging market orientation to enhance hotel performance. Hotel owners are encouraged to effectively implement value-centric innovation in distribution by fostering collaboratively generated shared value creation.

Keywords : Distribution-Market Orientation, Hotel Performance, Service-Dominant Logic, Value-Centric Innovation in Distribution

JEL Classification Code: D46, D47, L83, M31, Z32

1. Introduction

Previous studies were conducted to scrutinize the impact of marketing orientation on hotel performance (Ibrahim Alnawas & Jane Hemsley-Brown, 2019; Dabrowski et al., 2019). Meanwhile, businesses benefited from hotel (Fernandes Sampaio et al., 2020), and the result was

manifested as incremental or radical service innovation. There was also a correlation between service innovation capabilities in the affiliation established between market orientation and hotel concerns, as stated by Ibrahim Alnawas and Jane Hemsley-Brown (2019). In this context, an exemplar of a metric could be derived from the revenue generated through the quantification of rooms booked by

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hotel patrons, serving as a gauge of performance (Nalley et al., 2019; Jorge Pereira-Moliner et al., 2021; Phan et al., 2021). As an indicator of business performance for hotel analysis unit, a greater direct market orientation has the budding to augment financial business performance (Lee et al., 2015). Other results on the practice of portable strategies to create value in hotel industry (Morosan & DeFranco, 2016), increasing visitor loyalty (Blazquez-Resino et al., 2015), and intellectual capital disclosure (FitzPatrick et al., 2013) have also been developed using the dominant service logic perspective framework. However, a critical perspective on enhancing hotel performance through Value-centric innovation in distribution is necessary for this inquiry. To overcome the limitations of the earlier examination, Value-centric innovation in distribution concept proposition is crucial, and the explanation discusses the need for prior study expertise.

This study uses Service-Dominant Logic (SDL) Theory to address this study gap by introducing a new concept, value-based marketing innovation, to bridge the connection concerning market orientation and hotel performance. According to SDL theory, value of a product or service is resolute by the benefits derived from its use (Vargo & Lusch, 2004, 2016). This framework stipulates that businesses provide value propositions, but customers can only define value to create the co-creators (Brodie et al., 2019). Across the centuries, the perception of shared value has been incorporated into the tourism experience at all phases, including pre-visit, on-site, and post-visit (Eletxigerra et al., 2021; Jiménez-Barreto & Campo-Martínez, 2018; Zhang, 2020). Earlier investigations have attempted to determine how consumers create shared value during the pre-visit period (Eletxigerra et al., 2021). These scholarships have not scrutinized the rapport amid shared value.

Proposing a connection between the creation process and corporate strategy for strategic advantages in enhancing company performance is logical. This study investigates how Value-centric innovation in distribution can increase the perceived value of customers and enable enterprises to reach a useful benefit. Creating shared value in the travel business is significant (Eletxigerra et al., 2021), but this study did not assess the bond joining shared value. The evolution of formulating and implementing a strategic method aimed at augmenting the efficacy of the strategy performance. However, these results have limitations for studying value-based innovation in marketing. Value-centric innovation in distribution is a form of leverage that engages consumers in creating a central offer based on unique value. By understanding how customers create shared value during the pre-visit period, hotel can develop innovative marketing strategies to influence visitor risk acceptance before travel, increase positive emotions and intentions to visit and enhance hotel performance.

This study was conducted to develop a theoretical display of the role of Value-centric innovation in distribution as leverage derived from marketplace-concerned relationships to boost hotel performance. The comprehension of literature includes a discussion of the concept.

2. Literature Review

2.1. Related Literature and Hypothesis Development

Value-centric innovation in distribution concept is rooted in SDL Theory, which is regarded as the core of the service system (Sadjadi, 2020). The theory provides a thorough knowledge for comprehending value co-creation through the argument of provision and combination of possessions (Vargo & Lusch, 2004, 2016) by accentuating that the detached service exchange is to afford applied knowledge and assistance, as operant resources, to support other actors in succeeding their goals (Vargo et al., 2020). In the interaction between firms and customers, this framework stipulates that firms create value propositions based on their operant resources. Only customers can determine value, hence involving as value co-creator (Brodie et al., 2019).

The co-creation of value concept has been implemented in the leisure industry (Eletxigerra et al., 2021; Jiménez-Barreto & Campo-Martínez, 2018; Zhang, 2020). Travelers are expected to engage in mind-related (thoughts and feelings) and task-related actions (cognitive and interactive behaviors) throughout their journey. Therefore, value co-formation is not confined to physical participation (Prebensen & Xie, 2017) and is frequently associated with personal connection and feelings (Carvalho et al., 2021). Previous study has attempted to explore how customers contribute to value co-creation during the pre-visit time (Eletxigerra et al., 2021), but has not observed the link between the variable to enhance firm performance. This study investigates how Value-centric innovation in distribution might enhance customers' perceived value, particularly in the pre-visit period, and how the firm can gain strategically from its implementation.

A thorough understanding of how customers participate in value co-creation during pre-visit time could be a potential opportunity since the perceptions of rate might improve at a fairly low-slung rate for the firms (Eletxigerra et al., 2021). Customers may have a significant role in the travel planning process, from idea generation to information collection, vacation planning, and reservation (Zhang, 2020). It is critical to comprehend how value is co-created and the factors contributing to improving such processes. Hospitality industries should provide more excellent service

quality and innovate marketing strategy by considering how regulars co-create value during the pre-visit time. Therefore, the concept of Value-centric innovation in distribution was proposed based on value co-created with customers.

Based on the contributions of Kohli and Jaworski (1990), the topic of market orientation has drawn academic attention. To comprehend the impression of the variable, these experts provided definitions and distinctive aspects. The explanation of *market orientation* given by John C Narver and Stanley F Slater (1990) is "the structural nation that most successfully and proficiently crops the essential actions for the conception of greater rate for consumers and incessant larger presentation for the corporate." This suggests that market orientation concerns the procedures to provide better customer value and boost output. According to this viewpoint, client alignment, entrant location, and inter-functional harmonization are the three main gears of market orientation. Client alignment refers to the efforts to learn about the sensitivities and desires of users and satisfy these needs by completing a specially tailored stream. Identifying the participants' areas of expertise, weaknesses, and strategic methods, responding effectively, and formulating viable solutions constitute integral components of the competitor orientation dimension.

2.2. Market Orientation and Hotel Performance

Kohli and Jaworski (1990) describe market orientation as the company-wide development of insight regarding the present and potential customer demands. Therefore, it is regarded as an organization's attempts to gather information regarding the wants of its clients, distribute the information within the organization, and develop systems to address the demands. Based on this perspective, the three crucial aspects of intelligence production, distribution, and responsiveness were determined. These views emphasize the significance of disseminating market knowledge throughout the organization and striving to increase customer value. However, there are a few differences between the two viewpoints. John C Narver and Stanley F Slater (1990) state how customers improve business performance, while Kohli and Jaworski (1990) emphasize customs. This study evaluates market orientation since it focuses on the relation to company performance. Various contexts, including hotel business, have been investigated to determine the connection concerning market direction and firm performance. According to 127 Portuguese hotel owners, market orientation affects performance (Sampaio et al., 2019a). The variable positively correlated with performance in 447 cross-sectional data from hotel directors, owners or CEOs, marketing directors, or sales directors (Sampaio et al., 2019b). Furthermore, Kazemian et al. (2021) found that market orientation greatly impacted Iran's upmarket hotel'

financial and social performance in Iran. The hypothesis based on the preceding description is as follows:

H1: Market orientation has a positive effect on hotel performance.

2.3. Market Orientation and Value-centric Innovation in Distribution

Businesses strongly focused on the market are more likely to extend service offerings, take advantage of market opportunities, and innovate quickly to create a new strategy to serve their target market. The greater the market response, the more the company will work to satisfy the target expectations, which typically calls for adjusting the current mix. Orientation toward market substantially affects publicizing inventions (Na et al., 2019). Focusing on SMEs in China during the economic crisis, Naidoo (2010) highlighted the importance of market orientation in fostering marketing innovation. Chinese manufacturing SMEs are expected to engage in marketing innovation efforts to meet market demands when a customer- and competitor-oriented culture is adopted. Based on the previous description, the subsequent theory is recommended:

H2: Market orientation has a positive effect on value-based marketing innovation.

2.4. Value-Centric Innovation in Distribution and Hotel Performance

Innovation incorporates an original or significantly improved progression, product/service, marketing tactic, or organizational method into a company's edifice and processes (Venter & Hayidakis, 2021). Even though there have been significant improvements to products and processes (Gopalakrishnan & Kovoormisra, 2021; Lai-Yin Cheah et al., 2021; Makhloufi et al., 2021), fresh promotion novelties are yet to be given consideration. In the narrative, marketing innovation has been abstracted in countless conducts. Most studies refer to new marketing techniques as innovation when one or extra of the four Ps is incorporated (Purchase & Volery, 2020). Marketing innovation is taking a new method of sales, such as changing the product's wrapping, situation, preference, or worth (OECD & Eurostat, 2005, 2018). Clauss (2017) states that businesses actively seeking marketing revolution recompense adjacent kindness to original and amended goods on market, aggressively seek out new distribution channels, or identify novel market promotion strategies. These businesses are more eager to take chances to create innovative and distinctive marketing campaigns.

Marketing innovation transformed into value-based concepts when applied to hotel business in this study throughout the COVID-19 epidemic. This concept is based

on SDL Theory, which considers the comprehensive method to understand value co-creation using service exchange between the firm and customers (Vargo & Lusch, 2004). The firm can only present value propositions determined by the customers (Brodie et al., 2019). Therefore, the firm should systematically understand how customers contribute to value co-creation to improve consumer perceptions. Value-centric innovation in distribution is conceptualized as innovation in marketing strategy based on value co-created with customers. The indicators are developed based on the implementation of the 4Ps of marketing innovation (OECD & Eurostat, 2005, 2018; Purchase & Volery, 2020) focused on value developed with clients, specifically before a visit (Eletxigerra et al., 2021). Hotels can innovate their method of advertising at an affordable cost by using Value-centric innovation in distribution during and before the visit stage.

The enhancement of tourists' positive emotions and their intent to undertake the trip holds the utmost significance in bolstering the presentation of hotel business, and the third proposition is as follows:

H3: Value-centric innovation in distribution has a positive effect on hotel performance.

2.5. Value-Centric Innovation in Distribution, Market Orientation and Hotel Performance

Many studies have examined the factors that cause or enhance this effect when combined with market orientation to understand the effect of market orientation on company performance. Market orientation combined with innovation enhances corporate performance (I. Alnawas & J. Hemsley-Brown, 2019; Bamfo & Kraa, 2019; Kolbe et al., 2021; Phorncharoen, 2020; Prifti & Alimehmeti, 2017). In the investigation of small and medium-sized businesses in Latin America, Kolbe et al. (2021) found no evidence that market orientation directly impacts export success. However, when innovation capability acts as a mediating factor, it does have an indirect effect. Market orientation benefits inventive capacity, and this factor improves export success. The variable strongly affects service innovation capabilities, enhancing the influence on hotel performance in the United Kingdom.

Other innovation-related constructs, such as firm innovativeness, exploratory origination plan, exploitative innovation strategy, modernization ambidextrousness, commercial innovation capability, radical innovation, and incremental innovation, have been identified as mediating variables of the connection concerning market orientation and business performance (Mahmoud et al., 2016; Micheels & Gow, 2011; Sahibzada Jawad et al., 2019), exploratory and exploitative innovation strategy, and innovation ambidexterity (Tan & Liu, 2014), innovation commercial capability (Lim et al., 2017), fundamental invention and

incremental uprising (Kocak et al., 2017), network innovation agility (Mulyana & Hendar, 2020), green innovation (Supamit & Kanjana, 2024), and marketing innovation (Na et al., (2019); Krisana (2024). A company must be innovative to compete effectively and take advantage of market opportunities (Shulei, 2023). Furthermore, businesses should prioritize creating new items to deliver these products, and significantly improve sales techniques (Nieves & Diaz-Meneses, 2016). Marketing innovation is important because it gives clients more value and boosts sales growth by changing elastic demand into inelastic (Noersasongko et al., 2022), and the ensuing theory is as follows:

H4: Value-centric innovation in distribution mediates the connection between market orientation and hotel performance.

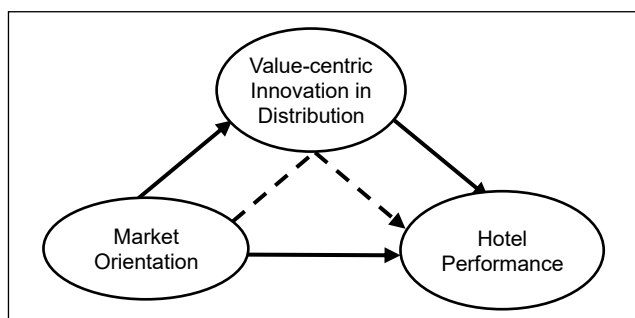


Figure 1: Theoretical Framework

3. Research Methods and Materials

3.1. Sample and Data Collection

The population of learning for examining the empirical model was the Indonesian hospitality industry. The purposeful sample included three- to five-star hotels in six Java Island provinces (Central Java, West Java, East Java, Banten, Jakarta, and Yogyakarta) operating for at least two years. The research focus of this study is exclusively on the island of Java, which is significant for Indonesia's tourism and hotel marketing industries and thus serves as a focal point for this investigation. Java, with a population of 58.45% out of the total 270 million people in the country, plays a significant role in driving this expansion. Moreover, the island of Java boasts the highest density of upscale hotels, ranging from 3 to 5 stars, making up 52.45% of all hotels in the country. The Indonesian Hotel and Restaurants Association, the official hotel website, and social media were used to obtain hotel contacts. A questionnaire, which can be distributed in person, electronically or online, or by

mail to respondents, is used to amass the necessary data (Sreejesh et al., 2014).

This learning formulated the questionnaire in a closed list of questions and was distributed online to 400 hotels by private message through social media platforms or by email. A mandatory question about respondents' roles inside the company was collected. A total of 12 responses were not included because the respondent's organizational position needed to match the standards, leaving 178. The remainder of the 166 responses were deemed valid, among which 51 (30.72%), 85 (51.20%), and 30 (18.07%) were 3-star, 4-star, and 5-star hotels. In terms of hotel location, 22 hotels (13.25%) were located in Jakarta, 13 hotels (7.83%) were located in Banten, 13 hotels (7.83%) were located in West Java, 75 hotels (45.18%) were located in Central Java, nine hotel (5.42%) were located in East Java, and 34 hotels (20.48%) were located in Yogyakarta. Data collection took place during January and February of 2022, and valid surveys were completed by marketing managers, sales managers, sales and marketing managers, marketing executives, and sales executives, with the profile presented in Table 1.

Table 1: The Profile of Respondents

No	Responses	Characteristics	Frequency	Percentage (%)
Respondent Profile				
1	Gender	Male	52	31.33
		Female	115	68.67
2	Year's old	20 – 30 years	59	35.54
		31 – 40 years	86	51.81
		41 – 50 years	21	12.65
3	Educational Level	Diploma	15	9.04
		Undergraduate Degree	129	77.71
		Master's degree	22	13.25
4	Position	Marketing director	27	16.26
		Sales executive	23	13.85
		Sales and marketing supervisor	33	19.87
		Marketing supervisory	32	19.27
		Sales administrative	51	30.72
Hotel Profile				
1	Hotel Type Level	3-star	48	28.91
		4-star	79	47.59
		5-star	39	23.49
2	Room Availability	1-100	22	13.25
		>100	46	27.71
		>200	98	59.03
		> 300	7	4.21
3	Hotel Location	Jakarta	19	11.44
		Banten	15	9.03
		West Java	13	7.83
		Central Java	82	49.39
		East Java	7	4.21
		Yogyakarta	30	18.07

3.2. Measures

A survey of the literature led to the selection of the variables and measuring scales used (see Table 2) . A total of ten questions adapted from Ramayah et al. (2011) and John C Narver and Stanley F Slater (1990) were used to measure market orientation. By comparing the average value of OCR, ADR, and RevPAR between 2021 and 2020, this study evaluated hotels using three key metrics. As shown by J. Pereira-Moliner et al. (2021), these functioning crucial recital indicators are used more frequently than profitability to evaluate hotel performance. The developed four-item scale for Value-centric innovation in distribution was developed with the respective writers, including Medrano et al. (2020) and Volgger et al. (2021). The survey items were evaluated using a five-point Likert scale, with a score of 1 indicating robust discrepancy by the projected announcement and five signifying solid arrangement.

Table 2: Variables and Indicators

No	Variables	Indicators	References
1	Market Orientation	MO1 Customer happiness is what drives business goals.	John C Narver and Stanley F Slater (1990); Phan et al. (2021); Ramayah et al. (2011)
		MO2 To fulfill customer expectations, personnel manage and understands management's duty and route.	
		MO3 Strategy relies on knowing what people want to do to beat the competition.	
		MO4 Businesses usually gauge consumer satisfaction.	
		MO5 Businesses want non-human clientele to obtain a competitive edge	
		MO6 Top management occasionally examines strong competitors' strengths and strategies.	
		MO7 Staff gathers client feedback on all operations and distributes it.	
		MO8 Management understands how each employee benefits customers	
		MO9 Responds to business anxieties	
		MO10 The company's target market drive all professional roles.	
2	Value-based Marketing Innovation	VMI1 Improve service production and packaging for health and safety.	Awan et al. (2020); Dutta et al. (2021); Medrano et al. (2020); Volgger et al. (2021)
		VMI2 Support facility involvement with original networks using influencer marketing.	
		VMI3 Allows flexible booking cancellations to market services.	
		VMI4 Introduces innovative methods to lower service prices	

No	Variables	Indicators	References
3	Hotel Performance	HP1 Occupancy Rate Per Room – OCR HP2 Average Daily Rate – ADR HP3 Revenue Per Available Room – RevPAR	Nalley et al. (2019); Phan et al. (2021)

3.3. Data Analysis

In this study, the data analysis was conducted exhausting the partial least squares structural equation modeling (PLS-SEM) method applied through the Smart-PLS 3.0 software. In this work, PLS-SEM was selected to deal with non-normal data distributions, small sample sizes, and complex models with multiple indicators (Hair Jr et al., 2017). The structural and interior models describe the necessity of relatives across sovereign and reliant variables following concept, former knowledge, and the training's outcomes (Hair et al., 2019).

4. Results and Discussion

4.1. Measurement Model

The dimension models were evaluated and constructed on the steps of Hair Jr et al. (2017). The first step was to clean up the models, and the concept validity and reliability were tested. The external loadings were examined using PLS-SEM to clean up the quantity typical. According to the rules of thumb, the measurement models had an acceptable

outer loading over the standard level of 0.70. From the estimate, three indicators with outer loadings below 0.70 (MO2 = 0.603, MO8 = 0.594, and MO9 = 0.670) must be discarded (Hair Jr et al., 2017). From the estimate, three indicators with outer loadings below 0.70 (MO2 = 0.603, MO8 = 0.594, and MO9 = 0.670) were discarded. After the completion of the purification process, the evaluation of convergent validity was carried out using the Average Variance Extracted (AVE) value, which is expected to surpass the threshold of 0.50 to establish the presence of convergent validity. Value of Cronbach's alpha, composite reliability (CR), and rho A were all above the threshold of 0.70 (Hair Jr et al., 2017). The Fornell-Larker Criterion was used to figure out the discriminant validity. This criterion states that the square root of each AVE must be more important than the relationships between the latent variables (Fornell & Larcker, 1981). Therefore, the results were confirmed, suggesting discriminant validity between the constructs. Table 3 and 4 show the validity and reliability of the purified models, and the specifications were accomplished.

Table 3: Discriminant Validity Test

Description	HP	MO	Vb_MI
HP	0.851		
MO	0.679	0.756	
Vb-MI	0.754	0.733	0.815

Sources: Data collected, 2023.

Desc: HP = Hotel Performance; MO = Market Orientation; Vb-MI = Value-based Marketing Innovation

Table 4: Construct Validity and Reliability Test

Description	Outer Loadings	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Hotel Performance		0.826	0.827	0.896	0.742
Y1	0.834				
Y2	0.856				
Y3	0.869				
Market Orientation		0.873	0.886	0.908	0.578
X1	0.804				
X2	0.738				
X3	0.789				
X4	0.705				
X5	0.781				
X7	0.719				
X10	0.819				
Value-based Marketing Innovation		0.830	0.839	0.887	0.664
Z1	0.819				
Z2	0.877				
Z3	0.826				
Z4	0.732				

Sources: Data collected, 2023.

4.2. Structural Model

After the cleansed representations met the criteria for reliability and validity, the model was used to determine the connection concerning variables and test suggestions. Furthermore, direct and indirect effects were testable and a straight or subsidiary effect between variables was significant depending on the p-value. There was a meaningful relationship between the variables when the p-value was less than the threshold of 0.05 (p-value 0.05).

The correlation of the factors was shown in Figure 2 and Table 5. Rendering to the direct implication analysis, market orientation had a significant and positive impact on hotel performance ($\beta = 0.273$, p-value = 0.002), Value-centric innovation in distribution and hotel performance ($\beta = 0.554$, p-value = 0.000), as well as market orientation and Value-centric innovation in distribution ($\beta = 0.733$, p-value = 0.000). Consequently, H1, H2, and H3 were valid hypotheses, and the R-square (R²) value was employed to evaluate explanatory power. The R² for Value-centric innovation in

distribution was found to be 0.616, meaning that the construct can be explained by 61.6%. Additionally, R² for hotel performance was 0.578, indicating that the construct can be explained by the shared influence of market orientation and Value-centric innovation in distribution 57.8%. Other factors to be considered in the study may explain the remaining factors. Indirect effect analysis was used to measure market direction on hotel performance by using the variables of Value-centric innovation in distribution middlemen. Value-centric innovation in distribution was shown to intercede with the indirect association among variables ($R^2 = 0.406$, p-value = 0.000), and H4 was accepted. The test starts by looking at the variance inflation factor (VIF) to see if there are any problems with standard method variance (CMV) and multicollinearity. The VIF numbers are always less than 3.3, as shown in Table 7. This indicates no issues with standard method variance and multicollinearity in the structural model, which aligns with what Kock (2015) found.

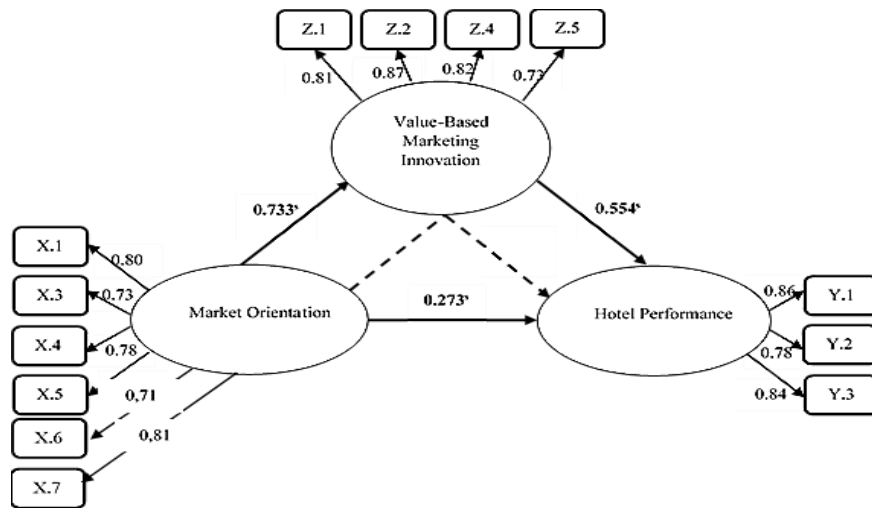


Figure 2: Full Structural Model Hotel Performance

Table 5: Hypothesis Testing

Hypothesis	Variable	β	t-value	p-value	VIF	Result
H1	X → Y	0,273	3,088	0,002	2,074	Accepted
H2	X → Z	0,733	14,804	0,000	1,000	Accepted
H3	Z → Y	0,554	5,471	0,000	2,074	Accepted
H4	X → Z → Y	0,406	4,910	0,000		Accepted

Source: Data processed, 2023.

This study explores the link concerning market orientation and hotel performance with the intermediating effects of Value-centric innovation in distribution in the framework of hotel industry in six Indonesian areas. Two-step study was used to estimate the suggested version and the initial evaluation used market orientation, value-based

marketing innovation, and hotel performance scales to assess the validity and dependability of the measurement models. Subsequently, the proposed hypotheses were tested to evaluate the operational archetypal. The service sector can benefit from market emphasis and this study improves the connections between hotel performance and market

orientation. The results showed a direct and positive relationship relating market orientation and hotel performance, which was consistent with prior observed reviews on the field (Ali et al., 2020; Chikerema & Makanyeza, 2021; Sahibzada Jawad et al., 2019; Sampaio et al., 2019b; Stocker et al., 2021). Based on the Service-Dominant Logic perspective, the proposed notion of Value-centric innovation in distribution mediates the relationship between market orientation and hotel performance.

Based on the results of H1, market orientation has a proven direct effect with the potential to enhance hotel performance (HP). Dabrowski et al. (2019), Fernandes Sampaio et al. (2020), and Sampaio et al. (2018) indicated that the strong market orientation practice was the reason for the increase in business performance. These results serve as a benchmark for academics who conclude that hotels concentrating on market orientation can learn from the dynamics of client wants and their rivals. Hotel company players can also comprehend the characteristics of consumer and competition behavior by widening the sharing of marketing information across all business activities. This fosters peace by developing shared ideals beyond the desires of hotel guests. The participation of all divisions in the hotel business unit must work to monitor consumer preferences, leading to the creation of new markets and appealing hotel products.

Market orientation plays a significant role in hotel performance and facilitates the development of valuable breakthroughs. As evidenced by H2 results, the variable is directly proportional to V-BMI (value-based marketing innovation) and does not solely mediate the effect of totality on hotel performance. Market orientation does not rely solely on V-BMI to stimulate hotel performance in a marketing industry context. The industry intends to attain high performance using the variable instead of V-BMI. Furthermore, Market orientation can be used as a catalyst for executing V-BMI, which is beneficial for boosting hotel performance. This study aims to broaden the understanding of Dominant-Service Logic (SDL), which emphasizes the significance of value-based marketing based on the development of recent literature. Ibrahim Alnawas and Jane Hemsley-Brown (2019), Dabrowski et al. (2019), and Kaliappen et al. (2017) state the significance of resource-based performance enhancement. Meanwhile, Srivastava et al. (2001) and Varadarajan (2020) provide additional evidence that Market orientation is market-based supply affecting performance (Ketchen Jr et al., 2007).

5. Conclusions

In conclusion, this study was conducted to broaden the perspectives of SDL on the significance of V-BMI in hotels.

The V-BMI concept has been shown to bridge the gap between market orientation and hotel performance. Therefore, H4 was accepted, and this information was beneficial for managers and hotel owners. First, the influence of influencers to support facility engagement was the greatest indicator of value-based marketing. This indicated that facility managers must recruit more influencers to offer service value from facility products (Dutta et al., 2021; Nafi & Ahmed, 2019). Secondly, precise hotel specifications and service access increased customer satisfaction (Shukla & Rodrigues, 2022). Thirdly, marketing value-based innovation can directly impact the financial performance of a hotel, amplifying the positive influence of market orientation on profits.

The results implied that hotels in six regions of Indonesia boosted their financial results by emphasizing value-based innovation in their marketing strategies. By creating value-based marketing innovation, specifically based on value co-created with customers in the pre-travel phase, businesses impacted the risk acceptance of customers before visiting certain destinations as well as improved good feelings and intent to travel. Therefore, this study focused on the initiatives adopted by the hotel sector to boost financial results.

The theoretical implications contributed to this study add to the growing body of research on Marketing Orientation (MO) in hospitality businesses by showing how market-oriented practices improve performance. Rooted in the Resource-Based View (RBV) perspective, this research shows how important it is to spend MO as a valuable resource that earns you more money. MO is becoming an essential resource for business success in today's competitive world. It is an integral part of organizational culture. Hotels that use MO can better understand, predict, and react to environmental changes, address problems, and do a better job overall. In addition, this study provides insight into how Value-centric innovation in distribution influences the relationship between MO and hotel success. This shows how important it is to take proactive steps to improve performance. From a resource-based point of view, MO is a vital resource that influences performance, meaning its impact depends on how well it matches the action component. The results show that adding Value-centric innovation in distribution to MO improves hotel performance, adding value, rarity, and uniqueness compared to MO alone. This unity gives the company a competitive advantage, thereby enhancing its performance.

The constraints of this study were exclusively examined within the domain of hotel research conducted in Java. The data collection was confined to a duration of only two months. Additionally, the data was acquired using a cross-sectional approach. Subsequent studies are anticipated to broaden their sample efforts across several nations,

recognizing that the impact of COVID extends beyond Indonesia. This study utilized time series or longitudinal data to investigate fluctuations in hotel performance growth. This study offers suggestions to hotel stakeholders or investors on further enhancing the hotel's reputation and driving its performance improvement. Furthermore, future study suggestions could encompass elements such as cooperative marketing initiatives or digital consumer interactions, service-oriented products, and social commerce capabilities to introduce novel concepts in value-driven marketing solutions.

Areas of further investigation were feasible given the constraints of the study. The act of engaging in exploratory endeavors can facilitate the incorporation of more sophisticated review components, enhancing the understanding of the business. This study employed a questionnaire-based method, focusing specifically on the hotel sector. A more detailed explanation of the relationship between the components and the discovery of additional determinants and maintenance techniques for the hotel's success call for additional field-specific study involving in-depth interviews. The second step of this result was conducted throughout the COVID-19 disease. This suggested the necessity for further study to corroborate the association between the constructs. Moreover, the outcomes possessed a broader applicability, necessitating additional investigation in diverse domains due to the contextual specificity of the constructs.

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