

The Popularity Effect on Consumer Purchase Decisions at Luxury Hotel

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Abstract

Consumer behavior research is particularly interesting in five-star luxury hotels, which offer luxurious services and amenities. The popularity of five-star luxury hotels cannot be denied with the quality of service and luxurious facilities at an expensive price. Brand popularity in this study is defined as the extent to which a brand is widely purchased by ordinary people, with the following measures: price perception; building design; popularity-ie; service type; online perception; luxury image. Although there are many studies on the influence of brand popularity, there is no research that evaluates the need for popularity in the context of the hospitality sector. The main objective of this study is to investigate the effect of hotel popularity on service purchases at five-star luxury hotels. The research method used was a quantitative method using a questionnaire instrument involving 100 five-star hotel guests in Central Jakarta who were used as respondents and then analyzed using regression analysis. It was concluded that the popularity of five-star luxury hotels has a significant effect on purchasing decision.



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BACKGROUND

Tourism is an activity that crosses conventional sectors in the economy. This requires input that is economic, social, cultural and environmental, this presents enormous potential for the sector and economies globally as travel is further democratized (World Bank Group, 2025). International tourist arrivals (staycations) are projected to grow by 4% by 2025, as most destinations worldwide record solid performance. According to this year's first World Tourism Barometer, an estimated 1.52 billion international tourist arrivals will be recorded globally in 2025, nearly 60 million more than in 2024 (UN Tourism, 2026). This means that the increasing volume and complexity of tourism services has resulted in the development of the tourism industry, tourism can play a dynamic role in the economic growth of developing countries compared to developed countries (Khan et al., 2020). When compared to other sectors of the global economy, this industry is one of the fastest growing, accounting for more than a third of total global services trade (International Labour Organization, 2025).

Tourism has grown rapidly in Indonesia in recent years and has become one of the main sources of foreign currency income. The development of tourism has resulted in increased demand for hotels, which is directly proportional to job creation. It is estimated that every \$1 million spent on travel and tourism in Indonesia supports \$1.7 million in GDP and approximately 200 jobs, 67 of which are direct jobs. Furthermore, 58 percent of Indonesia's nearly 7 million hotel and restaurant workers are women (World Bank Group, 2025). Capital investment in tourism has a positive impact on job creation in the short and long term, as well as social protection and rights at work (in the long term) (Castilho & Fuinhas, 2025). Hotels are quite complex businesses in combining reliable and intangible products provided to customers, important and crucial elements for growth and success of the business and maximizing the profit are the service quality as well as customer satisfaction (Aarabe et al., 2025) as hospitality industry is a service industry a direct interaction between the customer and service provider is very prominent (Wang et al., 2025).

Now that the hotel industry trend is changing, many consumers consider when choosing a hotel, including hotel location, price or value for money, cleanliness, quality service, security and hotel

reputation as important attributes. The results of the investigation (Prabhakar, R., & Gunasekeran, N., 2025) there are several attributes that can complicate the task of the hotel in determining, delivering and measuring service quality. He suggests that requests for service quality are generally clustered around peak periods of the day, week or year, such as; check-in and check-out times. These times may prove to be moments of truth for the hotel brand as the hotel business is expected to provide a consistent quality of service to its guests. For today's luxury travelers, lavish hotel accommodations aren't enough, one of the biggest challenges facing luxury brands is becoming and staying relevant for a new generation of clients, and the last few decades, there has been a surge in demand for luxury hotel brands (Lin & Choe, 2022). Hence, various high-end hospitality brands are increasingly leveraging themselves by offering unique facilities, comfort and service experiences to retain customers. Consumer trust is an antecedent of brand commitment because it is a prerequisite for brand-consumer relationships with consumers (Vania et al., 2025). Luxury hotels must meet their customers' needs for distinctiveness and self-improvement while exceeding their expectations on quality of service (Lin & Choe, 2022).

The luxury hotel industry has progressed as an outlet for travelers to dream of and fantasize about other lifestyles (Christodoulides et al., 2025). The Hotel Luxury Brands category is derived and adapted from hotel-level divisions based on ADR data provided by (Shin & Jeong, 2022), including: (1) luxury major: luxury brands of major integrated chain, for example: Sofitel, Ritz Carlton, JW Marriott, etc.; (2) luxury exclusive: luxury brand of a small/medium sized exclusive luxury chain, for example: Four Seasons, Kempinski, Mandarin Oriental, etc.; (3) upper upscale: upper upscale brand, for example: mainly from integrated chain such as Hilton, Sheraton, etc. Definition of luxury hotels in Indonesia (Putri & Hananto, 2022) this class consists of businesses providing accommodation, food and drink as well as other services to the public using part of or the whole building. The business is managed commercially and fulfils conditions which are fixed by regulations, like: location of the hotel condition of the building, the form of service provided, qualifications of the employees, sports and recreation facilities, and the number of rooms. The primary activities of firms in this industry as: hotel operation; private hotel operation (short-term accommodation); holiday house and flat operation.

This study uncovers the possible buying decision process and the important factors influencing choices for certain market segments, particularly business and leisure travelers (C. Zhang, 2024). Research for this paper was conducted by analyzing the correlation of hotel brands to the purchasing decision process. Questions such as, "How popular is consumer perception in determining hotels in the luxury class?"; "What is brand popularity in the minds of consumers?", although there are many studies on the influence of brand popularity, there is no research that assesses the need for popularity in the context of the hospitality sector.

LITERATURE REVIEW

Popularity

Brand popularity can be defined as the extent to which a brand is widely purchased by the general public (Shin & Jeong, 2022). The factors forming a brand image are quality, which is related to the quality of goods offered by producers with certain brands, trustworthy or reliable or agreements related to the opinions formed by producers (Tahir et al., 2024). Another view, (Tahir et al., 2024) as also stated, aims to analyze the effect of positive hotel image and customer satisfaction on consumer loyalty in the hotel industry, using a two-dimensional hotel image in size. Two-dimensional hotel image is a holistic image of dimensions and image attributes. The holistic dimension includes the total impression and feeling of phenomena arising from some or all of the senses. The dimensional attribute shows the facilities and physical environment that shape and influence phenomena. Many brands are increasingly paying attention to existing customers by satisfying their various needs, wants and desires (Lin & Choe, 2022). Until now, scholars have not reached agreement on the definition of brand image. Throughout the previous literature, researchers defined brand image mainly from four perspectives: blanket definition, meaning and message, personification, cognitive or psychological elements (Y. Zhang, 2015). Customer perceptions of brand image and price fairness are almost the same to build satisfaction (Rahul, 2021). Luxury hotel brands and independent hotels are striving to increase customer loyalty in an increasingly crowded and fractured travel marketplace by aligning their brand identities with travelers' lifestyle priorities (Tahir et al., 2024).

Purchase Decision

Purchase decision can only be made if there are several other alternatives that can be chosen so that someone makes a purchase or not (Serrano, Ramírez, & Gascó, 2018). If there are no other alternatives to choose from, there is no such thing as a buying decision. The purchase decision process has five stages that are carried out by customers before they can decide on a purchase and then after the purchase (Kotler & Armstrong, 2014). It is assumed that consumers are always rational in making purchases and therefore buy products that provide maximum satisfaction (Le & Shu-Yi, 2017). Modern customers have a wide variety of products to choose from, which further complicates the decision-making process and consumer behavior (Trifu & Mihaela Laura Ivan, 2014).

Influence Popularity on Purchase Decision

Although many consumers may purchase the same luxury item, their motivations are different (Zhuoxian et al., 2025). The relationship between brand image and brand trust, which is the initial stage of the brand building process, plays an important role in consumer purchasing decisions (Gil-Cordero et al., 2023). A different and unique brand image is the most important thing, so that consumers will depend more on the brand image rather than the actual brand attributes to make purchasing decisions (Zhi & Ha, 2023), and popularity is an important signal for the consumer purchasing decision making process (Vania et al., 2025). The need for popularity positively influences involvement in purchasing decisions and impulsive buying behavior regarding fashion clothing (Wang et al., 2025). Based on the research background, the research objectives, and this framework are to better understand the concept of the influence of brand image on purchasing decisions, on luxury hotel consumers and the managerial implications applied. Based on the findings of previous research and previous discussion, it can be argued that the need for brand popularity is related to the purchasing decision of luxury hotel guests.

METHOD

This type of research uses quantitative research methods using descriptive research type. The population in this study are all consumers who live in the city of Jakarta, involving 3 luxury hotel brands. In this study, the number of samples using luxury hotel consumers is 100. The accidental sampling technique is used in sampling, this is a sampling technique based on whoever happens to meet the researcher at the research location will be sampled if deemed suitable as a data source. Data analysis using descriptive analysis and simple regression analysis. With a Likert scale 5, the variables to be measured are formed by variable indicators:

Table 1 Variable and Indicator

Variable	Indicator
Popularity (X)	Price perception
	Building design
	Popularity-namely
	Type of service
	Online perception
	Luxury image
Purchase Decision (Y)	Interested to search
	Consider buying
	Try-experience
	Willing to have a service

RESULTS AND DISCUSSION

Profile respondent based on the data at the time of filling out the questionnaire:

Table 2 Profile of Respondents

		Frequency	Valid Percentage
Age	15 to 25	74	74.00%

	26 to 35	16	16.00%
	36 to 45	10	10.00%
	Total	100	100.00%
Education	High School	64	64.00%
	Vocational-College	14	14.00%
	University	17	17.00%
	Above University	5	5.00%
	Total	100	100.00%
Career	Student-High School	8	8.00%
	Student-University	56	56.00%
	Business	36	36.00%
	Total	100	100.00%

The description of respondents is dominated by respondents aged 15 to 25 years 74.00%, respondents with high school education the percentage of 64.00%, respondents with student-university status the percentage of 56.0%.

The following causal relationship model in Structural Equation Modeling (SEM) is an analytical framework used to test the causal relationships between latent variables (constructs that cannot be measured directly) in Figure 1.

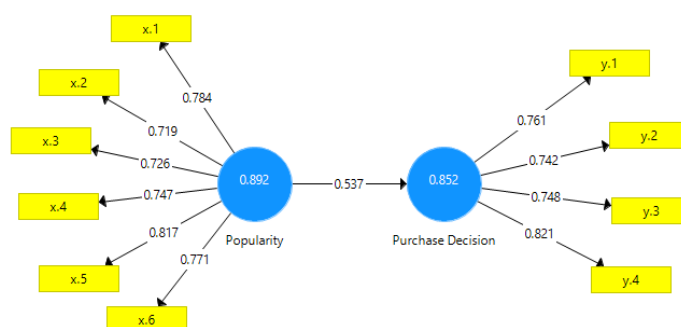


Figure 1 Research model with inner & outer model

The "popularity" indicator – the popularity variable (X) – had an average value of 4.24. International chain hotels were the respondents' preferred choice for strategic accommodations due to their proximity to business centers, shopping malls, and embassies. The "type of experience" indicator – the purchasing decision variable (Y) – had an average value of 4.02, indicating that respondents agreed that staying at a luxury hotel is a pleasant experience. The service you will receive is exceptional, from the room type and amenities to the food served; complete indicator data is in Table 3.

Table 3 Respondent Description, Validity, and Reliability

Variable	Indicator	Mean
Popularity (X)	Price perception (x.1)	4.20
	Building design (x.2)	4.10
	Popularity-namely (x.3)	4.24
	Type of service (x.4)	3.75
	Online perception (x.5)	4.10
	Luxury image (x.6)	4.02
Purchase Decision (Y)	Interested to search (y.1)	3.84
	Consider buying (y.2)	3.74
	Try-experience (y.3)	4.02
	Willing to have a service (y.4)	3.98

Reliability and construct validity are tests to measure the reliability of a construct. The construct

reliability score must be sufficiently high. Reliability and construct validity are tests to measure the reliability of a construct. The construct reliability score must be sufficiently high. The construct score reliability according to the table above is very good, namely above 0.7. Based on the cross-loading value for all constructs > 0.60, thus meeting the requirements for discriminant validity, listed in Table 4 below.

Table 4 Validity and Reliability

Variable	Indicator	Reliability	Validity
Popularity (X)	Price perception (x.1.)	0.784 (>0.6 valid)	0.892
	Building design (x.2)	0.719 (>0.6 valid)	
	Popularity-namely (x.3)	0.726 (>0.6 valid)	
	Type of service (x.4)	0.747 (>0.6 valid)	
	Online perception (x.5)	0.817 (>0.6 valid)	
	Luxury image (x.6)	0.771 (>0.6 valid)	
Purchase Decision (Y)	Interested to search (y.1)	0.761 (>0.6 valid)	0.852
	Consider buying (y.2)	0.742 (>0.6 valid)	
	Try-experience (y.3)	0.748 (>0.6 valid)	
	Willing to have a service (y.4)	0.821 (>0.6 valid)	

Validity test is used to know whether the instrument valid or not with the score is 0.3 ($r \geq 0.3$). The results show that every question in indicators of variables which are popularity and purchase decision is more than 0.3 so the instrument is valid. The reliability test in this research uses *Cronbach Alpha* of variable X and Y. If alpha is more than 0.6 means the data is reliable. For the value of Cronbach Alpha ≥ 0.6 . It can be concluded that instrument used in this research is reliable the entire variables.

R-Square is a measure of the proportion of variation in the value of the affected (endogenous) variable that can be explained by the influencing (exogenous) variable. Adjustment Model R-Square = 0.281. This means that the popularity variable in explaining purchase decisions is 28.1%, thus the model is classified as moderat.

Table 5 R Square

	R Square	R Square Adjusted
Popularity	0.289	0.281

F Square (f^2) is a measure used to assess the relative impact of an influencing variable (exogenous) on the affected variable (endogenous). According to the criteria (Cohen, 1988) it can be concluded that the popularity for purchase decision are 0.406 high level.

Direct effect of variable popularity on purchase decision, path coefficient 0.537 and P-Value 0.000 (<0.05), meaning that the effect of popularity on purchase decision is positive and significant.

Table 6. Path Coefficients (Direct Effect)

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Value
Popularity → Purchase Decision	0.537	0.552	0.059	9,080	0.000

Discussion

Consumers think that luxury hotel brands affiliated with international brands are convincing things to buy accommodation services. Consumers get assurance of standard services for luxury brands that have been created. If a brand prioritizes friendliness and formality in serving customers, then all customer service agents must have these characteristics, and create a popularity effect (Wang et al., 2025). From the results and analysis described above, it can be concluded that consumers tend to perceive luxury value through hedonic values, which are indicated by staying at five-star hotels as a way to pamper themselves and provide lots of pleasure. After the hedonic value, the utilitarian value is also perceived very high where this is indicated by a trusted five-star hotel and attentive service that encourages respondents to stay. When viewed from each indicator, what drives consumers to stay at

five-star hotels is because five-star hotels can be trusted (Lin & Choe, 2022). This could be because respondents consider a trusted five-star hotel to be able to provide services and facilities that are able to pamper themselves and provide a lot of pleasure.

The "popularity namely" factor is the most influential factor in the variable popularity of luxury hotels. For example, consumers receive an experience when buying a luxury service rather than a physical item they can take home, therefore very satisfied with this product. Furthermore, the more popular brand image builder is the quality or quality related to the quality of goods offered by a manufacturer with a certain brand, trustworthy or reliable or an agreement related to the opinion formed by the producer (Christodoulides et al., 2025).

The emphasis of the variable purchase decision is "try-experience", although the growing momentum from the impact of the physical environment on the consumer experience, the results of this description are not discussed, but actually affect consumers in luxury hotel environments, because there are attributes in luxury hotels that affect purchase intention. The purchase decision process has five stages that are carried out by customers before they can decide on a purchase and then after the purchase (C. Zhang, 2024). Popularity has a positive and significant effect on purchasing decisions on luxury hotel consumers. This means that the better the image of the hotel brand in the minds of consumers, the more they will want to buy the brand. It seems clear that the positive image of respondents about popular brands has encouraged them to buy these brands, especially luxury hotel products, image literature described as the currency of culture (Y. Zhang, 2015). Respondents buy brands because of self-motivation due to special service experiences, the need for popularity positively affects involvement in purchase decision (Zhi & Ha, 2023).

CONCLUSION

The results of the study concluded that the popularity of luxury hotel brands positively and significantly affects purchasing decisions. This popularity is the dominant factor influencing purchasing decisions for luxury hotel consumers in the city of Jakarta.

Luxury hotel management recommendations can focus their marketing strategy in Indonesia through good perceptions in online perception because in many cases, reviews are also used as a reference by various platforms to give appreciation of the performance of luxury hotels. And by conducting a direct review while staying with photos, luxury hotel management can immediately make improvements so that they can improve the quality of brand service.

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