

The Relationship Between Brand Quality and Brand Relationship: Delivering The Hotel Brand as Promised

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Abstract

The purpose of this study is to understand how the difference between advertised brand and experienced brand during employee-customer interaction affects relationship quality of hotel guests. A quantitative research was adopted by surveying hotels guests to understand the moderating role of the gap between promised brand and experienced brand. The results of study indicate that if the difference between promised and experienced brand is low, hotel guests are more likely to develop trust and continue their brand relation with the hotel. Therefore, hotels need to include their employees in branding in order to deliver a brand experience as it is promised.

Keywords: Brand Equity, Brand Relationship, Brand Promise, Brand Experience

Introduction

Branding is especially important in service industry to increase differentiation and to develop competitive advantage (Papasolomou & Vrontis, 2006). As a part of the service industry, hospitality industry has also recognized the importance of internal branding and creating corporate brands. Hotels not only the chain hotels but also the stand alone hotels are trying to create an identity for themselves (Hales, 1997). The reason is that branding is the most effective way for hotel chains to identify, to differentiate themselves, and to gain competitive advantage in the hotel industry (Prasad & Dev, 2000). As a result, hospitality organizations have started to focus on the behaviors of their employees in service delivery to position their brands successfully (Samli & Frohlich, 1992).

Why employees, especially customer contact employees, are so important for hospitality branding is due to their effect on brand equity. Hospitality employees directly affect brand equity of consumers (Nam, Ekinici, & Whyatt, 2011) which in turn helps to develop long-term successful relationship with customers. In other terms, hospitality employees are positioned to deliver the brand experience to the customers and this experience forms the brand meaning for consumers (Berry, 2000). Therefore, if employees can deliver the brand as it is promised, they are more likely to achieve a higher brand performance (Tsang, Lee, & Li, 2011).

As a result, service organizations have started to employ internal branding so that employees can fulfill the brand promise as advertised by external communications (de Chernatony, 2001; Tosti & Stotz, 2001). The reason is that brand equity for services is formed by both brand awareness and brand meaning. While brand awareness is created by external communication activities, brand meaning depends on service experience (Berry, 2000; So & King, 2010). Therefore, there should be consistency between what is promised and what is delivered.

Even previous research investigated the role of employees in branding; there is not any empirical study that looks at how any difference between promised brand and experienced brand affect consumers' relation with the brand. As a result the purpose of this study is to understand the moderating role of the difference between promised and experienced brand on consumers' relation with the brand in hotel industry.

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Therefore, this research contributes to the previous studies in branding for the hotel industry in several ways. First, the study analyzed how perceived brand quality affected relationship quality of hotel guests in terms of their brand trust and brand satisfaction. Second, the study looked at how satisfaction with the brand and trust in the brand affect relationship quality. Lastly, this research also analyzed empirically how the gap between advertised and experienced brand moderated the link between perceived brand quality and brand relationship quality in terms of trust and satisfaction.

Review of Literature

Services Branding

Service branding is about delivering the service promise through direct interaction between employees and consumers. As it is understood from definition, interaction is the key concept for services branding. Therefore, in services marketing literature, it has been argued that marketing of services is a challenge compared to marketing of tangible goods (Grönroos, 1978; Zeithaml, Parasuraman, & Berry., 1985). The primary reason is the limited tangible attributes to communicate the brand values to consumers (de Chernatony & McDonald, 1998). As a result, a strong brand usually serves as a tangible clue for customers to have an idea about a service.

One way to measure how strong a brand is the investigation of brand equity, which is also considered an asset especially for service companies (Aaker, 2003; Keller, 2003). In their study of Ambler et al. (2002), it has been argued that two different perspectives might be adopted to understand brand equity concept. While the first one focuses on financial outcomes, the second perspective looks at the consumers' perceptions of a brand. Therefore, the second perspective is usually called as Customer Based Brand Equity (CBBE). Ambler et al. (2002) has further argued that customer based brand equity perspective is more relevant for service industries due to the role of consumers.

The benefits of a successful brand in the hospitality industry and the importance of a strong brand equity for the hotels have been also well documented in the literature (Prasad & Dev, 2000; Kim & Kim, 2005; So & King, 2010). First of all, a strong brand name for hotel industry helps customers to differentiate the hotels from each other. Second, hotels with successful brands were found to achieve higher financial performance. Lastly, from the perspective of customers, a strong brand has been found to increase brand awareness and brand meaning. Therefore, it is especially important for hospitality organizations to manage their brand equity and understand how it works.

Brand Equity in the Hospitality Industry

One of the commonly adopted models of brand equity is the framework of Aaker (1991). The model argues that brand equity results in value both to the customer and to the firm as well as that brand equity consists of different dimensions. However, the model has been criticized for not explaining how the process works for brand equity. In order to address this paucity, Keller (1993) proposed a different model to explain customer based brand equity. The model has mainly argued that brand equity has two dimensions that are brand awareness and brand image.

Even these two models have tried to understand the brand equity concept; they are developed based on manufacturing industries. As a result, Berry (2000) has come up with another brand equity model that is specifically developed for service industries. The proposed framework has argued that brand equity is affected by company's presented brand and external communications such as advertising, promotions, word of mouth, and publicity. In their study of Accor Hotels, Demirçiftçi and Kızıllırmak (2016) also mentioned that external communication activities help hotels to improve their brands, their recognition as well as

differentiation through creating brand awareness. On the other hand, brand meaning is affected by customer experience with the company. Because Berry's (2000) service branding model includes consumer service experience, So and King (2010) has adopted this model to better understand the hotel brand equity in the hospitality industry. The research has found that company's presented brand and customer brand experience are important sources of brand equity for hotels through influencing brand awareness and brand meaning. This is the reason why the focus has shifted to internal branding activities due to the increased role of service experience to create a strong brand for hotels. In other terms, a brand relies on how well employees can meet consumer expectations when consumers interact with the brand (Berry & Lampo, 2004).

Employees' Role in Branding

Berry (2000) suggests that consumers form the meaning of a brand based on their service experience. Therefore, consumers' interaction with a service provider shapes the meaning of a brand in their minds. More specifically, the interaction between frontline employees and customers is important for the success of branding activities (de Chernatony, Drury, & Segal-Horn, 2003).

Employees also contribute to the branding efforts in hospitality industry. The behaviors and attitudes of employees are especially important in hospitality organizations due to their effect on employee-consumer interaction (Teng & Barrows, 2009). In other terms, hospitality employees are in a position to affect how consumers perceive the brand and how consumers form the brand image (Tsang et al., 2011). Therefore, brand supporting behaviors of employees have increased their importance in literature. The reason is that consistency of guest experience is ensured through consistent employee behaviors with the brand during a service delivery (Punjaisri & Wilson, 2007).

Based on the proposed models of Berry (2000), So and King (2010), and the discussions related to employees' brand supporting role in the literature, it is reasonable to argue that employees' brand behaviors during a service experience affect the brand perception of consumers which in turn influences their brand equity. In other terms, if consumers experience a high difference between company's presented brand and the experienced brand, they would be more likely having negative perception regarding the brand. This negative experience might also hinder their long-term relations with the brand because strong brands z

Brand Relationship in the Hospitality Industry

Even brands are the sources of relationship with consumers; they have a more important role for hospitality services. The primary reason is the personal interaction with consumers during a service delivery (O'Loughlin, Szmigin, & Turnbull, 2004). In the study of hotels by Kim, Han, and Lee. (2001), guest contact has been found to affect relationship quality along with guest confidence and communication. Further, hotel employees' expertise in the service interaction has been also found to affect relation quality positively (Kim & Cha, 2002). Therefore, perceived service quality might be an important indicator to explain relationship quality because service quality depends on the interaction between employees and customers. Service employee behaviors during interaction with consumers transform the brand image into reality, so that employees' performance turns into brand experience for consumers (Berry & Lampo, 2004). As a result, perceived brand quality might positively affect the relation quality for consumers with the brand.

How consumers form their relation with a brand and what determined this relationship quality are explained through satisfaction and trust in the hotel industry (Kim & Cha, 2002). The study has proposed that guests form their relationship quality based on their satisfaction and trust. In addition, Mattila (2001) has argued that it is not only the satisfaction but it is also the trust that shapes consumers' relation with a brand. Therefore, this research has also adopted

the satisfaction and trust to determine the relationship quality of hotel guests which in turn affects their relationship continuity.

Conceptual Model and Hypotheses

Based on the reviewed literature and above discussions, it has been argued that perceived brand quality would positively affect guests' satisfaction with the hotel and their trust to the brand by enhancing relationship quality which in turn would positively affect the hotel guests' relationship continuity. However, this research further argues that because employees are the source of experience, the difference between advertised brand and the experienced brand through brand supporting behaviors of employees would moderate the relation between perceived brand quality and relationship quality. As a result the following hypotheses and the conceptual model have been proposed:

H1: Perceived brand quality will have a direct and positive effect on consumer brand satisfaction.

H2: Perceived brand quality will have a direct and positive effect on consumer brand trust.

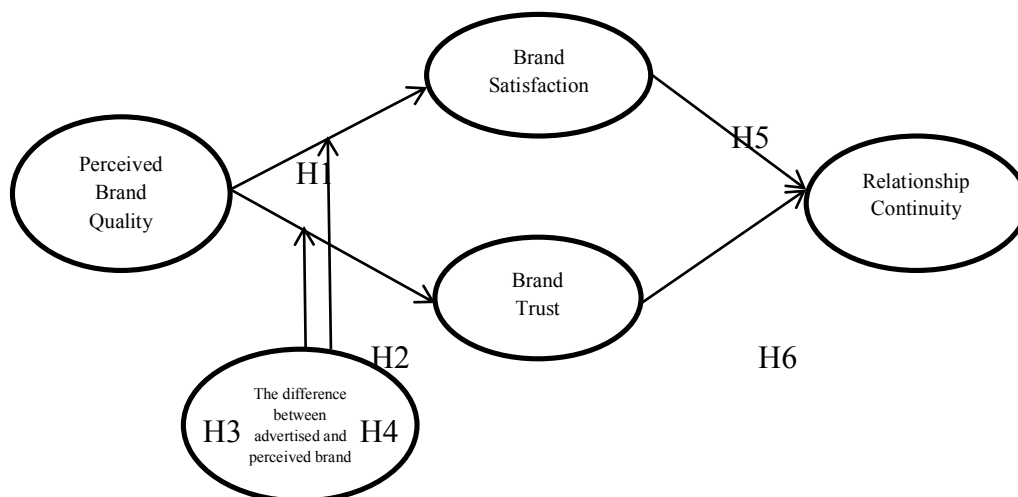
H3: The difference between advertised brand and experienced brand moderates the link between perceived brand quality and satisfaction.

H4: The difference between advertised brand and experienced brand moderates the link between perceived brand quality and trust.

H5: Brand satisfaction of consumer will have a direct and positive effect on consumer relationship continuity.

H6: Brand trust of consumer will have a direct and positive effect on consumer relationship continuity.

Fig. 1. Proposed conceptual research model



Methods

Data Collection

The sample was initiated by contacting 4 five-star hotels in Istanbul to collect data from their guests who were accommodating in the hotel at least three days. The front desk employees asked hotel guests whether they were willing to participate in the study. At the end of the date collection through December 2014 and first 2 weeks of January 2015, 147 questionnaires

were obtained. From these questionnaires, 123 questionnaires were identified as usable for data analysis.

Measurement

A self-administered structured questionnaire was conducted to survey the hotel guests. The structured-questionnaires to measure the constructs were designed based on the measurement scales adopted from previous studies. Participants were asked to assess their brand related attitudes and behaviors on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The measures are explained in detail below;

Perceived Brand Quality; “Perceived quality measures consumers' subjective judgment about a brand's overall excellence or superiority and addresses overall quality rather than individual elements of quality” (Yoo, Donthu, & Lee, 2000). This study adopted six-item measure of perceived brand quality to measure hotel guests' perception regarding brand quality.

Brand Satisfaction & Brand Trust; Relationship quality was identified as having two main indicators satisfaction and trust. The measurement scale items were adopted from the study of Crosby, Evans, and Cowles (1990). Five-item measure of trust and a four-item measure of satisfaction were used to assess the relationship quality of hotel guests.

Relationship Continuity; To measure the result of relationship quality, relationship continuity was selected for this study. The construct was measured by three-item scale adopted from a previous study (Kim & Cha, 2002).

The difference between presented and experienced brand; The presented brand was measured based on eight-item scale adopted from So & King (2010). On the other hand, experienced brand was measured through how consumers perceive brand supporting behaviors of employees. After measuring these two constructs, new variable was created by taking their difference.

Data Analysis

Data were analyzed by using structural equation modeling (SEM) through AMOS. Before conducting SEM, confirmatory factor analysis (CFA) was performed to test the measurement model for the relations between latent constructs and their respective observed variables.

Results

Before structural model, this research first conducted confirmatory factor analysis to assess the measurement quality of the scales. The internal consistency for each latent variable was evaluated by checking composite reliabilities (CR) and average variance extracted (AVE) for each construct (Fornell & Larcker, 1981). On the other hand, the discriminant validity was assessed by comparing squared correlation of each pair of constructs with their average of AVEs (Fornell & Larcker, 1981). As a result, both convergent and discriminant validity were evidenced for the constructs in the study.

The results of the structural equation modeling showed that the model achieved a good fit for the data (Hu & Bentler, 1999). The model fit statistics for the measurement model were; comparative fit index (CFI) = .951; Tucker-Lewis index (TLI) = .946; root mean square error of approximation (RMSEA) = .024.

First, the hypothesized paths were analyzed to test the direct effects. As proposed by H1 and H2, perceived brand quality significantly affected brand satisfaction ($\beta = .64, p \leq .01$) and brand trust ($\beta = .85, p \leq .01$). However, this study did not find a significant relation between brand satisfaction and relationship continuity of customers failing to support H5 ($\beta = .28, p \geq .05$). On the other hand, brand trust was found to affect relationship quality positively supporting H6 ($\beta = .33, p \leq .05$).

After testing the direct effects, moderating effect of the difference between advertised brand and experienced brand was tested using the procedure suggested by Hayes et al. (2009). As

suggested by H4, the difference between advertised and experienced brand was found to moderate the relation between perceived brand quality and brand trust. As the difference decreases between advertised and experienced brand, the effect of perceived brand quality on brand trust increases. However, the study did not find any significant effect for the relation between perceived brand quality and brand satisfaction failing to support H3. The results of the moderating effects were also checked by simple slope analyses to assess any significant interaction (see Figure 2 and 3).

Fig. 2. Simple slope analysis for moderating effect of brand trust

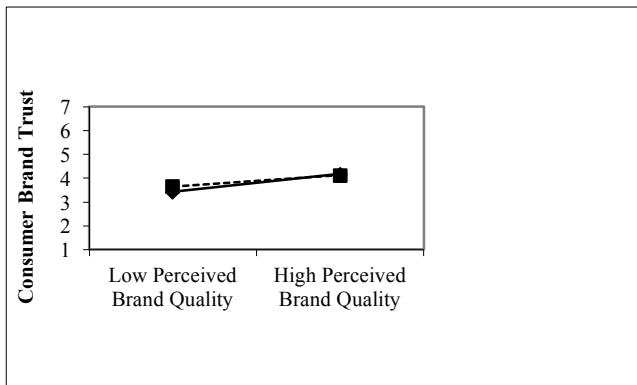
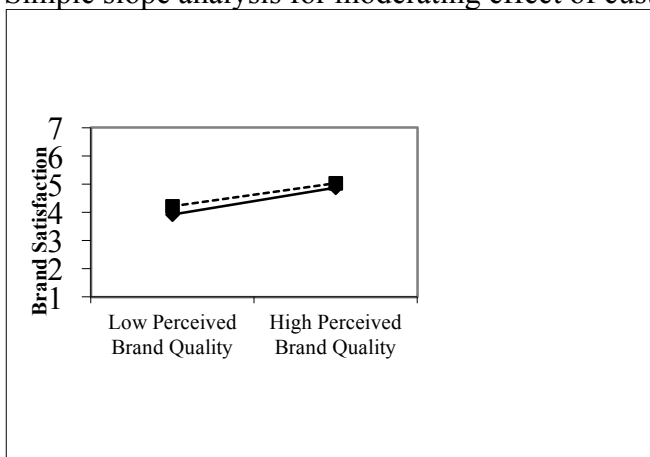


Fig. 3. Simple slope analysis for moderating effect of customer satisfaction



Discussion and Conclusion

With the recognition of employees' role for the delivery of experienced brand, this research aimed to understand how the difference between advertised and experienced brand affects the relation between perceived brand quality and consumers' relationship with the brand in terms of their relationship quality and relationship continuity in the hotel industry. In accordance with this research purpose, a conceptual model was developed to test the moderating role of the difference between advertised and experienced brand on the link between perceived brand quality and guests' relationship between the hotel brands.

Through a sample of hotel guests, this research provided important results regarding how the brand relationship of consumers might be enhanced by closing the gap between advertised and experienced brand in the hospitality industry. As hypothesized, this research found a positive link between perceived brand quality and brand trust as well as brand satisfaction of hotel guests. These results were consistent with previous research for the relationship quality in the hospitality industry (Kim et al., 2001; Cha & Kim, 2002). As the brand is delivered as expected, consumers are more likely to be satisfied with the brand as well as to trust in the

brand. However, only brand trust was found to affect relationship continuity of hotel guests. This finding was also somewhat similar what has been previously suggested in the literature. It was argued that emotional connection is important for customer brand relationship and that it is not only the satisfaction but the customer trust that forms brand relationships (Mattila, 2001).

In addition to direct relations, this study also found that the difference between advertised brand and experience brand moderates the link between perceived brand quality and brand trust. More specifically, if the difference between advertised brand and experienced brand is low, hotel guests are more likely to develop trust to the hotel brands. This finding was also consistent with the previous research regarding the role of employees in delivering a consistent brand as promised. Employee behaviors were found to be an important part of consumer based brand equity which in turn affects the loyalty in the hospitality industry (Nam et al., 2011). Therefore, it could be argued that it is important for hospitality organizations to close the gap between the promised brands through external communications with the experience brand. How the hotels can achieve this depends on managing their employees' brand related behaviors and enhance brand experience. This is the reason why hospitality organizations should start their branding inside by integrating their employees into branding activities.

Limitations and Further Research

Even this study has contributed to existing literature; it also has its own limitations. First of all, the data were collected from 4 five-star hotels in Istanbul. Therefore, making generalizations about the results of the study should be done with caution. Second, convenience sampling might also affect the generalizability of the results for the entire hotel industry. Third, participants were asked to reflect their true opinions so the results depend on whether they reflected their true beliefs and opinions regarding survey questions. Lastly, the study did not investigate all the factors that might affect hotel guests' relation with the brand. Other factors, such as demographics, the level of involvement with the service (Delgado-Ballester & Munuera-Aleman, 2001) and reputation of the brand (Selnes, 1993) might influence the hypothesized relationships.

Based on the limitations and results of the study, further research might be conducted in the following areas. First of all, this study might be employed in other hospitality settings such as restaurants because each hospitality sector has its own dynamics. Second, it was the brand trust that affected relationship continuity but not the satisfaction. Therefore, the role of brand satisfaction can be analyzed further by looking at its effect on trust as a mediator for the relationship.

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