

BUILDING BRAND EQUITY FOR THE HOTEL INDUSTRY IN MALAYSIA

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Abstract: In recent years, the hotel industry in Malaysia has seen drastic changes, largely as a result of the greater extent of volatility in the environment and the increasing level of uncertainties in the world's economy. Hotels that have the ability to attract, satisfy and retain customers are more likely to survive. Despite the growth in number of hotel rooms, the hotel industry is facing numerous new challenges in its business environment which affect its organizational performance. An effective brand positioning strategy will maximize customer relevancy and competitive distinctiveness, and in longer term would result in strong brand equity.

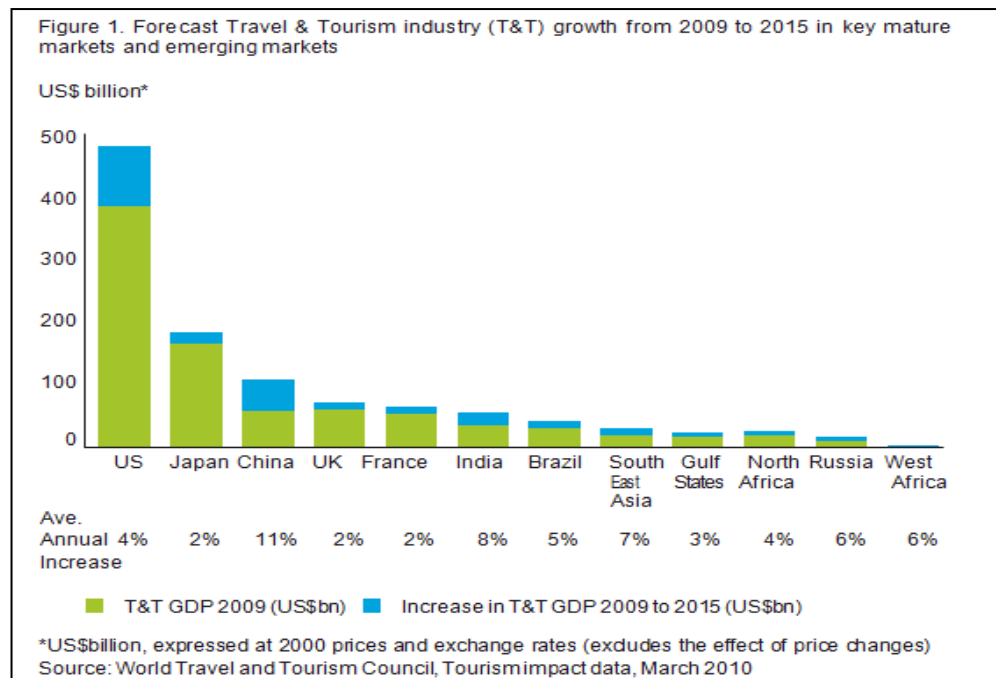
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Introduction

The performance of the hotel sector is influenced by the unpredictability of changes in the external and international environment. In recent years, the Malaysian hotel industry has seen drastic changes in its external environment, mainly as a result of the greater extent of volatility in the environment and the rising level of uncertainties in the world's economy. Organisations constantly seeking new strategies to gain, preserve and increase business, as the cost of losing customers is rising. Hotels that have the ability to attract, satisfy and maintain customers are more likely to survive than hotels that do not do so. Successful customer retention would allow relationship building between hotels and its customers (Reichheld & Sasser, 1990; Hoffman, Kelley & Chung 2003). Kurtz and Clow (1998) are of the opinion that, irrespective of the efforts of service organisations to introduce competitive strategies to attract customers and efficiently manage the supply of services offered, customers do not always purchase from the same organisation nor remain loyal. (Petzer, D.J. et al, 2008)

The hotel industry seems to possess features that is in line with what Porter (1980) has defined as a fragmented industry. Based on Porter's definition, a fragmented industry is an industry which no firm has significant market share or can influence the overall industry outcome, and essentially involves undifferentiated products. The hotel industry clearly possesses many of the features that would classify it as a fragmented, low market share and hostile environment. (Schaffer, 1986; Awang K.W, 2008). The value of brand to the consumer, the growth in emerging markets, the importance of consumer-facing technology and sourcing, development and retention of human capital have helped shape the hospitality industry over the past five years. These, along with the increasing importance of the sustainability program are the vital trends that will define success in the market place in 2015. Illustrated below is the forecast Travel & Tourism industry growth from 2009 to 2015: (Snigdha Majumder, 2013).



Source: World Travel and Tourism Council, *Tourism Impact Data*, March 2010.

It is noted from the above that the big emerging markets will be China, India and South East Asia. Most international hospitality groups have launched expansion programmes into the key emerging markets, not only to accommodate western tourists and business travellers, but also to build brand recognition and loyalty among the local populace who are expected to be one of the largest groups of outbound tourists across the globe. Hotels in Malaysia need to improve organizational performance due to the external factors in the current hospitality business environments, which are mainly intense competition and uncertainty such as from terrorism and diseases such as bird flu. In addition, the internal factors such as low level of service quality and decreasing average occupancy rates also support the need for such improvement. (Razalli M.R, 2008)

Global Growth

It was noted that 1.1 billion tourists travelled abroad in 2014, a 4.7% increase over the previous year. For 2015, United Nations World Tourism Organisation (UNWTO) forecasts international tourism to grow by 3% to 4%. At current pace, international travel will double from 1 billion to 2 billion between 2013 and 2035. It seems that China has achieved its position as the number one tourism source market in the world, with more than 100 million travellers spending USD \$129 billion on international tourism in 2013. Hong Kong, Macau and Taiwan accounted for 70% of outbound travel, and 89% of Chinese travellers stayed within Asia in first 11 months of 2014.

It was noted that 1.8 billion out of 7 billion people worldwide belong to the Millennial generation (age between 18-34 years old) which “Experiencing everyday life in another country” and ‘increasing their knowledge’ are top travel motivations for Millennial travellers. By 2017, more than 3 billion people will have mobile internet access, thus internet access is the most important hotel amenity for both leisure and business travellers. Travel reviews have a significant influence on travel decisions of Millennials as almost 80% of Millennials mentioned that their travel decisions were influenced by reviews. (Resonance Consultancy Ltd, 2015)

Hotel industry in Malaysia

The statistic by the Tourism Malaysia showed that there were 22.9 million foreigner hotel guests and 34.27 million domestic guests in 2013. The Malaysian tourist receipts had been increasing from RM 12.3 billion in 1999 to RM 65.44 billion in 2013 (Tourism Malaysia, 2014). The trend as depicted below:

TOURIST ARRIVALS & RECEIPTS TO MALAYSIA		
YEAR	ARRIVALS	RECEIPTS (RM)
2013	25.72 Million	65.44 Billion
2012	25.03 Million	60.6 Billion
2011	24.71 Million	58.3 Billion
2010	24.58 Million	56.5 Billion
2009	23.65 Million	53.4 Billion
2008	22.05 Million	49.6 Billion
2007	20.97 Million	46.1 Billion
2006	17.55 Million	36.3 Billion
2005	16.43 Million	32.0 Billion
2004	15.70 Million	29.7 Billion
2003	10.58 Million	21.3 Billion
2002	13.29 Million	25.8 Billion
2001	12.78 Million	24.2 Billion
2000	10.22 Million	17.3 Billion
1999	7.93 Million	12.3 Billion
1998	5.56 Million	8.6 Billion

In 2004, there were 151,135 rooms available in Malaysia (Tourism Malaysia, 2007), and recent figure shows that there were 170,464 rooms available in 2013, an increase of about 13% since 2004 (Tourism Malaysia, 2014). However, in terms of number of hotels available, there was a reduction of about 16.5%, that is 1,858 hotels in 2014, compared to 10 years ago of 2,224 hotels (2004) (Tourism Malaysia, 2007 & 2014). This statistics shows that the hotel industry in Malaysia is growing in terms of number of rooms but it seems that there has been a reduction in number of hotels which indicates that about 366 hotels would have probably ceased operation. A hotel room purchase can also be viewed as a product consumer's purchase. The relationship between hotel quality and price per room per season are also the main concern. This is especially so given the growing hospitality industry in developing countries, the high expectations of the growing middle class as well as the importance of tourism in today's changing world economy. Hotel owners and managers also need to know the consumer's-perceived quality heuristic to be able to enhance price/rack rates and position the quality perception in the consumers' mind. In the hotel industry, the quality of a room is often mirrored in the rack rates. It is generally believed that the higher the price, the higher the quality. Also, the available infrastructure and modern technology will further enhance the customers' experience. Thus, higher rack rates translates into employment of resources for better customer service, purchase better facilities, equipment, and develop good entertainment programs and services. This will ultimately result in greater customer satisfaction, as well as the possibility of repurchase at the same location or of the same brand in another place in the future. It has been said that organisations in the tourism industry have been slow in implementing the principles of marketing, even though it would enable them to improve performance and customer retention (Appiah-Adu, Fyal & Singh 2000). For a service organisation such as a hotel to acquire customers, it is crucial that marketing strategies be deployed to improve its own ability to compete with other hotels, gain a competitive advantage and thus maintain a greater number of customers. (Anderson & Vincze 2000; Chaharbaghi & Lynch 1999; Hill & Jones 2002; Hitt, Ireland & Hoskisson 2001; Kurtz & Clow 1998; Ma 1999; Pasmard & Kleiner 2000; Petzer D.J et.al, 2008).

Based on the literature review conducted, the following are the variables that are going to be studied that would determine the factors that would strongly contribute to building strong brand equity.

Brand Equity

Positioning relate essentially to the mind of the customers. The positioning of a brand ultimately depends on the consumer, and how they perceive the quality, attributes, value, price, and image of the brand. In other word, it is the concept of a brand that is held by the customer (Keller, 2008; Vukasovic, 2009). The long term overall objective of positioning is to build a brand equity, which will eventually achieve a positive long-term purchase behavior (Keller, 2008). The term positioning is a comprehensive concept and it has long been recognized as a core branding activity (Aaker and Shansby, 1982; Ries and Trout, 2001). In the inspiring work on brand equity, Aaker (1991) proposed the definition of brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.” (Biedenbach et al., 2015). Keller and Lehmann (2006) have argued that a brand represents its influence at three primary market levels, which were customer, product and financial – and that the value accrued by these markets can be called brand equity. The brand equity concept has been deliberated to a great extent in marketing literature and many researchers have offered different approaches to the conceptualisation and definition of brand equity (e.g. Aaker, 1991; Ambler, 1997; Farquhar, 1989; Srinivasan et al., 2005; Sriram et al., 2007), as well as different viewpoints about the factors that influence it. (Davicik, 2013)

Brand equity is a form of differentiation based on a clear image; it goes beyond the simplistic preference for a product (Shocker and Weitz, 1988). Through differentiation between a company and its competitors, brand equity endows a product with an added value (Farguhar, 1990). Therefore, it is a business asset, giving a company sustained competitive advantage and improving its business performance (Day, 1994; Aaker, 1996). Based on a recent study (Shen & Liu, 2015) there was a high degree of positive correlation between experience and brand equity and that intense experiences appear to enhance brand equity. Brand positioning success will contribute to enhancement of brand equity, as per previous research had suggested that the level of brand equity is positively related to a hotel’s financial performance. (Cornell Hotel and Restaurant Administration Quarterly, 2006)

Effective positioning helps firms attract new customers in the short run, and helps build customer-brand relationships in the long term. In addition, effective positioning by the firms in the same strategic group decreases direct competition and offers potential customer’s choices in the market (Porter, 1980; Levitt, 1991). Within the long term purchase behavior, a brand will achieve a superior market share, and good return on business and marketing investment. Details evidence of the impact of positioning strategy on firm core financial performance measures includes sales, profits, return on investment, market share, company image, and consumer perceptions. (Blankson et al., 2008; Akpoyomare, Kunle Adeosun, & Ajao Ganiyu, 2013). Over the years ‘positioning’ has occasionally been used as a substitute word for branding. It is the definition of what the product stand for the customers and it contains communication agenda regarding the images of the brands that company’s offer, which always influences product interpretation. Generating an appropriate ‘position’ is usually influenced by such factors as the competitive marketplace, specific strategic goals and organizational strengths. It is often a process driven by the aspiration to find a unique position as well as to satisfy corporate sales objectives. The initial point in creating a positioning strategy is to determine attributes and images of competitors’ brands and then produce a competitive positioning strategy for their own product/image. A positioning strategy consists of three major components: to reveal possible competitive advantages that will create a positioning, to choose the right competitive advantages and to choose a comprehensive positioning strategy that will align with the organization’s structure and consistent with the positioning objectives. Lastly, the company should adopt effective communication and distribution system to market the selected position (Kotler and Armstrong, 2006). The positioning decision is a vital strategic decision for a brand because the brand position is central to consumer’s perceptions and choice decisions (Keller, 1993). Positioning strategy, in general, is the expression of applications of a product and brand to consumers and to occupy a specific position against competitors in consumers mind with the intention of claiming superiority over competitors. (Akpoyomare et al., 2013). Publicity and Sponsorship have a positive impact on Brand Equity and it provides an image from the firm in consumer's mind which is influencing the desirable effectiveness and efficiency. (Tufail, Saeed, Zameer, & Bilal, 2014). Brand equity represents the value of the brand. This value is constituted by brand assets such as high brand

loyalty, name awareness, perceived quality, strong brand associations, trademarks, patents (Kotler and Keller, 2012; Aaker, 1991; Park and Srinivasan, 1994), production standards and applied innovation. From a marketing perspective, brand equity represents the customer mindset about the brand and includes perceptions, expectations, experiences, etc. (Ambler et al., 2002) and may yield specific outcomes such as incremental volume, price premium, profit, etc. (Ailawadi et al., 2003; Slotegraaf and Pauwels, 2008).

A recent study (Torres, Augusto, & Lisboa, 2015) revealed that there are positive effects of perceived quality and brand awareness on overall brand equity and that they are mediated by brand loyalty. Perceived quality and brand awareness are antecedents of brand loyalty, and perceived quality is the main driver of brand loyalty. This is an important difference in comparison with previous research in which perceived quality was not a critical variable (e.g. Buil et al., 2013; Gil et al., 2007). Moreover, the results showed that brand awareness do not have a significant influence on perceived quality for the chosen product category, as suggested by some researchers (e.g. Konecnik and Gartner, 2007). This result suggests that brand awareness and perceived quality may not relate directly to a consumer purchase, but have an important indirect effect on overall brand equity by influencing brand loyalty. Marketing managers should focus on brand loyalty to increase overall brand equity, and should focus more on perceived quality, which has the strongest impact on brand loyalty. Subsequently, the main effort should be on improving perceived quality, which is an important guidance with regards to the allocation of marketing resources and future advertisements.

Different Positioning Options

Berkman and Gilson (1987) argued that positioning is a multidimensional concept which emphasizes product features, attributes and or benefits. It is an important marketing decision that affects all marketing process. It is important to establish the different positioning criteria along which service offerings can be positioned. These criteria include (Aaker & Shansby 1982, cited in Belch & Belch 2004; Trout 1995, cited in Kotler, Brown, Adam & Armstrong 2004; Clow & Baack 2001; Wind 1982, cited in Palmer 2001; Petzer, D.J. et al,2008) :

- *Specific product or service attributes:* A hotel promotes to business travellers the fact, for example, that it is located in the heart of a financial centre.
- *Benefits or needs:* A hotel decides to focus on specific services offered to the business segment. These services might include, for example, Internet access and document delivery.
- *Usage occasions:* A hotel positions itself to conference organisers as ideally suited for hosting conferences.
- *User categories:* A hotel positions itself as meeting the needs of business customers rather than individual customers.
- *Positioning by competitor:* A hotel positions itself as having better facilities than those of all other hotels in a particular area.
- *Positioning by product class:* A hotel positions itself as a ‘conference’ hotel rather than as a ‘leisure’ hotel.
- *Positioning by price and quality:* A hotel might position its brand at the high end of the market as a premium hotel, or at a more competitive price at the lower end of the market.
- *Positioning by cultural or national symbols:* A hotel could tie itself to a cultural symbol.

High levels of positive brand equity would result in customers’ willingness to pay a price premium, recommend the brand, and consider brand extensions, which would then create opportunities for generating higher revenues, and improving the financial performance of the company. (Ailawadi et al., 2003; Bendixen et al., 2004; Cobb-Walgren et al., 1995; Hutton, 1997; Biedenbach et al., 2015). A study (Davicik & Sharma, 2015) suggests that brand equity, marketing investment and product differentiation are closely associated with price. The authors found that the premium price is significantly associated with product differentiation based on innovation and company type.

Brand equity makes consumers less sensitive to price increases (Hoeffler and Keller, 2003; Keller and Lehmann, 2003) and more willing to pay a higher price since they perceive some unique value in the brand that no other alternative can provide. (Chaudhuri, 1995; Seitz et al., 2010; Buil, Martínez, & Chernatony, 2013)

It was also noted in a study (Dwivedi, Johnson, & McDonald, 2015) that credible celebrity endorsers possess the ability to impact endorsed brand equity, which is reflected by four aspects – brand awareness, brand associations, perceived quality and brand loyalty.

Dimensions of Brand Equity

Brand awareness is the consumer's ability to recognize and recall a brand (Pappu and Quester, 2006) and brand associations are anything linked to a brand. (Yoo et al., 2001; Chang, 2014) Perceived quality and brand loyalty are also two dimensions considered in the assessment of brand equity. (Biedenbach et al., 2015). Perceived quality is the consumer's judgment about a brand's overall excellence and brand loyalty is the consumer's tendency to consider a brand a primary choice (Yoo et al., 2001). It was indicated that (Tan, 2015) perceived quality and brand awareness are the initial stage of brand building. Brand familiarity, brand image, and brand trust serve as significant role in clarifying the relationships between perceived quality, brand awareness, and attitudinal brand loyalty. Attitudinal brand loyalty plays as a main variable for explaining the relationships between other dimensions and overall brand equity. Nevertheless, when there was absence of brands' affective reactions, attractiveness, aesthetics, or signals of benevolence (affective sense of brand trust), consumers would less likely in repeat purchase intention, recommendation to others, or willingness to pay a price premium. With regards to the relationships between the brand equity dimensions (Buil et al., 2013), overall brand equity will improve when there exists a higher level of perceived quality. Perceived value and organisational associations have a positive effect on overall brand equity and that brand loyalty has a positive effect on overall brand equity.

Based on a study by Buil, I., Martínez, E., & Chernatony, L. De. (2013), brand awareness has a positive influence on perceived quality and brand associations and that brand loyalty is significantly and positively influenced by two of the brand associations dimensions considered in the study: perceived value and brand personality. However, there is no significant effect of organisational associations on brand loyalty. Similarly, and contrary to predictions, perceived quality has a negative influence on brand loyalty. This finding is consistent with previous studies (e.g. Bravo et al., 2007). Finally, perceived quality, brand loyalty and brand associations all have a positive effect on overall brand equity, with the exception of brand personality associations. Although all these dimensions contribute to enhance brand equity, brand loyalty was found to have a dominant effect on brand equity, in line with previous studies. (Yoo et al., 2000; Atilgan et al., 2005; Wang et al., 2006; Bravo et al., 2007; Buil et al., 2013)

Brand Awareness

Brand awareness is the first step to building brand equity. This dimension refers to whether consumers can recall or recognise a brand and is related to the strength of a brand's presence in consumers' minds (Aaker, 1996; Buil et al., 2013). Brand awareness has been referred to in the literature (Aaker, 1991; Yoo et al., 2000) as a signal of quality for the known manufacturer (brand owner). Brand awareness sustains familiarity with the brand; it is a signal of a company's business commitment, local culture, community values, etc. (Davicik, 2013). Brand awareness involves linking the brand to different associations in memory (Keller, 2003). Therefore, consumers must first be aware of a brand to later have a set of brand associations (Aaker, 1991). Brand awareness affects the formation and the strength of brand associations, including perceived quality (Keller, 1993; Pitta and Katsanis, 1995; Keller and Lehmann, 2003; Pike et al., 201; Buil et al., 2013). Also, a study (Ding & Tseng, 2015) revealed that brand awareness/associations, perceived quality and hedonic emotions mediate the relationship between brand experience and brand loyalty.

Similarly, a study by (Saleem, Rahman, & Omar, 2015) Saleem, et.al (2015) also that brand awareness as well as the perceived quality has both the positive as well as negative aspects. The relationship between brand awareness and brand loyalty was found positive. When people discuss and share about the brands at home, at work, with friends, or in offices most of them consider the opinion of family, friends, and their colleagues to buy any specific product. Word of mouth is a very strong tool of communication. Brand awareness is important for developing a strong and positive brand image reflected in positive brand associations (Davis et al., 2008; Kuhn et al., 2008; van Riel et al., 2005). The overall awareness about a service provider is largely associated with a positive predisposition toward this service provider (Paswan and Ganesh, 2003). The differential effects created by strong, favorable, and unique associations affect customer decision making by positively influencing customers'

perceptions of a firm's performance, including service quality. (Aaker, 1991; Bendixen et al., 2004; Leone et al., 2006; Biedenbach et al., 2015). Considering the core dimensions of brand equity; brand awareness is a necessary condition for establishing a brand node in memory has a positive effect on the formation of strong and unique brand associations (Keller, 1993; Biedenbach et al., 2015). A study revealed that the role of brand awareness as the key driver that enhances perceived value, perceived brand image and perceived brand quality, showed the need for increased consumers' awareness. Moreover, the relationship between perceived brand image and perceived brand quality was emphasized, depicting that the positive image will influence brand quality perceptions. (Manthiou, Kang, & Schrier, 2014)

In the study by (Sasmita, J & Mohd Suki, N (2015), it is confirmed that brand association, brand loyalty, brand awareness, and brand image jointly influence brand equity among young consumers. More specifically, results demonstrated that the relationship between brand association and brand equity is positive and significant which supports the results of Pouromid and Iranzadeh (2012). Young consumers are familiar with the company that owns a particular product or brand that appears in the social media and trust them. Further investigation of the study discovered that brand equity is also affected by brand loyalty. The results showed that brand awareness mainly affects brand equity in the sense that young customers' decisions to buy a product or brand depends on their awareness of the product or brand knowledge. Results confirmed that young consumers who had some concern about brand image exhibited positive brand equity. When the product has positive brand image, young consumers are aware that the particular product or brand is well established and has a unique, differentiated image in comparison with other products or brands. (Sasmita & Mohd Suki, 2015)

Service-brand awareness and brand image produce considerably different effects on consumer-perceived value and risk. Brand awareness positively affects consumer-perceived value but does not influence perceived physical risk. By contrast, brand image negatively influences perceived physical risk and positively affects brand preference, but it does not add perceived value to the product. The statistically significant associations from service-brand awareness to perceived value and then to service-brand preference reveal the critical role of brand awareness in shaping value perceptions. In contrast to service-brand awareness is unrelated to perceived physical risks, service-brand image can improve the perceived physical risk and directly influence service-brand preference. (Wang, 2015)

Hotel brand awareness plays an important role in strengthening brand image and loyalty and can be promoted effectively through various marketing. As a result of strong brand awareness, managers are motivated to increase their customer's service quality, which, in turn, increases brand loyalty, brand image and overall organizational profitability, consequently. Brand awareness can also be increased by spending on public events and involved in charity because the ultimate objective of an organization is to create awareness, which further leads to brand awareness and differentiation with respect to their competitors (Kim & Kim, 2005). Today, customers are patronizing the branded hotels more than the non-branded ones and this difference are growing more and more obvious throughout the globe. (Ishaq et al., 2014)

Taking into consideration the current intense competition in the hotel industry, all services and products changed their status as "commodity" and consumers are thus facing difficulties to find better hotels with strong image and superior service quality with heritage history. This perspective consistently influenced the top management to adopt multiple branding strategies to differentiate themselves and obtain higher net income. (O'Neill & Carlback, 2011). Organizations should focus on brand awareness and establish a unique brand image for a better response from consumers. The literature also supported this notion that building brand image and creating well awareness is the ultimate objective of marketing activities. In the service sector, particularly the hotel industry, consumers are generally focused on employee service, physical environment, awareness and image in customers' mind, which are all key components of customer-based brand equity (Ryu & Han, 2010). Rye, Lee, and Kim (2012) concluded that "a proper combination of these vital attributes should result in customers' perceptions of high restaurant service quality, brand image and awareness that, in turn, should enhance brand loyalty and performance in hospitality industry". (Ishaq, Hussain, Asim, & Cheema, 2014)

A study revealed that social media is important and is an integral part of the marketing communication strategy. Engagement with a Facebook fanpage has positive effects on consumers' brand awareness, word of mouth ("WOM") activities and purchase intention. The positive effects of consumers' social media engagements on brand awareness, WOM activities and purchase intention are

strong arguments for the relevance of social media in respect to the management of brands. (Hutter, Hautz, Dennhardt, & Füller, 2013)

Perceived Quality

Perceived quality refers to the perception of the overall quality or superiority of a product or service relative (Keller, 2003). Overall brand equity will depend on perceived quality since it is essential to develop a positive evaluation of the brand in consumers' memories (Farquhar, 1989). Furthermore, perceived quality can lead to greater differentiation and superiority of the brand. Therefore the higher the perceived quality of the brand, the greater the likelihood that there will be higher brand equity (Yoo et al., 2000; Kim and Hyun, 2011; Buil et al., 2013). Previous studies demonstrate that perceived quality could be considered as a main dimension generating brand equity in the business to business (B2B) context (Bendixen et al., 2004; Michell et al., 2001). Furthermore, perceived quality is found to be the main antecedent of B2B brand loyalty (Jayawardhena et al., 2007; Michell et al., 2001; Rauyruen and Miller, 2007; van Riel et al., 2005).

Perceived quality can be understood as a consumer's subjective judgment about a product's excellence (Zeithaml, 1998; see Netemeyer et al., 2004). Subjective judgment of quality is based on personal product experience, unique needs and consumption situations (Ambler, 1997; Yoo et al., 2000). Farquhar (1989) has advocated that "quality is the cornerstone of a strong brand", which leads to higher brand equity. Often, customers have no prior knowledge of product quality, and perceived quality may directly influence the purchase decision, especially when a buyer has no possibility to conduct a detailed analysis. (Aaker, 1991; Davcik, 2013). Zeithaml (1998) has identified perceived quality as a component of brand value and concluded that high perceived quality would result in consumers buying the brand. If the degree of brand quality perceived by consumers is higher, it will increase the brand's equity. (e.g. Yoo et al., 2000; Chu and Keh, 2006; Davcik, 2013)

The results of a study suggested that service quality has a strong and positive influence on corporate credibility. The large effect of service quality on corporate credibility indicates that consumer perceptions of a firm's service quality greatly enhanced its corporate credibility. Similarly, service quality was able to influence customer perceive value of a service brand. This is also in line with the previous findings that suggest a strong and positive relationship between a firm's service quality and value perceived by its customers (He and Li, 2011; Yang and Peterson, 2004). It implies that those customers who perceive that a service brand deliver quality services, considered it as a value creating entity. Similarly, perceived value has a positive and significant direct impact on brand equity. This is also in line with past empirical findings which reported that perceived value is strongly correlated with customer willingness to pay a premium price (He and Li, 2011; Netemeyer et al., 2004). Corporate credibility also had a positive impact on brand equity suggesting influence of corporate credibility on consumer-based brand equity of service firms. (Jahanzeb, Fatima, & Mohsin Butt, 2013)

Perceived quality plays a more important role in increasing a consumer's loyalty to a retail brand and implies that, although brand awareness and brand association are important, perceived quality, as a dimension of perceived value (Grewal et al., 2004; Sweeney and Soutar, 2001), is even more important for nurturing consumers' loyalty. A study also shows sequential effects between the antecedents of consumer-based brand equity (Yoo et al., 2000); spokes-character influences brand awareness/association and perceived quality, which in turn influence consumers' loyalty to a retail brand. It may also imply that brand loyalty is based on brand awareness/brand association and perceived quality.(Chang, 2014). Perceived brand quality is connected to all brand equity dimensions. In particular, brand awareness positively influences perceived value, perceived brand image and perceived brand quality. The effect of brand awareness on brand loyalty through perceived brand quality is larger than the effect through other brand equity dimensions. A study suggests brand awareness as the key driver that enhances perceived value, perceived brand image and perceived brand quality in consumers' mind (Buil et al., 2012). It also supported previous research on perceived quality by showing that when consumers are familiar with a specific brand, they tend to evaluate the perceived quality to be higher than when they have no knowledge of the brand (Rao and Monroe, 1988). In the study, it was found that the relationship between perceived brand image and perceived brand quality was significant. This was consistent with previous research that showed that image traits of a product which fully reflected the unique characteristics of a product can be a means to improve consumers' expectations toward the quality of it (Leenders et al., 2005). Thus, perceived brand quality plays an important role in connecting

the brand equity dimensions; brand awareness, perceived brand image, perceived value and brand loyalty. (Manthiou et al., 2014).

A study indicated a positive and direct effect of brand attitude on brand loyalty, as previous studies (Eren-Erdogmus and Budeyri-Turan, 2012; Liu et al., 2012). The findings of the study revealed that perceived quality is the better predictor of brand attitude and brand loyalty. Personality congruence (mediated by perceived brand quality), brand prestige (mediated by perceived brand quality and brand attitude) and brand tribalism (mediated by brand attitude) have an indirect positive effect on brand loyalty. (Esmailpour, 2015).

Regarding the interrelations among brand equity dimensions, brand awareness positively influences brand associations, perceived quality, and brand loyalty. Matching with previous research (Buil et al., 2013), current research argues that brand awareness is the starting point to constitute the customer-based brand equity. A study revealed that brand associations influence perceived quality, brand loyalty. In turn, perceived quality positively influence brand loyalty, unlike Buil et al.'s (2013) finding. (Ebeid, 2014).. Perceived brand loyalty has been indicated as a function of perceived brand quality, perceived brand image-physical environment, perceived brand image-people characteristics and perceived brand salience. The brand loyalty is created by perceived brand image dimensions – as well as perceived brand quality. These provide empirical support to the previous research, suggesting the positive interrelationship between perceived brand salience, perceived brand image, perceived brand quality and perceived destination brand loyalty in several previous studies. (Pike et al., 2010; Kim et al., 2013; Saraniemi, 2011; Herstein et al., 2014; Lim and Weaver, 2014; Stepchenkova and Li, 2014; Jraisat, Akroush, Alfaouri, Qatu, & Kurdieh, 2015). A study on brands related to hotel-based brand equity revealed that perceived service quality has a positive impact on brand loyalty, brand image, and brand awareness. Brand awareness and brand image also influenced brand loyalty positively. (Ishaq et al., 2014).

Brand Loyalty

Brand loyalty has been found to be one of the main drivers of brand equity (e.g. Yoo et al., 2000; Atilgan et al., 2005; Yasin et al., 2007). Loyal consumers show more favourable responses to a brand. Thus, brand loyalty will contribute to growing brand equity. (Buil et al., 2013). A study (Biedenbach et al., 2015) demonstrated that perceived quality, satisfaction, and switching costs are relevant determinants of brand loyalty with satisfaction having the strongest positive effect on brand loyalty. Most researchers advocate that the traditional hierarchy of effects model is a useful framework for studying the causal order among the dimensions of brand equity (Cobb-Walgren et al., 1995; Agarwal and Rao, 1996; Yoo and Donthu, 2001; Keller and Lehmann, 2003, 2006). This sequential process that consists of cognitive, affective and conative stages has been incorporated into the contemporary brand theories, such as the customer-based brand equity pyramid proposed by Keller (2003). According to the postulated framework, the evolution of brand equity can be described as a consumer learning process where consumers' awareness of the brand leads to attitudes (e.g. perceived quality and brand associations), which in turn will influence attitudinal brand loyalty. (Lavidge and Steiner, 1961; Gordon et al., 1993; Konecnik and Gartner, 2007; Buil et al., 2013). Service quality, satisfaction and loyalty does have a positive effect on corporate brand equity. Further, the linkage between satisfaction and loyalty that was found supports the general structure of the satisfaction–loyalty work of Oliver (1980), Olsen (2002) and Juga et al. (2010), who found that repeated satisfactory experiences lead to loyalty. It was confirmed that loyalty is an antecedent of corporate brand equity and corporate brand equity is, indeed, dependent on loyalty as noted by Aaker (1991). (Grant, Juntunen, Juga, & Juntunen, 2014)

A study indicated that brand awareness, brand quality and brand image do not directly affect brand loyalty. Although this conclusion is inconsistent with findings of some studies (Back, 2005; Cretu & Brodie, 2007; Kim, Jin-Sun et al., 2008; Kim, Kim et al., 2008), it conforms to the results of other empirical studies. For example Hyun and Kim (2011) found that no direct relation between brand awareness and brand loyalty. Boo et al. (2009) also found that destination brand quality and brand image have no direct influence on destination loyalty. The findings of the study confirmed that brand value plays a mediating role among brand awareness, perceived quality, brand image and brand loyalty (Cretu & Brodie, 2007; Deslandes, 2003; Kim, Jin-Sun et al., 2008; Kim, Kim et al., 2008; Tsai, 2005). The study suggests that brand image, brand awareness and perceived quality are important antecedents in the process of generating brand loyalty, and further, that brand value is an important mediator variable.

These findings are consistent with Boo et al. (2009), which observes that, when the functions of a destination give a tourist a sense of value, the tourist will have loyalty for the destination brand.(Liu, Liu, & Lin, 2015).

It was found that awareness creates credibility; and in turn, contributes to commitment and commitment contributes to the development of loyalty intentions towards the brand. For the group with high involvement, it is observed that, as awareness increases, brand commitment (an attitude) mediates the effect of brand credibility (a belief) on intentions. But under low involvement conditions, as awareness increases, brand credibility affects loyalty intentions directly and has an indirect effect through commitment. These findings are consistent with Krugman's (1965) hierarchy-of-effects view among customers with low and high involvement.(Mathew, Thirunelvelikaran Mohammed Ali, & Thomas, 2014)

Brand loyalty, brand trust, brand awareness, brand association and perceived quality are positively related to overall brand equity. Study has suggested that brand loyalty is the most significant contributor of brand equity. The present study has also suggested hierarchical relationships between brand equity dimensions: brand awareness leading to brand association; brand association leading to perceived quality; perceived quality leading to brand trust; and brand trust leading to brand loyalty.(Shekhar Kumar, Dash, & Chandra Purwar, 2013). Effective brand equity management by encompassing brand personality is of paramount importance in reaching the overall company goals of satisfaction, loyalty and profitability (Rajagopal, 2006). Brand personality traits influence attitude toward a brand, brand preferences and brand loyalty among consumers (Sirgy, 1982; Aaker, 1999; Ambroise et al., 2005; Keller, 2008), and development of a strong brand personality could increase perceived value and positive brand perception among consumers. (Aaker, 1991; Arora and Stoner, 2009; Tong and Hawley, 2009; Su & Tong, 2015)

Brand loyalty was considered a key marketing concept and has been extensively researched for an understanding of its significant importance in developing brand trust, brand equity, image and awareness (Han & Jeong, 2013; Wirtz, Den Ambtman, Bloemer, Horváth, Ramaseshan, Van de Klundert, 2013; He & Li, 2011; Kuenzel & Halliday, 2010; Ryu, Han & Kim, 2008). Consumers' experience of service consumption is developed overwhelming determinant for the post-evaluation of brand loyalty and image, which subsequently leads to brand loyalty. (Papista & Dimitriadis, 2012; So & King, 2010). Simoes and Dibb (2001) argued that service sector organizations merely focused on brand management because of consumers' trust on social events, focusing on intangibles, visualization and invisible things behind the offers. Hotel firms used branding strategies as a strategic weapon for getting competitive advantage in the hotel industry worldwide. It was concluded that service quality, brand image and brand awareness strongly influence brand loyalty among consumers in the hotel industry. Consumers always prefer brands with a strong brand image and awareness and offered better quality services and foods. So et al. (2013) claimed that positive service quality, image and awareness always lead to positive evaluation of service experiences, which are further influenced brand loyalty. (Ishaq et al., 2014)

Conclusion

Brand equity is an important predictor of a positive consumer response. As such, the strengthening of brand equity is critical for hotels to improve their position in markets. Hotel managers should formulate their marketing strategies, mainly focusing on the enhancement of their customers' perceived quality on service offerings, awareness and loyalty to their brand in order to build a strong brand equity for their hotels. Competition is the main challenge in the hospitality industry and the solution lies not only in increasing market share and preserving it accordingly but also keeping them intact with the brand.

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