BRAND EQUITY, PERCEIVED VALUE AND

REVISIT INTENTION IN THE

US MID-PRICED HOTEL SEGMENT

By

BONGRAN JIN SUN

Bachelor of Art

Ewha Woman's University

Seoul, Korea

1996

Submitted to the Faculty of the
Graduate College of the
Oklahoma State University
In partial fulfillment of
The requirements for
The Degree of
MASTER OF SCIENCE
December, 2004

BRAND EQUITY, PERCEIVED VALUE AND
REVISIT INTENTION IN THE
US MID-PRICED HOTEL SEGMENT

Thesis Approved:

Woogon Kim
_____
Thesis Adviser

Hailin Qu
_____

Gerald Leong
_____

A.Gordon Emslie
_____
Dean of Graduate College

ACKNOWLEDGMENTS

TABLE OF CONTENTS

LIST OF TABLE

LIST OF FIGURE

I. INTRODUCTION

Background of the Study

Over the past few decades, there has been an explosive interest in brands among practitioners and researchers. The notion that a brand has an equity that exceeds its conventional asset value was developed by financial professionals (Motameni et al., 1998). According to Cobb-Walgren (1995), the probability of failure of a new brand launching in the market is as enormous as the cost of bringing new brand to market. Due to brands' special attributes contributing to firms' assets, hotel brands are regarded as very important properties that add significant value to the firms. Thus, many hotel companies are looking for expansion opportunities to acquire existing brands rather than to develop new brands. For example, Starwood Lodging Trust acquired Westin Hotels & Resort and changed its name to Starwood Hotels & Resorts. Bass PLC purchased both the Inter-Continental and Forum brands to strengthen its international exposure. Marriott international took over Ritz-Carlton by adopting an acquisition strategy rather than developing a new luxury segment.

In marketing aspects, building a strong brand yields a number of marketing advantages. This includes greater customer loyalty, higher resiliency to endure crisis, and increased marketing communication effectiveness (Hoeffler, 2003: Keller, 2001). Ambler et al. (2002) argued that great effort should be exerted for creating and sustaining customer-based brand equity, in that the recognition of the importance of customers' value to a firm's asset has been increasing in recent days. Farquhar (1989) argued that the brand has value only if it has meaning to the customer. Cobb-Walgren insisted (1995) that "it is important to understand how brand value is created in the mind of the consumer and how it translates into choice of behavior" (p. 26).

In this context, measuring the brand equity from a customer's perspective is crucial in brand marketing. Krishnan (1996) contended that an investigation of customers' mindsets should be conducted before measuring any other aspects of brand equity because customers mindsets about brand is a starting point for understanding the brand. Barwise (1993) stated that the only way to predict marketing actions of brand is measuring the brand equity from the customers' perspectives.

By measuring the customer/s mindset, marketing strategy and tactical decision can be guided and also the effectiveness of marketing decisions can be evaluated. The right customer mindset can be crucial to realizing brand equity benefits and values.

Statement of Problem

Some researchers interpreted service "brand" as a promise to the customer (e.g. Chernatony & Segal-Horn 2001; Berry 2000; Mistry 1998; Ambler & Styles 1996). Berry (2000) wrote that brand "plays a special role in service companies because strong brands increase customers' trust of the invisible purchase" (p. 128). Since service business is labor-intensive and involves human performance related to consumers, the customer's experience with the company plays a critical role in building the brand. Although the emphasis on the importance of customers in service marketing has increased over the past years, measuring the brand equity underlying customers' cognitive aspect is quite a new concept in service brand marketing compared to products' marketing. Only recently, have several researchers been embarking on adopting measuring customer-based brand equity in their service brand studies (Berry, 2000: Mackay, 2001; Kim, Kim, & An, 2003).

There are three purposes to this study: 1) to measure brand equity by adopting Aaker's four dimensions of brand equity which are brand loyalty, perceived quality, brand association and brand awareness in mid-priced hotels in the US; 2) to investigate the impact of brand equity on customer perceived value, and revisit intent and 3) to compare each hotel brands' four components of brand equity.

Theoretical Framework

Aaker (1991) established five components of brand equity; brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets. Figure 1 shows the five dimensions of brand equity.

Perceived
Quality

Brand
Awareness

Brand
Association

Brand
Loyalty

**BRAND
EQUITY**
Name
Svmbol

Other Propriety
Brand Assets

Provides value to Customer
By Enhancing Customer's:

- Interpretation/
  Processing of Information
- Confidence in the Purchase
  Decision
- Use Satisfaction

Provides Value to Firm
By Enhancing

- Efficiency and Effectiveness
  of Marketing Programs
- Brand Loyalty
- Prices/Margins
- Brand Extension
- Trade Leverage
- Competitive Advantage

Figure 1. Brand Equity

Source: Aaker, Managing Brand Equity, 1991

The five dimensions of brand equity affecting value to the customer have the potential to add value for the firm. Brand loyalty is both one of the dimensions of brand equity and is a consequence affected by brand equity. While brand loyalty is an attitudinal concept as one of the components of brand equity, it can also be a behavioral concept adding value to the firm.

In this study, just the first four dimensions of Aaker's brand equity will be adopted because the fifth category representing patents, trademarks, and channel relationships address the firms' asset rather than customer perceptions and reactions to the brand. Thus, it is considered another intangible asset of the firm. This study examines whether the four components of brand equity affect customer

value, and finally marketing result which is revisit intent adding value to the firm as a behavioral brand loyalty.

Research Questions

The following are the specific research questions of this study.

Research question1. How do Aaker's four dimensions of brand equity affect the hotel industry?

Research question2. How do the four dimensions of brand equity differ among the six mid-priced hotels in the US?

Significance of the Study

Krishnan and Harline (2001) mentioned that service brands in the marketing literature received relatively less consideration than their product counterparts even if the service sector has dominated the economy in most advanced countries. Until recently, studies on service brands seem to have attracted relatively little attention in both the general marketing and the specific services marketing literature. While a vast amount of branding literature related to brand equity for consumer goods exists, only a few academic studies have been published to measure brand equity (Cobb-Walgren, 1995; Prasad & Dev, 2000; Kim, Kim, & An, 2003) in the hotel industry. In this aspect, this study can provide another insight into the value that hotel brands hold.

Boundaries of the Study

Usually mid-priced hotel names are relatively well known to general consumers. This study examines the brand equity of mid-priced hotels with F&B in the US which is the largest single segment in the nation. The Top six mid-priced hotels were selected for this study, which are Holiday Inn, Best Western, Ramada, Quality Inn, Howard Johnson and Four Points.

Definition of the Terms

Brand equity has been defined by many researchers according to the viewpoints of their studies'. However, there is an agreement among researchers that brand equity is the value added to the product by the brand (Farguahr 1989). From the customers' perspectives marketing effects can be attitudes, awareness, image, and knowledge (Aaker 1991; Keller; 1993; Park & Srinivasan 1994; Agarwal& Rao 1996), while from the firms' perspectives, outcomes can be price, revenue, and cash flow (Simon & Sullivan 1993).

This study assesses the four components of brand equity developed by Aaker (1991). These four components include brand loyalty, perceived quality, brand association and brand awareness. According to Aaker's definition, brand loyalty is "a measure of the attachment that a customer has to a brand. It is one of the indicators of brand equity which is demonstrably linked to future profits, since brand loyalty directly translates into future sales" (p. 39). Oliver (1997) defined brand loyalty as the tendency to be loyal to focal brand as a primary choice. In this study, Gupta (1988)'s overall attitudinal loyalty to a specific hotel brand was measured.

The other of three dimensions follow Aaker's definition.

Perceived quality is "the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives" (p. 85).

Brand awareness is "the ability of potential buyers to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved" (p. 61).

Finally, Aaker defined brand association as "anything linked in memory to a brand" (p.109).

Organization of the Study

This study is organized into five sections. The first chapter is the introduction of this research which includes the background, purpose, and theoretical framework. The next section provides a review of literature that pertains to brand equity, its existing measurements and validation of its measurements. In this study, the existing measurement of brand equity will mainly be addressed. The subsequent section describes the research design, which relates the four dimensions of brand equity to the perceptual and behavioral consequences, including customer value, and revisit intent. It also

describes the data collection method, survey instrument, sampling plan and data analysis. In the fourth section, findings of this study on brand equity and its effects will be interpreted. The final chapter of this study concludes by describing some limitations and offering directions for further research. Figure 2 shows the summary of the organization of the study.

```
┌─────────────────────────────┐
│    Background of research    │
│      Purpose of Research     │
│    Theoretical framework     │
└─────────────────────────────┘
                ⇩
┌─────────────────────────────┐
│      Literature Review       │
└─────────────────────────────┘
   ╱            │            ╲
┌──────────┐ ┌──────────┐ ┌─────────────────────┐
│Conceptualizing of│ │Measurement of│ │Validation of measurement│
│  Brand equity    │ │ Brand equity │ │   of brand equity       │
└──────────┘ └──────────┘ └─────────────────────┘
                ⇩
        ┌──────────────┐
        │Research design│
        │ -Methodology  │
        │ -Instrument   │
        │ -Sampling     │
        └──────────────┘
                ⇩
        ┌──────────────┐
        │Result of Analyzing│
        │     Data      │
        └──────────────┘
                ⇩
        ┌──────────────┐
        │ Limitation &  │
        │ Future study  │
        └──────────────┘
```
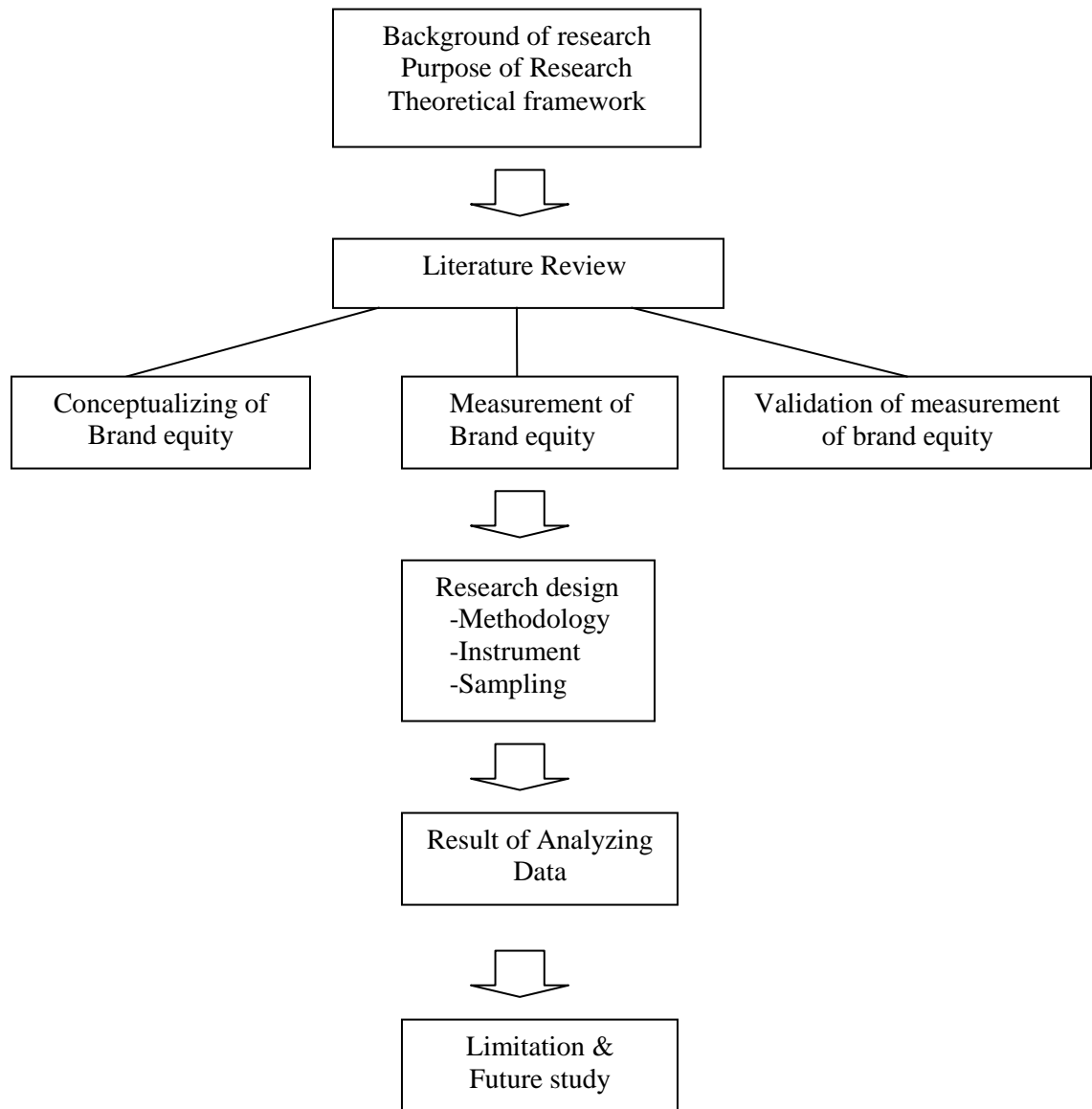
Figure 2. Organization of the study

II. LITERATURE REVIEW

Over the past years, significant advances in brand equity have been made by many researchers. In this chapter, the literature review on brand equity will be presented in terms of conceptualizing, measurement of brand equity, validation of brand equity measurement, and brand equity in service. Especially, brand equity research on hotel industry will be reviewed.

Conceptualizing of Measuring Brand Equity

Keller (1993) defines customer-based brand equity as the differential effect of brand knowledge on consumer response to the marketing of the brand. Brand knowledge consists of two dimensions: brand awareness and brand image. He stated that factors such as awareness of brand, and consumer memory including favorability, strength and uniqueness in which a customer had experienced brands affected brand knowledge. Customer-based brand equity, thus, is enhanced by creating favorable responses to pricing, distribution, advertising, and promotion activity for the brand (See figure 3).

Aaker (1996) suggests brand equity ten, a specific guideline for measuring brand equity. He groups ten sets of measures into five categories brand loyalty, perceived quality, association, awareness and market behavior measure. The first four categories represent customer perceptions and the fifth expressed the information obtained from the market. He also suggested that all measurement items did not have to be standard across different market segments. He indicated that one should take appropriate modifications according to the characteristics of each industry into consideration when adopting the measurement of this brand equity ten. Table 1 depicts the specific measurement items of each dimension recommended by Aaker.
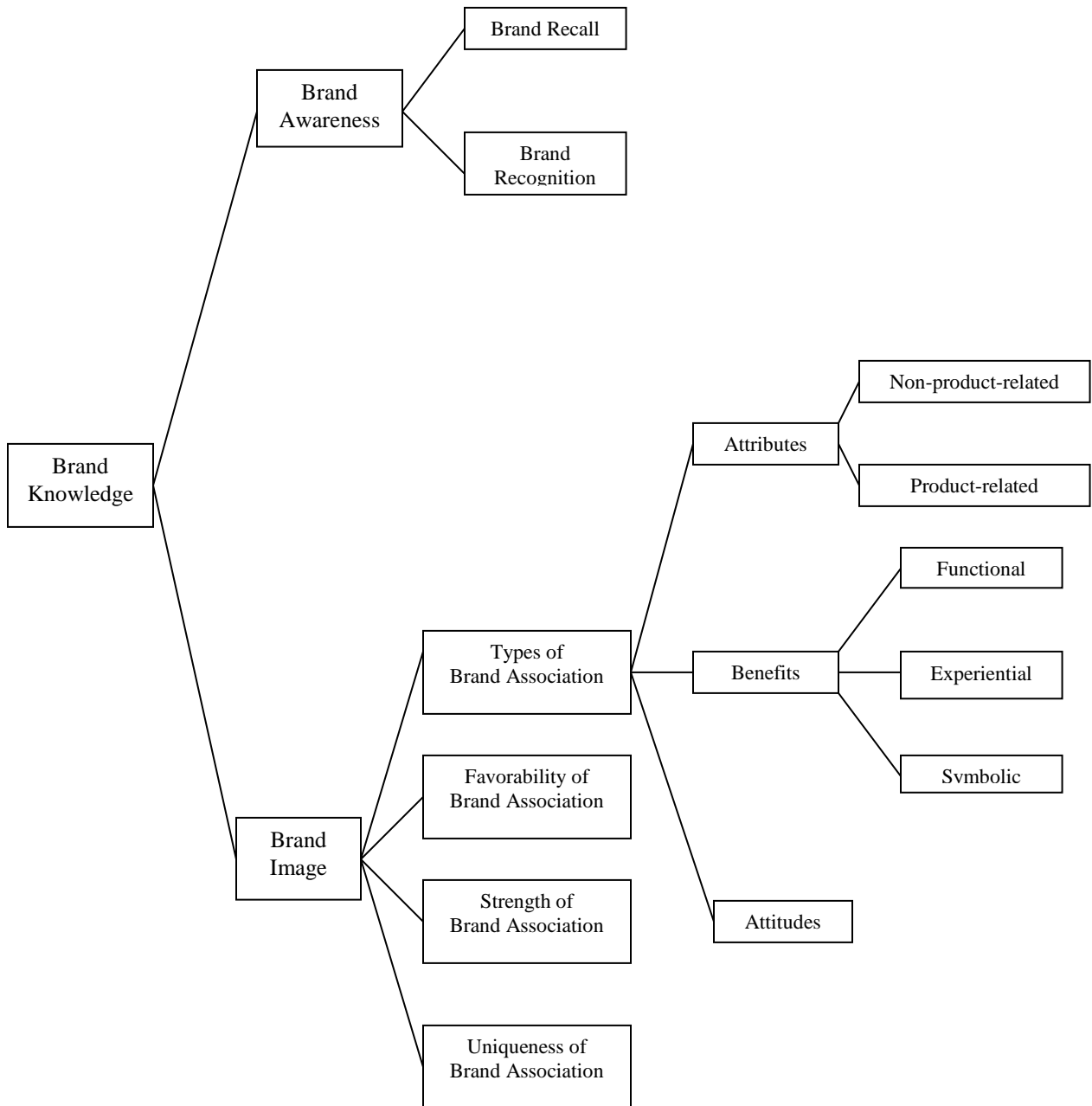
Figure 3. Dimensions of brand knowledge

* Source: Keller, Conceptualizing, Measuring, and Managing Customer-Based Brand Equity, 1993

Table 1.

The Brand Equity Ten

Loyalty measures	1. Price Premium 2. Satisfaction / Loyalty
Perceived quality /Leadership measures	3. Perceived quality 4. Leadership/Popularity
Associated image /Differentiation measures	5. Perceived value 6. Brand personality 7. Organizational associations
Awareness measures	8. Brand awareness
Market behavior measures	9. Market share 10. Market price and Distribution coverage

* Source: Aaker, Building Strong Brands, 1996

Erdem and Swait (1998) measured the brand equity in an information economics framework which emphasized the role of credibility as the main determinant of consumer-based brand equity. In that framework, consumer-based brand equity is related to negative information as well as positive information such as high quality products, and the reduction in perceived risk and information costs attributable to brands as antecedents of brand equity, which is unlike the psychological approach. In their study, brand is regarded as a signal conveyed by the marketing mix strategies and activities associated with that brand. The information should be credible so that a brand can create value, thus, the market process by which credibility is created is important. Therefore, the consumer's behavior and the firm's behavior affect brand value as signals of product positions.

Measurement of Brand Equity

Capon et al. (1994) argued that there were two kinds of brand equities which were organizational brand equity and customer brand equity. He stated that on organizational based brand equity, financial values such as potential earning, market value, replacement cost can be criteria for the measurement of brand equity. On customer base equity, customers' consideration sets, customer based perceived quality, and preference and /or satisfaction can be measured. Thus, the measurement

of brand equity can be divided two perspectives which are financial perspectives and customer perspectives.

Financial Perspectives

Based on the financial market value of the firm, Simon and Sullivan (1993) developed a technique estimating a firm's brand equity. By decomposing the value of intangible asset which is one of the components of market value of the firm along with tangible asset, brand equity can be estimated. They identified three categories consisting of the value of the intangible assets; a) brand equity, b) technological advantages such as patent and R&D and c) industry structure and the regulatory environment. The following equation is the value of intangible assets of a firm.

$$V_I = (V_{b1} + V_{b2}) + V_{nb} + V_{ind}$$

V_I = value of the firm's intangible assets

V_{b1} = value of the "demand-enhancing" component of brand equity such as perceived quality

V_{b2} = value of expected reductions in marketing costs that result from established brand equity

V_{nb} = non-brand factors giving rise to cost advantages such as patent and R&D

V_{ind} = industry structures and regulatory environment

Here, V_{b1} and V_{b2} are the value of brand equity determined by the four factors which are current and past advertising, age of brand, order of entry and current and past advertising shares. By using this technique Simon and Sullivan analyzed the brand equity of each industry. They found that industries which are oriented toward strong consumer products have high brand equity. They also observed the impact of marketing events on brand equity by comparing the values of brand equity of Coca-cola and Pepsi. They discovered that their technique was adequate for measuring the effect of marketing events.

Institutional Brand Equity Measurement

Interbrand, a UK consultant group developed a brand measurement called by economic use method. They adopted a multiple of historical brand earnings for their basic data in order to measure brand equity. This information is offered by 'Financial World; which produced an annual estimate of brand values for many years. Then, using Discounted Cash Flow (DCF), they discounts estimated future brand earnings, at an appropriate discount rate to arrive at a Net Present Value (NPV) - the brand value.

```
┌─────────┐   ┌─────────┐   ┌─────────┐   ┌─────────┐
│ Market  │   │Financial│   │ Demand  │   │  Risk   │
│  Data   │   │  Data   │   │ Drivers │   │ Factors │
└─────────┘   └─────────┘   └─────────┘   └─────────┘

┌──────────────────────┐
│   Brand Forecasts    │
└──────────────────────┘
┌──────────────────────┐        ┌───────────┐   ┌───────────┐
│ Economic Value Added │        │Brand Value│   │ Branbeta  │
└──────────────────────┘        │ Added BVA │   │ Analysis  │
┌──────────────────────┐        │   Index   │   └───────────┘
│  Brand Value Added   │        └───────────┘
└──────────────────────┘                          ┌──────────┐
                                                   │ Discount │
          ┌─────────┐                              │   rate   │
          │  Brand  │                              └──────────┘
          │  value  │
          └─────────┘
```
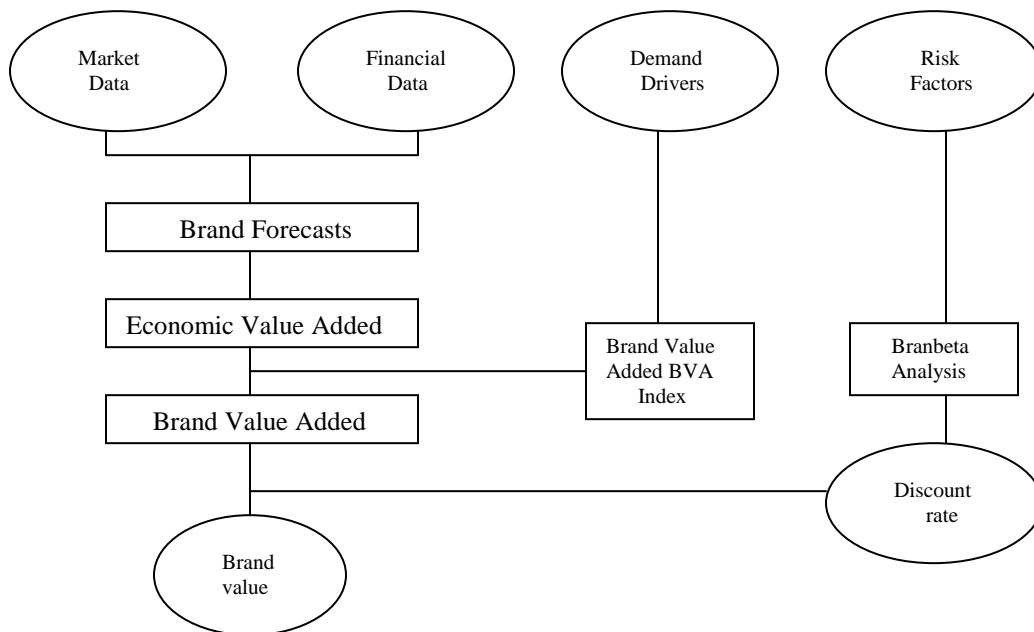
Figure 4. Brand Valuation

Sources: "Understanding the Financial Value of Brands". Brand Finance plc, 1999

The first step of this valuation is to analyze diverse market about brand, its performance and its history. Secondly, on the basis of market data, financial analysis should be conducted for identifying and forecasting revenues and 'earnings from intangibles' generated by the brand. Economic value added (EVA) should be measured for financial performance adopting only earnings of the brand after the allocation of the central overhead cost. Then, the proportion of the total residual

earnings related to the brand as opposed to other intangible assets should be established. After financial analysis, demand analysis for identifying the various drivers of demand for the branded business is assessed, and then is determining the degree to which each driver is directly influenced by the brand. The role of branding represents the percentage of intangible earnings generated by the brand. In the fourth step, the competitive strengths and weaknesses of the brand should be determined for deriving the specific brand discount rate that reflects the risk profile of its expected future earnings. Finally, the brand value can be calculated. The brand value is the net present value (NPV) of the forecast brand earnings, discounted by the brand discount rate. This economic use method has become the most widely recognized and accepted methodology used for valuation of more than 3,500 brands worldwide.

Customer Perspectives

Kamakura and Russell's (1993) approach is based on the actual purchase behavior using check-out scanner data to estimate brand value to the customer. Their underlying concept of measuring brand equity is a consumer choice model in which the perceptions of a brand's attributes are related both to the characteristics of physical product and to psychosocial cues. On the basis of this conceptual model, they developed a measurement method of brand value, defining brand value (BV) as a measure of the intrinsic utility consisting of brand tangible value (BTA) and brand intangible value (BIV).

$$BV = BIV + BTV$$

BTV represents physical features of the product and BIV is the perceptual distortions and other responses to psychosocial cues which is a measure of the value of intangibles.

For estimating this model, they analyzed the household purchase histories in a scanner panel by employing a clusterwise logit model in which customers are segmented for each brand market on the basis of long-run brand preferences and short-run responses to the marketing mix such as the order of entry and advertising. The first step of estimation by regression analysis is specifying the number of preference segmentations of brand by relative size, price and advertising sensitivities and brand values. Identifying a set of relevant physical features and obtaining objective measure of these

features and then removing them from the brand value are crucial processes of estimating brand intangible value because of the complexity of analyzing the brand intangible value.

To illustrate this methodology, Kamakura and Russell apply it to the powder laundry detergent category. They found that the order of entry is relevant to creating positive brand intangible value, but large investments of advertising does not positively impact brand intangible value.

Park and Srinivasan (1994) operationalize brand equity as the difference between an individual consumer's overall brand preference and his/her multiattributed preference based on objectively measured attribute levels.

$$e_{ij} = u_{ij} - \sum_{p=1}^{q} f_{ip}(o_{jp}) = u_{ij} - u(o)_{ij}$$

e_{ij} = brand equity

u_{ij} = preference of individual i for brand (j=1,2,…,b)

f_{ip} = function denoting individual i's partworth of attribute p

    (i.e., utilities for different levels)

o_{jp} = objectively measured level of brand j on the attribute

$u(o)_{ij}$ = individual i's preferences based on objectively measured attribute levels

q = number of the products' attributes

Their method divides brand equity into attribute-based and nonattribute-based components. The attribute-based refers to the difference between subjectively perceived and objectively measured attribute levels of different brands in a given product category, while the nonattribute-based is brand associations unrelated to product attribute.

$$e_{ij} = u_{ij} - u(o)_{ij}$$
$$= \left[u_{ij} - u(s)_{ij}\right] + \left[u(s)_{ij} - u(o)_{ij}\right]$$
$$= n_{ij} + a_{ij}$$

e_{ij} = brand equity

u_{ij} = preference of individual i for brand (j=1,2,…,b)

$u(o)_{ij}$ = individual i's preferences based on objectively measured attribute levels

$u(s)_{ij}$ = individual i's preference based on subjectively perceived attribute levels

n_{ij} = nonattribute-based brand equity

a_{ij} = attribute-based brand equity

Thus, they use two types of data in which one is an objective level measure such as laboratory tests, blind consumer tests, or expert evaluation, and the other is survey-based employing a random sample of current users of the product category in order to measure overall preference and perception associated with specific brands.

They adopted their model to the toothpaste and mouthwash categories, and they found that nonattribute-based components are more important factors in determining brand equity. Additionally, they also discovered that the perceived attributes between consumers and experts are different, and what types of brand associations underlie the nonattributable based component of brand equity and what fraction of respondents shares a particular type of association. (e.g toothpaste's taste and clean feeling are the most common types of association).

Lasser et al. (1995), on the basis of Keller's conceptualizing of brand equity in which consumer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory, identified five important elements of brand equity; consumer perception, global value associated with a brand, global value stem from the brand name, relative competition, and financial performance. From these five characteristics, they defined brand equity as the enhancement in the perceived utility and desirability a brand name confers on a product. They developed five underlying dimensions of brand equity which are performance, value, social image, trustworthiness and commitment/attachment.

Blackston (1995) stated that brand equity could be seen as two perspectives which were brand value and brand meaning. He contended that brand meaning influences and creates brand value because value depends on the meaning, changing the brand meaning is equivalent to changing the value of the brand. Brand meaning consists of three dimensions including brand salience, brand

association and brand personality. He proposed the brand relationships model in which all three were divided by two dimensions: brand image/brand personality and brand attitude. Thus, by measuring these two dimensions, he suggested that marketers could set their brand strategies.

Francis and MacLachlan (1995) assumed that brand 'strength' leads to brand 'equity'. Since the meaning of equity includes financial value and future actions, in their research Francis and MacLachlan use 'strength' instead of 'equity'. They measure two kinds of brand strength which are intrinsic and extrinsic. In the intrinsic measures, the factors from customers' experiences and exposure to brand such as knowledge, attitude, preference, and behavior are measured, while in extrinsic strength, reactions to short-term stimulus such as price change are measured.

Aagawal & Rao (1996) compared eleven different consumer-based brand equity measures. The framework of brand equity was based on the 'perception-preference-choice' paradigm. The eleven measures selected are presented in Table2.

Table2

Measures Used in Previous Studies on Consumer-Based Brand Equity

Dimension	Measures(M)
Brand awareness	1. Percentage of unaided recall 2. Familiarity index
Brand perception and attitudes	3. Weighted attribute score 4. Value for money 5. Quality of brand name 6. Overall evaluation
Brand preference	7. Derived brand index 8. Dollar metric measure
Choice intentions	9. Purchase intention 10. Brand-specific choice coefficients
Actual choice	11. Index of past purchase

* Source: Agarwal & Rao, An Empirical Comparison of Consumer-Based Measures of Brand Equity, 1996

Dyson et al. (1996) proposed a consumer value model (CV) as a starting point for measuring brand equity by which the share value of requirements for each brand for each respondent can be estimated, correlating to consumer loyalty. For underpinning the factors affecting the brand's

consumer loyalty, the BrandDynamics Pyramid developed by Millward Brown, an institution for evaluating brand equity, was used, and consequently they identified the key elements which discriminated between differing degrees of loyalty. The CV model bridges the gap between consumer and financial equity. The aggregation of the individual respondent consumer value model allows predicting market share, a familiar sales measure with a direct relationship to a brand's revenue stream.

Yoo et al. (2000) investigated the relationship between the marketing mix and brand equity. Their proposition of the research stated that the marketing mixes such as price, store image, distribution intensity, advertising spending, and price deals affect each brand equity component including perceived quality, brand loyalty and brand awareness combined with brand association. They also examined how each component of brand equity affected the 'overall brand equity' developed by the researchers. They employed a structure equation model for estimating the parameters of their conceptual model, and consequently found that high price, high advertising spending, good store image, and high distribution intensity are related to high brand equity, whereas frequent price promotions are related to low brand equity.

Relating to their previous study of brand equity in marketing, Yoo and Donthu (2001) continued to research on consumer-based brand equity. They developed a multidimensional consumer-based brand equity scale (MBE) on the basis of brand equity concepts from Aaker (1991) and Keller (1993). In their scale, they combined brand awareness and brand association with one dimension because of the lack of discriminant validity. Therefore, they calculated the MBE index with just three dimensions.

MBE = mean of brand loyalty + mean of perceived quality + mean of brand awareness/association

By adopting this MBE scale, they actually measured among Americans, Korean –Americans and Koreans MBE of several product categories such as camera film, athletic shoes and television sets.

Vazques et al. (2002) also developed the measurement of consumer-based brand equity. Unlike the traditional measurement of brand equity dimensions, they regarded brand equity as utility conceptions which were functional utility and symbolic utility. They contented that in order to

measure consumer-based brand equity it is necessary to gather information not only on the attributes of brand name but also on the product. On the basis of this perspective, they proposed four dimensions to be measured. Under this conception, they developed items for each dimension of brand equity and examined the effect the brand equity on price premium and recommendation. They found that in the study of brand utilities, the separation of the product utilities from those utilities associated to the brand name is reliable and valid, and discovered that consumer perceived functional and symbolic utilities of both the product and the brand name.

Table 3

A Measure of the Expost Utilities of Brand

Functional utility associated with the product	The utility directly linked to the tangible attributes of the offer that satisfy the needs of the consumer's physical environment, e.g. comfort, resistant, and performance
Symbolic utility associated with the product	The utility attained from the tangible characteristics of the offer but respond to the needs of the psychological and social environment, e.g. style, color and artistic design
Functional utility associated with the brand name	These utilities meet the functional or practical needs of the individual, e.g. guarantee.
Symbolic utility associated with the brand name	These utilities meet the needs related to the psychological and social environment, e.g. communicating to others desirable impressions about oneself and helping the individual to live out his self –concept.

Source: Consumer-based Brand Equity: Development and Validation of a Measurement Instrument, Vazquez, 2002.

Baldauf et al. (2003) examined the effects of the three dimensions of brand equity on customer value, market performance, and profitability performance. Continuously, they proposed a hypothesized model for investigating how customer value affects purchase intention, and consequently this purchase intention on market performance and profitability performance by employing a structural equation model. They found that all items measuring brand equity have reliability and validity, and that brand equity is positively related to performances and perceived value, also discovered that perceived value influenced performances.

Netemeyer et al. (2004)'s measurement items of customer-based brand equity (CBBE) are from Aaker and Keller' conceptualization in which they mainly select core CBBE facets as perceived quality(PQ), perceived value for the cost(PVC), uniqueness, and the willingness to pay a price premium for a brand. On the basis of core facet, they developed each facet's items. They proposed that these four factors act as the predictors of brand purchase, and found that all items for measuring core dimensions have validity and that these items are also related to the actual brand purchase.

Institutional Research on Measurement Brand Equity

There are several institutions measuring brand equity. These include DBPI Diamond Brand Power Index developed by Diamond Aid, Brand Vision by AGB Taylor Nelson, EquiTrend by Total Research, Brand Dynamics by Millward Brown and BAV by Yong & Lubicom.

DBPI , on the basis of Aaker's conceptualization, measure eight dimensions of brand equity; price premium, satisfaction, awareness, perceived quality, leadership, perceived value, brand personality, and image related to the organization of 103 brands of different categories of product. The level of importance in each category multiplied by the evaluation of each brand on the eight attributes is the brand power index.

Brand Vision is based on the Conversion Model, originally a religious model which profiled consumers' associations with a particular faith, from totally committed to totally uncommitted. This model is used to consider consumers' psychological attitudes to brands and to assess where the brand sits in terms of 'commitment profile', with consumers shifting from less to mere committed groups. This helps to indicate which consumers are most likely to switch brand loyalty. It is useful tool to help predict future demand.

EquiTrend conducts an annual survey of 2,000 respondents covering 700 brands world-wide. Equity Trend is based on the measures of three brand equity assets. The first is salience, the number of respondents with an opinion about the brand, perceived quality, the quality rating, and user satisfaction, the average quality rating a brand receives among consumers who use the brand most often. The three measures are associated with premium price and usage.

BranDynamics, like BrandVision, measure brand perceptions as a means of predicting and anticipating brand building and brand maintenance activity. The BrandDynamics Pyramid is the central model which consists of bonding placed on top of the pyramid, and then followed by advantage, performance, relevance and presence.

Among these measurements, BAV, developed by Young & Lubicom, is the most useful method for measuring brand equity. This model conceptualizes brand equity as driven by two components: customer perceived brand stature and customer perceived brand strength. Antecedents of these two components are: the level of Differentiation of the brand, Relevance of this differentiation to the consumer, the resulting Esteem, and the Knowledge resided in the mind of the consumer. Brand strength is a strong indicator of future performance, whereas brand stature indicates brand status and scope-the consumer's responses to brand. As such it reflects the current brand performance and is a strong strategic indicator. Based on a detailed consumer questionnaire answered by large samples in markets across the globe, they measure 450 global and 8,000 local brands in 24 countries.
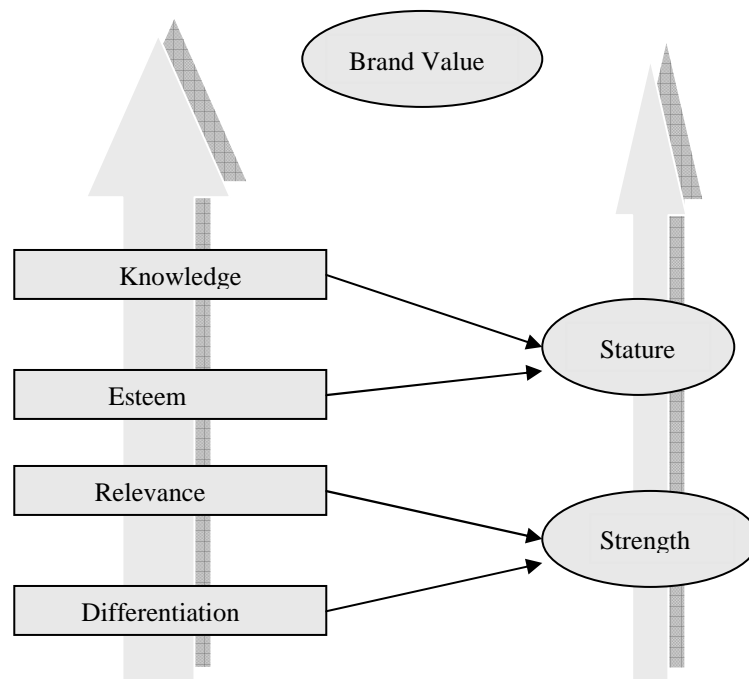
Figure 5. Brand Equity Measurement with the Brand Asset Valuator (BAV)

Sources; Haigh, Understanding the financial value of Brands, 1999

Combined Perspective

Insisting on a compromise between two perspectives which are consumer-based and financial based, Motameni and Shahrokhi (1998) propose a global brand equity valuation model (GBE). The basic assumption of GBE is the product of a brand's net earnings and a brand's multiple. The brand's net earning is the differential earnings of a brand and unbranded product. Brand multiple is determined by brand strength enhanced by product image reputation and brand loyalty. Figure 6 shows the overall perspective of the MBE model.

Customer Base Potency
◇ Brand image & loyalty
◇ Brand awareness
◇ Brand association
◇ Perceived quality

Competitive Potency
◇ Brand trend
◇ Brand support
◇ Brand protection
◇ Competitive strength

Global Potency
◇ Market factors
◇ Promotion & personal
   selling factors
◇ Distribution factors
◇ Product factors
◇ Price factors
◇ Regulation factors

Brand Multiple × Brand Net Earnings = Brand Return – Generic Return = GBE

Figure 6. Global Brand Equity Valuation Model

* Source: Motameni & Shahroki, Brand Equity Valuation: A Global Perspective, 1998

Mortanges and Riel (2003) investigated the brand equity effect on shareholder value. By adopting theBrand Asset Valuator (BAV) developed by Young & Rubicom, they tried to examine a linkage between brand equity and share holder value using three different indicators. These included total shareholder return (TSR), earning per share (EPS) and market-to-book ratio (MTBV). These three indicators are measures by which shareholders can determine whether the value of their holdings in a company has increased, remained unchanged, or has decreased. They found that the performance of brand (BAV) may have a significant impact on the value of a firm.

Validation of the Measuring Instrument

Some researchers have tried to validate measurements for brand equity that other researchers developed before.

Mackay (2001) adopted Agarwal and Rao(1996)'s study to evaluate brand equity measurement. In his study, the underlying assumption is that individual choice and market share were indicators of brand equity. To measure this concept, an indirect approach such as identifying the possible sources of brand equity and a direct approach in which the added value of the brand is measured are employed, and they agree to Agarwal and Rao's finding in that there is always a high degree of variation at the individual level. Additionally, both studies reveal that there is a high and positive correlation between the measures and the market share.

Washburn and Plank (2002) investigated the validation of Yoo and Donthu(2001)'s multidimensional consumer-based brand equity(MBE). After measuring brand equity with items of MBE, they concluded that measurement of the MBE had validation of the measuring. However, they implied that using only three dimensions which combined awareness with association should be carefully considered when adapted to other studies.

21

Brand Equity Research in the Service Industry

Recently, much emphasis has been placed on service branding as a growing service industry counting for GDP in economized countries. Berry (2000) stated that branding plays a special role in service companies because strong brands increase customers' trust of the invisible purchase. However, despite the increasing importance of branding decisions in the services domain, there has been relatively little research in this area. Due to the special characteristics that service possesses such as inseparability, heterogeneity, intangibility, and perishability, an argument that the measurement brand equity in services should be different from physical goods has been rising. Yet, several researchers tried to adopt consumer-based brand equity for measuring brand equity in services. Under Keller's concept in which brand equity is a differential effect of brand awareness and meaning combined on the customers' responses to the marketing of brand, Berry (2000) proposed a service-branding model.
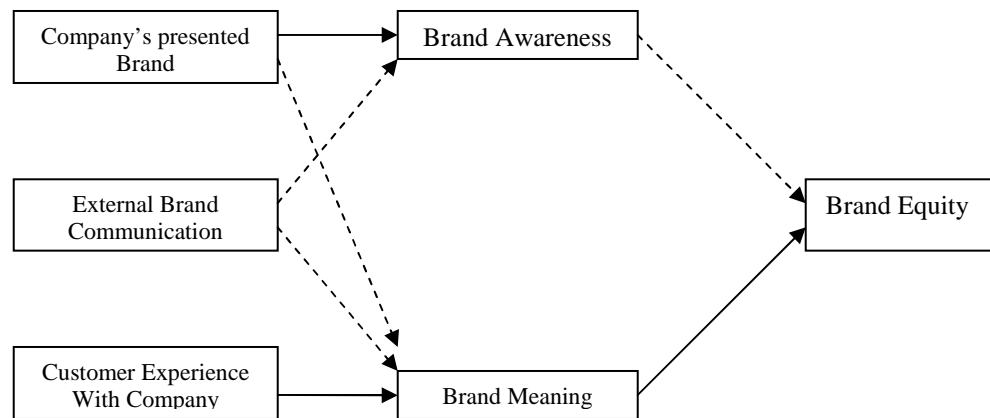

Figure 7. A Service-Branding Model
*Sources; Berry, Cultivating Service Brand Equity, 2002

The presented brand is the company's controlled communication of its identity and purpose through its advertising, service facilities and the appearance of service providers such as company

name, logo, and their visual presentation. This presented brand directly affects brand awareness. External brand communications such as word-of-mouth refers to information customers absorb about the company and its service that essentially is uncontrolled by the company. Brand meaning refers to customer's dominant perceptions of the brand. Brand association and brand meaning attribute to brand equity for experienced customers with different degrees.

Krishnan and Hartline (2001) assessed brand equity in the context of services marketing and compare it to brand equity for goods. They examined three types of services and one type of tangible good for their research according to three attributes that goods and services possesses, which are search, experience, and credence attributes. The result of their study is that brand equity is more important for services than for goods, which is quiet a different view from the traditional literature review.

Mackay (2001) applied existing consumer based measures of brand equity to a financial services market. His study is meaningful in that it is the first attempt to adopt the measurement of consumer based brand equity to the services industry. He finds that the measurement is reliable and valid in service marketing, and that the best measurement of brand equity in terms of correlation with market share is brand awareness.

Kim and Kim (2004) investigated the relationship between customer based brand equity and quick service restaurant (QSR) chains' performance. They measured four dimensions of brand equity: brand loyalty, brand awareness, perceived quality and brand image. Through regression analysis they explored the correlation between brand equity and sales revenue. Consequently, they found that brand equity had a positive effect on the performance, especially brand awareness among the four dimensions of brand equity is the most important factor affecting QSR performance.

Brand Equity in Hotels

Cobb-Walgren et al. (1995) demonstrated how the consumer's brand perception affects the brand preference and brand choice. In their study, they adapted the familiar hierarchy of effects model as a framework for studying various antecedents and consequences of brand equity from the perspective of the individual consumer. In their study, brand equity was not measured directly.

Consumers form perceptions about the physical and psychological features of a brand from various information sources. These perceptions contribute to the meaning or value that the brand adds to the consumer-i.e. brand equity. Brand equity then influences consumer preferences and purchase intentions, and ultimately brand choice. After comparing Holiday Inn and Howard Johnson, they discovered that the brand with a higher equity generates significantly greater preferences and purchase intentions.

```
                    ┌─────────────┐
                    │  Adverting  │
                    │  and other  │
                    │ information │
                    │   sources   │
                    └─────────────┘
        ┌──────────────┐        ┌──────────────┐
        │ Psychological│        │   Physical   │
        │   Features   │        │   Features   │
        └──────────────┘        └──────────────┘
                    ┌─────────────┐
                    │ Perception  │
                    └─────────────┘
                    ┌ ─ ─ ─ ─ ─ ─ ┐
                      Brand Equity
                    └ ─ ─ ─ ─ ─ ─ ┘
Conjoint                                Regression
Analysis                                Analysis
        ┌──────────────┐        ┌──────────────┐
        │  Perception  │- - - - │  Perception  │
        └──────────────┘        └──────────────┘
                    ┌─────────────┐
                    │   Choice    │
                    └─────────────┘
```
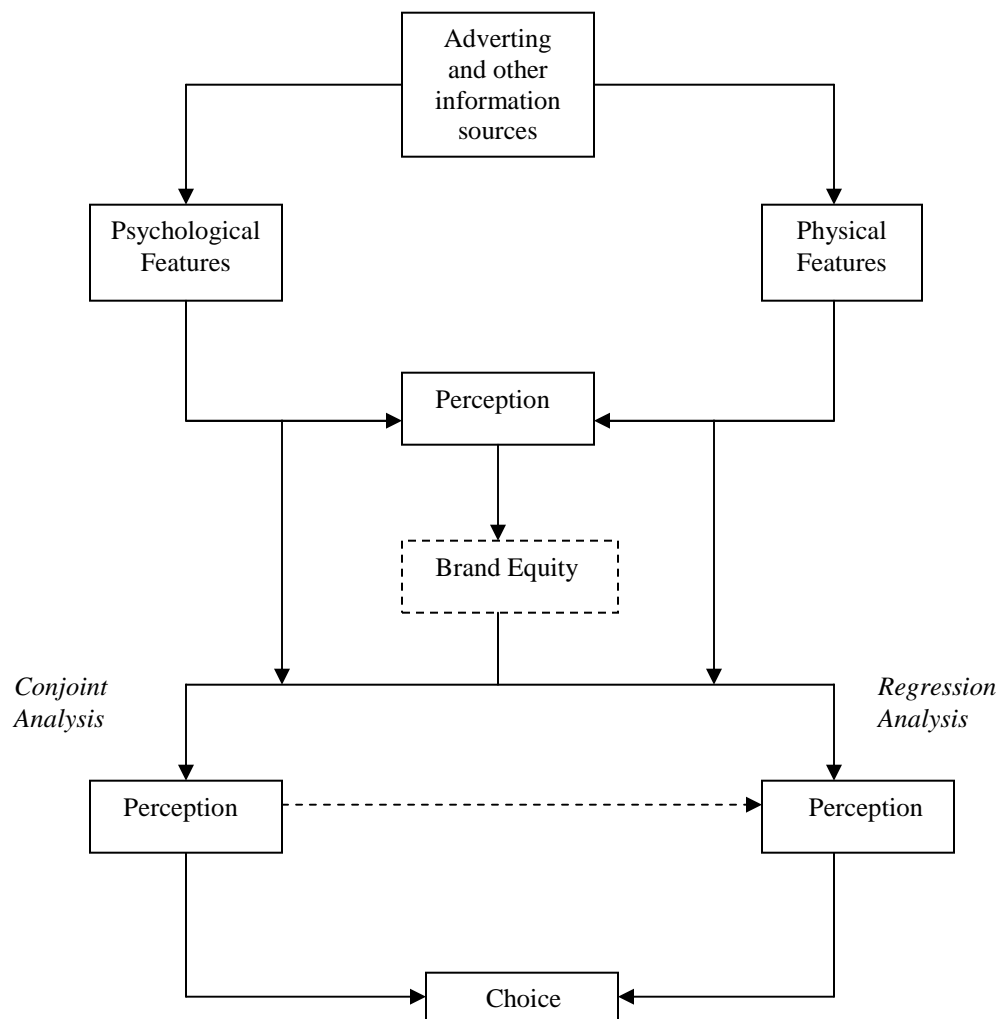
Figure 8. Antecedents and Consequences of Brand Equity

Source:Cobb-Walgren et al, Brand equity, Brand preference, and purchase Intent, 1995

Considering customers as the sources of all cash flow and resulting profits, Prasad and Dev (2000) developed a customer-centric index of hotel brand equity. This customer-centric brand equity index is a measure for converting customers' awareness of a brand and their view of a brand's performance into a numerical index. This is based on: actual customer data on customer satisfaction, intent to return, perception of price-value relationship, brand preference, and top-of-mind awareness of the brand.

Table 4

Measures of Hotel Brand Performance and Awareness

Element	Measurement
Brand Performance	
Customer Satisfaction Rating	% Checking top two choices on a five-point scale
Return Intent	% Saying they would return
Price-value Perception	% Checking top two choices on a five-point scale
Brand Preference	% Mentioning preference
Brand Awareness	
Brand Recall	% Mentioning the brand name

* Source: Prasad & Dev, Managing Hotel Brand Equity: A Customer-centric Framework for
　Assessing Performance, 2000

Prasad & Dev (2000) also classify brands into four categories according to the level of awareness and performance, as shown in the following Figure 9

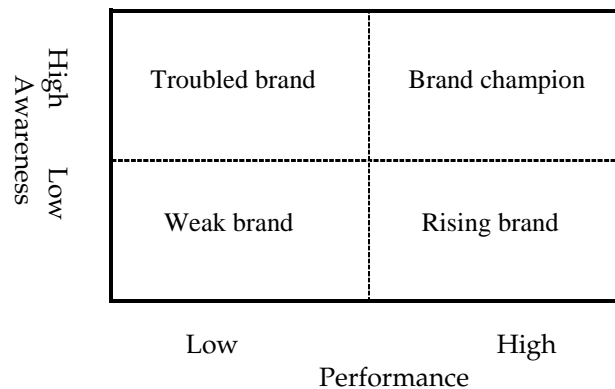|	Troubled brand	Brand champion
High Awareness Low		
	Weak brand	Rising brand

Low　　　　　　　　　　High
Performance

Figure 9. Hotel Brand Awareness –Performance matrix

* Source: Prasad & Dev, Managing Hotel Brand Equity: A Customer-centric Framework for
　Assessing Performance, 2000

25

Kim, Kim, and An (2003) investigated the relationship between brand equity and the firms' financial performance. Based on the dimensions of customer-based brand equity which are brand loyalty, brand awareness, perceived quality and brand image, Kim et al tried to identify brand equity's correlation with financial performance (RevPAR) in the hotel industry. The result revealed that brand equity perceived by the customers can affect generating revenue.

Pros and Cons of the Perspectives

Keller (1993) stated that a financial based approach to brand equity offered more unbiased insight into the value of the brand for accounting purposes, or for merger, acquisition, divestiture purpose. However, a financial approach provides a more precise insight into valuation of brands; it could be disadvantageous for managers to establish a brand strategy unless they are good at handling financial data.

Brand equity research in marketing has largely concentrated on a customer-based approach. Keller (1993) mentioned that the customer-based brand equity is more practical for managers in that it provides for them a strategic vision of customer behavior that can be adapted to brand strategy. Yet, Ailawadi et al (2003) insisted that the measuring of customer mindset cannot be objective and that it is difficult to calculate the precise figure because its measurement is based on consumer surveys.

In this study, brand equity measurement from a customer perspective was adopted. Especially, the items Yoo and Donthu (2001) have developed were mainly used because some researchers (Washburn and Plank, 2002) proved its validation.

Summary of the Literature Review

So far the literature review on brand equity has been presented according to three categories which are conceptualizing brand equity, measurements of brand equity and its' validation.

Table below exhibits the summary of the literature review of brand equity.

Table 5

Summary of the Literature Review

Conceptualizing	
Aaker (1991, 1996)	Perceptual and behavioral conceptualization measured by Brand Equity Ten
Keller (1993, 1998)	Brand knowledge based on brand awareness and brand image
Erdem & Swait (1998)	Brand equity is a signal conveyed by the marketing mix strategies and activities associated with the brand
Measurements	
Financial-based perspectives	
Simon and Sullivan (1993)	Extract value of brand equity from the value of a firm's other assets
-Institutional research	
Interbrand	NPV of the forecast brand earnings, discounted by the brand discount rate
Customer-based perspectives	
Kamakura & Russel (1993)	Actual purchase behavior using check-out scanner data to estimate brand value
Park & Srinivasan (1994)	Brand equity= attribute based + non attribute based
Lasser et al. (1995)	Five perceptual dimensions to be measured are performance, social image, trustworthiness and commitment
Blankston (1995)	Brand relationships model(brand image and brand attitude)
Francis & MacLachlan (1995)	Brand strength (intrinsic+ extrinsic)
Agawal &Rao (1996)	Brand perception, brand preference, and brand choice paradigm
Dyson et al. (1996)	Consumer value model(CV) by which value share of requirements for each brand for each respondents can be estimated
Yoo et al. (2000)	Perceived quality, brand loyalty and brand awareness/association
Yoo & Donth (2001)	Multidimensional consumer-based brand equity scale(MBE)
Vazques et al. (2002)	Utility concept (functional utility + symbolic utility)
Baldauf et al.(2003)	Brand awareness, brand loyalty, and perceived quality
Netemeyer et al.(2004)	Perceived quality, perceived value for the cost, uniqueness and the willingness to pay a price premium
Institutional Research	
Diamond Aid	Price premium, satisfaction, awareness, perceived quality, leadership, perceived value, brand personality, and image(DBPI)
AGB Taylor Nelson	Consumers' association with a particular faith (Brand Vision)
Total Research	Brand salience, perceived quality and user satisfaction (EquiTrend)
Millward Brown	Brand loyalty (BranDynamic)
Young & Lubicom	Brand stature and brand strength (Brand Asset Valuator)
Combined perspectives	
Motameni& Shahrohki (1998)	Global Brand Equity(GBE)=Brand Strength multiple X Brand net earning
Mortanges & Riel (2003)	Measured brand equity by BAV associated with TSR, EPS and MTBV
Validation of measurement	
Mackay (2001)	Evaluate Agarwal and Rao(1996)'s study
Washburn and Plank (2002)	Evaluate Yoo and Donthu (2002)'s Study

Brand equity research in Service industry	
Berry (2000)	Brand Equity=Brand Awareness + Brand meaning
Krishnan & Hartline (2001)	Search, experience, and credence attributes
Mackay (2001)	Applied customer-based-equity to financial service market
Kim & Kim (2004)	Customer based equity applying to quick service restaurant
Brand Equity in Hotels	
Cobb-Walgren et al.(1995)	Consumer's brand perception, brand preference and brand choice
Prasad & Dev (2000)	Customer's awareness of brand, brand's performance
Kim et al.(2003)	Measure customer brand equity and investigated correlation with financial performance

III. Methodology

Conceptual Model

The model of this study is presented in Figure 10. In this model, dimensions of brand equity affecting perceived value and revisit intention will be argued. Each of the constructs in the proposed model is described and the theoretical support for the hypothesized relationships is set forth.
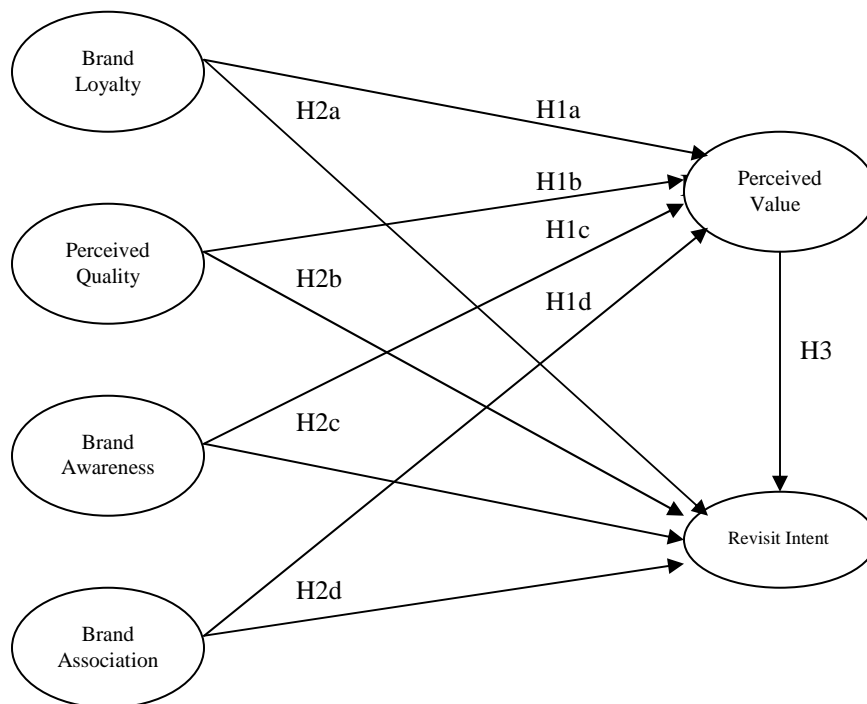

Figure 10. Conceptual Model of the Study

1) Brand equity dimensions

In the previous chapter, different perspectives of brand equity and their methodologies of measurement were discussed. In this paper, as method of measuring brand equity, four of the five dimensions of Aaker's brand equity (Aaker 1991) were adopted. Aaker (1991) mentioned that brand equity consists of brand loyalty, brand awareness, perceived quality, brand association and other proprietary brand assets such as patents, trademarks, and channel relationship. However, since the fifth components are not relevant to the consumer perception, only the first four components of brand equity were adopted for this study. Furthermore, how do each of these measured brand dimensions relate to perceived value, and how affect brand equity revisit intent will be examined.

Brand loyalty

Loyalty is a core dimension of brand equity. Aaker (1991) described brand loyalty as "the attachment that a customer has to brand"(p.65). A strong form of attachment refers to the resistance to change and the ability of a brand to withstand bad news. Brand loyalty can be seen as two types: attitudinal loyalty and behavioral loyalty. Gounaris et al. (2003) summarized these two types of brand loyalty in which behavioral loyalty refers to repeated purchase and attitudinal loyalty refers to a strong internal disposition towards a brand leading to repeated purchases. Oliver (1997) defined brand loyalty as the tendency to be loyal to focal brands as a primary choice. In this study, overall attitudinal loyalty to a specific hotel brand was measured as a dimension of brand equity and behavioral loyalty which in the hotel industry can be translated into revisit intent.

Perceived quality

Zeithmal (1988) defined perceived quality as the consumer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives. Aaker (1991) mentioned that perceived quality could be considered two different contexts which are product quality and service quality. While product quality consists of seven dimensions: performance, features, conformance with specifications, reliability, durability, serviceability, and fit and finish, service quality dimensions are tangibles, reliability, competence, responsiveness and empathy. Since

30

the hotel industry is one of the important service businesses, in this paper, the measurement of service quality model (SERVQUAL) developed by Parasuraman et al. (1988) was adopted.

Brand awareness

Brand awareness is "the ability for a buyer to recognize or recall that a brand is a member of certain product category" (Aaker 1991, p.61). Aaker (1996) refers to brand awareness as the strength of a brand's presence in the customer's mind. Brand awareness can be measured as a brand recognition or brand recall, otherwise both of them. In this study, Yoo and Donthu (2001)'s item scale which measures brand recognition was adopted.

Brand association

Aaker (1991) defines brand associations as "anything linked in memory to a brand" (p.109). This includes the strength, favorability, and uniqueness of perceived attributes and benefits for the brand. (Keller 1993). On the basis of this concept of brand association, Yoo and Donthu (2001) developed items for measuring brand association.

2) Perceived value, and revisit intent

Customer value is defined as "the consumer's overall assessment of the utility of a product based on the perceptions of what is received and what is given" (Zeitmaml, 1988, p.14). Sweeny et al (1999) interpreted this value as "the tradeoff of salient 'give' and 'get' components" (p.79). In the same study, they found the positive effect of perceived quality on perceived value.

Baldauf et al. (2003) examined the relationship between the three dimensions of brand equity (brand awareness, brand loyalty and perceived quality) and perceived value. They argued that loyal customers recognized the favorable benefit opportunity and customers who were familiar with products and logos were more willing to pay price premium. Therefore, they insisted that brand loyalty and brand awareness were positively related to perceived value. The following hypotheses were developed from this discussion.

Hypothesis1: The four dimensions of brand equity in the hotel industry will positively affect the perceived value

H1a: Brand loyalty will have a positive effect on customers' perceived value

H1b: Perceived quality will have a positive effect on a customers' perceived value

H1c: Brand awareness will have a positive effect on a customers' perceived value

Similarly, the impact of brand association on the perceived value needs to be tested.

H1d: Brand association will have a positive effect on a customers' perceived value

Washburn & Plank (2002) examined the relationship between different dimensions of brand equity including brand loyalty, perceived quality, brand awareness and brand association and repurchase intention. They found that the correlation between the dimensions of brand equity and repurchase intention is significant. In this study, repurchase intention was modified into revisit intention. The following hypotheses are tested.

Hypothesis2: The four dimensions of brand equity in the hotel industry will positively affect purchase intention

H2a: Brand loyalty will have a positive effect on customers' revisit intention

H2b: Perceived quality will have a positive effect on customers' revisit intention

H2c: Brand awareness will have a positive effect on customers' revisit intention

H2d: Brand association will have a positive effect on customers' revisit intention

Sweeny et al. (1999) insisted that perceived value affects behavioral intention. From here, the following hypothesis can be testes.

Hypothesis3: Perceived value will have a positive effect on revisit intent.

Research Design

1) Selection of Brands

An important criterion in selecting brand is the segmented market where several different brands compete with one anther. Midscale with F&B segment is selected for this study. According to Hotel investment Handbook (1997), there are 16 hotel brands in the midscale hotel with F&B segment, which have 4,725 properties throughout the USA. The top six brand of this segment which are Holiday Inn, Best Western, Ramada, Quality Inn and Four Points. Table 6 below is the list of the chosen hotel brands.

Table 6

Top six mid-priced Hotels in the US

Brand	# of Hotels	# of Rooms
Holiday Inn	1,015	191,094
Best Western	2,121	189,897
Ramada	664	101,219
Quality Inn	422	48,133
Howard Johnson	263	32,528
Four Points	92	18,098

2) Survey Instrument

The questionnaire consists of three sections. The first section lists the brands names which are circled by respondents. The second section provides specific statements for each dimension. The items for measuring brand loyalty, perceived quality, brand awareness and brand association followed by perceived value and revisit intent constitutes the second section. The demographic information is the final section of the questionnaire. The questionnaire has 31 total items. Brand loyalty, perceived quality, brand awareness and brand association are measured on a seven point Likert scale, with 1 for

"strongly disagree" and 7 for "strongly agree". Perceived value items are measured by a semantic scale. For example, the price shown for the hotel is "very unacceptable" for 1 and "very acceptable" for 7. Except perceived quality, all items were modified to a hotel context from the original format of other studies.

Parasuraman et al. (1988) developed the SERVQUAL model for measuring service quality in which all items were divided into five dimensions: tangibles, reliability, responsiveness, assurance and empathy. This study adopted Gabbie and O'Neil (1996)'s tool for measuring hotel service quality. In their study, the first four dimensions were assessed because according to Perran's study (1995), the empathy dimension of SERVQUAL was less important and even irrelevant in hotel service quality.

Brand loyalty is considered as perceptual/ attititudinal loyalty consisting of one of the components of brand equity. However, as Aaker mentioned (1991), brand loyalty is regarded as both one of the dimensions of brand equity and is affected by brand equity. Therefore, this behavioral loyalty can be used to estimate the consequences of brand equity.

Table 7

Questionnaire Composition

Dimensions	Supporting References	Items
Brand Loyalty	Yoo & Donthu (2001)	1 I consider myself to be loyal to the hotel 2. The hotel would be my first choice 3. I will not visit other brands if the hotel has no available room
Brand Awareness	Yoo et al (2000) Washbon & Plank (2002)	4. I know what the hotel's physical appearance looks like 5. I am aware of the hotel 6. I can recognize the hotel among other competing brands
Perceived Quality	Gabbie & O'Neill (1996) Knutson et al (1999)	*Tangibles*
		7. The physical facilities at the hotel are visually appealing 8. Staff at the hotel appears neat 9. Quality of food/beverage at the hotel satisfies you.

		Reliability
		10. When you have problems, the hotel shows a genuine interest in solving them 11. The hotel performs the service right the first time 12. The hotel insists on error free service
		Responsiveness
		13. Staff at the hotel is able to tell patrons exactly when services would be performed 14. Staff at the hotel is always willing to help you 15. Staff at the hotel gives prompt service to you
		Assurance
		16. Staff of the hotel is consistently courteous with you 17. The behavior of the staff at the hotel instills confidence in you 18. You feel safe in your transaction
Brand Association	Yoo et al (2000) Washbon & Plank (2002)	19. Some characteristics of the hotel come to my mind quickly 20. I can quickly recall the symbol or logo of the hotel 21. I have difficulty imagining the hotel in my mind
Customer Perceived Value	Dodds et al (1991)	22. The hotel is (1=very poor value for money-very good value for money 7) 23. The price shown for the hotel is (1=very unacceptable-very acceptable 7) 24. The hotel appears to be a bargain (1=strongly disagree-strongly agree 7)
Revisit Intention	Dodds at al (1991)	25. I plan to revisit the hotel 26. The probability that I would consider revisiting the hotel is high
Demographic Data		27. Gender 28. Age 29. Population 30. Education 31. Annual income

Sampling

      This study was a convenient sample using the self-administered questionnaire. The survey was conducted from May 10 to May 25 in 2004 at the Oklahoma City Airport in Oklahoma, USA. The respondents were approached by a researcher and asked first if they had the experience of

visiting one of the six mid-priced hotels in the USA. Then the questionnaires were distributed to only those who had visited one of the hotels.

Analysis

Structural equation modeling (SEM) was used to estimate the parameters of the structural model in Figure 1 and the LISREL 8 maximum likelihood method (Jöreskog & Sörbom, 1993) was employed for estimating the models. The proposed model was examined in three stages. First, the construct reliability of the items was assessed using the Cronbach alpha coefficient. A Confirmatory factor analysis was conducted to examine whether the individual items were loaded on their appropriate factors as intended. Second, the overall fit of the model to the data was tested. Lastly, the measurement and structural parameters were examined to determine if the data supported the proposed hypotheses. In addition to those processes, ANOVA was employed to compare of the four components brand equity value for the six mid-priced hotels.

IV. ANALYSES & RESULTS

Characteristics of the Sample

The sample consisted of 146 male respondents (52.5%) and 131 female respondents (47.1 %). 42.5% of the respondents were above age 46 followed by 25.5% between 18 - 25, 18.2% between 36-45, and 13.8% between 26-35. The sample included 76.2 % Caucasian which constitutes most respondents, followed by African American (8.3%), Hispanics (6.5%), Asian (6.1 %) and Native American (2.5%)). Concerning the annual income level, 39.6% responds made above $70,000, followed by 24.0% between $30,001 ~ $50,000, 17.6% between $50,001 ~ $70,000, 12.8% $10,001~$30,000 and 6% below $10,000. Education level was quite evenly distributed if compared to other characteristics of the sample. 28.8% of the respondents have some technical school or college degree, and 22.5% of respondents have a bachelor's degree followed by graduate degree (21.8%), high school or GED degree (18.7%) and associate degree (7.6%). 1.1% of respondents have no degree.

Measurement model

Two methods (Cronbach's reliability, and confirmatory factor analysis) were used to select and assess the final items that would be used for hypothesis testing

Measure reliability check. Cronbach's measure reliability coefficient was first calculated for the items of each construct. When it reached .70, the cutoff level of reliability recommended for theory testing research (Nunnally and Bernstein 1994), the items that did not significantly contribute to the reliability were eliminated for parsimony purpose. As a result, 21 items were retained for the six constructs: one of the brand loyalty items and one of the brand association items were removed. Thus, 2 items for brand loyalty, 12 for perceived quality, 3 for brand awareness, 2 for brand

association, 2 for revisit intention. In perceived quality items, the partial disaggregation approach was used, in which each item is treated as an individual indicator of the relevant factor. The partial disaggregation approach allows the researcher to combine items into composites to reduce random error, yet retain the multiple measure approach to structural equation modeling (Sweeny et al., 1999). Therefore, the four indicators which represented the four dimensions of perceived quality were extracted. Cronbach alpha of these four indicators were all acceptable levels.

Table 8

Demographic Characteristics of Respondents

Characteristics	Categories	n	%
Gender	Female	146	52.5
	Male	132	47.5
Age	18-25	70	25.5
	26-35	38	13.8
	36-45	50	18.2
	46 above	117	42.5
Ethnicity	Caucasian	212	76.6
	Native American/Eskimo	7	2.5
	Hispanic	18	6.5
	African American	23	8.3
	Asian	17	6.1
Education	None	3	1.1
	High school/GED	49	18.7
	Some technical school/College	74	28.2
	Associate degree	20	7.6
	Bachelor's degree	59	22.5
	Graduate degree	57	21.8
Income	Below $ 1,000	15	6.0
	$1,000-$30,000	32	12.8
	$30,001-$50,000	60	24.0
	$50,001-$70,000	44	17.6
	Above $70,000	99	39.6

Note; n=number of respondents

Confirmatory factor analysis. Confirmatory factor analysis was used to assess the items of the constructs more rigorously, based on the correlation matrix of the items by using LISREL 8.51 maximum likelihood method. A measurement model was set to have six factors (latent variables). The *t* values for the loadings ranged from 10.70 to 19.15, demonstrating adequate convergent validity

(*t*-value>2). The confirmatory factor analysis indicated a good fit (χ^2=209.67, df=89, RMSEA=0.07, GFI=0.90, NFI=0.93, CFI=0.96). In addition, the scale construct composite reliability was quite satisfactory. To assess internal consistency of each latent variable, composite construct reliability was measured. Since all constructs were greater than 0.70 which was an acceptable level of composite reliability (Formell and Larker, 1981), each construct has internal consistency. In order to examine discriminant validity, average variance extracted (AVE) per construct was calculated. It ranged from 0.61 to 0.77, exceeding the acceptable level of 0.50. However, the correlation between association and awareness was very high (0.88). The squared correlation (0.77) was greater than the average variance extracted and was equal for association and awareness (0.61, and 0.77). In summary, the selected items have reliability for the six research construct, but discriminant validity between brand awareness and association was not proven in this sample. (See table9 and 10).

Table 9

Reliability and Construct Validity

	Alpha	t-value	CCR	AVE
Brand Loyalty	.77		.80	67
Lo1		10.70		
Lo2		12.41		.
Perceived Quality	.93		.93	.77
PQ3		13.13		
PQ4		17.49		
PQ5		17.96		
PQ6		18.40		
Brand Awareness	.91		.91	.77
AW7		16.39		
AW8		16.93		
AW9		16.01		
Brand Association	.75		.76	.61
AS10		12.54		
AS11		13.57		
Customer Perceived Value	.86		.87	.69
PV12		16.07		
PV13		16.89		
PV14		12.03		
Revisit Intention	.92		.94	.88
RI15		17.76		
RI16		19.15		

Note: CCR: composite construct reliability,   AVE: average Variance extracted

χ^2=209.67, d.f. =89, RMSEA=0.07, GFI=0.90, NFI=0.93, CFI=0.96

Table 10

Construct Intercorrelations

Construct	1	2	3	4	5	6
1.Brand Loyalty	1					
2.Perceived Quality	.43	1				
3.Brand Awareness	.23	.59	1			
4.Brand Association	.28	.64	.88	1		
5.Perceived Value	.44	.68	.52	.58	1	
6.Revisit Intention	.51	.67	.67	.70	.77	1

Structural model

Structure equation modeling (SEM) was used to estimate the parameters of the structural model in Figure1 The structural model specified the four dimensions of brand equity as the exogenous constructs(brand loyalty ξ_1, perceived quality ξ_2, brand awareness ξ_3 and brand association ξ_4). The exogenous constructs were related to the endogenous mediating variable η_1 customer perceived value, which were related to revisit intention η_2, finally η_1 also was related to η_2.

Goodness-of–fit, indicating the overall acceptability of the structural model analyzed was acceptable (χ^2=209.67 with 89degree of freedom, RMSEA=.077, GFI=.90, NFI=.93, CFI=.96 and IFI=.96). The squared multiple correlation (R^2) for the perceived value construct is 0.52, indicating that nearly two thirds of the variance in the perceived value construct is explained by its four dimensions of brand equity. The revisit intent is 0.74.

Table11.

Standardized structural Path Estimates and Hypotheses test

Path	Coefficient (T-value)	Hypotheses	Indirect effect
			Revisit intent
Brand loyalty→perceived value(γ_{11})	.19(2.79)	Supported	.08(2.63)
Perceived quality→Perceived value(γ_{12})	.44(5.08)	Supported	.19(3.88)
Brand awareness→Perceived value(γ_{13})	-.00(-0.02)	Not supported	-.00(-0.02)
Brand association→Perceived value(γ_{14})	.25(1.22)	Not supported	.11(1.21)
Brand loyalty→ Revisit intent(γ_{21})	.19(3.70)	Supported	
Perceived quality→ Revisit intent(γ_{22})	.05(0.75)	Not supported	
Brand association→ Revisit intent(γ_{23})	.23(1.73)	Not supported	
Brand association→ Revisit intent(γ_{24})	.15(0.99)	Not supported	
Perceived value→Revisit intent(β_{21})	.44(6.23)	Supported	
χ^2	209.67		
d.f	89		
p	.000		
R^2			
Perceived value	.52		
Revisit Intent	.74		

Note:χ^2=209.67 with 89degree of freedom, Root Mean Square Error of Approximation (RMSEA=.077)
Goodness-of-Fit Index (GFI) =.90, Normal Fit Index (NFI) =.93, Comparative Fit Index (CFI) =.96
Incremental Fit Index (IFI) =.96

The p ($<.05$) values of the estimates for the hypothesis testing were determined in one-tailed *t* test. Because of the directional hypotheses, the rule of 1.65 *t* value was a critical value at the .05 significance level. Brand loyalty and perceived quality were the dominant antecedents of value perception (H1a: (γ_{11}=0.19 and H1b: (γ_{12}=0.44). However, in brand awareness and brand association ((γ_{13} and (γ_{14}), the coefficients were -0.00 and 0.25 respectively, which indicated that the hypothesis were not supported. The effect of dimensions of brand equity on perceived value is quite different from the expectations, excepting the brand loyalty. Perceived quality, brand awareness and brand association do not affect perceived value (H2b: (γ_{22}= 0.05, H2c: (γ_{23}=0.23, and H2d: (γ_{24}= 0.15). Only brand loyalty affected the revisit intent (H2d; (γ_{21}=0.19). However, the perceived quality influenced revisit intent only by via perceived value. As hypothesized, perceived value was positively related to revisit intent (H3: β_{21}=0.44).

41
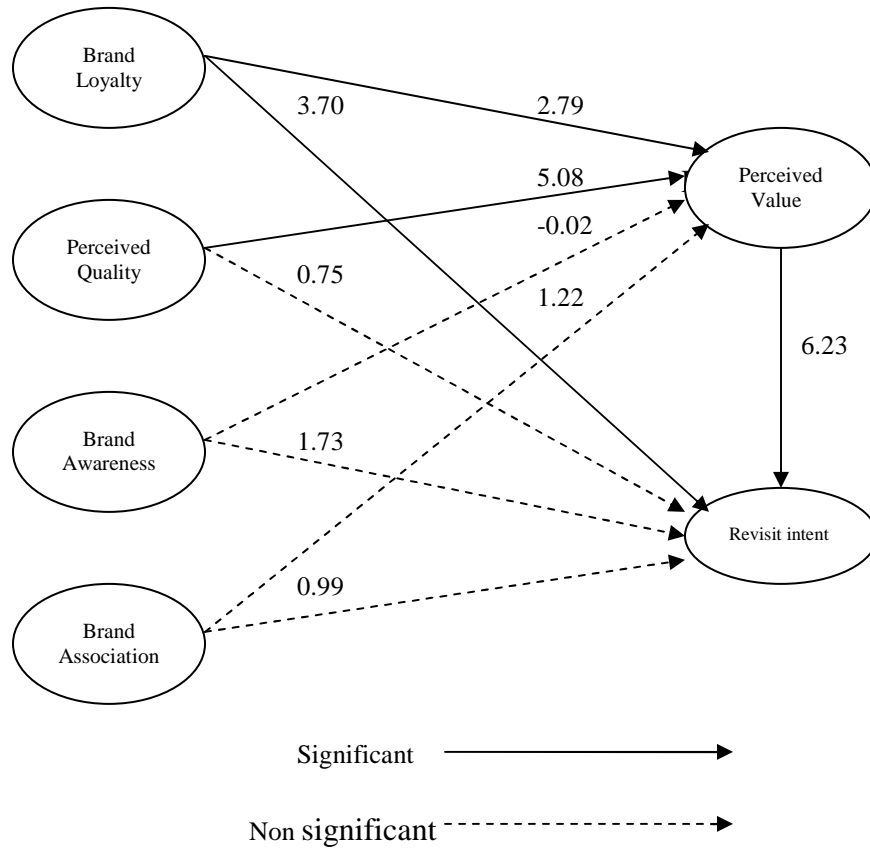
Figure 11. The result of the overall model of predictors of key relationship outcomes

Mean Difference of Brand Equity in the Measured Hotels

For comparing each dimension of brand equity, a one-way ANOVA was employed. Through all dimensions of brand equity, Four Points obtained the highest rates among other sample hotels. The sum of the four dimensions of brand equity in each hotel also shows that Four Points is the highest total brand equity ($\mu =23.21$).

Brand loyalty and perceived quality are significant among other hotels whereas brand awareness and brand association is not significant different. However, note that the sample size each measured hotel is extremely different (e.g. Sample size of Holiday Inn is over 110 while Howard Johnson is under 11) so the evaluation might not have been properly reflected.

The table below shows the summary of the result.

Table 12

Mean Differences of Dimensions of Brand Equity

	Brand Loyalty[1]	Brand Awareness	Perceived Quality	Brand Association	**Total**
Holiday Inn	3.70[1] (n=117)	5.40 (n=118)	4.83 (n=108)	4.97 (n=116)	18.90
Best Western	3.42 (n=67)	5.27 (n=71)	4.91 (n=63)	5.08 (n=71)	18.68
Ramada	3.30 (n=27)	5.20 (n=28)	4.90 (n=27)	5.11 (n=28)	18.51
Quality Inn	3.03 (n=30)	5.17 (n=31)	4.83 (n=31)	4.83 (n=30)	17.86
Howard Johnson	3.19 (n=8)	5.00 (n=8)	5.08 (n=7)	4.75 (n=8)	18.02
Four Points	5.30 (n=10)	5.90 (n=11)	5.96 (n=11)	6.05 (n=11)	23.21
F-value	4.221*	0.918	2.581*	0.608	

[1] Note: Mean value of responses from respondents   * Significant at the 0.05 level.

Demographic Impact on Consequences of Brand Equity

By using one-way ANOVA, demographic characteristics influencing perceived value and revisit intent were examined. Males and females have different perspectives of perceived value and revisit intent. Other demographic categories including age, education, income and ethnicity are not different in the consequences of brand equity.

V. CONCLUSION

Research Summary & Implication

  The main purpose of this study is to measure Aaker's four dimensions of brand equity which are brand loyalty, perceived quality, brand association and brand awareness in the six mid priced hotel industries. All sampled hotels, brand loyalty obtained the lowest score among the four components (See table 11). This shows how difficult it is for a hotel to gain or maintain loyal customers. Therefore, in order to court people, managers should learn more about these customers and adapt a loyalty program to suit the customers' tastes and needs.

  How this brand equity could affect the customers' perceived value and revisit intention, which were related to profitability or market share in the hotel, was examined. While brand loyalty and perceived quality positively affected the perceived value, brand association and brand awareness did not have any impact on the perceived value. Perceived value is defined by "consumer's overall assessment of the utility of a product based on the perceptions of what is received and what is given". This concept is based on the actual brand experience of customers. Brand loyalty and perceived quality are the dimensions that are evaluated only by people who have experience with a hotel. On the contrary, brand awareness and brand association which are measured by recognition and recall of a hotel's logo or physical appearance could occur in people's mind without any experience with specific brands. Namely, its symbol or physical appearance cannot be the criteria for appreciating a hotel's perceived value. In revisit intention, except brand loyalty, the three components of brand equity do not influence revisit intention. This result represents that awareness and association, which are mainly related to memory function of customer affected by external environment such as advertising, do not cause revisit intention in customers' minds. The finding that perceived quality does not affect revisit intention is an unexpected result because hotel guests experiencing quality products and services in a hotel are more likely to show their potential intent to come again the same hotel. However, the perceived quality has an indirect effect on revisit intention via perceived value. Even if perceived quality and revisit intention do not relate to each other significantly, perceived

value which is a moderator of the two, has an impact on the relationship between perceived quality and revisit intention. Therefore, a hotel that consistently offers quality services with reasonable price will be able to retain high customer value, which in turn results in favorable revisit intent. Finally, as expected, the perceived value significantly affects revisit intent. This shows that customers are sensitive to the money they spend. If they feel that a hotel has a good value for the money or price including the room rate and other fees for using the facilities at the hotel are reasonable to pay, customers will gladly stay again at the hotel.

The comparison of the mean value of each hotels brand equity dimensions shows that brand loyalty and perceived quality are significantly different, whereas brand awareness and brand association is not different among other hotels. This result proves that in the hotel industry where human factors are highly interacted, experiential knowledge of customers is more important over any other superficial images. It is also noteworthy to recognize that even if brand loyalty attained the lowest score among the dimensions, perceptions of brand loyalty among the same level of hotels were significant. This may indicate that brand loyalty is the most important dimensions of brand equity but it is difficult to mange. Therefore, mangers should focus on improving loyalty programs to maintain high brand equity, so that they can earn advantages over other competing hotels.

Interestingly, perceived value and revisit intent are different among gender. This indicates that managers should take different tastes of males and females into consideration when establishing a marketing strategy.

It is highly unlikely for measuring a customer's mind set of brand equity to satisfy a hotel's whole brand equity including financial aspect. However, as many researchers (Keller and Lehmann 2003, Ambler 2002, Cobbe-Walgren 1995, and Farquhar, 1989) insisted, understanding the customers' mind should be the first criteria for evaluating brand equity because brand equity is the result from the customers' activity.

Limitations & Suggestions

There is a basic disadvantage of the study of measuring the four dimensions of brand equity. Like Ailawadi et al. (2003) mentioned, measurements based on a consumer survey cannot provide "single, simple objective of brand performance". Even if the measures are grounded in theory, it is difficult to track the brand's health compared with that of competitors over time and to assign a financial value to the brand in balance sheets and financial transactions. Kiley (1998) and Shultz

45

(1997) argued that the dollar-value connection to the bottom line is essential for validation of brand equity.

In this study, a convenient sample was employed so it could not be representative of the target population. One could argue that the overall sample is not the primary target for the brands. Whether respondents have the necessary information is another limitation of this study. Even if the questionnaire was distributed to people who already have experience with the brands, their responses were based on their vague memories of experiences. Especially in perceived quality items, it might be difficult for them to recall the service they received.

There is a big gap in the sample size of the six mid-priced hotels. Due to this, the comparison of evaluation cannot be meaningful. However, this is the natural result when considering this study used a convenient sampling. Regarding in proportion the number of the rooms nationwide, Four Points has 18,098, while Holiday Inn has 191, 094 which is ten times more than Four Points, the number of respondents could also be the same portion of the number of rooms (Holiday Inn 115, Four Points 10). Yet, because comparing the brand equity of each hotel does not have anything to do with the proportion of the number of rooms to the number of respondents who visited the hotels, an optimistic comparison of each hotel should be in the same sample size. For doing that, it could be recommended that researchers visit each property of hotel and gather the same number of responds from each hotel.

REFERENCES

Aaker, D.A. (1991). *Managing Brand Equity.* New York, The Free Press.

Aaker, D.A. (1992). Managing the most important asset; Brand Equity. *Planning Review, 20*(5), 56-58.

Aaker, D.A (1996). Measuring brand equity across products and markets. *California Management Review, 38*(3), 102-122.

Agawal, M.K and Rao, V.R. (1996). An empirical comparison of consumer-based measures of brand equity. *Marketing Letters, 7*(3), 237-247.

Ambler, T., Bhattacharya, C.B., Edell, J., Keller, K.L., Lemon, K.N. & Mittal, V. (2002). Relating brand and customer perspectives on marketing management. *Journal of Service Research,(5)*1., 13-25.

Ambler, T., & Styles, C. (1997)*.* Brand development versus new product development: towards a process model of extension decisions. *The Journal of Product and Brand Management, 6*(1), 13-20.

Ailawadi, K., Lehmann, D.R., & Neslin, S.A. (2001). Marketing Response to a Major Policy Change in the marketing Mix: Learning from P&G's Value Pricing Strategy. *Journal of Marketing, 65*(January), 44-61.

Baldauf, A., Cravens, K.S., & Binder, G. (2003). Performance consequences of brand equity management: evidence from organization in the value chain. *Journal of Product & Brand Management, 12*(4), 220-236.

Barwise, P. (1993). "Brand Equity: Snark or Boojum?". *International Journal of Research Marketing*, 10, 93-104.

Berry, L.L. (2002). Cultivating Service Brand Equity. *Academy of Marketing Science. Journal, 28* (1), 128-137.

Blackston, M. (1995). The Qualitative Dimension of Brand Equity. *Journal of Advertising Research*, *35*(4), RC2-RC7.

Capon, N., Berthin, J.P., Hulbert, J., & Pitt, L. (2001). Brand custodianship: A New Primer for Senior Managers. *European Management Journal, 19*(3), 215-227.

Cheratony, L, & Segal-Horn, S. (2001). Building on Services' Characteristics to Develop Successful Services Brands. Journal of Marketing Management, 17, 645-669.

Cobb,W.C., Rubble, C., & Donthu, N.(1995). Brand equity, brand preference, and purchase intent. *Journal of Advertising, 24*(3), 25-40.

Dyson, P., Farr, A., & Hollis, N.S. (1996). Understanding, measuring and using brand equity. *Journal of Advertising Research, 36*(60), 9-21.

Dodds, W.B., Monroe, K.B, & Grewal, D. (1991).Effects of Price, Brand, and Store Information on Buyers' Product Evaluation. *Journal of Marketing Research, 28* (August), 307-19.

Erdem, T., Swait, J. (1998). Brand equity as a Signaling Phenomenon. *Journal of Consumer Psychology, 7*(2), 131-157.

Farquhar, P.H. (1989). Managing Brand Equity. *Marketing Research, September,* 24-33.

Fornell C, Larker DF. (1981). Evaluating structural equation models with unobservable variables and measurement error. Journal of Marketing Research, 39-50.

Francois, P. & D. MacLahlan. (1995). Ecological Validation of Alternative Customer-Based Brand Strength Measures. *International Journal of Research in Marketing, 12*(4), 321-332.

Gabbie, O., & Martin, O'Neil, M.A (1996). SEVQUAL and the northern Ireland hotel sector: a comparative analysis-part 1. *Managing Service Quality, 6(*6), 25-34.

Gerbing, David W., & Anderson, James C. (1988). An Updated Paradigm for Scale Development Incorporating Unidimensionality and Its Assessment. *Journal of Marketing Research.* 25, 186-192.

Gounaris, S., & Stathakopoulos, V. (2004). Antecedents and consequences of brand loyalty: An empirical study. *Journal of brand Management, 11*(4), 283-306.

Haigh.D. (1999). Understanding the Financial Value of Brands. A report prepared for and published in conjunction with the European Association of Advertising Agencies.

Hoeffler, S., & Keller, K.L. (2002). Building Brand Equity through Corporate Societal Marketing. *Journal of Public Policy & Marketing, 21*(1), 78-89.

Jöreskog KG., Sörbom, D. (1993). *LISREL 8.02.* Chicago: Scientific Software International

Kamakura, W.A., & Russel, G.J.(1993). Measuring brand value with scanner data. *International Journal of Research in Marketing, 10*(1), 9-22.

Kapferer, J. (1992). *Strategic Brand Management*, New York, The Free Press.

Keller, K.L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing, 57*(1), 1-22.

Keller, K.L. (1998*). Strategic Brand Management: Building, Measuring, and managing brand equity*. Prentice Hall, Upper Saddle River, NJ.

Kim, H.B., Kim, W.G., & An, J.A (2003). The effect of consumer-based brand equity on firms' financial performance. *Journal of Consumer Marketing. 20*(4), 335-351.

Krishnan, B.C (1996). Characteristics of memory associations: A consumer-based brand equity perspective. *International Journal of Research in Marketing,* 13, 389-405.

Krishnan, B.C., & Harline, M.D.(2001). Brand equity: is it more important in services? *The Journal of Services Marketing, 15* (4/5), 328-341.

Lassar, W., Mittal, B., & Sharma, A. (1995). Measuring customer-based brand equity. *Journal of Consumer Marketing, 12* (4), 11-19.

Leuthesser, L., Kohli, C.S., & Harich, K.R.(1995). Brand equity: The Halo Effect Measure. *European Journal of Marketing, 29*(4), 57-66.

Mackay, M.(2001). Evaluation of Brand Equity Measures: Further Empirical Results. *Journal of Product & Brand Management, 10*(1), 38-51.

Mahajan, V., Rao, V., Srivastava, R. (1994). An approach to assess the importance of brand equity in acquisition decisions. *Journal of Product Innovation Management, 11*,(3), 221-235.

Motameni, R., Shahrokhi, M. (1998). Brand equity valuation: a global perspective. *The Journal of Product and Brand Management, 7(*4), 275-290.

Mortanges. C.P., & Riel, A. (2003). Brand equity and Shareholder Value. *European Management Journal, 21* (4), 521-527.

Muller, C.C. (1998). Endorsed Branding. *Cornell Hotel and Restaurant Administration Quarterly, 39*(8), 90-96.

Netemeyer, R.G.et al. (2004). Developing and validating measures of facets of customer-based brand equity. *Journal of business Research, 57*(2), 209-224.

O'Cass, A., & Grace, D. (2004). Exploring consumer experiences with a service brand. *Journal of Product & Brand Management, 13*(4), 257-268.

Olivier, R. L. (1997), *Satisfaction: A Behavioral Perspective on the Consumer*, New York: McGraw-Hill.

Ourusoff, A. (1993, August).Who said brands are dead? *Brandweek, 34*(32), 20-33.

Parasuraman, A., Zeithml, V. A., and Berry, L. (1988). SERVQUAL: A Multiple -Item Scale for Measuring Customer Perceptions of Service Quality. *Journal of Retailing*, 64(Spring), pp. 12-37.

Park,C.S., & Srinivasan, N.(1994). A Survey-Based Method for measuring and Understanding Brand Equity and its Extendibility. *Journal of Marketing Research, 31*(2), 272-288.

Prasad, K., Dev, C.S. (2000). Managing Hotel Brand Equity. *Cornell Hotel and Restaurant Administration Quarterly, 41*(3), 22-31.

Riel, A.C.R., Lemmink, J., & Ousersloot, H. (2001, February). Consumer evaluations of Service Brand Extension. *Journal of Service Research, 41*(3), 220-231.

Simon, C.J., & Sullivan, M.W. (1993). The measurement and determinants of brand equity: a financial approach. *Marketing Science. 12*(1), 28-52.

Sheridan, M. (1999, January). Oh, what a thrilling ride! *National Real Estate Investor, 41*(1), 11-14.

Stephen Rushmore et al. (2002). *Hotel Investment Handbook*. New York, West Group.

Sweeney, J.C, Soutar, G.N, & Johnson, L.W. (1999). The Role of perceived Risk in the Quality-Value Relationship: A Study in a Retail Environment. *Journal of Retailing, 75*(1), 77-105.

Vazquez, R.,Del Rio, A.B., & Iglesias, V. (2002). Consumer-based Brand Equity: *Development and Validation of a Measurement Instrument. Journal of Marketing Management, 18* (1/2), 27-48.

Yoo, B., Donthu, N., & Lee, Sungho.(2000). An Examination of Selected Marketing Mix Elements and Brand Equity. *Academy of Marketing Science. Journal, 28*(2), 195-211.

Yoo, B., & Donthu, N. (2001). Developing and validating multidimensional consumer-based brand equity scale. *Journal of Business Research, 52*(1), 1-14.

Washburn, J.H., Plank, R.E. (2002). Measuring brand equity: An evaluation of a consumer-based brand equity scale. *Journal of Marketing Theory and Practice, 10*(1), 46-62.

Zeithaml, V. A. (1988). Consumer Perception of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing*, 52(3), 2-22.

APPENDIXES A - IRB Approval

Oklahoma State University
Institutional Review Board

Protocol Expires: 4/26/2005

Date: Tuesday, April 27, 2004   IRB Application No   HE0462

Proposal Title: Measuring Customer-Based Brand Equity in the Hotel Industry

Principal
Investigator(s):

Bongran Jin Sun   Woo Gon Kim
105 North University Place, #2   210 HES
Stillwater, OK 74075   Stillwater, OK 74078

Reviewed and
Processed as: Exempt

Approval Status Recommended by Reviewer(s): Approved

Dear PI :

Your IRB application referenced above has been approved for one calendar year. Please make note of the expiration date indicated above. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45 CFR 46.

As Principal Investigator, it is your responsibility to do the following:

1. Conduct this study exactly as it has been approved. Any modifications to the research protocol must be submitted with the appropriate signatures for IRB approval.
2. Submit a request for continuation if the study extends beyond the approval period of one calendar year. This continuation must receive IRB review and approval before the research can continue.
3. Report any adverse events to the IRB Chair promptly. Adverse events are those which are unanticipated and impact the subjects during the course of this research; and
4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact me in 415 Whitehurst (phone: 405-744-5700, colson@okstate.edu).

Sincerely,

Carol Olson, Chair
Institutional Review Board

APPENDIXES B - Cover Letter

Measuring Customer-based Brand Equity in the Hotel Industry

Dear all

My name is Bongran Jin Sun. I am a Master Candidate at School of Hotel and Restaurant Administration at the Oklahoma State University. I am writing to you to ask for your participation in a research I am conducting.

The purpose of this study is to investigate a probability of measuring customer-based brand equity in hotel industry and to explore the effect of measured brand equity on value to the customers.

I kindly ask you to take 5 to 10 minutes of your valuable time to complete this survey. There is no correct answer; and the survey results will be used only for statistical data, not for any other reason. Your response is completely **voluntary** and will be kept strictly **confidential**. Hence, I would like to ask you to fill out the survey form sincerely and honestly. Your input is extremely important to the outcome of this study; as the results will be valuable to both the academic and industry sector of hospitality management.

I like to take this opportunity to thank you in advance for your time and effort for assisting me with this project. Should you require any assistance in completing this survey, please contact me at 405-332-0570 or email your questions to **bongrans@yahoo.com**. For information on subjects rights, contact Dr. Carol Olson, IRB Chair, 415 Whitehurst Hall, 405-744-1676.

Sincerely,
Bongran Jin Sun,
Master Candidate
Hotel and Restaurant Administration
Oklahoma State University

APPENDIXES B - Survey Questionnaire

I. Please mark one hotel that you have visited most often.

① Holiday Inn,   ② Best Western,   ③Ramada,

④ Howard Johnson,   ⑤ Four Points,   ⑥ Quality Inn

II. The following questions (1-28) are designed to evaluate brand equity. Please choose and mark (V) a round number at each question related to your marked hotel above.

Example

① ② ③√④ ⑤ ⑥ ⑦

1. Brand loyalty.

No.	Questions	Strongly disagree						Strongly agree
1	I consider myself to be loyal to the hotel	①	②	③	④	⑤	⑥	⑦
2	The hotel would be my first choice	①	②	③	④	⑤	⑥	⑦
3	I will not visit other brands if the hotel has no room for available	①	②	③	④	⑤	⑥	⑦

2. Perceived quality

No.	Questions	Strongly disagree						Strongly agree
4	The physical facilities at the hotel are visually appealing	①	②	③	④	⑤	⑥	⑦
5	Staff at the hotel appears neat	①	②	③	④	⑤	⑥	⑦
6	Quality of food /beverage at the hotel satisfies you.	①	②	③	④	⑤	⑥	⑦
7	When you have problems, the hotel shows a genuine interest in solving them	①	②	③	④	⑤	⑥	⑦
8	The hotel performs the service right the first time	①	②	③	④	⑤	⑥	⑦
9	The hotel insists on error free service	①	②	③	④	⑤	⑥	⑦
10	Staff at the hotel is able to tell patrons exactly when services would be performed	①	②	③	④	⑤	⑥	⑦
11	Staff at the hotel is always willing to help you.	①	②	③	④	⑤	⑥	⑦
12	Staff at the hotel gives prompt service to you.	①	②	③	④	⑤	⑥	⑦
13	Staff of the hotel is consistently courteous with you.	①	②	③	④	⑤	⑥	⑦
14	The behavior of staff at the hotel insists confidence in you.	①	②	③	④	⑤	⑥	⑦
15	You feel safe in your transaction	①	②	③	④	⑤	⑥	⑦

3. Brand awareness

No.	Questions	Strongly disagree Strongly agree
16	I know what the hotel's physical appearance looks like	① ② ③ ④ ⑤ ⑥ ⑦
17	I am aware of the hotel	① ② ③ ④ ⑤ ⑥ ⑦
18	I can recognize the hotel among other competing brands	① ② ③ ④ ⑤ ⑥ ⑦

4. Brand associations

No.	Questions	Strongly disagree Strongly agree
19	Some characteristics of the hotel come to my mind quickly	① ② ③ ④ ⑤ ⑥ ⑦
20	I can quickly recall the symbol or logo of the hotel	① ② ③ ④ ⑤ ⑥ ⑦
21	I have difficulty in imagining the hotel in my mind	① ② ③ ④ ⑤ ⑥ ⑦

5. Perceived value.

No.	Questions	
22	The hotel is	Very poor value for money ① ② ③ ④ ⑤ ⑥ ⑦ Very good value for money
23	The price shown for the hotel is	Very unacceptable ① ② ③ ④ ⑤ ⑥ ⑦ Very acceptable
24	The hotel appears to be a bargain	Strongly disagree ① ② ③ ④ ⑤ ⑥ ⑦ Strongly agree

6. Revisit intention

No.	Questions	Strongly disagree Strongly agree
25	I plan to revisit the hotel	① ② ③ ④ ⑤ ⑥ ⑦
26	The probability that I would consider revisit the hotel is high	① ② ③ ④ ⑤ ⑥ ⑦

7. Word -of - mouth

No.	Questions	Strongly disagree Strongly agree
27	I want to tell other people about positive things of the hotel	① ② ③ ④ ⑤ ⑥ ⑦
28	I want to recommend the hotel to my friends and relatives.	① ② ③ ④ ⑤ ⑥ ⑦

III. The following questions purport to obtain the demographic data. Please choose and mark (V) a round number at each question. The information below is strictly confidential and will only be used for research purpose.

1. Gender   ① Male   ② Female

2. Please indicate you age range   ① 18-25   ②26-35   ③36-45   ④46 or above

3. Please indicate ethnicity category   ① Caucasian/White
                                              ②   Native American/Eskimo
                                              ③ Hispanic
                                              ④ Black or African American
                                              ⑤ Asian/Pacific Islander

]

4. Please indicate your level of education   ① None
                                                   ② High School Diploma or GED
                                                   ③ Some technical school or college
                                                   ④ Associates degree
                                                   ⑤ Bachelor's degree
                                                   ⑥ Graduate degree

5. What is your household income range   ① < $9,999
                                               ② $10,000 - $29,999
                                               ③ $30,000 - $49,999
                                               ④ $50,000 - $69,999
                                               ⑤ >$70,000

Thank you for your cooperation!!

VITA

Bongran Jin Sun

Candidate for the Degree of

Master of Science

Thesis: BRAND EQUITY, PERCEIVED VALUE AND REVISIT INTENTION
IN THE US MID-PRICED HOTEL SEGMENT

Major Field: Hotel and Restaurant Administration

Biographical:

Personal Data: Born in Seoul, Korea, on January 9, 1972, the daughter of Byoungmoon
Sun, and Yangja Lim

Education: Graduated from Sookmyong Girl's High School, Seoul, Korea, February
1990: Received Bachelor of Art degree in German Language and
Literature from Ewha Women's University, Seoul, Korea, February,
1996. Completed the requirements for the Master of Science degree
with a major Hotel and Restaurant Administration at Oklahoma State
University, December, 2004.

Experience: Employed by Seoul Art Center as planner of art exhibition for two years
(1998-1999): private tutor of German grammar for four years (1996-
1999):Internship at Samsung Everland in Human develop department.
(2004)

ABSTRACT

Scope and Method of Study: The purpose of this study was to examine hotels' brand equity by measuring Aakers four dimensions including brand loyalty, perceived quality, brand awareness and brand association, and to investigate the relationships brand equity and customer perceived value and revisit intention. Another purpose of this study was to compare each hotel's brand equity dimensions. In order to measure hotel brand equity, top six mid-priced hotels in US were selected. This study was a convenient sample using the self-administered questionnaire. The survey was conducted from May 10 to May 25 in 2004 at Oklahoma City airport in Oklahoma, USA. Lisrel 8.51 was used for estimating structure equation model of this study.

Finding and Conclusion: While brand loyalty and perceived quality were positively related to perceived value, brand awareness and brand association were not significantly related to perceived value. In revisit intention, only brand loyalty affected revisit intention, whereas other dimensions were not related to revisit intention. However, perceived quality had indirectly effect on revisit intention via perceived value. Perceived value influenced revisit intention. When compared each hotels brand equity dimensions, brand loyalty and perceived quality were significant different, yet brand awareness and brand association were not different among other hotels.