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THE EFFECT OF BRAND EXTENSION IN HOTEL CHAINS ON CUSTOMERS' BUYING DECISIONS AND LOYALTY

Bachelor's thesis

Tourism and Catering Management

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Abstract

Most major hotel brands nowadays have at least one extension whose name is associated with the name of the family brand to demonstrate the connection between the new extension and the main brand. This paper has investigated how brand extension in hotel chains affect customer loyalty and buying decisions. Qualitative content analysis of scientific literature and research articles was used to map the main aspects. Also, how hotel chains build and maintain trust in brand extension were investigated. Author used qualitative content analysis to understand the phenomena and do the analysis of interconnections and processes between these phenomena. The findings about the affect on purchase decision were divided by the author into positive and negative The main themes identified influencing brand loyalty were Brand Equity, Brand Image, Brand Awareness, Brand Personality, Customer Engagement, Demographic Characteristics. These themes were later used for the evaluation of Accor Group as a brand and how effective are the strategies they use to gain customers' trust and make them loyal. Accor Group promotional materials, annual performance documents and other related materials were used to find matching aspects in their strategies and marketing documents as compared to important brand loyalty aspects found in content analysis.

The findings indicate that customer perceptions of brand values and image are created by the experiences and therefore influenced by emotions. These components affect introduction of an extension and how it will be met by customers. The emotional attachment towards the brand is considered to be the key of the success of extension. Individual hotels should work towards reducing customers' as well as employees' negative emotions to improve brand equity. Although multiple studies suggest no more than three extensions with set standards to avoid brand dilution, it can be observed that big brands do not follow this strategy. Accor Group has three extensions, which are divided into budget, middle and luxury brands. Keeping brand promise across all those extensions shows that brand can remain true to its' concept and provide positive opportunities for brand loyalty to its' customers.

The matrix compiled and used by the author in this study could be used to make evaluation of other hotel chain brands.

Key words: customer hotel brand loyalty, hotel brand extension, Accor Group, brand trust, purchase decision

Introduction

Brand extension is a popular marketing tool for launching new products and services. Currently, in the global hotel industry are common globalization and integration processes. This appears in the creation of large corporations and hotel chains. The combination of accommodation facilities in hotel chains is today the most common form of hotel management in the world (Venerovich & Semyonovna, 2012). Using established brand names can save cost to introduce a new product and reduce risk of new product failure. In the hotel industry, according to Jiang et al. (2002), since the 1970s optimization of a brand strength through category and line extensions has been used. Most major hotel brands nowadays have at least one extension whose name is associated with the name of the family brand to demonstrate the connection between the new extension and the main brand. (Mahasuweerachai & Qu, 2014).

One of the advantages of well-known brands is that over time consumers form expectations about the performance of the brand and hence create certain associations with the brand. The reason why firms introduce brand extensions to the market instead of creating a new brand rests highly on this fact. When a brand extension is introduced to the market, if there is a strong fit between the extension and the parent brand regarding product category or associations, it is considered to be easily accepted by consumers. (Mahasuweerachai & Qu, 2014).

According to Bailey and Ball (2006) the brand, which has unique features in the hotel industry with its distinctive characteristics that are typical only for this group of hotels, is differentiating the hotel chain from its competitors. „The strong brand by itself is considered the best competitive advantage for hotel chains" (Ivanov., Ivanova, & Magnini, 2016, p.13).

Especially for the hotel business as a service sector, branding is considered an important tool to reduce the risk for customers and ensure their loyalty. As stated by Ivanov, Ivanova and Magnini (2016) clients start to recognize the brand easier by associating the brand with certain characteristics of the product. From the clients' perspective, their awareness and knowledge of the brand allow them to have a deliberate choice and stick to the particular hotel chain brand.

In addition to the brand name, similar products, service technologies and themes also contribute to the formation of the image of the hotel chain and the creation of certain associations in the minds of customers. (Ivanov, Ivanova & Magnini, 2016). Therefore, negative experiences and

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unfulfilled expectations in any hotel of the chain could negatively affect customers loyalty in relation to hotel chain brand. However, as service companies, hotel chains cannot provide a completely identical product in all their hotels - the nature of the services does not allow for perfect duplication and reproduction. (Ivanov, Ivanova & Magnini, 2016). This fact can serve both in favor and vice versa, depending on the purpose, the brand has.

More recently, the customer experience is usually conceptualised as holistic in nature and as involving the customer's cognitive, affective, emotional, social, and sensory responses to the firm. In other words, the customer experience is seen as a journey where the service encounters are viewed as interactions embedded in a series of exchanges that may extend over a long period of time, with a variety of providers contributing to the experience. (Ivanov, Ivanova, & Magnini, 2016, p.240). As stated by the authors this affects customer experiences related to individual hotel beyond the individual hotel properties incorporating experiences from related hotels as well.   The image of the brand can be influenced by the brand extension strategies.

 The aim of this thesis is to explore how brand extension in hotel chains affect customer loyalty and buying decisions.

As a support of examining this research problem Author proposed next questions:

1. How does expanding the hotel chain brand influence customer purchasing decisions?

2. Which factors of hotel chain brand are most important to customers when making a purchase decision?

3. How do hotel chains build and maintain trust in brand extension?

Qualitative content analysis as a research method is used for this thesis. The main sources for the information were found using external information sources - scientific journals, Scientific databases such as Emerald Insight, Taylor & Francis, Emerald Publishing Limited, Sage Journals Online, Cornell University School of Hotel Administration articles and Dawsonera e-book platform.

The thesis consists of two parts. The first theoretical part is devoted to overview of literature regarding the problem under examination and supported by sources which provide the theoretical framework to address expansion of the hotel chain. The first chapter introduces the concept of hotel chains. The first section of Chapter One outlines brand extension in the lodging industry

and highlights its benefits and challenges. The second chapter focuses on brand loyalty in the hotel chain industry. The third chapter provides overview on the previous studies done about the hotel chain brand extension.

The second part outlines methodological aspects of the study. Chapter one explains research methodology and provides research strategy overview. Chapter two focuses on three main research questions which support the aim of this thesis and provides detailed analysis of material addressing them. Chapter three presents the main findings and evaluates Accor Group brand extension strategies based on main themes identified through qualitative content analysis about band loyalty. Limitations of the study, followed by the conclusion, summary in Estonian, reference list and attachments are also part of this thesis.

1. Hotel chain extensions

1.1 Definition of hotel chains

Terms hotel chain and branding are very closely related. Authors of the "*The Routledge Handbook of Hotel Chain Management*" book (Ivanov,, Ivanova, & Magnini, 2016) describe both terms and show connection between them. In order to have a clear understanding of what a hotel chain is, it is important to have an overview of the term "branding".

According to Keller and Lehmann, who did research about Brands and Branding in 2006 – *„branding has been a major marketing tool in the last decade, as it has been considered one of the most valuable intangible assets a firm possesses"* (Ivanov, Ivanova, & Magnini, 2016).

Several definitions exist for a brand. Kotler defined a brand as *"name, term, sign, or combination of them intended to identify the goods and services of one seller or group of sellers and/or differentiate them from those of the competition"* (Ivanov, S., Ivanova, M. and Magnini, V. 2016, p. 221)

Aaker's definition of a brand has been accepted widely. He defined the function of a brand as *"to identify the goods or services whether of one seller or a group of sellers and to differentiate those goods or services from those of competitors"* (Ivanov, Ivanova, and Magnini, 2016, p. 221)

Further, *"a brand for a new product is shaped by creating a new name, logo, or symbol and as a result of this it receives 'awareness, reputation, and prominence in the marketplace"* states Keller (as cited in Ivanov, Ivanova, & Magnini, 2016, p. 221)

Branding research has been applied to the broad area of services. Keller (as cited in Ivanov, Ivanova, & Magnini, 2016, p. 221) Although the concept of branding has been defined in the area of products and services, there has been a lack of consistent comprehension by hospitality executives and academics of the concept of a brand (Olsen, Chung, Graf, Lee, and Madanoglu, 2005).

Olsen, Chung, Graf, Lee, and Madanoglu (2005) conclude that the brand concept topic is too complex to be defined by one specific discipline. The literature on branding is still lacking scientific researches in order to understand the construct of the brand.

Branding is considered an important tool for the hotel industry. Brands are becoming more easily recognizable by customers, taking certain position in their mind through specific characteristics they are associated with.

„Nowadays hotel branding is directed more at ensuring experience for the customers, rather than focusing on commoditization of the product" (Ivanov, Ivanova, & Magnini, 2016, p. 14).

Even the brand has its standards and values, it cannot provide in the lodging industry fully identical products. All of the hotels include important component as human involvement in the hotel processes. As hotel is part of a service industry, it depends on the main factors such as personal interaction and guest response, it is not possible to have similar outcomes in every service aspect. In order to predict and control standardization of services, Ivanov, Ivanova and Magnini (2016) suggest that, the hotel companies should adopt a system of common rules and regulations. These are some of the challenges hotel chains are facing. The challenges as well benefits of hotel chain extension will be discussed in more detail in subsection 1.1.1.

Hotel chains have presented the idea of standardisation and have become representations of its implementation. Standardisation has guidelines and operation guide, where they used as a reasonable information and also as a tool for differentiation from the other lodging facilities. The hotel chain brands put a lot of efforts to make their products more personalized following the newest trends. Geographical expansion is another component of the definitions of brand extensions. (Ivanov, S., Ivanova, M. and Magnini, V. 2016, p. 14).

Brand extension is used among recognized companies as a strategy to strengthen brand equity, reduce advertising costs and boundaries to entry the new product category (Ivanov, S., Ivanova, M. and Magnini, V. 2016, p. 223). However, as mentioned earlier, brand extension is stated differently by different academic researchers (Müge Arslan, F. and Korkut Altuna, O. 2010).

Brand extensions have two structures: vertical and horizontal. The vertical is mostly used in hotel brand extension sector, where "*extension refers to a brand extension strategy that consists of a new product being introduced in the same product category as the core brand, but at a different price point and quality level. Typically, the core brand name follows brand extension*

name to show the link between brand extension and the core brand name. (e.g. Hilton Hotels, Hilton Garden Inn)."(Ivanov, S., Ivanova, M. and Magnini, V. 2016, p. 223). The horizontal on the other had is *"used when launching a new product, the category of which is completely new to a firm."* (Ivanov, S., Ivanova, M. and Magnini, V. 2016, p. 223).

In world practice, for a more efficient hotel business, several hotel union models have emerged. The chain may have its own buildings or rent them. Chain management has advantages in sharing profits, but at the same time carries responsibility for operating losses 36. Venerovich, M. A., &; Semyonovna, L. M. (2012).

The main features of the hotel chain are:

- a recognizable brand, with a specific message to create a certain association in the customer's mind, in combination with at least one centralised function in the company; Venerovich, M. A., &; Semyonovna, L. M. (2012).
- Formal elements providing recognition of objects included in the chain as a visual unity. Usually this is achieved by similarity in the territorial location, a common logo, color scheme, decor elements, name. Which together is the external essence of the trademark, makes it recognizable;
- The generality of the structural elements from which consisting extensions, as well as the same level of perceived comfort and service;
- A unified functioning strategy, which implies standardization of the main service, marketing and sales procedures, due to which the same quality level of work of all objects of the chain is achieved. This and the previous signs are the internal essence of the brand and consolidate in the consumers' minds the idea of the prestige of the brand;
- The presence of a specific structure over the base element, consisting of individual hotels, or a management company that provides overall strategic leadership, monitors compliance with standards, etc. (Gurov S.A., Pakhomova V.V. (2018).

A hotel group is NOT a chain if:

- Hotels are managed by the same company, but are not advertised under its brand;
- Hotels belong to one owner, but differ in product, positioning and target customers and are not managed or sold under the same brand (Ivanov, Ivanova, and Magnini, 2016,).

In summary, a working definition of a hotel chain that comprises all of the above discussed ingredients and specific features could be as follows:

"A hotel chain is a group of hotels, or any accommodation establishments, sharing a common brand and similar concept, implementing at least one centralised function, in order to reach a better market position and improve the performance of all properties. The hotel chains utilise equity and/or non-equity modes for their growth and operate on local, regional, national and/or international level" (Ivanov, Ivanova, and Magnini, 2016, p. 16).

1.2. Benefits and challenges of brand extension in lodging industry

The process of increasing the value of hotel chains in the management of the global hotel business is characterized by a significant contradiction: on the one hand, international hotel corporations are consolidating, and on the other, in many countries their own national hotel chains are created and successfully operated, that compete with international monopolies. Venerovich, M. A., &; Semyonovna, L. M. (2012).

Internationalization implies that hotels will make efforts to increase their competitiveness. Well-known corporations have their own rules and standards, providing a distinctive style and technology of customer service for all hotels included in the chain. International hotel chains create centralized supply enterprises, training centers, specialized enterprises for the repair and production of furniture and equipment. Venerovich, M. A., &; Semyonovna, L. M. (2012).

With the increase of competition, two more union forms appeared and are developing: companies for managing hotels and chains combining independent hotels. Management firms work both with independent hotels and with well-known hotel chains. Radical improvements are expected from these companies in the current economic activities of hotels, which have signed relevant contracts with them. Venerovich, M. A., &; Semyonovna, L. M. (2012).

Each hotel chain usually has its own reservation system, aimed at the primary occupancy of the hotels included in it, which means that integration with a particular chain to a greater extent ensures a constant flow of customers. Hotel reservation systems owned by large airlines or consortia are also gaining more popularity, but inclusion in them is usually quite expensive for individual hotels. Venerovich, M. A., &; Semyonovna, L. M. (2012).

Belonging to the hotel chain is assumed following the formation of quality services that should be maintained at the same high level for all enterprises included in it. All major hotel chains have common standards and equipment parameters of premises, technology and service standards. Their provision requires the creation of strong supply organizations, developed support infrastructure, which only large hotel associations can afford. Venerovich, M. A., &; Semyonovna, L. M. (2012).

The emergence of new requirements for hotels by tourists puts international operating hotel companies in the need to find new unknown and previously not considered ways to satisfy them. The development and improvement of modern hotel technologies is associated with information management systems. The transparency of the hotel business is increasing, consumer requirements for the quality of hotel services, the social and environmental responsibility of hotel companies are growing. Venerovich, M. A., &; Semyonovna, L. M. (2012).

Because the brand name is already known by customers, the extension usually gains easier acceptance in the market. *"Brand extensions provide a way to take advantage of brand name recognition and image to enter new markets"* concluded Aaker and Keller in their studies of Consumer Evaluations of Brand Extensions (1990). Müge Arslan and Korkut Altun (2010) state in their study that, if the consumer is familiar with the brand and has good knowledge about it, the extension will higher response compared to a completely new brand. *„In addition, when an existing brand name is used for a new product, less investment is made in advertising, point of purchase promotions, distribution channels, et."* (Müge Arslan & Korkut Altun, 2010, p. 171).

Branding in hotel marketing can help strengthen characteristic attributes of hotels based on basic or advanced aspects. It can reduce consumer risks associated with the purchase of intangible hotel services. *„Additionally, branding may help hotels to achieve higher levels of repeat business especially for the regular user segments. More generally, branding can facilitate differentiation and positioning in a competitive marketplace"* (Connell, 1992, p. 26).

John Connell summarises the main benefits for the brands extending the hotel chain and gives an overview of them in his study:

1) *"The introduction of brand names across hotels that previously traded under individual names may benefit from increased market recognition.*

2) By placing hotels within more homogeneous groups, customers will find it easier to choose a hotel brand or collection that meets their needs. Users can then rebuy the brand knowing that they will experience similar benefits the next time they buy the brand.

3) By helping customers to identify and buy a brand that suits their needs, the demands upon hotel services are likely to be less diverse and more harmonious." (1992, p. 31).

In addition to that,

4) Any introduction of extension should signal customers that the extension is part of a larger brand, which has the same values. This will attract current brand customers and the new ones.

5) Savings due to risk dispersal - gives the chain the ability to reduce risk by diversifying products and geographical location. Hotels that provide services mainly for business and vacation markets tend to be used at different times of the year; some may specialize in receptions, while others may specialize in conferences. The drop in demand for a particular hotel can be offset by the higher business volume of another hotel, and thus avoids fluctuations for the group as a whole Gurov S.A., Pakhomova V.V. (2018).

The benefits for the management of the hotel brand extension are related to following:

1) Management will benefit of using and adopting accross the hotels the same standards. It will make it easier to do manage the service and hotel products;

2) The general financial system allows to carry out large-scale advertising programs not only in foreign but also in domestic markets;

3) A single reservation system allows you to guide customers along the entire route and increase the load as much as possible;

4) A single database provides the opportunity to provide information support to personnel, and provide high quality service;

5) The ability to access new technologies and equipment. This allows management to carry out repairs without closing the hotel and disturbing its guests. Moreover, funds for reconstruction are provided, as a rule, from brand funds specially designed for this purpose. The inclusion in the international hotel chain obliges the hotel to constantly maintain the brand image, maintain the number of rooms, and carry out renovations in a timely manner;

6) The single strategic marketing provided for a particular brand can significantly save money when doing independent global research;

7) Information support. Inclusion into a well-known hotel brand system gives the hotel the opportunity to be represented in all its catalogs, reservation systems and on Internet sites;

8) In addition, the hotel in the chain gains enormous opportunities for expanding the service, relying on the already developed schemes and contacts, client programs and their support;

9) Standardised staff training allows to improve their qualifications through holding different brand trainings, opportunities for the exchange of professional experience between hotels within brand (Gurov & Pakhomova, 2018)

However, besides the many benefits of the hotel extension, there is some challenges as well.

In the Branding Hotel Portfolios study John Connell (1992) highlights that one problem of hotel branding lies in ability to offer a customer an experience which can be recognized time and time again across a number of hotels. Without meeting the needs of the target market in extension, loyalty and desire of returning becomes unachievable.

Moreover, as stated by Connell (1992) hotel product as any tourism product by its nature does have inconsistency. Service personnel, other customers, weekday versus weekend, leisure traveler versus business on, all these are playing role in differentiation of the experience, thus work against achieving complete brand consistency.

The challenges brought up by Slatery (1991) are relevant to this day:

1) *"The physical goods that make up the internal specification of the hotel brand are regularly updated and eventually replaced by new products by the manufacturer;*

2) *The internal specification cannot be changed quickly and discreetly across a whole portfolio of hotels. Refurbishment tends to take place on a rolling programme basis leaving some hotels looking distinctly different to others;*

3) *The pattern of demand for individual hotels within a given brand is not consistent with other hotels within the brand chain. Some hotels, for example, experience higher levels of demand for certain services and facilities than others and some hotels within a branded chain sell services at different prices to suit local market conditions;*

4) *Achieving complete consistency in the external appearance of a hotel is difficult. Even newly built units in the budget hotel sector are subject to local planning constraints,*

working against consistency. In situations where chains have grown through acquisition, the likelihood of external consistency is reduced further"

5) Standardization also leads to monotony, not acceptable for tourists looking for novelty and diversity (Connell, 1992, p.26)

For example, a tourist who comes from America, is staying, for example, in a hotel of the Marriott chain, observes the same interior and services as in the hotel Marriott in his homeland. The lack of national character, the standardization of hotel services is not appealing for some customers who want something new.

Moreover, the challenges for the management of the hotel brand extension are as follows:

1) The inability to freely make important decisions, apply a more creative approach to solving problems, as well as the need to spend a large amount of time coordinating decisions and actions with numerous bosses;

2) Possible difficulties in managing personnel who are not ready to follow unified standards accepted by the chain due to national characteristics or the specific mentality of a particular region;

3) The need to pay a lot of attention to compliance with chain standards, perhaps to the detriment of more urgent and important responsibilities and matters. (Katkalo & Mukba, 2004)

In addition to the challenges highlighted by Slattery (1991), John Connell (1992) points out that physical consistency is important to hotel branding. He stresses that service, price, and location can benefit hotels or be a challenge. The lack of opportunity for new building at middle- and upper market levels increases the need to adopt differentiation criteria other than physical evidence or standardized facilities. Connell (1992) concludes that brand attributes should be based on the needs of target market segments.

Dev & Withiam have written report of information gathered from discussions by participants on the second annual Cornell Brand Management Roundtable in 2012. The report represents challenges, innovation and opportunities in hospitality brand management and the growing social media impact on the customers perception of the brand.

Brand promise to the customers and keeping that promise is more valuable than ever as it shows that brand remain to its true concept and fulfilling customer's needs. The brand which falls

behind social media transformation will be considered as weak. On the other hand, the ones who will process digital information and integrate strategically social media into process of interaction with customers will remain a strong brand in current market. Social media very strongly affects customers. It serves as a final step in customer purchase decisions. As an example, customer may have made decision towards one brand and when the time comes to make a purchase, suggestions on social media could affect earlier decision made and change it completely in favour of another hotel brand. It is suggested that horizontal integration of customer input using social media is vital in order to help guests receive a consistent experience at all levels of hospitality brand contact (Dev & Withiam, 2012). Integration of timely customer input is crucial. Although in a lot of cases customer communicated the issue to the brand, the brand representatives fail to process feedback and use it as an improvement. In the case of the hotel brand, experience that guests had in the hotel and brought it to attention is not always used effectively for the future improvement. Moreover, important element as hotel property authenticity is not used properly to successfully stand out (Dev & Withiam, 2012).

Hotel brands should not only focus on customer practical needs but also their emotional needs. These aspects are in more detailed discussed and analyzed the second part of this thesis. Being flexible towards customer needs and what is currently relevant to them are other strong elements in the hotel brand. Keeping the balance between being authentic and being a part of the brand keeping its standards is important in order to create customer value and create the balance between the chain's signature consistency and the level of local influence in order to be connected with the community.

In order to create effective social media strategy is suggested to start with a "a strong story, vision, and purpose. Next, brand managers must determine how different customer touchpoints create value. Finally, embracing both real and virtual experiences to create a new customer experience." (Dev & Withiam, 2012, p.?).

1.3. Brand loyalty

Trust has been considered a key factor of success in relationship marketing (Morgan & Hunt, 1994). Trust has been described as a relationship quality feature or determinant of the perceptions of service quality, loyalty, communications between parties, and amount of cooperation. The trust construct has been variously defined as: *''the willingness of the average consumer to rely on the ability of the brand to perform its stated* function' by Chaudhuri and

Holbrook (2001, as cited in Ivanov,, Ivanova, and Magnini, 2016, p. 226); and, *'the extent to which a person is confident in, and willing to act on the basis of the words, actions, decisions of others'* stated by McAllister (1995, p.?). Brand trust will be the basis on which consumers will decide whether or not to purchase the brand. Therefore, brand trust plays an important role in the buying process (Luk and Yip, 2008).

Chaudhuri and Holbrook (2001) examined the relationship between brand trust along with brand affect and brand loyalty. They found that brand trust had an impact on both purchase and attitudinal loyalty. Their study states that, brand loyalty related to brand trust and brand affect, has two dimensions: purchase loyalty and attitudinal loyalty. "*Purchase loyalty and attitudinal loyalty are related to each other. In addition, purchase loyalty has an impact on market share increase, whereas attitudinal loyalty influences a higher relative price for the brand*" (as cited in Ivanov, Ivanova, and Magnini, 2016, p. 226). Chaudhuri and Holbrook (2001) also suggested that „*brand loyalty is an important construct in the determination of brand performance outcomes*" (as cited in Ivanov,, Ivanova, and Magnini, 2016, p. 226).

Several studies of brand loyalty exist in the hospitality field. The relationships between brand loyalty and brand extension, and determinants of brand loyalty have been investigated. Specifically, Lee and Back (2009) explored the relationships among brand satisfaction, attitudinal loyalty, brand trust, and brand value in the meetings, incentives, conventions, and exhibitions (MICE) industry. They suggested that brand loyalty is affected by brand satisfaction as the relationship between brand satisfaction and brand loyalty is mediated by brand trust. In addition, they found that attitudinal brand loyalty was significantly associated with brand trust. Furthermore, brand loyalty is influenced by consumer-based brand equity with the mediating effects of consumer satisfaction as found out by Nam, Ekinci and Whyatt in their study of brand equity, brand loyalty and consumer satisfaction (2011). In their study they proposed the five dimensions as key determinants of brand equity: physical quality, staff behaviour, ideal self-congruence, brand identification and lifestyle-congruence. They suggested that brand loyalty is positively related with self-congruence, brand identification, and lifestyle-congruence, emphasizing that brand loyalty is not only about functional values, but also about symbolic values. If brand image is positively aligned with customers' self-concept, brand loyalty increases, which means brand loyalty can be developed not only for functional values of brands, but also symbolic values generated from self-congruence, brand identification, and lifestyle congruence of the brands. For example, hotel chains should investigate personality

characteristics of their brands and create brand image, which is aligned with consumer's ideal self-concept, and use brand personality for their positioning strategies in their marketing communications in order to boost their brand loyalty (Ivanov, Ivanova. and Magnini, 2016, p.

1.4. Previous studies on hotel chain brand extension

Jiang, Dev & Rao (2002) investigated the phenomenon of brand expansion in the hospitality industry. They empirically tested whether brand extensions encourage customers' repeat stays with a particular chain. Although, brand extensions may increase customers' loyalty and reduce perceived risk, It has been found that customers most likely to change brands if the duration of brand expansion exceeds approximately three.

Similarly, Kwun (2010) investigated the impact of brand extension on a parent brand portfolio. Author stated that perceived quality of the brand and brand attitude are largely related to consumers' attitudes towards brand expansion. Brand influence was measured by brand awareness, brand reputation and brand category. The study results shown that brand reputation was the strongest factor influencing brand attitude. The concept of brand extension in the lodging business sector also has been explored by Lee (2007). In the study Author investigated the relationship between perceived fit, attitudes towards expansion, behavioral intention, and perceived quality. Author discovered that if the similarity between the parent brand and the extension products and services was good, consumers rated brand extension more favorably. In addition, the quality of the parent brand influenced the assessment of brand expansion by consumers in the lodging industry.

Aaker and Keller in their study of Consumer Evaluations of Brand Extensions (1990) stress the fact that the customer's perceptions of the difficulty of making the extension has a positive relationship with the evaluations of the extension – i.e. if it is more difficult to manufacture an extension, the consumer has a more favorable attitude towards the extension as compared to an easily manufactured extension.

Loken and John (1993) identified that if the parent brand had unsuccessful extension in the similar product category, the image of the brand had greater negative affect and almost no affect when unsuccessful extension was in dissimilar product category to the parent brand.

Müge Arslan and Korkut Altuna (2010) research results show that negative effect on brand extension is decreased when is good fit between parent brand and extension as well as on the brand image. The factors such as brand familiarity, perceived quality of the brand and fit recognized by consumer creates positive attitude towards brand extension and the brand image after extension (Müge and Korkut, 2010).

The list of the top largest hotel chains in the world by properties according to the latest data of 2019 provided by Statista and World Atlas database is provided in Table 1.

Table 1. Leading hotel companies worldwide as of June 2019 by number of properties

Rank	Hotel Chain	Number of Properties
1	Wyndham Worldwide	9,157
2	Choice Hotels International	7,045
3	Marriott International	7,003
4	Hilton Worldwide	5,872
5	InterContinental Hotels Group (IHG)	5,656
6	AccorHotels	4,200
7	Best Western Hotels	4,196
8	Jin Jiang International	3,090
9	Home Inns	3,000
10	G6 Hospitality	1,391
11	Carlson Rezidor Hotel Group	1,179

Source: Lock, 2019 and Joyce, 2019

Referring to the latest European Hotels & Chains Report 2019 hotel chains represent 38% of the room market. James Chappell (Horwath HTL Global Business Director) also added in the report that chains make up 13% of the overall hotel market.

2. Affect of brand extension in hotel chain on customers

2.1. Research methodology and strategy overview

The aim of this thesis was to explore how brand extension in hotel chains affect customer loyalty and buying decisions.

As this research is more exploratory in nature, the decision to use content analysis as a method has been used to find the issues related to brand extension in previous studies. Main themes from previous research and theoretical approaches will be used to evaluate how Accor Group is managing their brand extensions in order to maintain high customer loyalty.

Although content analysis is often used as a concomitant research tool in studies that are using other methods as well to increase the reliability of result by minimizing biases, it will be used in this thesis on its own. Krippendorf defined this method as "a research technique for making replicable and valid interferences from data to their context (1980, p..21). The task of content analysis is either to formulate hypotheses, create new theories, deepen the understanding of the material under study, classify and test these hypotheses and theories (Kirpikov, 2018).

Content analysis can be substantive and structural. Substantive or qualitative content analysis focuses the researcher's attention on the content of the message, while structural analysis focuses on the quantity and characteristics of the reference term or name in the message text (*Content Analysis As A Research Method*).

In this thesis is used qualitative content analysis as it is aimed on understanding the phenomena studied, the analysis of interconnections and processes between these phenomena. Also qualitative content analysis is focused on covering complexity of the phenomena under study and is aimed at studying isolated cases.

The basis for the content analysis were taken studies on the topics such as customer loyalty, branding, customer experience, hotel chain and many more. These keywords have been used to find studies and information through web search engines – primarily trustworthy scientific based research search engines.

2.2. Research questions

To explore how brand extension in hotel chains affect customer loyalty and buying decisions, the next questions were proposed in this thesis:

1. How does expanding the hotel chain brand influence customer purchasing decisions?
2. Which factors of hotel chain brand are most important to customers when making a purchase decision?
3. How do hotel chains build and maintain trust in brand extension?

Theoretical framework serves as an introduction to the hotel chain topic and its features. It supports and enriches understanding of the reason of main questions in this thesis.

In the first part is given an overview of the hotel chain functions. It explains the reasons behind the expansion. Also, examples are given what challenges and benefits extension have from hotel chain view. Continuing this topic, the first question shows attitude to the hotel extension from customer point of view. Therefore, to gain the whole picture of the attitude to the hotel chain extension it is important to look from both sides.

Looking at the hotel chain characteristics in the theoretical part provides base for the second question in the thesis aiming to investigate the factors of the hotel chain that customer is attracted to. Connell (1992) states that brand attributes should be based on the needs of target market segments. The second question explores what customers are looking for and how hotel chain extension contributes to meet market needs. Taking a look on different proposed customer behavioural models in the previous studies allowed to create customer path in building attitude toward hotel extension. Accor Hotels Group chain brand is taken as an example to investigate what features attract variety of customers.

Brand loyalty and trust features are explained in the theoretical framework as well as their importance towards purchase intentions. Multiple studies were analyzed taking into account theoretical background to find out how do hotel chains build and maintain trust toward extensions. Studies explored opportunities of keeping customers loyal and those findings have been supplemented by author proposals.. Accor Hotel Group was taken again as an example of successful work they have done to build long-term relationships with customers.

2.2.1. How does expanding the Hotel Chain brand influence customer purchasing decisions

Peterson and McCarth (2003) in their study of Hotel Development of Cultural Tourism Elements briefly looked into cases of three prominent hotels in Southeast Asia and developed 5 specific guidelines for hotels to consider developing their own cultural tourism offerings. Based on their research findings authors claim, that customers will be more attracted to hotels if those could develop on-site tourism offerings that could expand customers' experiences. Moreover, expansion of hotel chains and implementation of unique cultural elements in each could positively affect customers purchase decisions within one hotel group. Following Peterson and McCarth research results, the next statement can be made– different locations and styles of the hotels in one chain offer clients to have multiple choices depending on the purpose of their trip and experiences they are looking for.

As it follows from the above the customer experiences are becoming more diverse considering what each hotel of the hotel chain brand could offer. Another study is carried out by Bravo, Martinez and Pina in 2019 which examined aspects of customers' experiences toward hotel chains from perceptional and emotional standpoint. Taking this into account their findings, expansion of hotel chain could be received positively or negatively depending what perceptions and emotions customers had in the particular hotel of the chain.

The importance of emotional state created by experiences in the lodging property and its affect on the repurchase intention is discussed as well by Han and Black (2007). The authors studied how positive and negative consumption emotions affect customers' experience and intention to return. A total of 248 cases were used to test the hypotheses using a series of multiple regression analyses. Results showed that positive and negative consumption emotions have significant effect on customers' experiences and repeat visit intentions. Negative emotions have higher influence on the customers' experience and return intention. The researchers noted that positive emotions are not guarantee of repeat purchase intention. The repurchase intention is influenced by satisfaction of the experience. Managers should focus on the actions that will improve customer satisfaction. One of the main goals should be decreasing negative emotions.

Advertising could be considered as a tool to recall positive emotional brand experiences in the customers. The hotel industry as a hospitality industry includes high level of interaction between customers and employees, so customers emotions are usually closely linked to the service they

received. Unhappy hotel staff are less likely to keep clients happy. Thus, it is extremely important for hotel management to develop employee performance improvement strategies to increase customers' positive emotional experience and loyalty (Han & Back, 2007). In addition to that, decoration, architecture, and facilities of the hotel if meeting customers' needs and expectations might increase their positive emotions.

Customer perceptions of brand values and image are created by the experiences and therefore influenced by emotions. These components affect introduction of an extension and how it will be met by customers. In addition, the communication between hotel chain expansions (between each hotel of the chain brand) plays significant role in order to create brand image which will have the same standards that will appeal to particular market group that hotel chain wants to attract.

Brand fit helps new extension being accepted easily by customers and have more favourable attitude towards extension (Mahasuweerachai, & Qu, 2014; Ivanov, Ivanova, & Magnini, 2016; Müge & Korkut, 2010; Bravo, Martinez & Pina; 2019; Grime, Diamantopoulos, & Smith, 2002; Fedorikhin, Park, & Thomson, 2008).

Extensions have their advantages and disadvantages in the eyes of customers. One of the disadvantages for example could be that the new extension will possibly create a confusion or a negative perception in the minds of consumers if it will be against the core values of the brand by making the brand image worse. On the other hand if the same values of the brand are perceived by consumers, they will have more trust towards new extension (Grime, Diamantopoulos, & Smith, 2002). The attitude toward extension is considered to be the key to measure the success of extension It also helps in developing the equity of a brand, which can be viewed from the consumer or firm position (Grime, Diamantopoulos, and Smith, 2002).

The results of the studies done by Fedorikhin, Park, and Thomson (2008) reveal that even when the fit of those extensions is only moderate, consumers with increased levels of attachment to a parent brand are willing to purchase and to pay more for brand extensions. Moreover, customers are more willing to forgive the brand's mistakes and failures, and to recommend it to others. However, with the poor fit between brand and its' extension even if consumers have relatively strong attachment, it is difficult to relate themselves to such distant extensions. Above mentioned authors call this as a contrast effect, when consumers respond negatively to the low fit extension. Fedorikhin, Park, and Thomson (2008) highlight, that there should be boundaries placed by

brand on how diverse extensions could be, even if they have segment of consumers with strong attachment to the brand. Further, it is important to examine different variables or as authors mention "triggers" to be able to sustain stronger relationship between customer and the brand. The results showed that emotional attachment to the brand extension affects willingness to pay, WOM, purchase intentions and forgiveness. Also, from one of the observations the researchers noted that respondents with high level of attachment regained their brand perceptions faster than respondents with low attachment.

"More knowledgeable consumers will have a clearer idea of whether a potential extension is reasonable or not" (Grime, Diamantopoulos, and Smith, 2002, p. 1429). Promotion is a set of measures aimed at a significant increase in sales through communications with customers, partners and sponsors. Usually it pursues three main goals: attracting new potential customers, retaining existing ones and maintaining the popularity of products (Gurov & Pakhomova, 2018). Effective promotion of the new extension is likely to attract existing and new customers. Whether existing customers are looking to experience something new or the overall market is interested in extension type (design, location, features). Hotel chain brand, advertising new extension, should calculate right time and place for it (i.e. new trend of hotel stays, new demands of the market, need in the accommodation in the particular location, new businesses).

As it was discussed in benefits and challenges in introducing the new extension, the customers knowing that they will experience similar benefits are more willingly to book with the new extension. A traveler, coming across a hotel of a corporation he knows in a foreign country, feels almost like at home in a familiar and comfortable atmosphere for him (Gurov & Pakhomova, 2018). However, the other part of the market preferring something new will not accept extension which have the same features.

The same hotel chain may include hotels of different categories (resort, business hotel, city hotel). The new extension specialising on one of the categories will attract particular segment market interested in this category, therefore decreasing market share.

According to O'Neill and Mattila (2010) well-established brands like Marriott and Accor do not face many issues in expanding their brand geographically and creating sub-brands. Expansion raises the level of the brand equity. The customers' loyalty greatly influences the cash flow of the hotels brands and as it raises, it gives brand opportunity include more premium prices, increase brand expansion and market share (O'Neill & Mattila, 2010).

Accor Hotels will be taken as an example of one of the most successful hotel chain brand in the lodging industry. Accor Hotel Group operates 5036 hotels and 739,537 rooms across the world according to their latest Hotel Portfolio report (31/12/2019).

Accor Hotel chain different extensions aim to satisfy diverse customers. Accor Hotels' Group largest extension is IBIS – 1,218 hotels and 155,678 rooms, which is also a budget hotel. From midscale hotels, largest extension is Mercure (842 hotels and 110,228 rooms), from premium brands – Pullman Hotels & Resorts (136 properties and 40,068 rooms) and from luxury class – Sofitel (119 hotels and 30,131 rooms).

Although, studies reviewed by O'Neill and Mattila (2010) suggest no more than three extensions to avoid brand dilution, big brands such as Marriott, Accor and Hilton do not follow this suggestion. They have much more extensions, which are divided into budget, middle and luxury brands. The developed and effectively applied strategies when parent brand presents extension make the main brand successful.

Accor Group largest extensions profiles:

IBIS hotel extension slogan is "Vibrant Hotels, Caring People". Their market segment – " For You who love that extra touch". Promise to do their best to respond to guests' needs and make them at home. As this hotel brand "all over the world" it is providing larger choice for members who seek comfort in their destination.

Mercure – "Most authentic and local experience". The hotel details telling a story about the location and cultural heritage. It stands out for high-quality service and local experiences.

Pullman Hotels & Resorts – „Our world is your playground". Hotel extension for cosmopolitan travelers, who have wide connections and enjoying combining work and pleasure.

Sofitel – „Live the French way". The brand encourages customers to taste French way of living by implementing French culinary art, wellness and beauty. The hotels have modern style. (*Accor Hotels - Discover All Our Hotels*)

Taking into account a variety of extensions customers with different preferences will have wider purchasing choices. Knowledge of brand quality will most likely attract customers to stick with the brand and explore the extensions around the world.

More than half Accor properties are under direct management and rest hotels are under franchise contract *(Why Accor)*.

O'Neill and Mattila (2010) claim that there is a danger in franchising as the facility might change their brand loyalty, leave the brand. If the particular facility is not meeting requirements of the brand - rebranding might happen. Rebranding could weaken the customers loyalty to the particular brand due to customers attachment to the franchise. In the long term profitability of the brand rebranding does not have a significant negative effect.

Authors investigated the relationship between franchising and guest satisfaction and reported that it is have connection with gust satisfaction and in most cases reviewed is negative effect. However, the example of Hampton Inn and Suites, which is mainly franchised brand studies show that occupancy level and guest satisfaction increased during investigation period. The conclusion could be that brand that has more experience in franchising and more properties franchised has greater guest satisfaction rise. Authors suggest for improvement to focus more on the actual property management. Accor has grown their franchising expansion in the past years greatly. Accor Groups one of the marketing action is franchising - inviting properties to join the group and through the years they have developed a strategy and blueprints.

"Accor combines global experience with local knowledge" (*Step by step process*). Accor Hotel Group technical and design teams working hard to design and renovate the hotels using local identity and through implementing cultural strengths. This collaboration helps hotels provide to their customers local experience. The customers traveling abroad and staying in the hotel chain extension who has local features will see the value for money. For example, Accor specialists created in the accor app guides for 70 cities around the world helping customers in the exploration of different destinations (*Accor - Our Group*).

Accor brand according to its hotel search map on the website has most hotels in Europe. France has 20% of hotels and the rest of Europe 26% (most extensions are in the UK, Belgium and Germany). This shows the target market of the Hotel Chain taking into account customers preferred destinations to stay. Another example of target marketing is 2019 extensions. The Accor Hotel Chain highlighted top openings of 2019 in the next destinations: Burgundy (France),

Kyoto (Japan), Tallinn (Estonia), Maldives, Singapore, London (UK), Dubai (UAE), Borghese (Italy), Rio De Janeiro (Brazil) – first property in South America. This sort of marketing could be taken as the main drivers in the sence of customer purchase decisions. (*Accor - Our Group*)

Combining the Accor Hotel analysis and strategic development 2 luxury hotels opened in India – Raffles Jaipur and Raffles Udaipur. Therefore, brand started to focus more on luxury segment in this country as some growth in customer purchase decisions have seen and expected to grow more towards luxury products and services. (Hundekar, 2019).

O'Neill & Mattila (2010) examined hotel franchising strategy and how brands influence on the revenue. Authors divided research findings into categories: the Value of Hotel Brands, How Brands Create Value, Relationship between Guest Satisfaction and Hotel Brands, Hotel Brand Extension, Relationship between Hotel Branding and Franchising.

The authors cite as an example Marriott International, which is not including its corporate name on most of his brands and being very careful with that. Accor differs from other brands. None of the Properties and brands included in Accor Group does not carry the parent name. Accor group apply family approach on various brands (Ibis, Ibis styles, Ibis budget or Mercure, Grand Mercure). This strategy identifies hotels as a part of unified organization. It also distinguishes hotels from each other and on some level brands in the group are competing with each other (O'Neill & Mattila, 2010). As an example, competition between hotel in the mid-scale level. However even brands are differentiated from each other they still carry main parent identity, values, and products, which creates an image in customers' mind of the brand itself and not of the concrete property or family group.

Competition is very high and brands striving to provide memorable experiences. As. O'Neill and Mattila (2010) mentioned staying in 2 different luxury hotels even from the same parent brand will give different experiences to the customers.

Customers' emotional connection to the brand is one of the significant components (O'Neill, & Mattila, 2010). As mentioned before customers are more flexible if some problems occur and some of their needs are not met because having strong attachment to that brand. Another important element is constant interaction with customers and keeping the promises stated by O'Neill and Mattila (2010).These aspects highlight the importance of human interaction in the digitally transformed world.

O'Neill and Mattila (2010 stress the fact that the most attention have to be focused on the guest satisfaction as it has strong connection to hotel brand success. In Hotel Brand strategy article is highlighted a huge competition between brands and overwhelming lodging choices for the clients. In 2020 after 10 years the opportunities to choose and accessibility for customers is grown massively. Now as never before guest satisfaction is priority and attempt to do extra mile in every touch point with the guest is highly prioritized as well.

In conclusion Authors suggesting for future research to perform analyzation not only short-term but also long-term brand equity as too much attention is paid in short-term performance.

2.2.2 Which factors of hotel chain brand are important to customers when making a purchase decision

Several studies have been conducted on factors affecting customers' purchase decisions. As attention was paid specifically to the tourism and hospitality sector in the Bravo, Martinez, and Pina (2019) research, they highlighted that recommendations and purchase motives regarding hotel chain are influenced through brand attitude. *"Studies conducted in the context of services reveal that consumer satisfaction, as a result of the gap between expectations and perceptions, will influence attitude to the brand"* (Bravo, Martinez and Pina, 2019, p. 394). It can be assumed that attitude towards the hotel chain will be influenced by customers' emotions created while interacting with the brand.

As it was discussed in the first research question, customers' emotions are one of the most important drivers for action and closely linked in creation of customer experience. In the hospitality industry, "where customers' experiences with a particular hotel will be a trust generator that may influence their attitude and behaviour in relation to that hotel brand "(Bravo, Martinez and Pina, 2019, p. 389). In other words prior experiences with the individual hotel are one of the determinants of customers' evaluation of the whole chain.

"To manage the customer experience, brand managers carefully track the different touch points between the brand and the customer. The aim is to align all these touch points with the brand promise to build a specific brand experience," state Martinez and Pina (2019, p.389). Touch points affecting customer experiences with the hotel could be tangible and intangible. If we talk about consumer experience in a service this can be attributed to intangible factor.

The physical components such as decor, architecture, communication facilities and etc. also support customer experiences. Quality perception based on the intangible and tangible elements could be transferred from one hotel to another under the same brand. This means there will be some expectations from consumer towards the extension of the brand as they had prior connection with the hotel and received experiences through both tangible and intangible factors. To support these inferences Bravo, Martinez and Pina state that a "consumer would evaluate a brand extension depending on the similarity or fit between the original brand and the extension" (2019, p. 392).

Taking this into consideration it is important to understand what features build an attitude towards hotel chain brand. In order to find out the factors that affect customer purchase decision within a chain it is important to clarify how exactly is formed attitude toward the hotel chain brand.

Customer experience still remains priority in the hospitality industry. Bravo, Martinez and Pina (2019) found that in literature are existing a few terms of experience: brand experience, customer experience and service experience. In their study is used term service experience as analyze the customer experience with the brand in a service not customer experience with physical products. The study by Bravo, Martinez and Pina (2019) is focused on the functional side rather than emotional, although the emotional fact is included in the main model created as well to support their research. The model is created to help to understand bonds between customers' experience in a single hotel and their attitudes and behaviours towards hotel chain. "Customer Purchase intentions of future have a significant relationship with customer loyalty. Customers assesses future repurchase intents by the value acquired from the earlier purchases." (Musaab, Mueen and Basit, 2014, p.?).

"Three different dimensions have been considered to study service perceptions: core service (main service delivered by the hotel), employee service (behaviour and performance of employees) and service escape (visual aspects of facilities and employees)" (Bravo, Martinez and Pina 2019, p. 391). In their model customer service experiences affect consumer emotions and satisfaction of individual hotel. According to the suggested model through these two components customers evaluate the hotel chain. After the attitude to the chain is created there is three main outcomes are following in the model: intention to return, scepticism and word of mouth (intention to give recommendations).

Employee service is the strongest trigger of customers' emotions. Human interaction is one of the main components in hospitality industry, which belongs to intangible products. Employees are the face of the hotel, what leads to, that if to take one hotel from the chain, the service provided in this hotel will affect the customer perception of the whole hotel chain. Moreover, emotional response to the service received from hotel staff is directly connected with satisfaction. In case of negative feelings follows dissatisfaction. This statement supports opinions of some managers in Cetin and Walls (2015) study. In the research of Cetin and Walls (2015) two major categories were determined - physical environment and social interactions that affect guest experiences. Majority of customers wanted a relaxing, friendly, safe, quiet environment. The study was done in Istanbul, Turkey, which is mostly noisy and could be most of the time exhausting environment. The hotel that gives guests the opportunity of getting away from disturbing elements will benefit. The results of the analysis of hotel managers' responses show that they are mostly focused on creating experiences through physical environment prompts rather than through social interactions.

Besides "soft" and relaxing atmosphere elements, guests value a lot local "touch" components: labels, design, food, creating authentic atmosphere. Moreover, social interaction such as communication with staff and local people is important aspect of experience (Cetin & Walls, 2015).

When the needs of customers are met, whether through main employee service or visual aspects, the satisfaction will be achieved. It is important to add, that both intangible and tangible factors impact consumers' satisfaction. As the achieving satisfaction is most likely main goal of the guests, one of the aspects for standing out from other hotel chains is exceeding customers' expectations.

The hotel chain represents itself by creating particular vision and making clarity of the values it carries. The people who are interested and align with the values of the hotel chain will potentially become customers of the brand. Therefore, the hotel chain image created from intangible and tangible products and values will be taken into consideration when consumers make purchase decisions. The potential customers are willing to see value for themselves and have variety of choices between products offered by the particular chain in order to make to make a purchase. The larger assortment of products and services has hotel chain to offer the more diverse experience it can provide to the market. Perceived value is one of the important

components affecting repurchase intention. Customers evaluate the reward and whole outcome they could get from the offers (Musaab, Mueen, & Basit, 2014).

The Bravo, Martinez and Pina (2019) came to the conclusion that both the service perceptions and emotions will reflect the service experience.

Moreover, as discussed before customer experience in service in the single hotel is one of the main components in creating attitude towards the whole chain. In addition to that, the study by Bravo, Martinez and Pina (2019) reveal that WOM (world of mouth) have the highest effect on customer satisfaction. The recommendations received in person, online reviews or recommendations read in books, all will influence customers' purchase decisions. Online purchase intentions were studied by Gobinda Roy, Biplab Datta and Srabanti Mukherjee (2019), where they came to the conclusion that, mixed neutral eWOM (where customers outline pros and cons during their experience) and rich eWOM (where customers describe their experience in more details) content positively affects online purchase behaviour. Krishnamurthy and Kumar, (2018) studying consumers' perspective of the brand image influenced by eWOM, found that high-involvement consumers form better image of the brand as well as higher expectations compared to low-involvement consumers.

 Having a knowledge of consumer expectations will help management to take actions toward shaping consumers' positive brand image (Krishnamurthy & Kumar, 2018). Lack of this knowledge might result of the higher level of mistakes following unpleasant experiences and therefore negative perception of the brand. Moreover, showing costumers that brand representatives have taken an action for improvement by really listening customers' voice will increase their trust towards brand and repurchase motivation.

Taking into account results of the study Krishnamurthy and Kumar (2018) suggest to place more positive eWOM in front of negative, as low-involvement do not spend much time on the reading and tend to read only few reviews. In other words there is a higher chance to attract consumers, by limiting negative eWOM being in front.

The importance of online review is highlighted in Wen, et al. (2020) research. The negative review has most significant effect on the hotel booking decision found in the study. The authors suggest that hotel managers should prioritize developing strategies for encouraging customers to leave positive review and employee engagement with customers resulting positive feedback. Authors highlight the fact of digitalization and that increased employee interaction with

customers using multiply platforms and having personal approach to each will be positive contribution. Moreover, in suggestions Authors mention the good recovery strategy, which means effective and professional response to negative feedback, complains and service dissatisfaction. As a result of the study showed that brand familiarity has high level impact on the Hotel booking decision, brands should work on the awareness increase making itself more popular. Lastly, the price has little effect on the customer purchase decision if hotel has too many negative reviews. Based on this finding, rather than reducing prices of hotel booking or services, hotel managers should attempt "reduce consumer-perceived risk by providing additional information cues". In other words, showing consumers the value they could get for the price they would pay. It could be one of the significant ways of creating more „realistic" expectations and support the balance mentioned above.

According to Grime, Diamantopoulos, and Smith, (2002) the acceptance of the extension is the first step before taking into account different factors that influence customers' willingness to invest into a new extension of the hotel brand. Customer knowledge of the core brand name, characteristics and values is the main condition before they decide to look into new extension features and become potential consumer. Hence, it can be assumed, that customers are looking for the fit, which in this context means looking for similarity between core brand and an extension in order to strength their confidence

Findings shows that hotel managers should work hard on the strategies development that can increase chances to achieve customers' satisfaction (Grime, Diamantopoulos &Smith, 2002). Moreover, to improve the hotel chain image and stand out from others, single hotel managers or managers of extensions should strive to get extremely satisfied customers, which means operations and service should be managed in the way to exceed customers' expectations, because loyal customers are critical for the hotel business(Grime, Diamantopoulos & Smith, 2002).

Accor Hotel Group chain has large set of factors, that could attract potential customers. Accor Hotel Group is using different platforms for booking the hotel. Variety of booking platforms provides customers with choice to book hotel with their most used or trusted platform. Customers usually looking for the best rates, special offers (for example breakfast and dinner included) and trustworthy reviews before making a purchase. Adding to this, from my personal experience as an employee, guests also paying high attention to effective communication. Their emails, questions, messages on different platforms should be monitored constantly and answered in professional way.

Moreover, Accor Hotel Brand run strong-impact ad campaigns on multiply media platforms. During whole year the hotel chain regularly coming up with attractive offers for different market groups. Even in the lowest season, they drawn costumers by running different campaigns and promotions. The customers are attracted to different offerings - discounted rooms, dining promotions, special celebrations in the hotels: hen parties, wedding, Christmas and many more.

As an employee working for the brand you have special deals for the stays in the hotel. Accor Brand is offering discounted rooms and reduced price dining services for the people working for the company. Thanks to extensions, customers and employees have more choice – different destinations and types of properties depend on the preferences. Staff, attracted to the company benefits as discounted stays, dining services and many more, become customers of the chain themselves.

For employees of Accor Group working in England, company issues 2 vouchers per year (after 6 months of service) for complimentary stay for 1-2 nights in any property belonging to the chain in England (depends on availability). It allows employees really experience the brand services, have a better overview and hopefully recommend to others.

Accor Hotel Chain online features to benefit registered customers in extensions they are going to stay:

- Online check-in. Personalized welcome
- Online check-out – trouble-free, saving time departure
- Personal e-wallet – allowing guests to do one-click payment
- Description of all services in the hotel (room service, restaurant menu and many more)
- Booking table online for the hotel restaurant
- Magazines and newspapers available via Accor app. (*Accor Yield Management Solutions*)

Accor Hotel Brand describes their customer path:

1. "Online check-in lets guests check in two days before their stay, directly from their cell phone and PC. It's super-practical for them. And because there's less paperwork, it saves staff time so they are more available to personally greet guests, answer their questions and respond to their individual needs.

2. On arrival day, guests receive a text message confirming that their room and key are ready. Along with practical information to simplify their trip. Like transport services to the hotel. Car park access codes.

3. When guests arrive in the hotel, they are awaited at the "Priority Welcome". Their keys are already prepared and handed over immediately without the usual administrative formalities.

4. With Fast check-out, guests can check-out in seconds. They just hand in their key to indicate that their room has been vacated. Their bill is sent to them by email (*Magnify Customer Experience In Your Hotel*).

Although procedures, rules and standards which are extremely important to managers can be indicated as a positive experience barriers. Management should not focus on the perfection, consistency and having zero defect attitude as hotels branding is part of hospitality industry where one of the most important aspect is the human interaction. Unlike mechanical aspects, errors occur often and it is normal.

Table 2. How does expanding the Hotel Chain brand influence customer purchasing decisions.

Positive	Negative
Same values of the brand perceived – more trust	Confusion – if extension is against brand core values
Knowledge of the brand – similar fit for domestic and foreign markets	New category is not attractive to the market
Effective promotion of the new extension attracts existing and new customers	Not advertised enough, so a lot of consumers do not know that the new extension belongs to the brand (especially when extension does not carry parent name)
Diversity of categories within hotel chain (business, resort, city) attractive to particular segment	Not diverse enough – no reason to try a new extension
Similar characteristics – better acceptance of the new extension	Customers prefer main brand instead of extension (Marriott instead of Courtyard, Moxy)
If extensions have on-site tourism offerings that could expand customers' stay experiences	Not enough or poor human interaction. Hotel is a service industry.

customer positive emotions towards the individual hotel also affect the customer attitude towards the hotel chain	customer negative emotions towards the individual hotel also affect the customer attitude towards the hotel chain
Customers are willing to purchase the extension even if it has moderate fit due to the high attachment to the brand	Very poor fit decreases purchase intention significantly as consumers find difficult to relate themselves to such distant extensions
Experienced brand in franchising	Unexperienced brand in franchising
Positive WOM, positive eWOM in front of negatiive	Negative WOM
Rich Ewom	Negative emotion has higher influence on the customers' experience and return intention.
Different locations and styles of hotels within parent group offer clients to have multiply choices depending on the purpose of their trip.	
Enrichment of experiences	
Loyalty positively affect purchase intention	
Extension in the destination that is in demand by consumers	
Demographical fit- luxury extension where is luxury segment market	
Creation of proper environment by extension in the particular destination	
Showing value consumers will get for the price they would pay	
Personalization	

An overview of how does expanding the Hotel Chain brand influence customer purchasing decisions is presented in Table 2. It summarizes positive and negative influence aspects from the 2 questions discussed above.

2.2.3 How do Hotel Chains build and maintain trust in brand extension

"Building customer loyalty is one of the biggest challenges for the hotel industry" (Yesawich, 1997 as cited in Bowen and Chen 2001, p. 213). It is most likely due increased competition among the global hotel companies and difficulty identifying needs of the modern segment market as they are constantly changing. Venkateswaran (2019) stresses that satisfying the customer need – is the biggest challenge in the hospitality industry. The hotel chains have to try to adopt to the changes occurring in regular basis in order to stay strong on the market and differ itself from the other brands. Brand in order to be successful should be relevant, consistent, unique and trustful (Musaab, Mueen, and Basit, 2014). In order to succeed all components should be measured and strategies developed by operational management and in such a changing environment all these components should be constantly reviewed and improved.

Branding is considered as a powerful strategy with the purpose of enhancing customer loyalty Lo, Im, Chen and Qu (2017), Musaab, Mueen, H. and Basit, N., 2014. As it mentioned in previous research question of this thesis if the customer have good relationship with the brand it is a more likely extension to be accepted. Brands should put more effort to improve relationships between customers and brand (Lo, Im, Chen and Qu 2017). Especially, it is in the company interest to point their focus more in the sense of creation long-lasting relationships with the customers as it is most likely result customers becoming loyal to the brand.

The Bowen and Chen (2001) are describing the possibilities to increase customer loyalty. Their study was focused proving hotels with examples and in producing techniques that could help them to increase customer loyalty. The findings of their study show that, one of the most powerful procedures for the single hotels and hotel chains in order improve customer service is by holding databases (Bowen & Chen, 2001). Especially, information about the frequent guests will help hotel chains to keep them loyal and improve existing relationships. Moreover, loyal customers spread positive world of mouth and are a big support to the brand by recommending it to others.

The study by Lo, Im, Chen and Qu (2017) is focused on the brand relationship quality (BRQ) and how BRQ is connected with customers' loyalty. Brand relationship quality can be measured by satisfaction, brand knowledge and trust (Lo, Im, Chen and Qu 2017).

In December 2019 Accor Hotels changed their loyalty program. From Le Club Accor it changed to ALL – Accor Live Limitless. The program now has two more membership levels – diamond

and black and more benefits for each status. The customers that are already with the brand for long time and reached their top level, now have more motivation to go further. The points could be earned through purchasing any service or product within the hotel chain brand. In general, by joining loyalty program scheme, customers are more committed to stay with the brand.

Accor Hotels made simple for the customers to join loyalty program – they can join online or during their stay in the hotel with the staff help. Training effectively employees and making them knowledgeable of all program aspects, helps brand gain more members. All membership benefits customers can see on the app, online or the booklets provided in the hotel. Online they can follow their status, spent nights and points.

By offering more benefits with each level, motivate customers to stick with one loyalty program. With each reward member express more trust and positive attitude to the brand. The hotel chain has to keep their promises in order to maintain trust and relationships.

Although, it is a lot of attention paid to loyalty programs and they are widely used to improve customer satisfaction, their effectiveness is still arguable. For example, based on the Wijaya (2005) findings, the loyalty programs do not have significant influence on consumers' loyalty. Besides, customers can be members of the program with different hotel brands (Wijaya, 2005).

Therefore, participating in multiply reward programs consumers would likely choose which is most convenient lodging property to stay at the moment, as if being part of the one loyalty program and reducing the choice to one hotel brand.

Taking in consideration research results, Wijaya (2005) recommended to be more creative in designing rewards programs by taking into account target market groups. It could reduce customers switching level from one brand to another if particular program suits more their needs.

The development of trust between customers and the brand is the process of meeting each other's set expectations (Lo, Im, Chen and Qu 2017). Brands responsibility is to create in customers desire and confidence to rely on them in order to maintain valued relationship.

Ivanov, Ivanova and Margani 2016 reviewed a few studies related to brand trust. They cite as an example Luke and Yip study where they have investigated the effect of brand trust on consumers' purchasing behaviour. "They found out that consumer satisfaction had an impact on brand trust." (Ivanov, Ivanova and Morgani 2016 p.225). And Sung and Kim 2016 concluded that brand trust affected brand loyalty (Ivanov, Ivanova and Morgani 2016).

Another study mentioned carried by Wilkins (2009) *"investigated relationships among service quality, perceived value, customer satisfaction, and behavioural loyalty within the lodging industry, specifically within first class and luxury hotels"*. (Ivanov, Ivanova and Morgani 2016 p.225). They found that brand brand trust, influenced by brand attitude is significant regulator of behavioural loyalty. What is more, the most influential determinant of loyalty was service quality. (Ivanov, Ivanova and Morgani 2016).

The trust towards the brand is growing when more and more customers achieve certain level of satisfaction. The greater consumer satisfaction is, the bigger chance of becoming loyal to the brand. The satisfaction in its turn occurs when the customers' expectations are met. Lo, Im, Chen and Qu (2017) state that satisfaction represents the customers' emotions before, during and after receiving service. Hotel chain brand receives recognition from the consumers after their experience in the individual hotel. The importance of satisfaction in the individual hotel lays in customers desire to return and continue consuming the product under the same brand (Lo, Im, Chen & Qu 2017).

Well managed hotel, which is preferably focusing on satisfaction of the guests' needs, could increase reliability. It will most likely positively affect attitude towards the whole chain. Focusing on experiential values helping to gain trust and attract customers back. Consumers are keen to repeat pleasurable experiences, which means that a positive experience in a particular hotel will end up benefiting the entire chain (Bravo, Martinez, Pina 2019).Customers' commitment is essential in the building and maintaining positive relationship quality with the company.

According to the analysed data by Accor Hotel Chain, their loyalty program members make 30,6% of the hotel revenue. Loyal guests likely to recommend hotel brand to others, what will result on bringing more customers and more opportunities in gaining new members and building relationships. As stated on Accor official website, Accor Live Limitless members return two times more than any customers and they spend twice more than non-members.

Accor Hotel Group has powerful digital and marketing strategy. Campaigns, offers and solutions are distributed through more than 110 different channels. This connection is aimed to improve guest experience and increase guest retention rate.

"Today's guests are concerned about social responsibility and the environment, especially on topics like waste, food, local experience... 87% of companies make it a criterion when selecting a

hotel." – stated Accor Hotel Group. *"That's one of the reasons why Accor has adopted the Planet 21 program. It defines its sustainable development policies. Including local sourcing. Water, energy and waste management."*

The guests will be more motivated to purchase from hotel chains, who continuously implement opportunities to act more environmentally friendly. Customers having a knowledge that the extension from the hotel chain who adopted policies of reducing bad effects on the environment are more keen to stay.

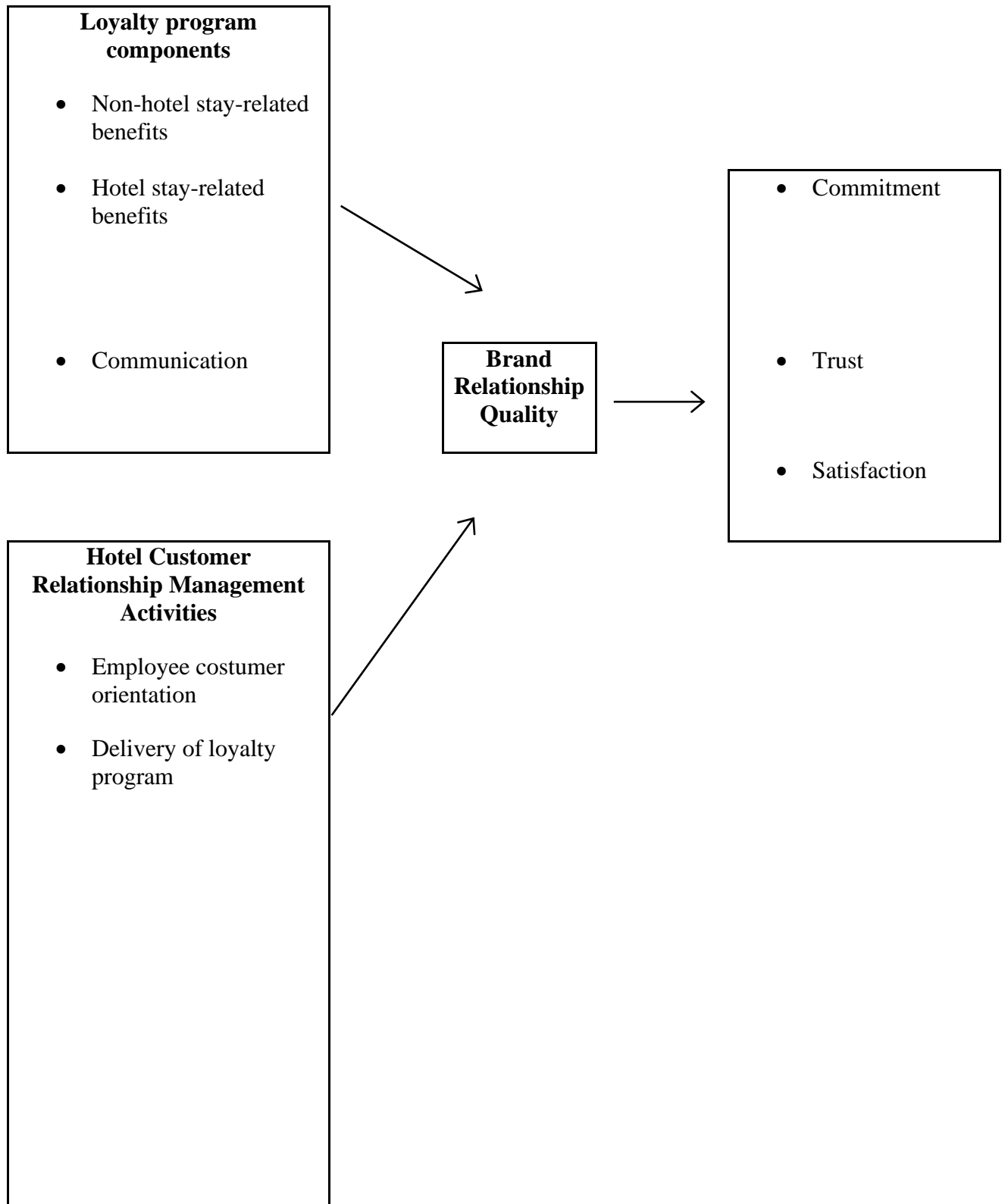The Accor Hotel Chain is number 1 in Europe to earn Tripadvisor's Green Leaders label.

Moreover, Accor Brand has a "We Act Together for Children" program to fight against the sexual exploitation of minors.

Values, that Accor Hotel Group stands for to build the trust between company and customers:

- Commitment to make guests feel welcome and valued;
- Ensuring guest's safety, privacy, hygiene and much more;
- Environmentally friendly habits that will ally with guests demands (*Empower Hotel Staff*).

In figure 1 inspired by (Lo, Im, Chen and Qu 2017) are presented the components connected with brand relationship quality (BRQ) and its outcomes.

Figure 1. BRQ as the mediator construct

Loyalty program components

- Non-hotel stay-related benefits

- Hotel stay-related benefits

- Communication

Brand Relationship Quality

- Commitment

- Trust

- Satisfaction

Hotel Customer Relationship Management Activities

- Employee costumer orientation

- Delivery of loyalty program

(Lo, Im, Chen and Qu (2017) also mention, that in order to maintain successful long-lasting relationships both sides - customer and the company should be willing to accommodate each other. In this context they are using expression "sacrifices" and it is highlighted that they should come from both sides. Although nowadays it can be observed, the hotel businesses are sacrificing more, as the consumers are very demanding, and their expectations are higher than ever before. In conclusion, as it demonstrated in the scheme 1 and as the study of Lo, Im, Chen and Qu (2017) results show that Brand Relationship Quality is a superior index of satisfaction, trust and commitment.

Customer data quality and effectiveness of customer information processing significantly influence customer relationship management performance (CRM) which directly affects Brand Relationship Quality, as demonstrated in Figure 2. CRM used in order to improve customer retention, customer satisfaction and customer value. The results suggest that hotels should have processes to maintain, analyze, and integrate customer information. One of the results from data analyzation is to determine most profitable customers that could improve hotel business and in general increase its value. And lastly, this data will assist the organisations with getting to the recorded information of their clients and thus, will recognize the primary market segment and make a precise consumer profile. (Alshourah, Sultan & mohd noor, nor azila, 2014)

Figure 2. Brand Relationship Quality.

				Brand Relationship Quality.
• Knowledge about frequent guests • Knowledge of business partners/ potential business partners • Knowledge of customers' tastes and preferences • Marketing surveys	**Database marketing** + **Data utilization**	Improving constantly relationships	Long-Lasting Relationship	
• Risks • Unfamiliarity • Expenses		Increase of brand switching costs		
• Communication via email • Communication via phone • Face to face communication • Communication via app • Accommodating each other		Effective communication		
• Brand Reputation • Brand distribution		Brand image		
• Commitment • Frequent stay • Hotel stay related benefits • Non-hotel stay-related benefits • Effective communication with members • Attractive reward program			(Successful) loyalty program	**Customer Relationship Management (CRM) strategies**
• Meeting expectations • Exceeding expectations • Alignment with brand values • Fit between brand and extension • Positive emotions • Decrease of negative emotions • Intention to return • Experiential values • Promises fulfilment			Achieving consumer satisfaction	
• Customer orientated employee • Following standards • Knowledge of brand values • Knowledge of loyalty program			Effective employee training	

The future studies could be analyzing how data is gathered and analyzed in hotel brands as well as best strategies of using the data could be developed increasing effectiveness of data collected.

2.3. Customer Hotel Brand Loyalty

The Author used the findings from 10 the most reliable studies on the brand loyalty in the hotel industry to form main themes that reflect most prevalent customer loyalty aspects. Each study findings give different overview on what is customer hotel brand loyalty and provides many factors shaping loyalty in customers. Moreover, studies which included several factors comparing them and showing which has more influence on customer loyal behaviour towards hotel brand. The studies used different measurment methods, which helps to have broad view how the loyalty can be measured in the hotel branding. The matrix consists citation, studys' focus and findings and the keywords. Finally, these components forming main theme that reflect most customer hotel brand loyalty in this study. The matrix is provided in Appendix 1.

From the matrix the main themes were identifies influencing brand loyalty: Brand Equity, Brand Image, Brand Awareness, Brand Personality, Customer Engagement, Demographic Characteristics. The Table 3 of Prevalent Themes in Customer Hotel Brand Loyalty is created from the data collected from studies. Brand equity is a significant and wide concept, and the brand image is an essential component of brand equity. The brand Image is the customers' perception of the brand and the brand equity is the organizational viewpoint of the brand. Brand Image is difficult to measure unlike Bran Equity as it is subjective an includes emotional attribute of individuals (Keth 2016) .

Table 3 Prevalent Themes in Customer Hotel Brand Loyalty

Main Themes Identified Influencing Hotel Brand Loyalty	Important Aspects
Brand Equity	• Brand equity dimensions affect Perceived value and therefore revisit intention. • Brand equity is more influenced by image than brand awareness • Creating value in consumers' minds
Brand Image	• Ideal social image and congruence have indirect effects on attitudinal brand loyalty • CRS (Corporate Social Responsibility)-brand fit increases customers' brand loyalty. • Brand authenticity works as a tool to gain loyal customers
Brand Awareness	• Revisit intention comes more from brand awareness than brand loyalty
Brand Personality	• Brand personality aligned with customer self-congruity results customer trust • Loyalty occurs when the brand reflects customer self-image and offers a good functional value • Appropriate Combination between hotel brand quality and hotel brand personality will develop brand value and loyalty
Customer Engagement	• Customer engagement influences service brand evaluation and brand trust, which in turn lead to brand loyalty. o Cognitive engagement helps to develop brand love
Demographic Characteristics	• High income customers tend to be more loyal. • Millennials are more loyal (when received high-quality products or services)

2.3.1 Evaluation of Accor Group based on the Prevalent Themes in Customer Hotel Brand Loyalty.

Author collected data from official Accor website, Accor latest reports, News sources regarding the brand and one relevant research article focused on the strategic branding in Accor Hotels.The study used in evaluation is from Demirçiftç and Kızılırmak (2016) Strategic Branding in Hospitality: Case of Accor Hotels and it mainly focused on Brand Equity and Brand Strategy in case of Accor Hotels. The results were positioned under each prevalent theme, which were identified above in Customer Brand Loyalty. These findings connected to the themes give an overview of the Accor Group as brand and its work and progress made in order to keep loyal customers and invite customers to join reward program. The evaluation of the Accor brand shows key loyalty strategies, effectiveness of these strategies, and if the brand have had generated future strategies based on predictions.

Main Themes Identified Influencing Hotel Brand Loyalty	Important Aspects
Brand Equity	Accor positioning itself as a worldwide leader. (Group.accor.com. 2020. *Accor - Our history*.) By operating in various segments, Accor generating incremental revenue in different profitable markets. Accor uses reliable reservation system TARS which supports online reservations from multiply channels and payment to optimization management (Demirçiftçi and Kızılırmak, 2016**).** Accor official website has around 330 million yearly visits **(**Group.accor.com.2020. *Accor, a leading digital company)*. Accor has 110 online travel agency web partners. 30% of Accor website visits came through mobile devices as in article from using data of year 2015. According to information presented at the moment by official Accor website 56% of web visits come from mobile devices (Group.accor.com. 2020. *Maximize your revenue)* which shows huge increase in almost 5 years. The brand operating social medias like a Facebook, YouTube, Instagram, Linked In. The most traffic comes from Facebook (SimilarWeb. 2021. *Accor.com Analytics)* Accor has more than 7.5 million fans on the social media. As of January 2021 Accor is placed on 21st place in the Top sites ranking for Travel And Tourism in category accommodation and Hotels in the world. Accor has currently more than 64 million Loyalty program members (Group.accor.com. 2020. *Accor, a leading digital company).* Accor Brand collecting data about stays and use of hotel services acquired from a large number of loyalty program members from the various brands gives a sufficient amount of data to the hotel, which can be examined to improve the performance and to upsell other brands. Planning and implementing data in order to give more personalized service which positively affect brand personality (Demirçiftçi and Kızılırmak, 2016.) Customers will get more value from the services, Personalization also improves brand Image, it makes brand more authentic in customers eyes as this brand delivers services that are more customized to specific clients' groups. Revenue management system increases brand equity. It helps with keeping occupancy level steady by identifying correctly changes in demand curve.(Demirçiftçi and Kızılırmak, 2016) Analyzing results helps with developing and adjusting strategies Loyalty programs help with occupancy adjustments. Corporate guests who most of the times are in the loyalty program helping increase

	occupancy levels. Providing customized services helping hotels increase their revenue. (Demirçiftçi and Kızılırmak, 2016.) According to the Accor customers' purchase behaviour analyse from 2012 loyalty program members spend 21%-36% more than non-members. Especially it can be seen in the higher scale hotels like Sofitel and Pullman (Accor.com). Hotel Group getting the knowledge from loyalty members analysing unintentional information customers give. (what they buy, when, how long they use service) Adoption of sustainable strategies has enhanced the Accor Group's brand equity (Demirçiftçi and Kızılırmak, 2016.). Accor doing marketing campaigns on international, national and local level. Accor has different category of hotels, which overall customers are benefitting a lot. One of the examples they give, customer gathering points from staying in budget hotel can spend them on the meal in luxury brand restaurant. Based on authors personal experience in interacting with loyalty members on the daily basis, among corporate clients practice of gathering points from the hotels they staying is most popular due to business and then spend them afterwards for the vacation in the luxury brand hotel. Currently hoteliers facing many challenges with running their business and planning for the future. The Accor extended their Partnership with Amadeus. By developing their relationship further with Amadeus for this one of a kind business insight arrangement, hoteliers will acquire more clarity into their particular business sectors and have the option to utilize the information to tailor their income methodology and stay in front of the opposition. Combining forces between them they aiming to come up with efficient business strategies in today's quickly changing climate (Guillot, 2020).
Brand Image	Effectiveness and usage of loyalty program affects brand image. Convenience of loyalty programs - CST engagement (increased). CST using more services, which are available in the loyalty program (depending on the level - services are different). Moreover, CST prefer to book concrete hotel property because of the service offered by loyalty program in that hotel brand extension (Demirçiftçi, and Kızılırmak, 2016). The app ALL – Accor Group app is only 1 and user friendly, which includes all the Accor brands, demonstrating accessibility (Group.accor.com. 2020. *Maximize your revenue)*. If the clients want more personal approach, they can customize their preferences on the profile and during and after the booking stage. Moreover, customers can contact reservation centres and inform about their preferences or get answers instantly. Accor Group presents the message that the reservation centre employees have "customer centric" approach, understanding customers' needs (Group.accor.com. 2020. *Maximize your revenue)* and giving an impression of brand that really cares. According to official Accor website data more than 79% of loyalty members book through Accor direct channels (Group.accor.com. 2020. *Maximize your revenue)*. The ALL program members express trust and prefer to book directly rather than go and it through 3rd party (f.e. OTA). However, Accor is benefiting by making agreements with strongest distribution channels and using Global Distribution systems helping distributing hotel deals through appropriate sources (luxury and budget hotel appropriate deals) (Demirçiftçi and Kızılırmak, 2016). This positively

	affects brand image and helps to keep trust between the customers and a brand.

Accor employees represent brand image. Effective training implementation helps employees to become part of the brand and represent it personality through services provided by them. Accor has hospitality school and e-learning which helping company (Demirçiftçi and Kızılırmak, 2016). To deliver the knowledge, interpret brand balue and tranform employees to the loyal presenters of the brand. Equipped with knowledge and skills employees are more able to deliver right messages to the CST and improve CST experiences.

Accor did a great job and showed commitment by actions taken within the program Charter 21, which enriched brand image. The program is directed to improve environmental footprint. Accor brand implemented policies to reduce water consuption, recycle batteries, saving light, using eco-friendly materials and products. Accor brand partnering with NGO ECPAT and World Trade Organizations for child protection. Moreover, is supporting projects fighting against climate change and epidemics (Demirçiftçi and Kızılırmak, 2016).

In year 2020 Accor launched a unique cleanliness and prevention label: ALLSAFE. According to the company it is „one of the most stringent cleaning standards and operational protocols in the world of hospitality." Through the social media commercial, it shows the measures taken in inside this scheme ALLSAFE label, rising awarness out in the people minds, that clients' wellbeing and safety is Accor Group are absolute priority (Group.accor.com. 2020. *Accor launches the Cleanliness & Prevention ALLSAFE label).* |
| Brand Awareness | Accor Group have made many contracts with travel agencies and air carriers. Moreover, company has sales offices which helps to spread brand awareness and increase customer engagement on the pre booking and booking stage (Demirçiftçi and Kızılırmak, 2016).

"Accor Hotel Group marketing team does various marketing activities in an attempt to develop brand awareness and loyalty by giving exceptional service. " (Demirçiftçi, T. and Kızılırmak, İ., 2016). Annual campaigns to generate new business and public relations opportunities help with occupation level in low season. Accor doing marketing campaigns on international, national and local level. Moreover, Accor Hotel Group actively having sponsorships, especiallty sport ones (Demirçiftçi and Kızılırmak, 2016).

On these deals and deals with marking agencies for hotel brands, mainly are working sales and marketing teams, which is contributing to the brand image and awareness. There are many sport partnerships Accor has. One of the main is with Paris Saint-Germain Football Club, the new ALL (Accor Life Limitless) loyalty platform is official sponsor of the club. The partnership brings many millions of Accor and Football club from social media toegether. Accor also partnering with the biggest tennis tournaments Roland Garros and the Rolex Paris Masters in France. Moreover, the company extended their partnership with AEG: which is the world's leading sports and live entertainment company, with more than 100 million guests a year. The one of the greatest upcoming opportunity for the Accor group is in 2024, when the Olympic and Paralympic Games 2024 will be held in the city of Paris. In Paris Accor has Accor venue – one of the world's biggest sport and entertaiment venue, where are hosted both national and international events. The Accor Arena is hosting around 130 events every year and |

	hase moe than 20 thousand seats. Arena is one of the ways to show visitors the french hospitality (Group.accor.com. 2021. *Accor - Accor Arena)* stenghten relationships between brand and its clients by enriching their experiences. Beside sport partnerships, company supporting The Montreux Jazz Festival as well. Accor Group also signed partnership with IMG, originally known as the International Management Group, is a global sports, events and talent management company. This partnership is mostly focuse on delivering culinary experiences to members of loyalty program by doing chef master classes and organising together Taste Festivals (Group.accor.com. 2021. *Accor partners)* The company delivers the message that loyalty program members will be getting these extra benefits and accesses to the campaigns and classes. Customers have the impression that Becoming a part of the loyalty scheme they will have more advantages than not joining the reward program. Accor doing a great job by showing all the benefits of becoming a member of ALL program through using multiply online channels and offline events. According the data from official Accor Group website they have more that 64 million memebers.
Brand Personality	Augmented hospitality – is the model of value creation for customers designed by Accor. Live/ work/ play – Accor is putting main focus on creating unique customer' experience (Group.accor.com. 2019. *Accor Hotel Group 2019 integrated report*). Accor states that their hospitality approach has 4 principals: • Listening to their guests. They constantly developing best practices of data (feedback) processing • Making great and memorable experiences through entertainment • Delivering excellence with simplicity and authenticity. • Motivating their teams (Group.accor.com. 2020. *Accor - Our history)* Spreading hospitality of the heart – the intention brand shows through the service provided by the Accor employees and personality brand carries. A culture of inclusion that welcomes all personalities – what the brand stands for in recruitment process (Careers.accor.com. 2020. What We Stand For | Careers at Accor) Accor made a big step forward in 2020, which is called rebrand. The updates in company portfolio: • new logo and tagline

	• stationery and key brand elements components
	• brand elements - brand book
	• new key visuals - imagery style
	• new headquarters booth
	• new products - bag and running shoes
	• new ad - POS - point of sale
	• new event display
	• Social Media updates: Facebook, Twitter, Linked IN
	Accor positions itself as a elite and life-style hospitality brand. Accor is situated as a superior, elite brand that envisions the future of hospitality, revolved around an environment of Live, Work, Play brands. This transformation lead to 7 times more mentions on social media and potential of 1 billion impressions (REBRAND. 2020. Accor *2020 REBRAND 100: distinction).*
	In the beginning of 2021 Accor introduced the Apartments & Villas website, where could be found at the moment more than 50 000 villas, apartments and chalets available. The website is devoted to the rental of the private residences and hotel premises for extended stays, allowing customers anywhere int the world to feel at home.
	The world 2020 crisis showed the increased demand for short term rental accommodation, as customers seek for more privacy, including different features. Accor digital platform allows guests to rent apartments for the weekend getaway or the apartments with comfortable work settings (Hotelnewsresource.com. 2021. *Accor Launches Apartments & Villas Website),* which allows to get away from usual routines.

Customer Engagement	According to the article used data of year 2015 Accor Customer Contact Centre call capture rate was 95% (Demirçiftçi and Kızılırmak, 2016)**.** Quick response and reduce of waiting time through multiply contact channels improving relationships between customers and the employees and overall attitude to the brand. Author suggests that Accor still keeping agents who is processing bookings and engaging with customers to keep the personal touch and making service more personalized as only service accepted delivered through technology is more "cold". If there is a real human being included in the process, whole experience getting more personalized and "warm". Customer engagement happening before booking – asking questions about properties, during – asking questions and telling preferences and after – leaving feedback, or a post-stay care from brand employees)

In the summer 2020 Accor Group conducted the survey asking travellers to find out what features and measures are valued the most, their preferences and needs. This data was collected to see the new trends, approach to travel and using this data make some forecast for the future (Group.accor.com. 2021. *The future of travel in 2021 and beyond – from resilience to recovery).*

As the loyalty program covers/ includes different opportunities to spend the points and also earn the points, customers are more engaged in the loyalty program and have different touch points outside the hotel. Customers using different services in the hotel, then can redeem the points earned on different services as well of the different hotel properties, what increases customers' engagement.

According to the report the review from guests are posted every 15 seconds (Group.accor.com. 2019. *Accor Hotel Group 2019 integrated report*) ,which allows brand constantly get feedback and review the value customer perceived from brand.

As the aftercare is very important in this type of business, the constant review of customers' voice and replying to customers, making them feel heard and understood is strengthening customer-band relationships.   (Group.accor.com. 2019. *Accor Hotel Group 2019 integrated report*). Huge traffic of the reviews needs good optimisation and dedicated workforce to effectively process feedback. |
| Demographic Characteristics | Accor is global hotel company, which manages hotels across the Europe, Asia, America. Together Accor Group has 39 brands from budget to luxury in 110 countries (Group.accor.com. 2020. *Maximize your revenue)***.** Demographically broaden, in different continents and countries allows an access to the more audience with different social, income fields. Makes accessible. Such a broad demographical position increases brand awareness as wide range of brand extension is seen across the globe and brand is recognisable by people.

Accor bought Luxury brands to enter the luxury market and increase variety having all segments: luxury, mid-scale and budget. (Demirçiftçi and Kızılırmak, 2016)**.** |

	The new budget level brands (Accor Group extensions) promoting itself as a budget friendly with comfortable services. CST who are preferring to stay in budget hotel section have more choices. Different types of hotels provides variety of services keeping the CST interest without loosing them because CST prefer to stay in the budget hotels. (Demirçiftçi and Kızılırmak, 2016). Digitalization allows more people to access hotels directly. There has been an increase of Accor website visit by 26% over 5 years through mobile devices (Group.accor.com. 2020. *Maximize your revenue).* The new features like digital in-app hotel services, provides the clients to express their needs faster and stress free, access the services consumers want in a moment.

Conclusion

Most major hotel brands nowadays have at least one extension whose name is associated with the name of the family brand to demonstrate the connection between the new extension and the main brand (Mahasuweerachai & Qu, 2014).

This paper has investigated how brand extension in hotel chains affect customer loyalty and buying decisions.

Author used qualitative content analysis to understand the phenomena and do the analysis of interconnections and processes between these phenomena.

As a support of examining this research problem Author proposed following questions:

1. How does expanding the hotel chain brand influence customer purchasing decisions?

2. Which factors of hotel chain brand are most important to customers when making a purchase decision?

3. How do hotel chains build and maintain trust in brand extension?

Each question is addressed in separate sub-section.

The overview of literature provided the theoretical framework to address the issues related to the expansion of the hotel chains.

One of the most popular strategies of growth that is less risky and cheaper than creating a new brand is brand extension. Because the brand name is already known by customers, the extension usually gains easier acceptance in the market. However, the studies demonstrate that brand extension in the lodging industry besides benefits has its challenges as well.

First, the studies show that belonging to the hotel chain is assumed to have a set of quality services that should be maintained at the same high level for all enterprises included in the chain. All major hotel chains have common standards and equipment parameters of premises, technology and service standards. At the same time hotel brand extension in order to create customer value is challenged by keeping the balance between having unique authenticity and

being a part of the brand and keeping its' standards. The findings indicate that many brands under parent hotel brand might confuse and even manipulate corporate structure. It is very important to implement the fit concept between brand and extension in order to reduce possible confusion. Moreover, the emergence of new requirements for hotels by tourists puts international operating hotel companies in the need to find new unknown and previously not considered ways to satisfy them. It is highlighted, that hotel brands should not only focus on customer practical needs but also their emotional needs as these factors are affecting highly customer purchase decision and overall experience satisfaction.

Second, parent brand's equity might be damaged by having too many brand extensions on different levels. It is important as equity is linked to the revenue, which means customers' purchase pattern. Although, it is considered as risk, it can be observed in practice that the biggest hotel chains have implemented it, such as Marriot and Accor. This final paper addresses how this implementation can be effective on example of Accor Hotel. The first research question explored the influence of hotel brand extension on customer purchasing decisions. The analysis showed that the expansion of hotel chain could be received positively or negatively depending what perceptions and emotions customers had toward the particular hotel of the chain. Negative emotions related to previous experiences have higher influence on the customers return intention. Customer perceptions of brand values and image are created by the experiences and therefore influenced by emotions. These components affect introduction of an extension and how it will be met by customers. The emotional attachment towards the brand influences the attitude toward the extension that is considered to be the key to measure the success of the extension. Although multiply studies suggest no more than three extensions with set standards to avoid brand dilution, it can be observed that big brands do not follow this strategy. Big hotel brand such as Accor have extensions, which are divided into budget, middle and luxury brands.

Customers' emotional connection to the brand is one of the significant components. Customers are more flexible if some problems occur and some of their needs are not met because having strong attachment to that brand. Constant interaction with customers and evaluation of their evolving needs highlights the importance of human interaction in the digitally transformed world.

The second research question helped to determine which factors of hotel chain brand are most important to customers when making a purchase decision. The acceptance of the extension is the first step before taking into account different factors that influence customers' willingness to

support a new extension of the hotel brand. Customer knowledge of the core brand name, characteristics and values of the core brand are important before they decide to look into new extension features and become potential consumer. Hence, it can be concluded, that customers are looking into the brand fit. Both intangible and tangible factors impact consumers' satisfaction and decision making. WOM and e-WOM affect purchase decision. It is also critical how e-WOM is displayed on online platforms, as placing positive ones in front of negatives ones tend to create overall better image.

Third question investigated how hotel chains build and maintain trust in brand extension. The trust towards the brand is growing when more customers achieve certain level of satisfaction. The greater consumer satisfaction is, the bigger chance of becoming loyal to the brand. The findings show that, one of the efficient procedures for the single hotels and hotel chains in order improve customer service is by holding databases. By joining loyalty program scheme, customers are more committed to stay with the brand. However, the emotional connection is stronger element when comes to the making repurchase in the same hotel brand. Without emotional connection, consumers still can participate in multiply reward programs and would likely choose which is most convenient lodging property to stay at the moment.

The main themes were identified influencing brand loyalty: Brand Equity, Brand Image, Brand Awareness, Brand Personality, Customer Engagement, Demographic Characteristics. The table of Prevalent Themes in Customer Hotel Brand Loyalty is created from the data analysis from collected studies.

Accor Hotel Group has been evaluated based on the Prevalent Themes in Customer Hotel Brand Loyalty.

Accor is increasing equity by operating in various segments. Hotel chain is generating incremental revenue in different profitable markets. Accor Hotel is operating in 110 countries, has 5036 hotels and 739,537 rooms across the world according to their latest Hotel Portfolio report. Doing marketing campaigns on international, national and local level is contributing to expansion of Brand Equity. Demographically broaden, in different continents and countries allows an access to the more audience with different social, income fields. Such a broad demographical position increases Brand Awareness as wide range of brand extension is seen across the globe and brand is recognizable by people.

Brand has been effectively adopting digitalization by operating social medias like a Facebook, YouTube, Instagram, Linked In, where the most traffic comes from Facebook. Accor Brand is using data acquired from a large number of loyalty program members from the various brands to improve the performance and to upsell other brands. Accor hotels Group chain has large set of factors, that could attract potential customers. Accor Hotel using different platforms for booking the hotel. Variety of booking platforms provides customers with choice to book hotel with their most used or trusted platform. Moreover, Accor Hotel Brand runs strong-impact ad campaigns on multiply media platforms. During whole year the hotel chain regularly coming up with attractive offers for different market groups. Even in the lowest season, they drawn costumers by running different campaigns and promotions.

Personalization helps to improve Brand Image and makes brand more authentic in customers eyes. Accor Hotel chain different extensions aim to satisfy diverse customers, while also using local identity and cultural differences. This helps hotels to provide customers local experience, which shows authenticity of the hotel. Also, Accor is paying attention on the market preferences place specifically. In the country where growth is expected in purchase of luxury products and services, brand focuses on more luxury segment by growing luxury extensions number. Process of analysis and adoption to the environment change is increasing the ability for the customer' number growth in their business.

Accor's latest update of the loyalty program – ALL, demonstrates the goal for stronger Brand Equity. If the clients want more personal approach, they can customize their preferences on the profile and during and after the booking stage. Moreover, customers can contact reservation centers and inform about their preferences and get answers instantly. Accor Group presents the message that the reservation center employees have "customer centric" approach, and give an impression of brand that really cares, which overall improves the level of trust and emotional connection. Augmented hospitality – is the model of value creation for customers designed by Accor. Live/ work/ play – Accor is putting main focus on creating unique customer' experience therefore showing its unique Brand Personality. Spreading hospitality of the heart – the intention brand shows through the service provided by the Accor employees.

Another customer engagement strategy besides implementations mentioned above is the availability of using different services in the hotel and then can redeem the points earned on different services as well of the different hotel properties which increases Customers' Engagement.

Accor Group's brand equity has also been enchased through adoption of sustainable strategies. Accor brand is showing that is taking actions to improve environmental footprint via program Charter 21. Moreover, in year 2020 Accor launched a unique cleanliness and prevention label: ALLSAFE. According to the company it is "one of the most stringent cleaning standards and operational protocols in the world of hospitality."

Future studies could be analyzing how data is gained and analyzed in hotel brands as well as best strategies of using the data could be developed increasing overall effectiveness of data collection. Future research could also analyze brand image from employees' perspective and the ways they could affect it.

The main outcome as noticed by the Author is that emotions play the big role in brand experience. And the biggest step individual hotels can take to improve overall brand equity is reduce customers' as well as employees' negative emotions. Another big takeaway is the keeping brand promise to the customers. It shows that brand remain to its true concept.

In conclusion, now as never before guest satisfaction is priority and attempt to walk an extra mile in every touch point with the guest is highly prioritized as well.

KOKKUVÕTE

HOTELLIKETTIDE BRÄNDI LAIENDAMISE MÕJU KLIENTIDE OSTUOTSUSTELE JA LOJAALSUSELE

Elis Puusik

Enamikul suurematel hotellibrändidel on tänapäeval vähemalt üks laiendus, mille nimi on seotud brändi kaubamärgi nimega, et demonstreerida seost uue laienduse ja põhibrändi vahel.

Brändi laiendamine on populaarne turundusvahend, kuid võib kaasa tuua negatiivseid mõjutusi klientide lojaalsusele ja mõjutada nende ostuotsustusi. Antud lõputöö eesmärgiks on uurida kuidas hotellikettide brändi laiendamised mõjutavad klientide lojaalsust ja ostuotsustusi.

Peamised uurimisküsimused

- Kuidas hotelliketi brändi laienemine mõjutab klientide ostuotsustusi ja lojaalsust?

- Millised hotelliketi brändi tegurid on klientidele olulised ostuotsuste langetamisel?

- Kuidas hotelliketid loovad ja säilitavad usaldust brändi laiendamisel?

Autor kasutas nähtuste mõistmiseks kvalitatiivset sisuanalüüsi ning analüüsis nende nähtuste omavahelisi seoseid ja protsesse. Peamiste uurimusküsimuste valguses ja sisuanalüüsi teel välja toodud lojaalsuse aspektide alusel hinnatakse Accor Grupi kui hotellibrändi strateegiaid ja turundustegevusi ja kui efektiivsed on nende strateegiad klientide usalduse võitmiseks ja nende lojaalseks muutmiseks.

Uuringud näitavad, et hotelliketti kuulumisel eeldatakse kvaliteetsete teenuste kogumit, mida tuleks hoida kõigi ketti kuuluvate ettevõtete jaoks samal kõrgel tasemel. Hotellibrändi laiendamine kliendiväärtuse loomiseks on tõeline väljakutse, kus proovitakse säilitada tasakaalu iga üksiku hotelli ainulaadse autentsuse ja brändi osaks olemise ning selle standardite järgimise vahel. Tulemused näitavad, et paljud emaettevõtte kaubamärgi all olevad kaubamärgid võivad ettevõtte struktuuri segadusse ajada ja isegi manipuleerida. Võimaliku segaduse vähendamiseks on väga oluline rakendada kaubamärgi ja laienduse sobivuse kontseptsioon.

Ehkki mitmekordsed uuringud viitavad brändide sõnumi hajumise vältimiseks mitte enamat kui kolme kehtestatud standarditega laiendust, võib täheldada, et suured kaubamärgid seda

strateegiat ei järgi. Accor Grupil on laiendused, mis jagunevad soodsaks-, keskklassi ja luksusbrändideks. Brändilubaduse täitmine näitab, et bränd jääb oma tegeliku kontseptsiooni juurde.

Tähelepanu on pandud ka, et hotellibrändid peaks keskenduma mitte ainult klientide praktilistele vajadustele, vaid ka emotsionaalsetele vajadustele, kuna need tegurid mõjutavad väga kliendi ostuotsust ja üldist rahulolu kogemustega.

Analüüs näitas, et hotelliketi laienemine võis olla positiivne või negatiivne, sõltuvalt sellest, millised arusaamad ja emotsioonid olid klientidel keti konkreetse hotelli suhtes. Varasemate kogemustega seotud negatiivsetel emotsioonidel on suurem mõju klientide tagasipöördumiskavatsusele.

Kliendi ettekujutus brändiväärtustest ja isikupärast on loodud kogemuste poolt ja seetõttu mõjutatud emotsioonidest. Need komponendid mõjutavad laienduse tutvustuse ja seda, kuidas kliendid seda vastu võtavad. Emotsionaalset seotust kaubamärgiga peetakse laiendamise edu võtmeks. Üksikud hotellid peaksid püüdma vähendada nii klientide kui ka töötajate negatiivseid emotsioone, et parandada brändi omakapitali.

Ostude mõjutamise tulemused on töös jagatud positiivseteks ja negatiivseteks. Teise küsimuse uuringute lõplik analüüs näitab, et hotelliketi kaubamärgi laiendamisel on rohkem positiivseid kui negatiivseid külgi, mis mõjutavad klientide ostuotsust.Laienduse aktsepteerimine on esimene samm, enne kui võetakse arvesse erinevaid tegureid, mis mõjutavad klientide valmisolekut toetada hotellibrändi uut laiendust.

Kolmandas küsimuses on uuritatud, kuidas hotelliketid loovad ja säilitavad usalduse kaubamärgi laiendamise vastu. Usaldus kaubamärgi vastu kasvab, kui rohkem kliente saavutab teatud rahulolu. Mida suurem on tarbijate rahulolu, seda suurem on võimalus kaubamärgile lojaalseks saada. Tulemused näitavad, et üksikute hotellide ja hotellikettide üks tõhusamaid protseduure klienditeeninduse parandamiseks on andmebaaside hoidmine. Lojaalsusprogrammiga liitumisel on kliendid pühendunud rohkem püsima brändiga. Emotsionaalne seos on aga tugevam element sama hotelli kaubamärgi tagasiostmisel.

Selles uurimistöös on tuvastatud peamised teemad, mis mõjutavad brändilojaalsust: brändiväärtus, kaubamärgi kuvand, bränditeadlikkus, brändi isikupära, kliendi kaasamine, demograafilised omadused. Accor hotelligruppi hinnati tuvastatud kliendihotellide

brändilojaalsuse levinud teemade põhjal. Hinnang näitas, et Accor Grupp oma strateegiates on suutnud keskenduda klientide jaoks oluliste positiivsetele aspektidele brändilojaalsuse iga tuvastatud teema osas.

Accor suurendab omakapitali, tegutsedes erinevates segmentides. Hotellikett teenib erinevatel kasumlikel turgudel täiendavat tulu. Accor hotell tegutseb 110 riigis, seal on 5036 hotelli ja 739 537 tuba kogu maailmas. Laia demograafilise positsiooni olemasolu suurendab bränditeadlikkust, kuna kogu maailmas on lai valik kaubamärgi laiendusi ja inimesed tunnevad brändi ära. Bränd on digitaliseerimist tõhusalt kasutusele võtnud, tegutsedes kõige tuntumates sotsiaalmeedia plotformides. Samuti, erinevad broneerimisplatvormid, mida bränd kasutab, pakuvad klientidele võimalust broneerida hotell oma kõige enam kasutatud või usaldusväärsema platvormiga.

Accori hotelliketi erinevate laienduste eesmärk on rahuldada erinevaid kliente, kasutades samas kohalikku identiteeti ja kultuurilisi erinevusi. See aitab hotellidel pakkuda klientidele kohalikke kogemusi, mis näitavad hotelli autentsust.

Accor Group esitab sõnumi, et nende töötajad suhtuvad kliendikeskselt ja annavad mulje tõeliselt hoolivast kaubamärgist, mis üldiselt parandab usalduse taset ja emotsionaalset sidet. Täiustatud külalislahkus - see on Accori kujundatud klientide jaoks väärtuse loomise mudel. Ela / tööta / naudi - Accor paneb põhirõhu unikaalse kliendikogemuse loomisele, näidates seetõttu oma ainulaadset brändi isikupära. Südamest tuleva külalislahkuse levitamine – kavatsus, mida bränd näitab läbi Accori töötajate poolt pakutava teenuse kaudu.

Klientide kaasamist tõstetakse läbi strateegia, mis võimaldab kasutada hotellis erinevaid teenuseid ja seejärel saab lunastada teenitud punktid erinevate teenuste peale erinevates hotellides mis kuuluvad sama hotelliketti.

Tulevased uuringud võiksid analüüsida, kuidas hotellibrändides andmeid kogutakse ja analüüsitakse, samuti võiks välja töötada andmete kasutamise parimad strateegiad, suurendades andmete kogumise üldist tõhusust. Tulevased uuringud võiksid analüüsida ka brändi isikupärasust töötajate vaatenurgast ja nende mõjutamise viisidest.

Brändilojaalsuse maatriksit saab kasutada teiste hotellikettide kaubamärkide hindamiseks.

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Appendix 1

Citation	Focus	Findings	Keywords	Main themes
Back, K., 2005. The Effects of Image Congruence on Customers' Brand Loyalty in the Upper Middle-Class Hotel Industry. *Journal of Hospitality & Tourism Research*, 29(4), pp.448-467.	Exploring the effects of image congruence on customers' post purchasing behaviours, focusing specifically on customer satisfaction and brand loyalty in the lodging industry. **Method**: A questionnaire Eighty-one customers who stayed at a midscale hotel in northern Pennsylvania were given questionnaire. Most of them business travellers	Attitudinal brand loyalty is affected indirectly by social image congruence while customer satisfaction is affected directly. Bringing out the importance of monitoring customers' perceptions of a hotel brand image and selective target marketing. Customer service is affected by both tangible and intangible hotel features.	social image congruence; ideal social image congruence; customer satisfaction; attitudinal brand loyalty; lodging industry, self-congruence,	Ideal social image and congruence have indirect effects on attitudinal brand loyalty
Woo Gon Kim, Jin-Sun, B. and Hyun Jeong Kim, 2008. Multidimensional Customer-Based Brand Equity and Its Consequences in Midpriced Hotels. *Journal of Hospitality &*	Exploring the connection between hotel brand equity and guests' perceived value and revisit intention. **Method**:	The importance of perceived value in lodging customers' mind. Although customers are loyal to the brand there is high switching rate between brand extension. It is hard to keep customer loyalty towards specific hotel	brand equity; revisit intent; perceived value; brand loyalty; perceived quality; brand awareness/association	Brand equity dimensions affect Perceived value and therefore revisit intention. Repurchase intention

Tourism Research, 32(2), pp.235-254.	Convenience sampling method survey (questionnaire) at an airport located in a mid-western U.S. city.	extension. 1. Brand equity dimensions affect Perceived value and therefore revisit intention. 2. Perceived quality is most influential on perceived value. 3. Customers' value perception is mostly dominated by their experience of service quality. 4. Loyal customers have high perceived value and repurchase intention **5. Repurchase intention is comes more from brand awareness than brand loyalty.**		is comes more from brand awareness than brand loyalty.
So, K., King, C., Sparks, B. and Wang, Y., 2014. The Role of Customer Engagement in Building Consumer Loyalty to Tourism Brands. *Journal of Travel Research*, 55(1), pp.64-	Investigating the connection of customer engagement with traditional antecedents of brand loyalty **Method:** The study was carried out in Australia. Total of 556	Customer engagement enhances customers' service brand evaluation, brand trust, and brand loyalty. Using appropriate marketing strategies helps to enhance customer engagement. Customer-customer engagement proposal	customer engagement, brand loyalty, brand management, customer interaction, tourism, hospitality	Customer engagement influences service brand evaluation and brand trust, which in turn lead to brand

78.	hotel and airline customers completed the survey sent them by email. **Measurements:** **Customer engagement:** Identification, Enthusiasm, Attention, Absorption, Interaction. **Service Brand Evaluation:** Service Quality, Perceived Value, Customer Satisfaction	as one of the ways to enrich experience within the scope of hotel brand.		loyalty.
Cha, M., Yi, Y. and Bagozzi, R., 2015. Effects of Customer Participation in Corporate Social Responsibility (CSR) Programs on the CSR-Brand Fit and Brand Loyalty. *Cornell Hospitality Quarterly*, 57(3), pp.235-249.	Investigating the effects of Customer Participation in Corporate Social Responsibility (CSR) Programs on the CSR-Brand Fit and Brand Loyalty. **Method:** The proposed model, created by using structural equation analysis was tested with 237 actual customers of brand coffee shops."	Social identification has less influence on service brand loyalty than the personal identification. The difference is seen better when customer take part in firms' CRS activities. Customer – brand relationship become stronger when customer participate in those activities. In general, CRS activities influences loyalty formation.	CSR-brand fit; brand identification; brand loyalty; customer participation, customer-brand relationship	CRS-brand fit increases customers' brand loyalty.

Nuseir, M., 2020. Assessing the Impact of Brand Equity and Demographic Characteristics on Brand Loyalty: The Mediating Role Played By Customer Experience in United Arab Emirates' Hotel Industry. *Journal of Hospitality & Tourism Research*, p.109634802094778.	Study of the impact of brand equity and demographic characteristics on brand loyalty in United Arab Emirates' hotel industry. **Method:** 1. Quantitative study design involving data collection and analysis 2. Convenience sampling: a total of 694 participants selected at three 3-star hotels and two 5-star hotels in the United Arab Emirates.	High Brand Equity occurs towards particular hotel when customers had satisfactory UX (user experience) in that hotel. Generally feeling positive about services reflects customers' satisfaction. Demographic characteristics such as income and age were identified as components associated with BL, while gender has no association with BL. High income customers tend to be more loyal than customers with low income. Loyal behaviour towards brands is shown by millennial generation toward brands that offer particular high-quality services and products.	brand equity; brand loyalty; customer experience; UAE hotels; United Arab Emirates	Quality services affect BE and influence BL, consumers' intentions to repurchase, and brand recommendations to others. Receiving quality services. High income customers more loyal. Millenials are more loyal when receiving high-quality services or products.
Šerić, M., Gil-Saura, I. and Mikulić, J., 2016. Customer-based brand equity building. *Journal of Vacation Marketing*, 23(2), pp.133-144.	The empirical research of the process of brand equity building from when coming the customer point of view. **Method:** "The empirical	Brand equity is directly influenced by image and loyalty exert and less influenced by brand awareness and perceived quality. The influence of "trust and affective commitment is mediated by	affective commitment, customer-based brand equity, image, loyalty, trust, awareness, perceived quality,	Brand equity is directly influenced by image and loyalty exert. Creating value in

		loyalty." Relational variables (loyalty, trust and affective commitment) are more significant in building brand equity than perceptual ones	Consumer approaching,	consumers' minds
Shin, M. and Back, K., 2019. Effect of Cognitive Engagement on the Development of Brand Love in a Hotel Context. *Journal of Hospitality & Tourism Research*, 44(2), pp.328-350.	Exploring the relationship between cognitive brand loyalty, brand love and customer-brand engagement. **Method**: Sampling. 335 participants who have hotel experience in the past 2 years and are older than 18 years. 49.3% of participants were members of a loyalty program	The way customers process brand information "how" (cognitive engagement) is equally important as "what" they process (content, e.g., quality). Technology helping with engaging with customer cognitively. Enjoyment of the process increasing brand love.	brand love; brand loyalty; cognitive engagement; attention; absorption; hotel, Information delivery process brand love dimensions: intimacy, passion, and commitment	Cognitive engagement developing brand love
Tran, X., Dauchez, C. and Szemik, A., 2013. Hotel brand personality and brand quality. *Journal of Vacation Marketing*, 19(4), pp.329-341.	Explore the relationship between hotel brand quality and hotel brand personality in order to find an effective way for hotel brand managers to develop their brand value and loyalty.	"The results of the study demonstrated that the five dimensions of hotel brand quality construct (assurance, tangible, empathy, reliability, and responsiveness) are significantly related to preferences on the five dimensions of hotel brand	Hotel brand equity, hotel brand loyalty, hotel brand personality, hotel brand quality, hotel brand value, individual packages for	Appropriate Combination between hotel brand quality and hotel brand personality will develop brand value

	Method: sampling method with the 400 guest of the 6 hotels (different brands) on Pensacola beach measuring brand personality and service performance.	personality (competence, excitement, sincerity, sophistication, and ruggedness), respectively. In addition, effects of hotel prices on brand quality are significant.	each extension.	and loyalty
Serhat Adem Sop & Nazmi Kozak (2019) Effects of brand personality, self-congruity and functional congruity on hotel brand loyalty, *Journal of Hospitality Marketing & Management,* 28:8, 926-956, DOI: 10.1080/19368623.2019.1577202	The study investigates the effects of brand personality (BP), self-congruity and functional congruity on hotel brand loyalty **Method:** Survey questionaries given to 732 Turkish tourists from 25 five-star hotels serving in Bodrum (Turkey)	"Brand Personality characteristics when aligned with customer self-image will affect positively perceptions of the customers. Hotel brand is successful from customer perspective when it offers good value for money and meets their expectations. Brand Personality positively affects brand loyalty when it is perceived as competent, exciting and sincere.	Brand personality; self-congruity; functional congruity; hotel brand loyalty, positive first impression, value for money, meeting expectations.	Brand personality aligned with customer self-congruity results customer trust Loyalty occurs when the brand reflects customer self-image and offers a good functional value
Mody, M. and Hanks, L., 2019. Consumption Authenticity in the Accommodations Industry: The Keys to Brand Love and Brand Loyalty for Hotels and	The impact of authentic experiences in accommodation brand on brand love and brand loyalty. Exploration of three elements of consumption	Brand-loving and brand-loyal customers are gained using different approaches by hotels and Airbnb's. Airbnb leverages brand, existential, and intrapersonal authenticity in creating brand-loving and	authenticity, brand love, brand loyalty, Airbnb, sharing economy, deep experience, authentic local experience	Brand authenticity in hotels as a tool to gain loyal customers.

Airbnb. *Journal of Travel Research*, 59(1), pp.173-189.	authenticity ((brand, existential, and intrapersonal) and their impact on the brand love of hotel brands and Airbnb **Method**: A total of 1,256 usable responses were collected: 618 from customers who had stayed at an Airbnb in the last year, and 638 from customers who had stayed at a hotel in the last year	brand-loyal customers, while hotels utilize only brand authenticity. The Airbnb market is more likely to comprise a variety of ethnicities than those in the hotel brand group.		

Attachment 1

Q1. How does expanding the Hotel Chain brand influence customer purchasing decisions?

Citation	Focus	Findings	Keywords	Main themes
Bravo, R., Martinez, E. and Pina, J. (2019). Effects of service experience on customer responses to a hotel chain. *International Journal of Contemporary Hospitality Management*, 31(1), pp.389-405.	Customer experience in an individual hotel and response to the hotel chain	Service perceptions and emotions elicited by an individual hotel influence the customer response towards the hotel chain.	Satisfaction, emotions, experience, intentions, attitude, word of mouth, scepticism, service perceptions, individual hotel, hotel chain, effects	Customer attitude to the hotel chain is evaluated by experience with individual hotel
Grime, I., Diamantopoulos, A. and Smith, G. (2002). Consumer evaluations of extensions and their effects on the core brand. E*uropean Journal of Marketing*, 36(11/12), pp.1415-1438.	Customers perception of extensions. How the attitude toward extension affects core brand.	Consumer evaluation of the extension and the core brand is affected by the fit between them	Brand extension, consumer evaluations, core brand, affects, customer perceptions, customer evaluations, fit, attitude toward the brand, impact, consumer knowledge, equity of the brand, brand values	Customer evaluations of the hotel chain and extensions, The fit between core brand and extension
Peterson, C. and McCarthy, C. (2003). Hotel Development of Cultural Tourism Elements. *Tourism	How cultural elements affect hotel development	The researchers came up with recommendations for hotel development of cultural tourism	Guest experience, cultural elements, government, on-site tourism offerings, cultural objects, minimizing potential	Enriching customers' experience, Government and lodging industry working together

Review, 58(2), pp.38-42.		elements. They stress out that implementing cultural elements will enrich customers experience and expand appreciation for culture of the country.	impacts, hotel development, authenticity, local culture, positive impact, opportunities for guests to learn about local culture and traditions	
Han, H. and Back, K., 2007. Investigating the Effects of Consumption Emotions on Customer Satisfaction and Repeat Visit Intentions in the Lodging Industry. *Journal of Hospitality & Leisure Marketing*, 15(3), pp.5-30.	How positive and negative consumption emotions affect customers' experience and intention to return	Positive and negative consumption emotions have significant effect on customers' experiences and repeat visit intentions. Negative emotion have higher influence on the customers' experience and return intention.	Customer satisfaction, repeat visit intentions, positive and negative emotions, lodging industry, emotional response,	Intention to revisit, customer satisfaction, brand attitude
2015. *Hotel product and service promotion policy, promotion methods* [ebook] Studopedia, p.19-21.	Promotion for attracting new potential customers, retaining existing ones and maintaining the popularity of	The general strategy and marketing programs for hotel services in order to promote them	Advertising, Direct marketing, working with customers, Sales promotion, Public relations, Personal sales, information, establishing personal contact with the client	Effective promotion, information - customers' knowledge

	products.			
Demirçiftç T., Kızılırmak I., (2016). Strategic Branding in Hospitality: Case of Accor Hotels. *Journal of Tourismology*, 2 (1).	Investigation of the branding strategies of hospitaliy companies focusing on Accor Hotel Group branding strategies	Strategic program named Accor Leading Digital Hospitality which helps to increase guest satisfaction and generate more income. Analytics program analysing guests' spendings. Invested into Search Engine Optimisation and sustainability programs. Reliable reservation system – TARS.	Branding, Online Marketing, brand equity, hotel brand extension, market positioning, brand loyalty, sustainable development programs, value, high quality, advertisement and promotion, brand management strategy, strong revenue management systems and tools	Branding Strategy, Brand equity
O'Neill, J. W., & Mattila, A. S. (2010). Hotel brand strategy. Cornell Hotel and Restaurant Administration Quarterly, 51 (1) 27-34. FROM strategic	Examination of the Value of Hotel Brands, How Brands Create Value, Relationship between Guest Satisfaction and Hotel Brands, Hotel Brand Extension, Relationship		Time saving, cost saving, different types of hotels, different purposes, brand management; customer satisfaction; hotel asset value; franchising	

branding hospitality	between Hotel Branding and Franchising			
FEDORIKHIN, A., PARK, C. and THOMSON, M., 2008. Beyond fit and attitude: The effect of emotional attachment on consumer responses to brand extensions. *Journal of Consumer Psychology*, 18(4), pp.281-291.	The effect of brand attachment on several dependent variables associated with consumer behavioral reactions to brand extensions.	The effect is high and moderate. Emotional attachment to the brand extension affects willingness to pay, WOM, purchase intentions and forgiveness.	Purchase intentions, willingness to pay, word-of-mouth, and forgiveness, relevance, Self-brand connection, associations, memories, simultaneous desire, resistance to separation, object orientation, strong relationship, motivation, triggers, categorization cue, different product categories.	Behavioral reactions, (Level) Brand attachment → drive commitment and loyalty.

Q2. Which factors of hotel chain brand are important to customers when making a purchase decision?

Citation	Focus	Findings	Keywords	Main themes
Bravo, R., Martinez, E. and Pina, J. (2019). Effects of service experience on customer responses to a hotel chain. *International Journal of Contemporary Hospitality Management*, 31(1), pp.389-405	Intangible and tangible products. Quality perception	Consumer would evaluate a brand extension depending on the similarity or fit between the original brand and the extension"	service perceptions: core service (main service delivered by the hotel), employee service (behaviour and performance of employees) and service scape (visual aspects of facilities and employees). customers' expectations, emotions, touch points, experience, tangible and intangible factors, fit	Quality perception, prior experiences, hotel chain values, brand attitude, Word of mouth,
Grime, I., Diamantopoulos, A. and Smith, G. (2002). Consumer evaluations of extensions and their effects on the core brand. *European Journal of Marketing*, 36(11/12), pp.1415-1438.	consumer evaluations of extensions and their effects on the core brand.	Extreme satisfaction of customers' should be managers' priority in order to make customers loyal. Loyal customers are crucial for hotel business.	consumer attitude, extension, core brand, fit, acceptance of the extension, customers' knowledge of the core brand, name, characteristics, values, features,	Customer evaluations of extensions, perception of the fit between core brand and extension, expectations met, benefits,

			loyalty	
Group.accor.com. n.d. *Accor Yield Management Solutions*. [online] Available at: <https://group.accor.com/en/hotel-development/services/maximize-your-revenue> Group.accor.com. n.d. *Magnify Customer Experience In Your Hotel*. [online] Available at: <https://group.accor.com/en/hotel-development/services/magnify-customer-experience>	How to attract customers, maximizing revenue of hotel, enhancing customer experience.	Different tools are used to attract customers. Effective marketing strategies proposed.	Offers, booking and media platforms, effective communication, promotions, online features, customer path, experience, distribution channels, online presence, mobile application., trusted reviews, personalized service, CRM Database, sustainable product orientation, environmentally friendly practices	Trusted booking platform, special offers, online presence, loyalty program benefits, being more environmentally friendly
Gobinda Roy, Biplab Datta & Srabanti Mukherjee (2019) Role of electronic word-of-mouth content and valence in influencing online purchase behavior, *Journal of Marketing Communications*, 25:6, 661-684, DOI: 10.1080/13527266.2018.1497681	Affect of mixed neutral WOM valence and rich eWOM content on online purchase intention	Mixed neural eWOM and rich eWOM content positively affects online purchase behaviour	mixed neutral WOM valence, rich eWOM (video- and image-based review)content, valence, volume, text-based eWOM, influence, purchase behaviour, campaigns, valence (type of online review), volume (number of reviews), review	eWOM, effective promotion/ marketing

			content, digital platform, marketing strategy, eWOM credibility	
Krishnamurthy, A. and Kumar, S., 2018. Electronic word-of-mouth and the brand image: Exploring the moderating role of involvement through a consumer expectations lens. *Journal of Retailing and Consumer Services*, 43, pp.149-156.	Consumers' perceptions of the the brand influenced by eWOM (focus on the smartphones and hotel services)	1.High-involvement consumers form better image of the brand. 2.Proposed model for management to form better brand image in customers' minds. 3.Possible strategies to improve brand expectations	eWOM, high-involvement versus low-involvement consumers, social media, hotel services, positive and negative eWOM, understanding consumer expectations, shaping consumers image of the brand	Brand image, brand perception, effective marketing strategy, Management response to positive and negative eWOM
Demirçiftç T., Kızılırmak I., (2016). Strategic Branding in Hospitality: Case of Accor Hotels. *Journal of Tourismology*, 2 (1).	Investigation of the branding strategies of hospitality companies focusing on Accor Hotel Group branding strategies	Strategic program named Accor Leading Digital Hospitality which helps to increase guest satisfaction and generate more income. Analytics program analysing guests' spendings. Invested into Search Engine Optimisation and sustainability programs. Reliable	Brand offerings, brand difference, hotel brand position, sustainable development programs, sustainabiliy programs as a social responsibility program,	Branding Strategy

		reservation system – TARS.		
Cetin, G., & Walls, A. (2015). *Understanding the Customer Experiences from the Perspective of Guests and Hotel Managers: Empirical Findings from Luxury Hotels in Istanbul, Turkey. Journal of Hospitality Marketing & Management, 25(4), 395–424.* doi:10.1080/19368623.2015.1034395	Defining factors affecting guest experience from perspective of hotel managers and guests of luxury hotels (7 branded and 7 individual hotels)	Two major categories determined - physical environment and social interactions. The research finds that hotel managers "Hotel managers seem to pay more attention to creating experiences through physical environment cues rather than through social interactions."	Customer experience, guest experience, experiential marketing, experience design, luxury hotels, phenomenology	
Wen, J., Lin, Z., Liu, X., Xiao, S. and Li, Y., 2020. The Interaction Effects of Online Reviews, Brand, and Price on Consumer Hotel Booking Decision Making. *Journal of Travel Research*,. DOI: 10.1177/0047287520912330	Investigation the effects of 3 indicators on Hotel booking intention: online review, price, and brand familiarity	The level of affect on purchase decision from high to low as per following: online review, brand familiarity, and price	Online review, price, Brand familiarity	Perceived Quality, Booking Intention

Q3. How do Hotel Chains build and maintain trust in brand extension?

Citation	Focus	Findings	Keywords	Main themes
Lo, A., Im, H., Chen, Y.	The impact of the loyalty program	Employee's customer orientation,	Brand knowledge, trust, satisfaction,	Improvement of existing

and Qu, H. (2017). Building brand relationship quality among hotel loyalty program members. *International Journal of Contemporary Hospitality Management*, 29(1), pp.458-488.	members' satisfaction toward the hotel loyalty program benefits and the customer management relationship initiatives of individual hotels on the brand relationship quality (BRQ)	membership communication and hotel stay-related benefits are determinants of the loyalty program members' BRQ	membership level, benefits=motivators, frequent guests, commitment, hotel stay-related benefits loyalty program benefits, non-hotel stay-related loyalty program benefits, membership communication, customer perception, brand values	relationships, loyalty programs, meeting expectations, customer relationship management, brand relationship quality, effective communication
Jiang, W., Dev, C. S., & Rao, V. R. (2002). Brand extension and customer loyalty: Evidence from the lodging industry. *Cornell Hotel and Restaurant Administration Quarterly*, 43(4), 5-16. doi:10.1016/S0010-8804(02)80037-4	Effects of brand extensions on consumers' buying behavior	Three extensions minimize the rate of switching away from a brand chain. After that, the switching rate rises.	Marketing activities, maintaining brand-specific customer-service quality standards, meeting diverse needs, risks, unfamiliarity, expenses, brand reputation and distribution	Loyalty, customer satisfaction, increase of brand switching costs
Clarke, A. and Chen, W. (2009). *International*	Critical analysis of the relevance and application of general	Latest developments in international Hospitality Management	customer repeat business, loyalty program benefits, Intercontinental Hotel	Loyalty programs

hospitality management. Routledge Ltd - M.U.A	management theory and practice to the hospitality industry.		Group loyalty program,	
Bowen, J. and Chen, S., 2001. The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13(5), pp.213-217.	To "Develop and implement a method for hotels to identify attributes that will increase customer loyalty.	Holding database is most powerful tool for customer service improvement	Database holding, frequent guests, Customer satisfaction, improvement of customer service, attributes to increase customer loyalty, loyalty antecedents	loyal guests
Bravo, R., Martinez, E. and Pina, J. (2019). Effects of service experience on customer responses to a hotel chain. *International Journal of Contemporary Hospitality Management*, 31(1), pp.389-405	Customer experience in an individual hotel and response to the hotel chain	Service perceptions and emotions elicited by an individual hotel influence the customer response towards the hotel chain.	Experiential values, intention to return, positive experience, repeat visit, individuals' experiences, commitment	Customer Loyalty, Customer satisfaction, trust
Han, H. and Back, K., 2007. Investigating the Effects of Consumption	How positive and negative consumption	Positive and negative consumption emotions have significant effect	Positive and negative emotions, employees interactions, service,	Customer satisfaction,

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Emotions on Customer Satisfaction and Repeat Visit Intentions in the Lodging Industry. *Journal of Hospitality & Leisure Marketing*, 15(3), pp.5-30.	emotions affect customers' experience and intention to return	on customers' experiences and repeat visit intentions. Negative emotion have higher influence on the customers' experience and return intention.	employees' satisfaction, intention to return, fulfilling positive emotions	
Alshourah, Sultan & mohd noor, nor azila. (2014). The roles of Customer data and Customer Information Processing in Enhancing the Performance of Customer Relationship Management (CRM) in Hotel Industry. *Australian Journal of Basic and Applied Sciences.* 8 (23), pp1-7.	the influence of customer data quality and effectiveness of customer information processing on customer relationship management performance	customer data quality and effectiveness of customer information processing significantly influence customer relationship management performance	Customer Relationship Management (CRM), customer data, customer information system, customer preferences, unique experiences,	enhancing profitability and customer loyalty, market

Chaudhuri, A. and Holbrook, M., 2001. The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *Journal of Marketing,* 65(2), pp.81-93.	The relationship between the concepts of brand loyalty (purchase loyalty and attitudinal loyalty) the chain of effects from brand trust and brand affect to brand performance	Purchase loyalty leads to greater market share, and attitudinal loyalty leads to a higher relative price for the brand.	Repeat purchase, commitment, feelings and affect by brand	Purchase loyalty Attitudinal loyalty
Sung, Y. and Kim, J., 2010. Effects of brand personality on brand trust and brand affect. *Psychology and Marketing*, 27(7), pp.639-661.	Link between five brand personality dimensions and trust as well as brand affect branaffect.	brand personality can increase levels of brand trust and evoke brand affect, which in turn builds the level of brand loyalty.	Utility of Brand Personality, brand personality dimensions, Sincerity and Ruggedness, Excitement and Sophistication, marketing communication activities	Sincerity and Ruggedness →Trust Excitement and Sophistication→ Brand affect Competence → Trust and Brand affect
Venkateswaran, P., 2019. A Study on Service Quality, Customer Satisfaction and Brand Loyalty towards Non-Vegetarian Hotels. International Journal	The service quality, customer satisfaction and brand loyalty towards non-vegetarian hotels in Dindigul.	The result indicates that customer satisfaction is highly correlated with brand loyalty and hence satisfied customers are continuously visiting their	Service Quality, Non-Vegetarian Hotels, keep existing customers and attracting new once, (creation and sustain the customer loyalty), High Competition, Complex and diverse	Customer Satisfaction, Brand Loyalty, brand image

of Research in Arts and Science, 5(Special Issue), pp.219-227.		favourite non-vegetarian hotels in Dindigul.	environment, proper strategy, proper facilities, continuously changing preferences, reliability, assurance, empathy and tangibles.	
Wijaya, S., 2005. The effect of loyalty programs on customer loyalty in the hospitality industry. [online] Jurnalperhotelan.petra.ac.id. Available at: http://jurnalperhotelan.petra.ac.id/index.php/hot/article/view/16235	This study examines the effect of loyalty programs on enhancing customer loyalty in the context of hospitality industry.	"that loyalty programs do not have a significant effect on increasing customer loyalty. The programs are only able to encourage customers to repeatedly purchase without having emotional attachment and personal relationship to the companies."	Loyalty Program, customer loyalty, hotel, airlines, restaurant, hospitality industry.	Customer Loyalty
Musaab, Mueen, H. and Basit, N., 2014. The Impact of Brand Related Attributes on Customer loyalty. [online] Academia.edu. Available at:	The main goal of the study is to examine the roots of customer loyalty and repurchase intentions in the service industry.	The results showed that many factors can influence the customer loyalty. Brand image, service quality and price was found as the effective dimensions for maximizing the customer loyalty. While it was also	Customer memory, brand recognition, brand differentiation	Customer Loyalty

<https://www.academia.edu/8194693/The_Impact_of_Brand_Related_Attributes_on_Customer_loyalty>		found in research that trust, perceived value and customer loyalty can lead a consumer to the repurchase intention.		