The Impact of Customer-Based Brand Equity on Revisit Intentions: An Empirical
Study on Business and Leisure Traveler at Five Shanghai Budget Hotels

Ms. Yaqian Zhou

The Impact of Customer-Based Brand Equity on Revisit Intentions: An Empirical
Study on Business and Leisure Traveler at Five Shanghai Budget Hotels

Ms. Yaqian Zhou

A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Business Administration in Tourism Management
Graduate School of Business
Assumption University
Academic Year 2010

Thesis Title	The Relationship between Customer-Based Brand Equity and Revisit Intentions: An Empirical Study on Business and Leisure Traveler at Five Shanghai Budget Hotels
By	Ms. Yaqian Zhou
Thesis Advisor	John Arthur Barnes, Ph.D.
Academic Year	2010

The Graduate School/Faculty of Business, Assumption University, has approved this thesis as a partial fulfillment of the requirements for the Degree of Master of Business in Tourism Management

_____ Dean of the Graduate School of Business

(Kitti Phothikitti, Ph.D.)

THESIS EXAMINATION COMMITTEE

_____ Chairman
(Adarsh Batra, Ph.D.)

_____ Thesis Advisor
(John Arthur Barnes, Ph.D.)

_____ External Member
(Associate Professor Ranee Esichaikul, Ph.D.)

_____ Member
(Apichart Intravisit, Ph.D.)

_____ Member
(Assistant Professor Jutamas Wisansing, Ph.D.)

ABSTRACT

Through a decade of advancement in the hospitality industry, hotel competition has undergone an evolutionary change from depending on service or price advantages to increasingly relying on brand management.   The trend has been typically illustrated in the accelerating effects caused by the massive entries of foreign brands into China, which is considered a giant economic entity in the world.   For a better understanding, this study seeks to investigate the relationships between hotel brand equity, perceived value and revisit intentions from the customers' point of view by employing the approach of multiple regressions.   The results of this research show that, in sequence of the degree of significance, brand loyalty, brand awareness/brand association and perceived quality as brand equity sub-dimensions have positive relationships with perceived value and revisit intention, based on a convenience sample of 400 respondents who had stayed at top-5 budget hotels in Shanghai from 10 July to 20 July.

Additionally perceived value plays an increasingly important role in budget hotel revisit intentions.   By adopting the approaches of multiple regression with dummy interaction regressors to the difference analysis based upon the aforementioned relationships, it was discovered that the effect of brand loyalty on

I

revisit intention is greater for business travelers than for leisure travelers and there are no differences between business travelers and leisure travelers on the impact of brand awareness/brand association, perceived quality, perceived value on revisit intentions.

As a whole, this study highlights that perceived quality was a direct determinant of revisit intentions in budget hotel segment, that's effect was no longer mediated by the perceived value.

KEYWORDS: Budget hotel, customer-based brand equity, brand loyalty, perceived quality, brand awareness/brand association, perceived value, revisit intentions.

II

ACKNOWLEDGEMENTS

After one year of full time work with this dissertation, it is nice that the research is at this stage.   For a person who likes to live in the moment and not plan too much ahead, this process has taught me how to set up goals and reach them. Things could not be any better in my professional and personal life.   But I could not have done it without the help of many wonderful people whom I have had the chance to interact with both professionally and socially.

First of all, I would like to thank my advisor, Dr. John Arthur Barnes, for his strong support and encouragement during this research process and precious advice and comments given by the committee members Dr. Adarsh Batra, Dr. Apichart Intravisit and Assistant Professor Dr. Jutamas Wisansing.   I am sure that without them this process would not have been as exciting and inspiring.   With thought-provoking discussions and debates on many dimensions, they helped me discover and appreciate new and alternative paths.

My gratitude also goes to all lecturers of Assumption University for their valuable support and encouragement.

Finally, my warmest thank goes to my parents and older brother, who have supported me through all the ups and downs in the process.   Also, I would like to thank all my friends who have participated and involved themselves in many ways. Because of them I worked harder to complete this thesis.

<div align="right">

Yaqian Zhou

August, 2010

</div>

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

Page No.

LIST OF EQUATIONS

CHAPTER 1

GENERALITIES OF THE STUDY

A definition for measuring brand equity and improving a firm's performance has been on the agenda since it was initiated by Aaker (1991). For better understanding, Yoo and Donthu (2001), Washburn & Plank (2002), Kim, Jin-Sun, & Kim (2008) have conducted additional research that clarifies the major components of brand equity, which are brand loyalty, perceived quality and brand awareness/brand association. Thereafter, Cobb-Walgren, Ruble, & Donthu (1995), Washburn & plank (2002), and Baldauf, Cravens, & Binder (2003) made further contributions, identifying a correlation between brand equity and a firm's performance. The main conclusion is that the brand with the higher equity, generates significantly greater preferences and purchase intentions. Others, such as Kim, Jin-Sun, & Kim (2008) extended brand equity analysis and found that the dimensions of brand awareness and brand association were better combined than separated. Nevertheless, the majority of research performed empirical analyses and conclusions based on the United States market, and there are limited resources and understandings for the Chinese hospitality industry to comprehend. It is worth applying brand equity theory to developing markets rather than purely serving advanced markets due to rapid globalization and economic shifting.

The present growth of the budget hotel businesses has been brought about through the new-system development building branded networks quickly and inexpensively. This is a major characteristic of the US budget hotel sector which possesses strongly branded chains with many franchisees that offer standardized unit

and guest bedroom with fixed rates or frequent promotions (Senior & Morphew, 1990). In other words, those relatively limited services and high value for money are advocated to satisfy the guests' needs. As a consequence, this researcher believes that a strong brand budget hotel can more easily retain customer loyalty, launch product extensions and obtain a price premium. Customers prefer strongly established brands to reduce their purchase risk, in particular in the hotel industry where the customer can not actually touch their purchase when they buy it. Prasad and Dev (2000) showed that, the stronger the hotel brand equity that was achieved, the more customers would prefer the hotel brand. Thus high brand equity is the key determinant for the value of budget hotels (Doyle, 2002), and can be measured through either financial perspectives or the customer-based perspectives (Keller and Lehmann, 2006).

Because the financial-based approach is limited in terms of providing accurate estimates of a brand's value for accounting purposes (Aaker, 1991, 1996; Keller, 1998), the customer based brand equity approach is dominant and preferred by academics and practitioners in marketing research, which provides practical information on customer behavior for the formulation of marketing strategies (Lassar, Mittal and Sharma, 1995; Prasad and Dev, 2000; Yoo and Donthu, 2001). Cobb-Walgren, Ruble, & Donthu (1995) deem that a brand is meaningless to the investors, manufacturers and retailers if it has no value to customers. Thus it is both necessary and important to understand how a brand is perceived in the customer's mind and how it affects their purchase intention, especially for the budget hotel segment with only a bed and breakfast (B&B) operation because consumers are confused by mass brands with similar core products and services in the same segment of the industry.

Kim, Jin-Sun, & Kim (2008) tested the impact of brand equity on customers' perceived value and revisit intention.   However, because this research mainly focused on mid-scale hotels in U.S. cities, the results may not be valid for the conditions of budget hotels specific to China.   Moreover, whether there are any differences in these relationships between business travelers and leisure travelers has not been identified in this literature survey.   This information is useful for marketers when developing strategies that target specific market segments.   Thus this study plans to conduct further research on this aspect.

1.1 Background Information

1.1.1 Budget hotel Development

The concept of a budget hotel was conceived in 1963 amidst the rapid development of U.S. mass tourism (Fiorentino, 1995).   Budget hotels aim to meet the middle-class tourists' accommodation demands with clean, comfortable and convenient conditions at reasonable prices, without costly amenities.   During the 1980s, budget hotels in the U.S. started to focus on building brands, quality management, market segmentation and product diversification, and shifting their positioning to non-price based competition.   While in western countries, such provision has become popular and met the demands of over 90% of the mass market customers, namely business people and tourists, China's budget hotel industry seems to have moved at a slower pace despite China's rapid economic development and growing infrastructure stimulating the growth of domestic tourism.   Budget hotels in China were introduced in 1996 when debate between 5-star and 2-3-star hotels failed to offer domestic tourists at large the equilibrium of satisfaction; the high-star hotels cost too much, while the low-star hotels provide unhygienic living conditions.   The

launch of budget hotels in China met with Chinese consumers' satisfaction since they were seeking to minimize unnecessary traveling expenses, while continuing to enjoy satisfactory and hygienic conditions.   It is therefore anticipated that the development and expansion of budget hotels in China will continue, thus building strong brand equity enabling budget hotels to be more competitive and attract customers and investors responding to the rapid growth of mass and business tourism of the country.

1.1.2 Budget hotel in China

There are many authors who define the budget hotel since it generated. Quest (1983) think that new generation of budget hotels is small with limited facilities and a no-frills price.   For Gilbert and Aronld (1989) the budget hotel is a limited service lodging establishment offering the benefit of good value for money in standardized modern accommodation: quality is as good as three or four star hotels and rates are 25% to 30% cheaper.   Gilbert with Lockwood (1990) also referred it offers consistent, low risk accommodation on peripheral sites where restaurant facilities are often minimal but accommodation standards are good.   And budget hotel was regarded as one kind of "accommodation units that have been developed for short stay travelers on low budget by the Senior and Morphew (1990).   Justus (1991) described the US Microtel formula as 'budget-logging properties that keep prices down by offering just the basics.   There are no costly amenities such as food and beverage services, meeting-room facilities, fitness centers, or other recreational areas. In 1993, Davidson said that budget hotel offer very competitive room rates were achieved through their particular design and management: low construction costs and low operating costs'.

However, in China, there is no general accepted definition of budget hotel.

The common characteristics of budget hotel are (Sun, X.X, 2008):

- Limited facilities and services: Room is their core product.   It just offers the Bed and Breakfast.   Some limited service hotels provide simple fitness room and meeting rooms.

- High value for money: it reaches certain degree of quality with affordable and reasonable price. It emphasis on the comfortable room facilities and standard service quality.   The cleanness and convenience location are factors for their success strategy. The price is general between the 90-300RMB. And it aims to offer the accommodation with high-value for money.

- Target Market is major on the general business man, middle class tourists and students. However the luxury hotel is focus on the High-end business customers, high-income class and business man with public expense as their major target.

- Most of them located in commerce center, tourist attraction or near transportation.

- Operation mode: Chain operation is general taken to achieve economy of scale and enhance the brand value through regular chain and Franchise Chain.   It is obviously characteristic different the budget hotel from the star hotel and hostel.

Figure 1.1 Development of Budget Hotels in China (2000-2009)
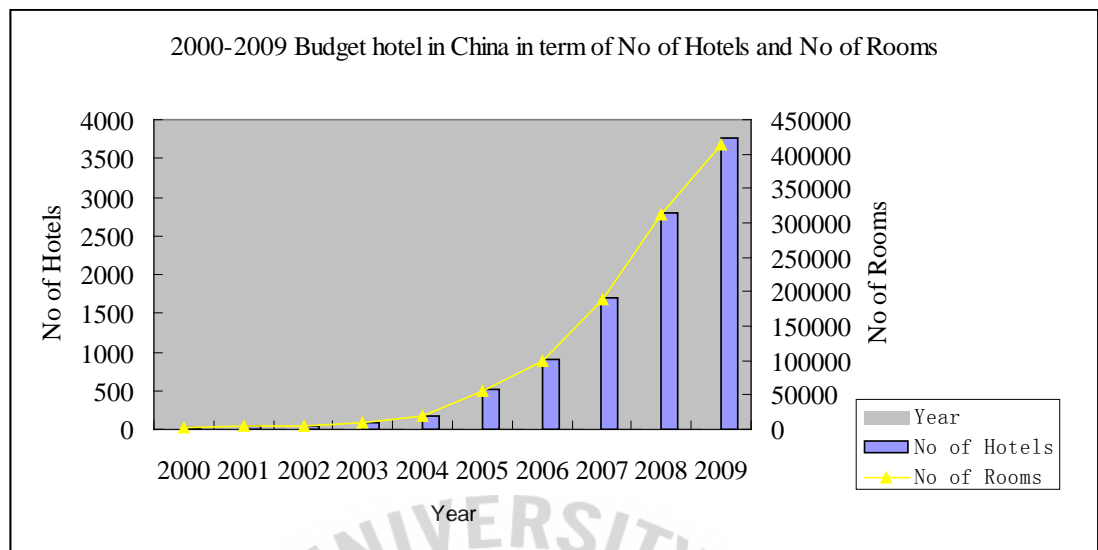
Source: www.inn.net.cn

Budget hotels in China have shown rapid development in last decade: there are an estimated 3,757 budget hotels in China, operating 412,840 rooms, according to the Inntie Report in 2009. Most China's budget hotels are located in Shanghai, Jiangsu provinces and Beijing. China's domestic budget hotel chains dominate the budget hotel sector, holding 88% market share in terms of the number of rooms in 2008. The major brands such as Home Inns, Jin Jiang Inns, 7 Days Inns, Motel 168 and Hanting Hotel collectively hold 52.47% market share in 2009. However, foreign budget hotel brands such as Super 8, Green Tree Inn and Ibis Hotel, which are famous and popular internationally, have just recently entered the market. A study issued by the China Tourist Hotels Association (2006) showed that 96% of budget hotel guests are domestic travelers.

Figure 1.2 <u>Budget Hotel Market Share in China, Q4 2009</u>
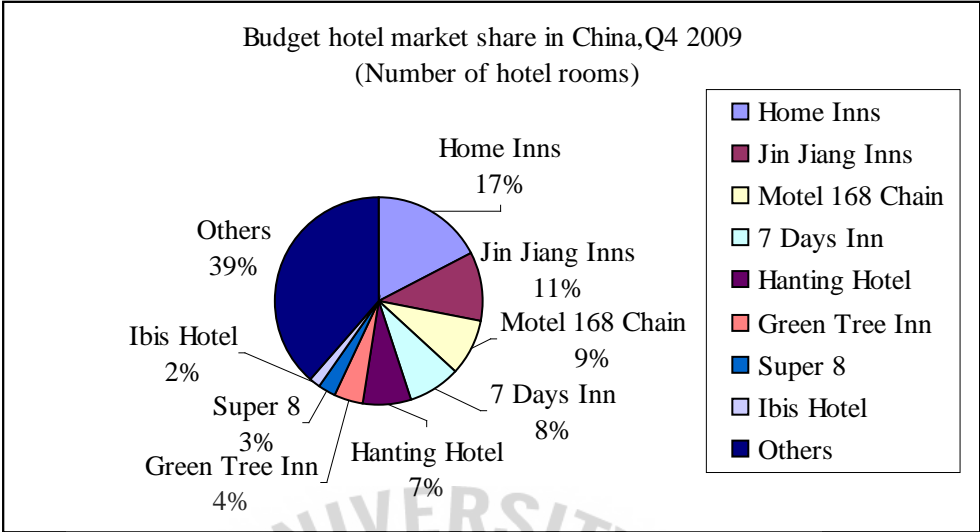
Source: www.inn.net.cn

1.1.3 Budget hotel in Shanghai

According to the recent report from Inntie (2009), Shanghai heads the list with the largest number of budget hotels in China with 485 hotels in 2009. And from the top-5 brand hotel official website statistics, their market share in Shanghai is over 60% based on their hotel property.

Figure 1.3 <u>Number of Budget hotels in Shanghai, Q4 2009</u>
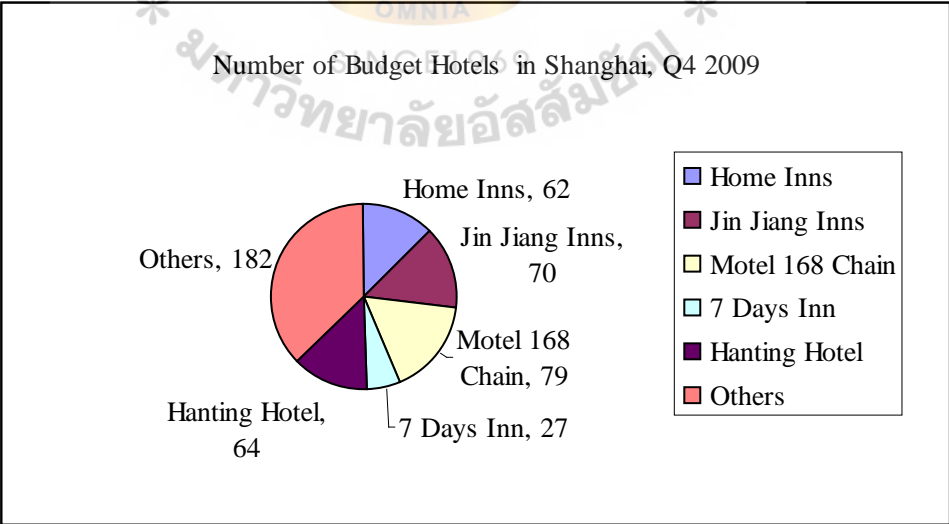
Source: www.inn.net.cn , Official websites of Home Inns, Jin Jiang Inns, 7Days Inn, Motel 168 and Hanting Hotel

1.1.4 Top-5 Brand Budget Hotel Introduction

1.1.4.1 Home Inn Chain Hotel Profile

Home Inns, founded in 2002 by International Tourist Hotel of Capital Group and Ctrip.com International Ltd (NASDAQ listed), is the top chain budget hotel in China, with professional and courteous service, comfortable rooms, convenient locations, and prices that make sense for individual business and leisure travelers. They prefer website advertising and sponsorships rather than price promotion to maintain their brand image. Moreover, both horizontal and vertical cooperation is employed by Home Inns, e.g. travel agency and credit card.   Under the symbol HMIN, it is the first Chinese hotel listed in NASDAQ in October 2006 (Home Inn's official website).

1.1.4.2 Jin Jiang Inns Profile

Jin Jiang Inns is the first budget hotel chain in China. It was founded in May 1996 by Jin Jiang International Group, a famous comprehensive enterprise group in the travel industry, in terms of number of hotels, transportation facilities and travel agencies.   Through the SMS platform, Jin Jiang Inns maintain direct communication with guests, e.g. company news and hotel promotions as well as sharing their guests' sources in different hotel ratings.   In addition, Jin Jiang Inns were listed on the Hong Kong Stock Market: coded 600754 in May 2010 (Jin Jiang Inns' official website).

1.1.4.3 Motel 168 Chain Profile

Motel 168 Chain was established in 2003 and is owned by Shanghai Merrill Hotel and Restaurant Management, which first introduced the motel concept into China. However, due to the limitations of capital operations and constraints of

private-enterprise management expertise, Motel 168 Chain has been moving at relatively slow pace. Nowadays, frequent promotions with relatively lower prices represent their major effort to retain their customers. Besides the aforementioned advantages, a sufficient hotel network layout at the early extension stage is the key for success since hotel chain development is affected by the spatial layout.

1.1.4.4 7Days Inn Profile

7 Days Inn is one of the leading national budget hotel chains in China. It combined E-commerce platforms for customers' hotel booking hotel and finishing payment, as well as creating and posting comments about their experiences and opinions of 7 Days Inns. Until now, 7 Days Inn has accumulated more than 8.7 million members and 98% of operation revenue is directly generated from selling to their members, in contrast to traditional hotels which are partly dependent on travel agencies. Relatively lower price rates and frequent price promotions are their major marketing tactics. 7 Days Inn has also been listed on the NYSE:SVN since Nov 2009 and has, thereafter, used capital operations to accelerate market expansion (7 Days Inn's official website).

1.1.4.5 Hanting Hotel Profile

Hanting Hotel chain was established in 2005 and serves value-conscious business and leisure travelers in China. Although it started later than others, it is the first budget hotel brand in China that pays more attention to targeting distinctive groups of guests. Major achievements are in the service quality aspects, e.g. two internet cables on the desk and near the bed, buckwheat pillows, big sprinkle showerheads, and king size beds, as well as a series of free services, such as Wi-Fi,

commend books, coffee and tea, meeting rooms or photocopies, etc. They argue that a budget hotel doesn't mean poor service because offering what the customers really need at a reasonable price is a priority their target pursues. With successful expansion by listing on the NASDAQ in March 2010, Hanting Hotel demonstrates that their management philosophy has prevailed and is recognized by foreign investors whose domestic budget hotel segment has been developing better than China (Hanting Hotel's official website).

1.2 Statement of the problem and research questions

Irrespective of the downturn of the global economy, budget hotels experience a minimal effect model with good returns available on an investment within a few years (Sun, 2009; Xu, 2009; Ji, 2009). That experience stimulates the Chinese budget hotel investment to maintain growth in the next 3-5 years. However, under the rapid expansion of domestic competitors and the entries of numerous foreign brands, the price competition will inevitably become the strongest phenomenon in the future, as has already been seen in the short term during the end of 2008.

China Hotel Association (CHA, 2010, Mar 30) proposed for the healthy development of budget hotels, they should compete on building brands, quality management and market segmentation instead of a price war which will be the challenge for China's domestic brands facing fierce competition from the world's hotel brands in the future. Today's temporary dominant position will be weakened by the localization development and geographic expansion of foreign brands with great financial and hotel management support. Thus building strong brand equity now is deemed to be useful and necessary in a highly competitive environment. Despite the significant affection of strong brand equity with price premiums, brand

extension, great customer loyalty and higher profitability and market value, little

research has been conducted in customer-based brand equity and its effect on revisit

intentions in the hotel industry, especially in the budget hotel segment.

Simultaneously, budget hotels in China consider business travelers as their major

target market, overlooking the leisure travelers which take account for 40% guest

share.   With the mass tourism development, this part of guests will be stronger and

their behavior to a brand should be concerned as important as should be.

Therefore this research seeks to answer the following research questions:

RQ1: What are the relationships between multidimensional customer-based brand

equity (brand loyalty, perceived quality and brand awareness/brand association),

perceived value and revisit intentions?

RQ2: Are there any differences between business travelers and leisure travelers on the

impact of multidimensional customer-based brand equity, perceived value on revisit

intentions in budget hotels?

1.3 Research Objectives

1. To investigate the relationships between multidimensional customer-based

    brand equity (brand loyalty, perceived quality and brand awareness/brand

    association), perceived value and revisit intentions in a sample of five budget

    hotels in Shanghai.

2. To identify the differences of above relationships between business travelers

    and leisure travelers in a sample of five budget hotels in Shanghai.

1.4 Significance of the Study

        The result of this research will be beneficial to managers and marketers for the

further development of budget hotels in China.   This research assists hotel managers and investors in gaining better insights into the brand equity and its effect on the a sample of five budget hotel revisit intentions, further realizing the significance of brand building, how to maintain and improve the brand equity in budget hotel chains. And it offers a strategic vision of customer revisit intentions, which is useful for managers or marketers when making brand strategies and developing relevant marketing programs for a brand, especially in the market segment between leisure travelers and business travelers.   It can also be used as a reference to managers of selected hotel brands allowing them to know themselves and their competitors better than before, and consequently shape remedial marketing strategies.

1.5 Scope of the Research

This study investigates the relationships between customer-based brand equity (CBBE), perceived value and revisit intention in a sample of top-5 brand budget hotels in China (Home Inns, Jin Jiang Inns, Motel 168, 7 Days, Hanting), in terms of the brand loyalty, perceived quality and brand awareness/brand associations. Furthermore, it intends to explore the differences of above relationships between the business travelers and leisure travelers so as to make conclusions and recommendations in market segmentation.   Considering most of the customers in the budget hotels are Chinese, so the study focuses on the Chinese guests who stayed at one of the five selected budget hotels in Shanghai during the period from 10 July to 20 July, 2010.

1.6 Limitation of the Research

There are some limitations in this research:

1. Since this research focuses on a sample of budget hotels in Xiujiahui district Shanghai (Home Inns South Railway Station Guangda Branch, Jin Jiang Inns South Railway Station Branch, Motel 168 Rongwu Road Branch, 7 Days Stadium Branch, Hanting Indoor Stadium Branch), the result will not be applicable to other budget hotels in the industry.

2. Due to lack of the information about the room occupancy of each brand, the sample size is determined by the brand market share in term of the numbers of room instead of the guests of each brand. There is some sample error involved in this study.

3. Customer-based perspectives adopted in this research reveal that the collected data is subjective.   The customer-based brand equity approach can not provide the simple or accurate value for one brand.   Therefore, the results can not be used for financial purposes, such as mergers or acquisitions.

4. A survey of the literature reveals that few studies have been published on this topic as it pertains to China.

1.7 Definitions of terms

Budget hotel: is a kind of accommodation providing only bed &breakfast service at the convenience location around the country with reasonable price, under the standardized quality management.

Brand Equity: The set of brand assets and liabilities linked to a brand, its name and symbol add to or subtract to a firm or firm's customers (Aaker, 1991).

Customer-based Brand Equity in Budget Hotel: Represents the value that consumers and budget hotel property owners associate with a budget hotel brand, and

the impact of these associations on their behavior and the subsequent financial performance of the brand, from customers' perceptive (Prasad and Dev 2000), which is consisted of the brand loyalty, perceived quality and brand awareness/ brand associations.

Brand loyalty: Represents a degree of dispositional commitment to revisit or prefer a brand service consistently in the future by consumers (Oliver, 1997).

Perceived quality: It is the customer's perception of the overall quality or superiority of service with respect to its intended purpose (Zeithaml, 1988).

Brand awareness/Brand associations: The ability to recognize and recall a brand is a member of a certain service category and anything linked this brand in customers' memory (Aaker, 1991).

Perceived Value: Its level is determined by the customers based on their perceptions of product or service and the price they paid (Zeithaml, 1988).

Revisit intention: It is customer's judgment about the likelihood of repatronize same brand service under their current situation (Anderson, Fornell & Lehmann, 1994)

Business Travelers: It means individuals who travel major for business purpose such as conventions, sales, technical consultation etc in this study (Davidson, 1994)

Leisure Travelers: It is defined as non-business guests who travel for pure pleasure (Medlik, 1993).

CHAPTER 2

REVIEW OF LITERATURE

Literatures and theories presented in this chapter will relate to this study. It focused on the dimensions of Customer-Based Brand Equity, perceived value, revisit intention and relationships studied before between them.

2.1 Brand Equity and Customer-Based Brand Equity (CBBE)

2.1.1 Definition of Brand Equity

Brand equity had been widely recognized as the most valuable asset to companies and has become a top management priority since giving added value to a product or service (Aaker, 1991; Lassar, Mittal, & Sharma, 1995; Kim, An, & Kim, 2003; Keller, 1993). There are three principal perspectives from the point of view of finance (Shocker & Weitz, 1988; Simon and Sullivan, 1993), customers (Aaker, 1991, 1996; Keller, 1993; Lassar, Mittal, & Sharma, 1995; Yoo and Donthu, 2001, Myers, 2003) and comprehensive perspectives (Dyson, Farr & Hollis, 1996; Farquhar, 1989).

Brand equity has been described as the brand increasing the value of a business over its physical assets value to achieve an elevated market positioning (Tauber, 1988). Farquhar (1989) also agreed that it is using a name or symbol to increase the product's value and that the brand is an intangible asset. It is evaluated from the financial, company and consumer perspective.

Simon and Sullivan (1993) as the main representatives of the financial perspective pointed out that brand equity can be estimated from the incremental cash flows with eliminating the affection of non-brand factors and anticompetitive industry

structure.

From the consumers' perspective, Aaker (1991) defined brand equity as being the value that a symbol or its name add to or knock off from the value that a product or service provide to a company and/or their customers, a set of assets and liabilities produced by a brand. Another view from Keller (1993) thought that brand equity is different brand knowledge which leads to the different consumers' reactions to the brand marketing.

In 1998, the Marketing Science Institute described "brand equity as the set of associations and behaviors on the part of brand's customers, channel members, and parent corporation that permit the brand to earn greater volume or greater margins than it could without the brand name and that gives the brand a strong, sustainable and differentiated advantage over competitors" (Chay, 1991, pp 30).

Prasad and Dev (2000) stated that brand equity in the hotel industry was represented by a customers' tendency of favor or non-favor to a hotel brand when customers book a hotel. However several scholars still adopted Aaker's (1991) concept of CBBE (Cobb-Walgren, Ruble, & Donthu, 1995; Kim & Kim2005).

2.1.2 *Definition of Customer-Based Brand Equity (CBBE)*

Customer-based Brand equity (CBBE) is additional profit created through the effects of the brand on the customers in the future (Wood, 2000). Although the brand was strongly influenced by the firm's marketing activities, ultimately brand equity as one kind of intangible asset depends on what resides in the consumers' mind (Raza & Jalees, 2005). Keller (1998) provided the concept of CBBE as different brand knowledge leading to different consumers' reactions to the brand marketing. It is differentiated from other aspects of brand equity since it involves the customers'

reactions to a brand in comparison with their reactions to others. Keller (1993) also emphasized that if no differences occur, the brand name product or service is essentially and usually based on price competition. But Aaker (1991) was the pioneer providing measurements to evaluate the CBBE. Evaluating the focus on individual elements of brand equity let the manager know the level of brand equity in each element and reveal the essential drive elements of brand equity instead of the financial measurement which lack the guiding information for business activities and brand practices management (Aaker, 1991; Keller, 1993; Yoo & Donthu, 2001; Lassar, Mittal & Sharma, 1995). To the brand managers, measuring brand equity from individual customers is preferable than from the segment or aggregate, because they can make the corresponding brand strategy through the results and analysis of the customer survey. And a brand is meaningful to retailers, investors or owners only when it has meaning to the customers (Cobb-Walgren, Ruble, & Donthu, 1995). Therefore, this research focuses on the CBBE.

2.2 Customer-Based Brand Equity and its components

Generally, marketing research is based on the customers of the target market. There are also many authors offering customer-based brand equity methods. (Aaker, 1991; Lassar, Mittal, & Sharma, 1995; Yoo & Donthu, 2001; Keller, 1993)

2.2.1 Brand Equity Theory of Aaker (1991)

Aaker (1991) proposed several ways to measure brand equity: the price premium, the customer preference survey method, the replacement cost method, the stock price method and the future earnings method. Finally, from the customer perceptive, Aaker (1991) pointed out that the major components of brand equity were

brand loyalty, brand awareness, brand associations and perceived quality, using the direct survey method to assess customer perceptions regarding a brand and its equity. And other assets such as the trademark and patents which are linked to a brand are also involved in the brand equity.

Figure 2.1 Aaker's (1991) Brand Equity Model.
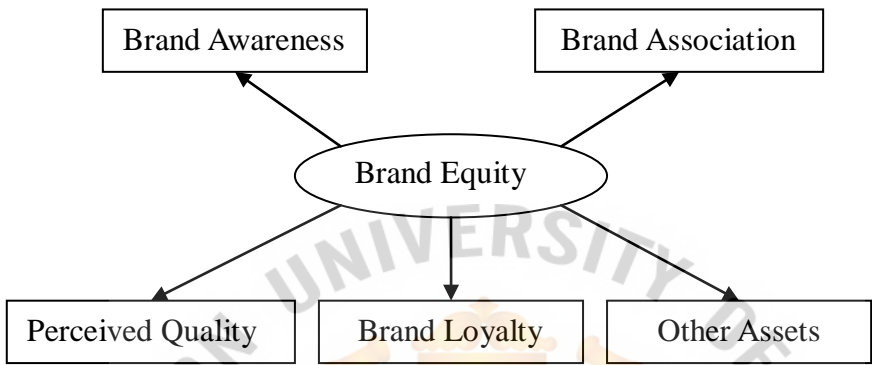
Source: Aaker, D. A. (1991). Managing Brand Equity: *Capitalizing on the Value of the Brand Name*. New York: The Free press, p.9.

2.2.2 Brand Equity Theory of Keller (1993)

Figure 2.2 Keller's (1993) Dimensions of Brand Knowledge
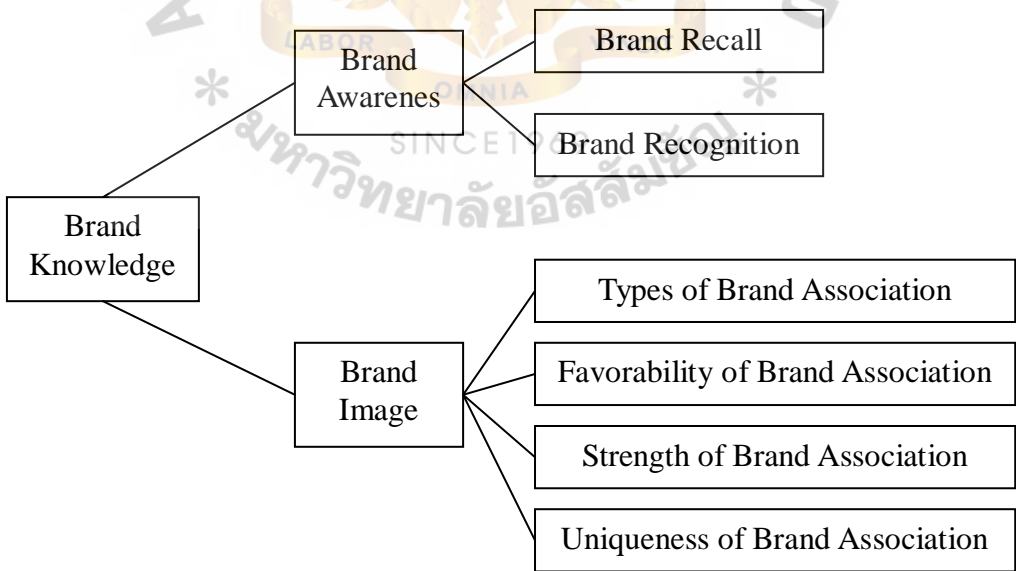
Source: Keller, K.L. (1993, January). Conceptualizing, measuring, and managing consumer-based brand equity. *Journal of Marketing*, *57*, p.7

According the Aaker's brand equity research, Keller (1993) stated that different brand knowledge leads to different consumers' reactions to brand marketing. Keller (1993) is of the opinion that under the same marketing mix program, that the consumer's response to prefer or dislike the product at a certain price, promotion or brand distribution when compared to unbranded products or services means that a brand will have a positive or negative effect on CBBE (Keller, 1993). There are two basic approaches to measure CBBE: The direct approach is to assess the impact of brand knowledge on customers' actions meeting with different firms marketing, using blind testing on both branded and unbranded product and services; the indirect approach is to assess potential sources of CBBE to measure the brand knowledge through brand awareness and elements of brand image (Keller 1993).

2.2.3 Brand Equity Theory of Lassar, Mittal and Sharma (1995)

Figure 2.3 Lassar, Mittal, & Sharma's (1995) Brand Equity Dimensions
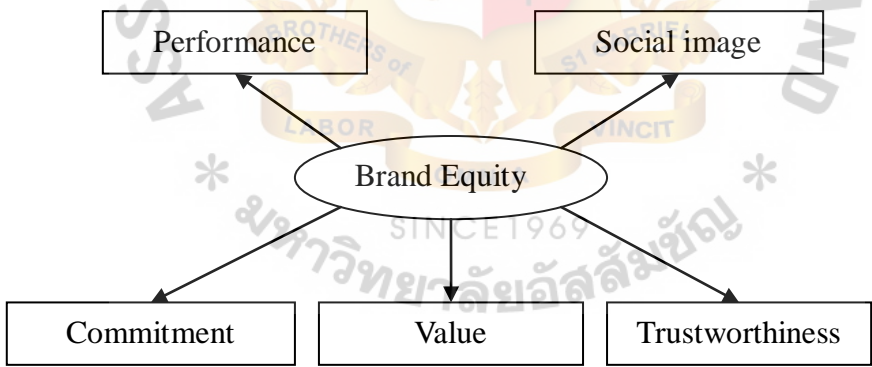
Source: Lassar, W., Mittal, B., & Sharma, A. (1995). Measuring Customer-Based Brand Equity. *The Journal of Consumer Marketing*, *12*(4), p.14.

Lassar, Mittal and Sharma (1995) stated that brand equity is represented as increased benefits or perceived values which were generated from brand influence. After reviewing the previous research, they found Martin and Brown (1990)'s brand equity dimensions in terms of trustworthiness, perceived quality, image, perceived value and commitment had not been used extensively. Based on the research results

and triplicate pilots, they developed a scale to measure the CBBE on commitment, performance, value, social image and trustworthiness limited only by perceptual dimensions within 17 items in product categories.   Moreover the result found that price also reflected the equity associated with the brand.

2.2.4 Brand Equity Theory of Prasad and Dev (2000)

Prasad and Dev (2000) stated that brand equity in the hotel industry was represented by customers' tendency of favor or non-favor to a hotel brand when customers book a hotel.   They pointed out that the stronger the hotel brand equity that was achieved; the more customers prefer that hotel brand (Prasad and Dev, 2000). Relying on the actual customer data, they developed a customer-centric index to measure the hotel brand equity through brand awareness, customer satisfaction, revisit intention, perceived value, brand preference and top of the mind brand recall.   And it was studied under the tentative assumption that brand equity has a positive correlation on the financial performance.

Figure 2.4 Computation flow for hotel brand-equity index
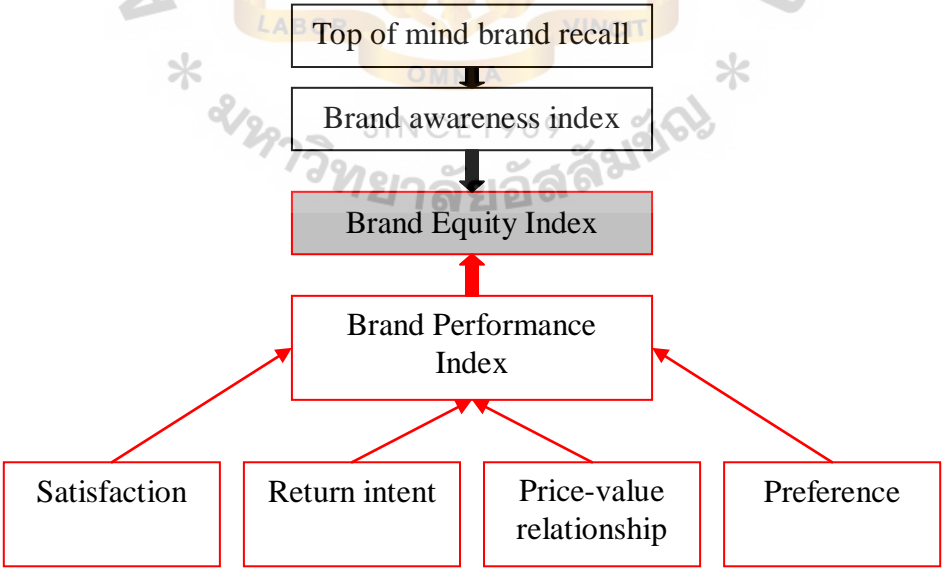
Source: Prasad, K., & Dev, C.S. (2000). Managing brand equity -a customer-centric framework for assessing performance. *Cornell Hotel and Restaurant Quarterly, 41*(3), p.25

2.2.5 MBE Theory of Brand Equity of Yoo and Donthu (2001)

Based on the conceptualizations of Aaker (1991) and Keller (1993), Yoo and Donthu (2001) investigated three different culture consumers' evaluations on three kinds of product and established the multidimensional consumer-based brand equity (MBE) model which is composed of perceived quality, brand loyalty and brand awareness/associations' three dimensions.   Aaker (1991) had differentiated brand associations and brand awareness, but the results of product brand research show that they should be combined into a single dimension (Yoo & Donthu, 2001; Washburn & Plank, 2002; Yoo, Donthu, & Lee, 2000).   Here the brand awareness/associations do not have the same meaning with Keller's CBBE model dimensions - brand awareness and brand image, - but are the same as the CBBE's second dimensions of the brand awareness - brand reorganization and brand recall (Yoo & Donthu, 2001).   The research also found that brand loyalty is a more holistic conceptualization and it is the highest dimension in the CBBE.

2.3 Critical Analysis of CBBE Dimensions

Table 2.1: <u>Summary of Theories of CBBE Dimensions</u>

Dimension	Aaker (1991)	Keller (1993)	Lassar, Mittal and Sharma (1995)	Prasad and Dev (2000)	Yoo and Donthu (2001)
Awareness	Brand Awareness	Brand Awareness	Identification /Attachment	Brand Awareness	Brand Awareness /Association
Association	Brand Association	Brand Image	Social image		
Quality	Perceive Quality		Performance	Brand Performance	Perceive Quality
Loyalty	Brand loyalty		Trustworthiness		Brand loyalty
Others	other assets		Value		

Anantachart (1998) thought Aaker' s model provided the most comprehensive framework for measuring brand equity, which is one of the first conceptualizations of brand equity from the customers' point of view, including both attitudinal and behavioral dimensions.　However Yoo and Donthu (2001) pointed out the counterview on the fifth component - other proprietary assets such as patents and trademarks - without any relevance to the customers' perception which conflicts with the CBBE approach.　In addition, the findings suggested that brand associations and brand awareness should be combined into one dimension which was supported by later studies by many academics (Washburn and Plank, 2002; Kim & Kim, 2004; Kim, Jin-Sun, & Kim, 2008).　Consequently, this study adopted Yoo & Donthu (2001)'s theory, recognizing perceived quality, brand loyalty and brand association with brand awareness as the dimension of CBBE.

2.4 Dimensions of Customer Based Brand Equity

2.4.1.1 Brand loyalty

Brand loyalty is regarded as the core dimension of CBBE for management (Keller,1993) since it reflects a customer's " deeply held commitment to re-buy or a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior"(Oliver,1997, p.392).　The more attachment to a brand, the more resistance customers have to change (Kim, Jin-Sun, & Kim, 2008) which is related to profitability (Zeithaml, Berry & Parasuraman, 1996; Reichheld & Sasser, 1990; Kandampully & Suhartanto, 2000). Oliver (1999) stated that brand loyalty can be measured through behavioral loyalty and attitudinal loyalty. Behavioral loyalty means the actual behavioral responses getting the precise data from the company's cooperation; however it can not identify the spurious and latent customers (Dick and Basu, 1994); and attitudinal loyalty with

attitude and behavior intent provides value to the company leading to the true

behavior loyalty (repeat purchase) through the customers' survey (Aaker, 1991).

Considering behavior intent is represented in the revisit intention of this study, only

the attitude aspect will be embodied in the brand loyalty dimension.

2.4.1.2 Perceived quality

Perceived quality is a perception by customers and is one of the most

important components of brand equity (Aaker, 1996).   It is an estimation of the

customers' perceptions of the overall quality and their intentions (Zeithaml, 1988).

Since the quality level is associated with a brand, their perception will be involved in

their decision making process.   A higher level of perceived quality increases the

probability of choosing the brand instead of the competitors' brand, supporting a

premium price, which in turn can create more profits for the company that can be used

to reinvest in brand equity (Yoo, Donthu, & Lee, 2000).   The hotel industry as a

service business using the SERVPERF model (Cronin and Taylor, 1992) refined from

the original SERVQUAL dimensions - Tangibles, Reliability, Responsiveness,

Assurance and Empathy (Parasuraman, Zeithaml & Berry, 1988) - focuses only on

evaluating performance, which is more applicable in measuring service quality

(Bolton and Drew, 1991; Lee and Hing, 1995; Kim, An, & Kim, 2003), because

SERVQUAL model has a series of problems with the reliability, discriminant validity

and some other practices issues (Brown, Churchill, & Peter, 1993).

2.4.1.3 Brand awareness/associations

Developing and maintaining brand awareness is one of the major goals of a

company for its special role in customers' decision making, such as, advantages in

learning, considering and choosing, and its impact on firms' value (Keller, 2003).   It

is defined as "the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category" (Aaker, 1991, p.61). The higher level of awareness of a brand, the more likelihood there is of this brand being considered when they purchase (Hoyer, 1990; Nedungadi, 1990). Therefore, the level of brand equity is determined by the level of brand awareness which plays an important role in brand equity. "Brand association is anything linked in memory to a brand" (Aaker, 1991, p.61), which forms different perceptions of the brand to customers and provides the basis of purchase decisions making. The unique, favorable and strong brand association leads to differential customers' responses, resulting in brand equity (Keller, 1993).

2.5 Perceived Value and Revisit Intention

Perceived value is not determined by the sellers or owners, but by the customers based on their perceptions of product or service and the price they paid (Anderson, Fornell, & Lehmann, 1994). It is also defined "as the customer's overall assessment of the utility of a product based on the perception of what is received and what is given" (Zeithaml, 1988.p.14) which represents "a tradeoff between the quality and benefits they receive in the product or service relative to the sacrifice they perceive in paying the price" (Dodds, Monroe, & Grewal, 1991.p.79). That illuminates that even excellent quality can be regarded as poor value if it is too expensive to the customer (Rust and Oliver, 1994). Perceived value as one of the significant factors of repurchasing intentions (Chang and Wildt, 1994; Parasuraman and Grewal, 2000) has been popularly measured for acquiring a competitive advantage in business success (Parasuraman, 1997).

Repurchase intention was defined as "the individual's judgment about buying

again a designated service from the same company, taking into account his or her

current situation and likely circumstances" (Hellier, et al. 2003, p. 1764).

Repurchase intentions are customers' subjective opinions on their behavior in the

future and not always the same as the actual repurchase patterns (Rust, Zahorik and

Keiningham, 1995).   The perceived quality, perceived value, brand equity, brand

preference, etc will influence the customers' repurchase intention as one service

outcome (Butcher, 2005).   In a hotel study, repurchase intention is changed to the

hotel revisit intention.

2.6 The relationship among the Brand Equity, Perceived Value and Revisit Intention

Figure 2.5 Potential antecedents and consequences of Brand Equity
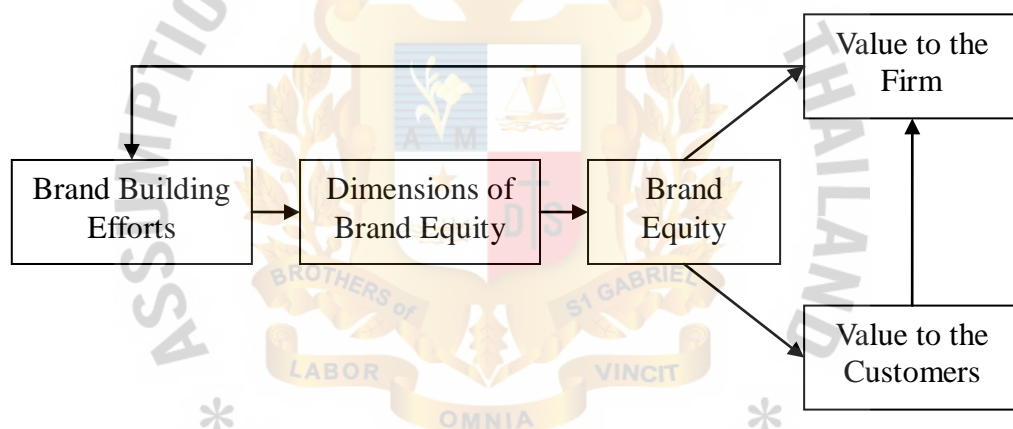
Source: Aaker, D. A. (1991). Managing Brand Equity: *Capitalizing on the Value of the Brand Name*. New York: The Free press, p.17

Aaker (1991) advocated the framework of brand equity which considers a

firm's brand building efforts dedicated to the brand equity and underlying dimensions

that have positive effects on the customers' value and firms' value as well.

Furthermore, brand equity increases value to the firm indirectly through offering

value to customers.

Based on the Aaker's (1991) theory, Baldauf, Cravens and Binder (2003)

investigated the impact of perceived quality, brand awareness and brand loyalty on

perceived value and purchase intention.   The research found that the customers who

know the logos or brands well and loyal customers make purchase decisions easily or pay a premium price.   This is also validated by the findings of Cobb-Walgren, Ruble, & Donthu (1995) and Kim, Jin-Sun, & Kim (2008).

Washburn and Plank (2002) discovered a significant correlation between the CBBE (in terms of perceived quality, brand association, brand loyalty and brand awareness) and repurchase intention.   Similarly, Kim, An, & Kim found that brand equity had a big influence on a hotel's performance (Revenue per Available Room) which needs the customers' revisit intentions for long-term development.

Sweeny, Soutar, & Johnson (1999)'s theory claimed that perceived value has a special effect on the outcome, for instance, purchase intent, mediating between the perceived quality and behavior intentions.   In 2003, Hellier et al. further testified that perceived value is a major factor influencing repurchase intention and brand preference.

2.7 Business Travelers and Leisure Travelers

Beioley (1991, p. b7) defined business traveler as "an overseas or domestic visitor who stays overnight away from home for the purpose of conducting business" In 1994,Davidson stated that business traveler are the individuals traveling for purpose which are related to their work, including attending meetings, conferences and exhibitions (Medlik,1993).   And leisure travelers are regarded as non-business guests who travel for pure pleasure (Medlik, 1993).   Comparing to the leisure travelers, business travelers have the stronger spending power, higher revisit intention, higher requirements on facilities and other features (Davidson, 1994).   In addition, Business travelers prefer the strong brand hotel for saving search time as well as purchase risk.   With aforementioned reasons, it results in a habitual buying behavior

which becomes persistent the longer the time travelers stay at hotel (Medlik, 1993).

For the leisure travelers, they spend a longer time pondering, planning, comparing and the sale requires longer marketing windows. And they are easily be lured by the various marketing activities (Beioley, 1991). However, large brand still plays an important role when they make their purchase decisions, especially for the online travel bookers (Davidson, 1994).

2.8 Previous Studies

In 1995, Cobb-Walgren, Ruble, & Donthu (1995) conducted research on the impact of brand equity on brand preference and purchase intent, using empirical evidence to demonstrate how brand value is created and what its effects are. The study was based on Aaker's (1991) brand equity definition with comparative way testing two sets of brands (hotels and cleanser) through 90 evening MBA students' survey work. The result showed that higher brand equity made stronger purchase intention and greater brand preferences among customers.

A positive relationship was found by Kim, An, & Kim (2003) between brand equity and a firm's performance, using brand loyalty, brand image, perceived quality and brand awareness in CBBE and revenue per available room (RevPAR) in hotels' performances. This study conducted a survey of twelve luxury hotel brands and the results indicated that brand awareness was not an important component of CBBE, but it had significant impact on the hotel's financial performance; in contrast, perceived quality as one of the major CBBE dimensions did not play an important role on a firm's performance.

Shortly thereafter Kim & Kim (2004) conducted a familiar study on quick service restaurants (QSR), combining brand image, brand loyalty, brand awareness

and perceived quality as the four components of CBBE.   After the regression analyses, the same conclusion was confirmed in the QSR category.

Kim, Jin-Sun, & Kim (2008) investigated the relationships between brand equity, perceived value and revisit intention in the mid-price hotel segment with two CBBE dimensions (brand awareness and brand association combined or not).   The study collected data from 264 travelers in airports using the structural equation modeling (SEM) analysis as a fit model.   The results revealed that a combined dimension of brand awareness and brand association is better than the proposed model. Moreover, it pointed out the importance of perceived value in hotel customers' minds, mediating the effect of perceived quality on the revisit intention because perceived quality has no direct effect on the revisit intention.
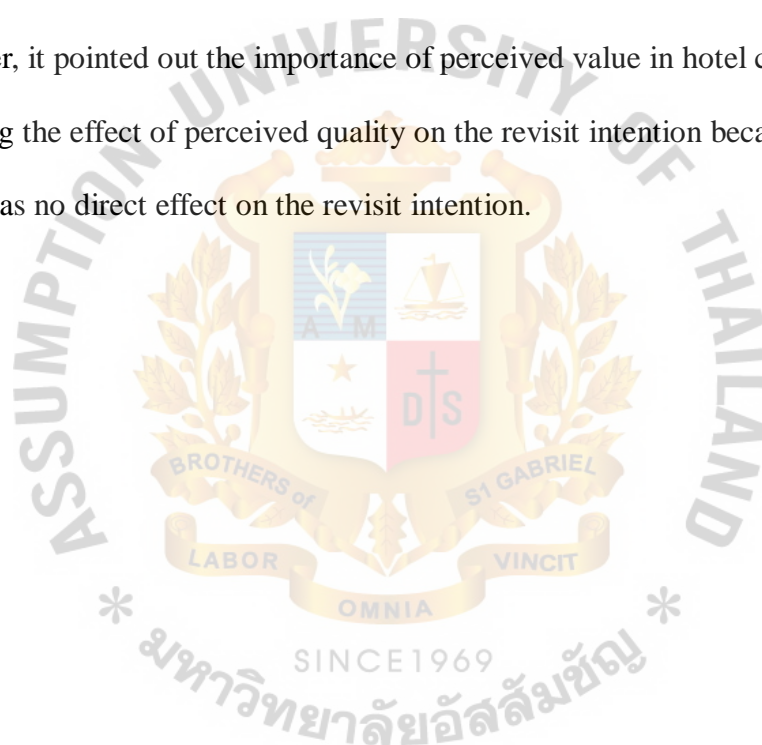
Table 2.2: <u>Summary of Empirical Studies</u>

Article	Introduction & Background	Methods	Results	Discussion
Cobb-Walgren, Ruble, & Donthu (1995). Brand equity, Brand preference and Purchase intent	To examine the effect of brand equity on brand preference and purchase intent.	For comparative purpose, two sets of brands are tested: household cleansers and hotels. The hotel survey was conducted by 90 evening MBA students and data was analyzed with conjoint and regression.	The preference for Holiday Inn (with the higher equity) was 9.75 times greater than it was for Howard Johnson.	The brand with the higher equity generated significant purchase intentions.
Kim, An, & Kim (2003) The effect of consumer-based brand equity on firms' financial performance	To examine the brand equity and its dimensions and investigate the effect on the hotel firm's financial performance.	Data was collected from 12 luxury hotels, 513 respondents at airport over three weeks, conducted by the trained interviewers. And independent T-test was used to identify the difference between the high and low performance hotels.	Respondents in a group of high performance hotels showed significant higher loyalty than did respondents in a group of low performance with regard to brand loyalty, brand awareness, perceived quality.	CBBE and underlying dimensions has a positive effect on financial performance.
Kim & Kim (2004) Measuring customer-based restaurant brand equity: Investigating the relationship between brand equity and firms' performance.	To investigate the relationship between brand equity and firm's performance in quick service restaurants.	394 respondents was selected when shopper entering a mall at a single location in the city of Seoul. T-test was employed to determine the difference between high and low performing restaurants.	Brand awareness is not importance variable in brand equity, but has significance effect on firm's performance. Perceived quality have strongest effect on firm's performance.	In hospitality firms, strong brand equity can lead to a significant effect on increasing revenue. And lack of brand equity can affect cash flow. Continued

Article	Introduction & Background	Methods	Results	Discussion
Kim, Jin-Sun, & Kim (2008) Multidimensional Customer-Based Brand Equity and Its Consequences in Mid-priced Hotels	To examine the relationship among the brand equity, perceived value and revisit intention in mid-priced hotel.	Cronbach's alpha coefficient is used to assess the reliability of dimensions. 264 respondents who stay in mid-priced hotel are selected at airport of U.S. and the result is analyzed by LISREL8.51 for structural equation modeling test.	Brand equity and its dimensions have positive effect on perceived value. And brand loyalty and brand awareness/association have effect on revisit intention also.	Combining Brand awareness and Brand association into one factor of brand equity is better than separate. And the perceived quality effect on the revisit intention through the perceived value.

End of table

2.9 Analysis of Literature

Due to the lack of research in brand equity for budget hotel segment, the study adopted the theoretical understandings and concepts from the empirical studies of non-budget hotel segments, i.e. four- and five-star hotels, mid-price hotels and quick service restaurants, without loosing the common characteristics and generalities of hospitality service industry.

Although the dimensions of brand loyalty and perceived quality are advocated by the majority of researches in terms of their importance, Kim, An, & Kim (2003) and Kim & Kim (2004) argue that brand awareness presents the less importance among all the components in brand equity. It is noteworthy that they revealed the insignificance of brand awareness based on the questionnaires distributed to the people at airport, who merely had client experience at luxury hotel in the past two year. It probably results the empirical bias due to the significant number of observations that come from non-regular guests who are lack of brand awareness about luxury hotel. In addition, it is less convincing that brand awareness expresses

the immaterial relevance in the cases of KFC, McDonald's and Burger King, because those results are merely from the quick service restaurants with the equivalent competitiveness. Previous studies are inadequate to make confirmation about the degree of importance for brand awareness due to the afore-mentioned limitation of empirical resources and segments. In practice, the brand awareness does represent crucial role indeed especially in the brand building phase for budget hotel. Kim, Jin-Sun, & Kim (2008) support this practical understanding by proving that the explanation power of the combination of brand awareness and brand association is superior the separated analysis.

Referring to several studies, all of them come to the same conclusion that brand equity possesses significant effects on the firm's performance. These effects are typically represented in the purchase intention, financial performance, and revenue or revisit intentions. Firstly, Kim, An, & Kim (2003) and Kim & Kim (2004) aimed at the financial measurements i.e. sales and revenue as indications of firm's performance, which are directly or indirectly influenced by the responses of customers. Secondly, Cobb-Walgren, Ruble, & Donthu (1995) and Kim, Jin-Sun, & Kim (2008) employed the non-financial measurements i.e. purchase intention and revisit intention in hotel as the results of brand equity to perform the test. Considering constraints of data availability in Chinese budget hotel market, in stead of using financial measurements, the study adopts non-financial measurement i.e. revisit intention for a sample of five budget hotels selected.

Some researchers pointed out that, although the perceived quality is a strong dimension in brand equity, it is not important to the hotel's revisit intention. Typical advocates of this concept are Kim, An, & Kim (2003) in luxury hotels and Kim, Jin-Sun, & Kim (2008) in mid-price hotels. Pertaining to their studies, it is

understandable that the service quality of hotel industry in advanced economies had

reached mature level of advancement under the strict regulatory star standards.   The

deviation of perceived quality among hotels became narrow over time due to this

maturity of the industry.   In addition, upon severe competitions in the hospitality

industry of advanced economies, purely depending on perceived quality does not

guarantee winning guests (Kim, Jin-Sun, & Kim 2008).   All the

previously-mentioned reasons support the arguments of a reduced material role of

perceived quality in the advanced economies.   However, that might not applicable to

less developed Chinese hospitality industry in which there are less strict regulatory

standards and relative less competitions as emerging economy.   As example, guests

in China prefer budget hotel rather than two to three star hotels because that, these

low-star hotels provide unhygienic living condition and service quality.   It further

confirms that service consistency or quality is the essential for budget hotel

development.

Furthermore, Kim, Jin-Sun, & Kim (2008) confirmed that, rather than acting

alone, the perceived quality does impact the revisit intention through the perceived

value.   To the budget hotel, value for money as one of the important factors of

success should be incorporated with the dimensions of brand equity to express

significant role.   Therefore perceived value should be included as mediating variable

in this study as well.

As a result, the study employs brand loyalty, perceived quality, and brand

awareness/brand association, as brand equity dimensions in consistency with Yoo and

Donthu (2001)'s theory.   And study the impacts of brand equity on the revisit

intention, further expands the valid exploration to the importance of perceived value.

CHAPTER 3

RESEARCH FRAMEWORK

Based on the literature review and theoretical framework, this chapter provides

a conceptual framework which aims to achieve the research objectives of this study,

followed by the hypotheses and operationalization of the variables.

3.1 Theoretical Framework

Figure 3.1 Aaker's (1991) Potential antecedents and consequences of Brand Equity
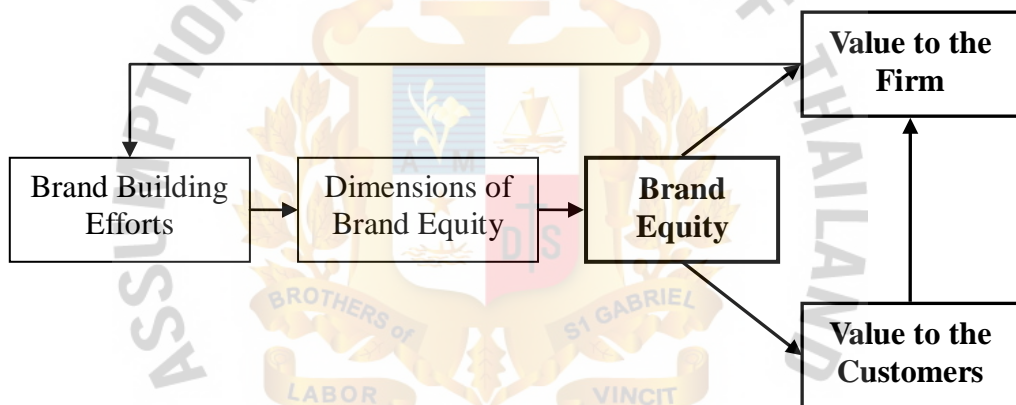
Source: Aaker, D. A. (1991). Managing Brand Equity: *Capitalizing on the Value of the Brand Name*. New York: The Free press, p.17

Aaker (1991) as the forerunner of conceptualized brand equity from the

customer's perceptive proposed the potential antecedents and consequences of the

brand equity framework.   The four major dimensions of brand loyalty, perceived

quality, brand awareness and brand association were regarded as the specific

antecedents of brand equity which create value to customers and firms.   And brand

equity improves the firm's value indirectly via providing value to customers.

Therefore, brand equity research is important for market management and has been

conducted by many academics in brand loyalty (Washburn & Plank, 2002; Kim &

Kim, 2004; Yoo & Donthu, 2001), brand awareness (Washburn & Plank, 2002;

Nguyen & Nguyen, 2003), brand association (Martin & Brown, 1990; Yoo & Donthu,

2001; Washburn & Plank, 2002) and perceived quality (Kim & Kim, 2004; Kim,

Jin-Sun, & Kim ,2008).

Although an abundance of research supports Aaker's brand equity conceptual

model of four dimensions, Yoo, Donthu, & Lee (2000) argued that the separation of

brand awareness and brand association should be combined into one dimension, an

opinion that was later confirmed by Washburn and Plank (2002) and Kayaman and

Arasli (2007).   According to Kim, Jin-Sun, & Kim's (2008) empirical results, the

competing model with a combination of brand awareness and brand association

proved a better fit than the proposed model with separation of brand awareness and

brand association in the mid-price hotel segment.   At the same time, perceived value

and revisit intention was specified in hotel brand equity research referring to the value

to customers and firms.   So this study continues focusing on three dimensions and its

effect on the customers' perceived value and revisit intentions.

Figure 3.2 Kim and Kim's (2008) Model of the Three Dimensions of Hotel Brand
Equity
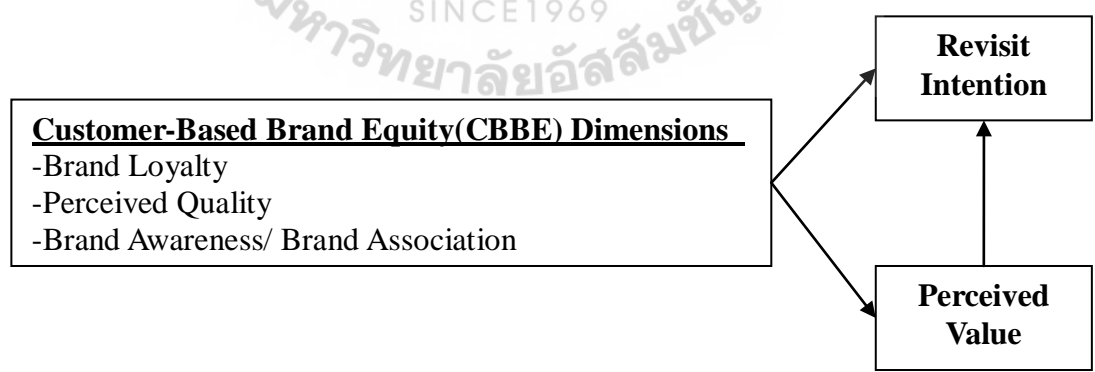
Source: Kim, W.G., Jin-Sun, B. & Kim, H. J. (2008). Multidimensional
Customer-Based Brand Equity and Its Consequences in Mid-priced Hotels. *Journal of
Hospitality & Tourism Research*, *32*(2), p.242.

3.2 Conceptual Framework

Based on the literature review in the previous section, this study, considers a

portion of Aaker's (1991) original brand equity framework examined by the Kim,

Jin-Sun, & Kim (2008) in the mid-price hotel segment, extends the previous work by

investigating the brand equity's effects on the customers' perceived value and their

revisit intentions in terms of perceived quality, brand loyalty and brand awareness/

brand association as well as the effect of perceived value on the revisit intention

within the budget hotel segment of the Shanghai, China hotel industry.   It further

discusses difference between business travelers and leisure travelers on these

relationships.

Figure 3.3 Conceptual Framework of This Study
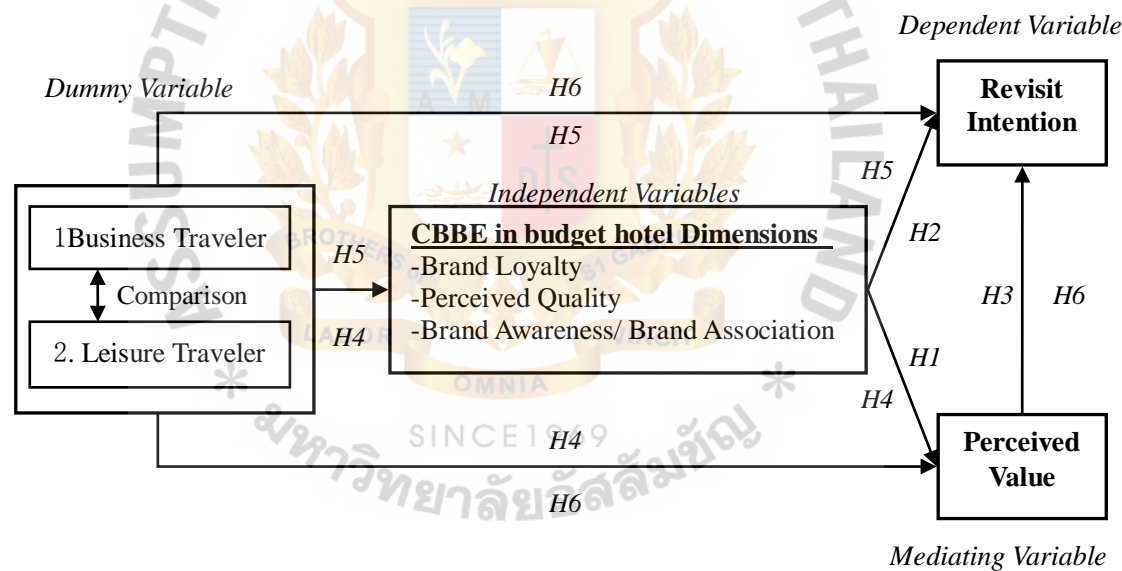
Source: Modified and adopted from Figure 3.1+ Figure 3.2

3.2.1 Independent variable

*CBBE in Budget Hotel*s: represents the value that consumers and budget hotel

property owners associate with a budget hotel brand, and the impact of these

associations on their behavior and the subsequent financial performance of the

brand, from customer's perspectives.   It composes of three dimensions: brand

loyalty, perceived quality and brand awareness/brand association.

Brand Loyalty: represents a degree of dispositional commitment by consumers to

revisit or prefer a brand service consistently in the future.

Perceived Quality: is estimation from customer's perception on the overall quality or

superiority of service with respect to its intended purpose.

-Tangibles: The appearance of physical facilities, equipment, personnel, and

communications materials.

-Reliability: The ability to perform the promised service dependably and

accurately.

-Responsiveness: The willingness to help customers and provide prompt service.

-Assurance: The competence of the system and its credibility in providing a

courteous and secure service

-Empathy: The approachability, ease of access and effort taken to understand

customers' needs (Parasuraman, Berry & Zeithaml, 1991).

Brand Awareness/ Brand Association: the ability to recognize and recall a brand as a

member of a certain service category and anything linked to this brand in

customers' memories.

In corresponding to the Brand equity which has the value only when brand can

bring the benefit for the firm's performance (Keller, 1993), the study examines the

effect of CBBE on hotel revisit intention in terms of not only the whole dimensions

but also the components of dimension.　It results a deep insight into brand equity in

the budget hotel segment.　Thus the CBBE and dimensions are regarded as the

independent variables that suppose to affect the hotel's performance.

3.2.2 Dependent variable

For the performance measurement, non-financial measurement is generally

recommended under limited data availability, by employing revisit intention as the results of brand equity to perform the test.   The study defines the revisit intention as dependent variable (Cobb-Walgren, Ruble, & Donthu, 1995; Kim, Jin-Sun, & Kim, 2008).

Revisit intention: is customer's judgment about the likelihood of repatronizing the

   same brand service under their current situation.

3.2.3 Mediating variable

   Simultaneously, this study investigates one aspect that mediates the relationship between the CBBE and Revisit intention.   Worth to remind, brand makes no sense for the firm if brand have no value to the customers (Cobb-Walgren, Ruble, & Donthu, 1995).   Kim, Jin-Sun, & Kim (2008) validated the important role of perceived value in lodging customers' mind since one of the CBBE dimensions perceived quality affects the revisit intention via the perceived value which is one of the significant factors of revisit intentions (Chang and Wildt, 1994; Parasuraman and Grewal, 2000).   In addition, budget hotel is well known for the cost-effective. Therefore it is necessary to incorporate the perceived value as mediating variable for the further test.

Perceived Value: is determined by the customers based on their perceptions of the

   product or service and the price they paid.   It's a tradeoff between the

   benefit they get and the money they pay.

3.2.4 Dummy variable

   Multiple regression analysis can be used to analyze the relationship between multiple independent variables and individual dependent variable with metric. However, in the real practice, the one needs understanding the relationship differences

between the different groups for making right decisions to the specific target group.

Introducing dummy variable is recognized as a good solution to re-specification

procedure.   In this study, business travelers and leisure travelers will be chosen as

dummy variable according to respondents' report that clarifies their major trip

purpose as either business or for leisure.

Business Travelers: means individuals who travel major for business purpose such as

conventions, sales, technical consultation etc in this study. Those respondents

who report their major trip purpose to stay at budget hotel are business

related and considered to be business travelers.

Leisure Travelers: can be defined as non-business guests who travel for pure pleasure.

Leisure travelers were recognized by the response of respondents who report

their major trip purpose to stay at budget hotel is for leisure.

3.3 Research Hypotheses

According to Gay and Diehl (1996), a hypothesis is used to explain the

phenomena, behaviors, or events that have occurred or will occur.   It expounds

expected relationship or differences between two variables.   This research studies the

relationship among brand equity, perceived value and revisit intensions in a sample of

the budget hotel segment in Xujiahui district of Shanghai province in terms of

perceived quality, brand loyalty and brand awareness/brand association.   Moreover,

this research investigates the differentiation of these relationships between leisure

travelers and business travelers in budget hotels.

For this purpose, the hypothesis statements according to the above conceptual

framework are shown as follows:

1. Analyze the correlation between brand equity and perceived value in budget

hotels.

Ho1: In the budget hotel segment, all dimensions of brand equity have no effect on customers' perceived value.

Ha1: In the budget hotel segment, all dimensions of brand equity have an effect on customers' perceived value.

Sub-Hypothesis 1a	Ho:	Brand loyalty has no effect on customers' perceived value.
	Ha:	Brand loyalty has an effect on customers' perceived value.
Sub-Hypothesis 1b	Ho:	Perceived quality has no effect on customers' perceived value.
	Ha:	Perceived quality has an effect on customers' perceived value.
Sub-Hypothesis 1c	Ho:	Brand awareness/brand association has no effect on customers' perceived value.
	Ha:	Brand awareness/brand association has an effect on customers' perceived value.

2. Analyze the correlation between brand equity and revisit intention in budget hotels.

Ho2: In the budget hotel segment, all dimensions of brand equity have no effect on revisit intentions.

Ha2: In the budget hotel segment, all dimensions of brand equity have an effect on revisit intentions.

Sub-Hypothesis 2a	Ho:	Brand loyalty has no effect on revisit intentions.
	Ha:	Brand loyalty has an effect on revisit intentions.
Sub-Hypothesis 2b	Ho:	Perceived quality has no effect on revisit intentions.
	Ha:	Perceived quality has an effect on revisit intentions.
Sub-Hypothesis 2c	Ho:	Brand awareness/brand association has no effect on revisit intentions.
	Ha:	Brand awareness/brand association has an effect on revisit intentions.

3. Analyze the correlation between perceived value and revisit intentions in budget hotels.

Ho3: In the budget hotel segment, perceived value has no effect on hotel revisit intentions.

Ha3: In the budget hotel segment, perceived value has an effect on hotel revisit intentions.

4. Identify the difference between business travelers and leisure travelers on the correlation of brand equity and perceived value in budget hotels.

Ho4: In the budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand equity on customers' perceived value.

Ha4: In the budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of brand equity on customers' perceived value.

Sub-Hypothesis 4a	Ho:	In budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand loyalty on customer's perceived value.
	Ha:	In budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of brand loyalty on customer's perceived value.
Sub-Hypothesis 4b	Ho:	In budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of perceived quality on customer's perceived value.
	Ha:	In budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of perceived quality on customer's perceived value.
Sub-Hypothesis 4c	Ho:	In budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand awareness/brand association on customer's perceived value.
	Ha:	In budget hotel segment, there is a difference between the business travelers and leisure travelers on the impact of brand awareness/brand association on customer's perceived value.

5. Identify the difference between business travelers and leisure travelers on the correlation of brand equity and revisit intentions in budget hotels.

Ho5: In the budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.

Ha5: In the budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.

Sub-Hypothesis 5a	Ho:	In budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand loyalty on hotel revisit intentions.
	Ha:	In budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of brand loyalty on hotel revisit intentions.
Sub-Hypothesis 5b	Ho:	In budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of perceived quality on hotel revisit intentions.
	Ha:	In budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of perceived quality on hotel revisit intentions.
Sub-Hypothesis 5c	Ho:	In budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand awareness/brand association on hotel revisit intentions.
	Ha:	In budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of brand awareness/brand association on hotel revisit intentions.

6. Identify the difference between business travelers and leisure travelers on the correlation of perceived value and revisit intentions in budget hotels.

Ho6: In the budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of perceived value on hotel revisit intentions.

Ha6: In the budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of perceived value on hotel revisit intentions.

3.4 Operationalization of the Independent and Dependent Variables

Table 3.1: Operationalizaion of variables

Conceptual Label	Conceptual Information Source	Conceptual Definition	Operational Components	Level Of Measurement
Independent Variable Brand Loyalty	Yoo, Donthu & Lee (2000)	Represents a degree of dispositional commitment to revisit or prefer a brand service consistently in the future by consumers.	Q1 I consider myself to be loyal to this brand budget hotel(LO1) Q2 I usually use this brand budget hotel as the first choice compared to other brand hotels (LO2) Q3 I am very likely to switch to another budget hotel brand that runs promotions (LO3)-reverse code	Interval
Independent Variable Perceived Quality	Cronin& Taylor, (1992) SERVPERF	Customer's perception of the overall quality or superiority of service with respect to its intended purpose.	Q4 The physical facilities at this brand budget hotel are visually clean and neat(PQ4) Q5 This brand hotel performs the service right the first time(PQ5) Q6 Employees of this brand hotel are always willing to help me (PQ6) Q7 Employees of this brand hotel are consistently courteous with me (PQ7) Q8 Employees of this brand hotel understand my specific, individual needs (PQ8)	Interval Continued

Conceptual Label	Conceptual Information Source	Conceptual Definition	Operational Components	Level Of Measurement
Independent Variable Brand Awareness /brand association	Yoo, Donthu & Lee (2000)	The ability to recognize and recall a brand is a member of a certain service category and anything linked this brand in customers' memory.	Q9 I know what this brand budget hotel's physical appearance looks like (BA9) Q10 I can recognize the hotel among other competing brands (BA11) Q11 Some characteristics of this brand hotel come to my mind quickly (BA11) Q12 I can quickly recall the symbol or logo of the hotel (BA12) Q13 I have difficulty in imagining the image of this brand hotel in my mind (BA13) -reverse code	Interval
Mediating Variables Perceived Value	Dodds, Monroe & Grewal (1991)	The perceived level of hotel service quality relative to the price by customers.	Q14 I consider this brand budget hotel to be very good value for money (PV14) Q15 The price paid for this brand budget hotel is very acceptable (PV15) Q16 The service provided by this brand budget hotel is considered to be a good buys. (PV16)	Interval
Dependent Variable Revisit Intention	Kim, W.G., Jin-Sun, B. & Kim, H. J. (2008)	It is customer's judgment about the likelihood of repatronize same	Q17 I plan to revisit this brand budget hotel. (RI17) Q18 The probability that I would consider revisit	Interval Continued

Conceptual Label	Conceptual Information Source	Conceptual Definition	Operational Components	Level Of Measurement
		brand under their current situation	this brand hotel is high. (RI18)	

End of table

CHAPTER 4

RESEARCH METHODOLOGY

This chapter provides an overview of the research methodology of this study including research methods used, research instruments, target respondents, sampling procedures and how the data will be collected and the statistical treatment used to analyze the data.   A pre-test will be conducted to test the validity of the questionnaire prior to full fieldwork being undertaken.

4.1 Research Methods

Descriptive research is used to describe market characteristics or functions in quantitative analysis, based on large, representative samples and requires a clear specification of the who, what, when, where, why and how of the research (Malhotra, 2007).   The survey method, as one of the most basic means of obtaining primary quantitative data was employed in this research to ask respondents a variety of fixed-alternative questions regarding their awareness, perceptions, attitudes, intentions and demography (Malhotra, 2007).   This method is easy to administer and the data obtained are reliable.   Moreover, it is easy and efficient for researchers to code analyze and interpret the data.   Considering the cost and accuracy of the responses, self-administered questionnaires were adapted to reduce the pressure on respondents and identify the validity of questionnaires through the time they spent completing them.

4.2 Respondents and Sampling Procedures

   4.2.1 Target population

   The Target population refers to the entire group of people whom the researcher investigated (Sekaran, 2000), with a special interest in budget hotels because this sector relies heavily on three factors: branded product concept, service consistency and value for money (Fiorentino, 1995).   Considering China's vast geography and the development of its budget hotel sector, Shanghai was selected as an objective city with the largest number of budget hotels.   Therefore, the target population in this study was composed of Chinese guests, who stayed at the top-5 brand budget hotels in Shanghai from 10 July to 20 July, 2010.

   4.2.2 Sampling Procedures and Sample Size

   Due to the large size of the population, it was too expensive and time consuming to test every individual in the population so researchers rely on the sampling techniques.   "Sampling is the process of selecting a number of units for a study in such a way that the units represent the larger group from which they were selected" (Gay & Diehl, 1996, pp126) so the sample was a subgroup of the population selected for participation in the study (Malhotra, 2007).

   Step1: Determine the Sample Frame

   There are several hotels for each top-5 brand budget hotel in Shanghai.   Due to different location has different hotel price, it would be effect customers' perceived value and revisit intentions.   Thus one hotel sample from each of the top-5 brand budget hotels was selected near a road in Xiujiahui district.   Because Xiujiahui district is not only an important transport hub in Shanghai but also an integrated business district including shopping, entertainment, offices, business, leisure,

accommodation, catering, training and education.   There are some tourist attractions as well, such as Xujiahui Observatory, Former Residence of Soong Ching Ling, Guangqi Park, Tung Chao Yung Shipping Museum and Tomb of Xu Guangqi.   In this study, the sample frame was 5 selected budget hotels located in the Xiujiahui district of Shanghai (See Table 4.1).

Table 4.1: Name for each brand budget hotel

District	Hotel Brand	Branch Name
Xiujiahui District	Home Inns	Shanghai South Railway Station Guangda Branch
	Jin Jiang Inns	Shanghai South Railway Station Branch
	Motel 168 Chain	Shanghai Rongwu Road Branch
	7 Days Inn	Shanghai Stadium Branch
	Hanting Hotel	Shanghai Indoor Stadium Branch

Source: www.homeinn.com , www.jinjianginns.com , www.motel168.com , www.7daysinn.cn , www.htinns.com

Step2: Determine the Sample Units

Those Chinese guests, who stayed at the selected budget hotels (Home Inns South Railway Station Guangda Branch, Jin Jiang Inns South Railway Station Branch, Motel 168 Rongwu Road Branch, 7 Days Stadium Branch, Hanting Indoor Stadium Branch) in Shanghai from 10 July to 20 July, 2010 are the sample units.

Step3: Determine the Sample Size

Because the number and list of the hotel guests were not available, this study used the Non-probability Sampling method.   Based on experience, Malhotra (2007) offered a rough guideline for sample sizes, particularly using Non-probability sampling techniques. According to Table 4.2, a minimum size of 200 is enough.

On account of hypothesis tests on differences between business travelers and leisure travelers, this study conducted a total of 400 questionnaires spread over 5 selected budget hotels (Home Inns South Railway Station Guangda Branch, Jin Jiang

Inns South Railway Station Branch, Motel 168 Rongwu Road Branch, 7 Days

Stadium Branch, Hanting Indoor Stadium Branch) to reduce sample errors.

Table 4.2: <u>Sample Size used in marketing research studies</u>

Type of study	Minimum Size
Problem identification research (e.g. market potential)	500
Problem solving research (e.g. pricing)	200
Product tests	200
Test-marketing studies	**200**
TV/radio/print advertising(per commercial or ad tested)	150

Source: Malhotra (2007). *Marketing research: an applied orientation, 5E.* Upper Saddle River, NJ: Pearson/Prentice Hall. p.331.

The sample sizes for each brand hotel should be in accordance with the

occupancy rate of each brand to know the number of the guests.   Due to the lack of

these data information, this study used brand market share in terms of the numbers of

rooms in China (Figure 4.3) to determine the sample size of each brand.   Therefore

the proportion of samples for collecting data from each brand budget hotel was given

as follows:

Table 4.3: <u>Sample Size for each brand budget hotel</u>

Hotel Brand	Number of Rooms	Percent	Pilot Test	Sample Size
Home Inns	71407	34%	14	137
Jin Jiang Inns	43219	21%	9	83
Motel 168 Chain	33948	16%	6	65
7 Days Inn	33165	16%	6	63
Hanting Hotel	27301	13%	5	52
Total	209040	100%	40	400

Source: www.inn.net.cn , www.homeinn.com , www.jinjianginns.com , www.motel168.com , www.7daysinn.cn , www.htinns.com

Step4: Determine the Sample Technique

As mentioned above, this research adopted the Non-probability sampling

technique which relies on the researcher's personal judgment rather than the chance to select sample elements.   Convenience sampling methods include collecting information from members of the population who are conveniently available to provide the information (Sekaran, 1992).   As the least expensive and least time consuming technique, it is often used by the hotel scholars (Zikmund, 2000; Kim, An, & Kim, 2003; Kim, Jin-Sun, & Kim, 2008).   So this research chooses the same ways to conduct the survey at the 5 selected budget hotels from 10 July to 20 July,2010, when Chinese guests who were waiting to check out that were accessible and the sampling units were easy to measure and cooperative.   It is noteworthy that convenient samples were not representative of the target population.   That means the results of this research can not be generalized to the population outside the sampling participants.

4.3 Research Instruments/Questionnaires

The instrument used for this research was a questionnaire which consists of three parts with fixed-alternative questions.   Before doing the three parts, respondents had to tick one hotel brand that they were currently staying at and filled out all survey questions focusing on this brand.   See Appendix A for a sample questionnaire.

Part I. Perception of brand equity of this budget hotel

This part asked the respondents to rank their perceptions of brand equity for the hotel where they were currently staying, in terms of brand loyalty (3 items), perceived quality (5 items) and brand awareness/brand association (5 items). The 13 questions used a five-point Likert-type scale:

1=Strongly Disagree   2=Disagree   3=Neutral   4=Agree   5=Strongly Agree

Part II. <u>Perception of Perceived Value and Revisit Intention in this budget hotel</u>

This part asked respondents to rank their attitudes toward this brand of budget hotel in terms of Perceived Value (3 items) and Revisit Intention (2 items) with a five-point Likert-type scale:

1=Strongly Disagree   2=Disagree   3=Neutral   4=Agree   5=Strongly Agree

All items of brand loyalty and brand awareness were developed from the scales of Yoo, Donthu, & Lee (2000).   And Cronin and Taylor's (1992) SERVPERF model was employed to scale the perceived service quality which was refined from the original SERVQUAL dimensions (Parasuraman, Zeithaml & Berry, 1988): Tangibles, Reliability, Responsiveness, Assurance and Empathy.   One item was selected to represent each dimension of SERVPERF.   As regards the perceived value and revisit intention, they were respectively developed from the research of Dodds, Monroe & Grewal (1991) and Kim, Jin-Sun, & Kim (2008) which studied revisit intention by testing the brand equity and mediating the perceived value.

Table 4.4: <u>Reverse code for 5-Scale</u>

Old Value	New value
1	5
2	4
3	3
4	2
5	1

Source: DeCoster, J. (2004). *Data Analysis in SPSS*, p.8. Retrieved <April, 2, 2010 > from http://www.stat-help.com/notes.html

In order to encourage respondents to pay attention to the questions they were reading, there were two items, (LO3) and (BA13), using the reverse coding.   The results needed to be transformed through the formula (DeCoster, J. (2004) :

New value = (scale minimum + scale maximum) – old value

So in this research, the questions in the scale had values of 1 to 5. The value should be changed in the way of Table 4.4.

Part III: Demographic information

This part consisted of 6 questions including gender, age, education, major trip purpose and so on.

4.4 Collection of Data/Gathering Procedure

In this study, the researcher used both primary and secondary data. To collect the primary data, a self-administered questionnaire was distributed to 400 Chinese guests who were currently staying at the selected budget hotels in Xiujiahui district Shanghai during the period of 10 July to 20 July, 2010. The survey was conducted when participants were waiting to check out from 7:00 am to 1:00 pm.

For the secondary data, the researcher used such sources as journals, articles, newspapers, E-news and statistics from China National Tourism Administration and Inntie website, etc. that were relevant to this research.

4.5 Pilot Study

Table 4.5: Summary of Reliability Testing Result

Operational dimensions	Number of Items	Number of Cases	Reliability
Brand Loyalty	3	40	.698
Perceived Quality	5	40	.903
Brand Awareness/ Brand Association	5	40	.680
Perceived Value	3	40	.865
Revisit Intention	2	40	.785
Total	18	40	.878

The pretest was a trial using he questionnaire on a small pilot study group to determine how reliable and valid the questionnaire was. The reliability was established by testing both consistency and stability. Cronbach's alpha is widely used as a reliability coefficient to reflect how well the items are positively correlated to one another (Sekaran, 2000). The widely accepted social science cut-off is that alpha should be .60. If the value is around .70, it is considered as good; if the value is around .80 it is considered as very good; and if the reliability value is around .90, it is considered as excellent. The researcher distributed a total of 40 questionnaires as a pilot test to the Chinese guests who were staying at the selected top-5 brand budget hotels in Shanghai from 4 May to 7 May. As a result of the reliability analysis from this study, the alpha value for all questions exceeded the minimum .60 level, so the questionnaire that was used in this study was valid and sufficient enough for examining its hypotheses. (See Appendix C or Test of reliability)

4.6 Statistical Treatment of Data

After gathering all of the data, the statistical analysis was mainly conducted using Statistical Package for Social Sciences (SPSS) Program Version 16.0. In SPSS a range of the analysis techniques provided were used including descriptive, bivariate regression, multiple regressions with dummy variable and reliability tests.

4.6.1 Descriptive Statistics

The first step used descriptive Statistics to describe or summarize the raw data with a small number of indices in frequency, percentage and mean to make it easy to understand and interpret (Gay & Diehl, 1996). It was used to describe the main feature of a collection of data in quantitative terms (Zikmund, 2000).

4.6.2 Inferential Statistics

Inferential statistics is a method to gather inferences on the general

characteristics of target populations through the data of samples (Gay & Diehl, 1996).

This means the level of result generalization is determined by how representative the

sample is.   There were some types of inferential statistics involved in this study.

4.6.2.1 Bivariate regression

In many ways, bivariate regression is similar with correlation between two

variables.   But for the bivariate regression, the independent variable and dependent

variable should be identified in first (Malhotra, 2007).   And its parameter indicates

the expected change in Y when X is changed by one unit.   In this research, bivariate

regression was conducted for Hypothesis 3.

4.6.2.2 Multiple Regression Analysis

Multiple regression analysis is regarded as a powerful and flexible procedure

for analyzing associative relationships between two or more independent variables

and dependent variables (Malhotra, 2007). This inferential statistics can control other

independent variables when assessing a specific variable's contributions.   In this

research, multiple regressions were conducted for Hypothesis 1 and Hypothesis 2.

4.6.2.3 Multivariable linear regression model with dummy-interaction

regressor

However, one of the limitations of multiple regression analysis is that it is only

used in quantitative variables.   Therefore, the multivariable linear regression model

with dummy-interaction regressor was used in this study to achieve the third research

objective, since nominal or categorical variables can be combined with quantitative

variables running the regression analysis by coding them as dummy variables

(Malhotra, 2007).   The general rule for the number of dummy variables is K-1 (with

K categories); thus one dummy variable was selected in this study.

The general form of the multiple regression model is as follows:

Equation 4.1:

$$Y_i = \alpha + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \ldots + \beta_k X_{ik} + \varepsilon \quad (i=1, 2\ldots n)$$

As before, α represents the intercept. βs are the partial regression coefficients. ε_i is

residuals and k is the number of explanatory variables.

The multiple regression model with dummy variables would be as follows:

Equation 4.2:

$$Y_i = \alpha + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \ldots + \beta_k X_{ik} + \gamma D_i + \varepsilon \quad (i=1, 2\ldots n)$$

When dummy regressor D has an effect on the quantitative regressor X, the

interaction should be considered.   Here XD is the interaction regressor:

Equation 4.3:

$$Y_i = \alpha + \gamma D_i + \beta_1 X_{i1} + \beta_2 X_{i2} + \ldots + \beta_k X_{ik} + \delta_1 (X_{i1} D_i) + \delta_2 (X_{i2} D_i) + \ldots + \delta_k (X_{ik} D_i) + \varepsilon_i$$
$$(i=1, 2\ldots n)$$

In Hypothesis 4, there were three quantitative regressors and one dummy

regressor with interactions because the value of CBBE is based on the categorical

variable of business travelers' or leisure travelers' perceptions.   Therefore,

multivariable linear regressions Hypothesis 4's model in this study is as follows:

Equation 4.4:

$$Y_{i2} = \alpha + \gamma D_i + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1}D_i) + \delta_2(X_{i2}D_i) + \delta_3(X_{i3}D_i) + \varepsilon_i$$

Y_{i2}: Perceived Value X_{i1}: Brand Loyalty

X_{i2}: Perceived Quality X_{i3}: Brand Awareness/Brand Association

where dummy-variable D_i is coded 1 for leisure travelers and 0 otherwise. Therefore:

  For business travelers:

Equation 4.5:

$$Y_{i2} = \alpha + \gamma(0) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1} \times 0) + \delta_2(X_{i2} \times 0) + \delta_3(X_{i3} \times 0) + \varepsilon_i$$
$$= \alpha + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \varepsilon_i$$

  For Leisure travelers:

Equation 4.6:

$$Y_{i2} = \alpha + \gamma(1) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1} \times 1) + \delta_2(X_{i2} \times 1) + \delta_3(X_{i3} \times 1) + \varepsilon_i$$
$$= (\alpha + \gamma) + (\beta_1 + \delta_1)X_{i1} + (\beta_2 + \delta_2)X_{i2} + (\beta_3 + \delta_3)X_{i3} + \varepsilon_i$$

In this regression equation:

➢ α and β are the intercept and slope for regression of perceived value on brand equity among business travelers in terms of brand loyalty, perceived quality and brand awareness/brand association.

➢ γ is the difference in intercept between the business and leisure groups.

➢ δ is the difference in slopes between the two groups.

  In a similar way, Hypothesis 5's model was showed as follows:

Equation 4.7:

$$Y_{i1} = \alpha + \gamma D_i + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1}D_i) + \delta_2(X_{i2}D_i) + \delta_3(X_{i3}D_i) + \varepsilon_i$$

Y_{i1}: Revisit intention X_{i1}: Brand Loyalty

X_{i2}: Perceived Quality X_{i3}: Brand Awareness/Brand Association

where dummy-variable D_i is coded 1 for leisure travelers and 0 otherwise. Therefore:

For business travelers:

Equation 4.8:

$$Y_{i1} = \alpha + \gamma(0) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1} \times 0) + \delta_2(X_{i2} \times 0) + \delta_3(X_{i3} \times 0) + \varepsilon$$
$$= \alpha + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \varepsilon_i$$

For Leisure travelers:

Equation 4.9:

$$Y_{i1} = \alpha + \gamma(1) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1} \times 1) + \delta_2(X_{i2} \times 1) + \delta_3(X_{i3} \times 1) + \varepsilon$$
$$= (\alpha + \gamma) + (\beta_1 + \delta_1)X_{i1} + (\beta_2 + \delta_2)X_{i2} + (\beta_3 + \delta_3)X_{i3} + \varepsilon_i$$

In this regression equation:

➤ α and β are the intercept and slope respectively for regression of revisit intentions on brand equity among business travelers in terms of brand loyalty, perceived quality and brand awareness/brand association.

➤ γ is the difference in intercept between the business and leisure groups.

➤ δ is the difference in slopes between the two groups.

And Hypothesis 6's model was showed as follows:

Equation 4.10:

$$Y_{i3} = \alpha + \gamma D_i + \beta_1 X_{i1} + \delta_1(X_{i1} D_i) + \varepsilon$$

Y$_{i3}$: Revisit intentions   X$_{i1}$: Perceived Value

where dummy-variable D$_i$ is coded 1 for leisure travelers and 0 otherwise. Therefore:

For business travelers:

Equation 4.11:

$$Y_{i3} = \alpha + \gamma(0) + \beta_1 X_{i1} + \delta_1(X_{i1} \times 0) + \varepsilon$$

$$= \alpha + \beta_1 X_{i1} + \varepsilon_i$$

For Leisure travelers:

Equation 4.12:

$$Y_{i3} = \alpha + \gamma(1) + \beta_1 X_{i1} + \delta_1(X_{i1} \times 1) + \varepsilon_i$$

$$= (\alpha + \gamma) + (\beta_1 + \delta_1)X_{i1} + \varepsilon_i$$

In this regression equation:

➢ α and β are the intercept and slope for regression of revisit intentions on

perceived value among business travelers

➢ γ is the difference in intercept between the business and leisure groups.

➢ δ_1 is the difference in slopes between the two groups.

In order to achieve objective 3, there were four steps necessary to test:

Step1: For the model goodness of the fit test: strength of association was measured by the coefficient of determination R^2, and adjusted R^2 which was adjusted for the sample size and the number of independent variables.

Step2: For significance of equation test: F-test was used for the analysis of variance in the multivariable linear regression model.   Alternatively, if the p value of F statistics is less than 0.05, the overall null hypothesis is rejected, since the low value of p indicates a relatively strong explanation of the power of combination of all variables on the variation of dependent variables.

Step3: For the significance of specific coefficients b test: T-test was used.   If the calculated value of "t" exceeds the critical value (α=.05).   That means the null hypothesis is rejected.   Therefore, there is significant linear relationship between the X_1 and Y, and a positive or negative relationship is determined by the sign of the slope coefficient.   In the same manner, other βs and δ s can be tested.

Step4: For the independence test: Durbin-Watson coefficient was used for the residual.   And the statistic of Durbin-Watson should be between 1.5 and 2.5 to prove there is no serial correlation for independent observations residuals (Durbin-Watson Test Limits, 2006).

Step5: For the multiple linear regressions, multicollinearity test is necessary. There are three methods can be used, i.e. tolerance, variance inflation factor (VIF) and condition indices.

✧ Tolerance Diagnostics: if the value of tolerance is less than .20 (cut-off value), that indicates there are multicollinearity between the independent variable, the assumption of multiple liner regression in this study is unacceptable.

✧ Variance inflation faction Diagnostics: Multicollinearity exists between the independent variable when the value of VIF>4.0.

✧ Condition indices Diagnostics: There are serious multicollinearity problem when the value of condition indices over 30.

Step6: Analysis difference of two groups according to the result of the SPSS.

Table 4. 1: Summary of statistical tests to be used

Hypotheses		Concept	Statistical Test
Hypothesis 1	Ha:	All dimensions of brand equity have effect on customers' perceived value.	Multiple Regression
Sub-Hypothesis 1a	Ha:	Brand loyalty has effect on customers' perceived value.	Multiple Regression
Sub-Hypothesis 1b	Ha:	Perceived quality has an effect on customers' perceived value.	Multiple Regression
Sub-Hypothesis 1c	Ha:	Brand awareness/brand association has an effect on customers' perceived value.	Multiple Regression
Hypothesis 2	Ha:	All dimensions of brand equity have an effect on revisit intentions.	Multiple Regression Continued

Hypotheses		Concept	Statistical Test
Sub-Hypothesis 2a	Ha:	Brand loyalty has an effect on revisit intentions.	Multiple Regression
Sub-Hypothesis 2b	Ha:	Perceived quality has an effect on revisit intentions.	Multiple Regression
Sub-Hypothesis 2c	Ha:	Brand awareness/brand association has an effect on revisit intentions.	Multiple Regression
Hypothesis 3	Ha:	Perceived value has an effect on hotel revisit intentions.	Bivariate Regression
Hypothesis 4	Ha:	There is a difference between business travelers and leisure travelers on the impact of brand equity on perceived value.	Multivariable linear regression model with dummy-interaction regressor Multivariable linear regression model with dummy-interaction regressor
Sub-Hypothesis 4a	Ha:	There is a difference between business travelers and leisure travelers on the impact of brand loyalty on perceived value.	
Sub-Hypothesis 4b	Ha:	There is a difference between business travelers and leisure travelers on the impact of perceived quality on perceived value.	
Sub-Hypothesis 4c	Ha:	There is a difference between business travelers and leisure travelers on the impact of brand awareness/brand association on perceived value.	
Hypothesis 5	Ha:	There is a difference between business travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.	Multivariable linear regression model with dummy-interaction regressor
Sub-Hypothesis 5a	Ha:	There is a difference between business travelers and leisure travelers on the impact of brand loyalty on hotel revisit intentions.	
Sub-Hypothesis 5b	Ha:	There is a difference between business travelers and leisure travelers on the impact of perceived quality on hotel revisit intentions.	
Sub-Hypothesis 5c	Ha:	There is a difference between business travelers and leisure travelers on the impact of brand awareness/brand association on hotel revisit intentions.	
Hypothesis 6	Ha:	There is a difference between business travelers and leisure travelers on the impact of perceived value on hotel revisit intentions.	Bivariate Analysis with Dummy-interaction regressor

End of table

CHAPTER 5

PRESENTATION AND DISCUSSION OF DATA

This chapter presents the results of the survey that was conducted at 5 selected budget hotels in Shanghai.   The primary data analysis is composed of three sections. The first section depicts the demographic information of respondents.   The second section describes the analysis of the variables. And the third and last part provides the results of the hypotheses testing.

5.1 Descriptive Analysis of Demographic Information

A total of 400 questionnaires were distributed with the following results. Table 5.1 indicates the respondents consisted of 248 male (62 %) and 152 female (38%).   And for the leisure travelers, the gender was quite evenly distributed (male 51.5 % and female 48.5%); for the business travelers, the males (67.3 %) constituted the majority of visitors that stayed at budget hotels.

Table 5.1: Gender of visitor sample

Gender of visitor sample * Purpose Crosstabulation					
			Purpose		
			business travel	leisure travel	Total
Gender	**male**	Count	**179**	**69**	**248**
		% within Purpose	**67.3%**	**51.5%**	**62.0%**
	female	Count	87	65	152
		% within Purpose	32.7%	48.5%	38.0%
Total		Count	266	134	400
		% within Purpose	100.0%	100.0%	100.0%

From Table 5.2, approximately 1.5 % of respondents were over 55 years old, 9% were 40 to 54 years old, 65.2 % were 26 to 39 years old, and 24.2% were 18 to 25 years old.   The age group with the highest percentage was between 26 and 39 years, followed by the age group of between 18 and 25 years.   These two groups collectively accounted for nearly 90% of the respondents.   Compared to the business travelers, the18-25 year olds prefer budget hotels during leisure travel.

Table 5.2: <u>Age of visitor sample</u>

Age of visitor sample* Purpose Crosstabulation					
			Purpose		
			business travel	leisure travel	Total
Age	18-25 years	Count	49	48	97
		% within Purpose	18.4%	35.8%	24.2%
	26-39 years	**Count**	**191**	**70**	**261**
		% within Purpose	**71.8%**	**52.2%**	**65.2%**
	40-54 years	Count	24	12	36
		% within Purpose	9.0%	9.0%	9.0%
	55 years and above	Count	2	4	6
		% within Purpose	.8%	3.0%	1.5%
Total		Count	266	134	400
		% within Purpose	100.0%	100.0%	100.0%

Table 5.3 illustrates the educational level of the respondents.   The respondents who had achieved college's diplomas or bachelor's degrees represent the majority, accounting for 85% of the sample.   Especially for the business travelers, over 90% of respondents held a college or bachelor's degree, followed by those who just completed high school (8.5%), those with a master's degree or PhD (5.5%) and others (1%).

Table 5.3: <u>Education of visitor sample</u>

Education of visitor sample* Purpose Crosstabulation					
			Purpose		
			business travel	leisure travel	Total
Education	high school	Count	14	20	34
		% within Purpose	5.3%	14.9%	8.5%
	college's or bachelor's degree	**Count**	**240**	**100**	**340**
		% within Purpose	**90.2%**	**74.6%**	**85.0%**
	master degree or PhD	Count	10	12	22
		% within Purpose	3.8%	9.0%	5.5%
	other	Count	2	2	4
		% within Purpose	.8%	1.5%	1.0%
Total		Count	266	134	400
		% within Purpose	100.0%	100.0%	100.0%

The major trip purpose for choosing a budget hotel was relative to business as indicated by 66.5% of respondents, and the rest of the respondents (33.5%) indicated that they stayed at the hotel mainly due to the leisure purposes shown in Table 5.4.

Table 5.4: <u>Major purpose of visitor sample for choosing this budget hotel</u>

Major Purpose of visitor sample					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	**business travel**	**266**	**66.5**	**66.5**	**66.5**
	leisure travel	134	33.5	33.5	100.0
	Total	400	100.0	100.0	

From Table 5.5, there were 36.8% of the respondents who had stayed at budget hotels more than 5 times, 16.2% 4-5 times, 32.5% 2-3 times, and 14.5% one time.   It

was not the first time for over 85% of the respondents to stay in this category of hotel,
which means the results of this study were relatively reliable and feasible for the
analysis.   Meanwhile, nearly 50% of business travelers stayed at the same brand
budget hotel over 5 times and nearly 50% of leisure travelers stayed 2-3 times. Both
indicate relatively high brand loyalty.

Table 5.5: Times that visitor sample stayed at this brand of budget hotel

Times that visitor sample stayed at this brand of budget hotel* Purpose Crosstabulation					
			Purpose		
			business travel	leisure travel	Total
Times	only one time	Count	28	30	58
		% within Purpose	10.5%	22.4%	14.5%
	2-3 times	**Count**	64	**66**	130
		% within Purpose	24.1%	**49.3%**	32.5%
	4-5 times	Count	49	16	65
		% within Purpose	18.4%	11.9%	16.2%
	over 5 times	**Count**	**125**	22	147
		% within Purpose	**47.0%**	16.4%	36.8%
Total		Count	266	134	400
		% within Purpose	100.0%	100.0%	100.0%

Table 5.6 shows the budget hotel price range which is preferred by the
respondents.   A total of 186 (46.5%) respondents preferred the 90-150 RMB per
night range, followed by 144 (36%) respondents who preferred the price range of
151-200 RMB per night.   Furthermore, there were 53 (13.2%) and 17 (4.2%)
respondents who selected the 201-250 RMB and over 250 RMB per night respectively.
For both business travelers and leisure travelers, the wider price range of 90-200
RMB was the most preferred.

Table 5.6: <u>Price range of budget hotels of sampled visitors</u>

Price range of budget hotels of sampled visitors * Purpose Crosstabulation				
		Purpose		
		business travel	leisure travel	Total
Price	**90-150 RMB per night** **Count**	**118**	**68**	**186**
	% within Purpose	**44.4%**	**50.7%**	**46.5%**
	151-200 RMB per night Count	93	51	144
	% within Purpose	35.0%	38.1%	36.0%
	201-250 RMB per night Count	39	14	53
	% within Purpose	14.7%	10.4%	13.2%
	over 250 RMB per night Count	16	1	17
	% within Purpose	6.0%	.7%	4.2%
Total	Count	266	134	400
	% within Purpose	100.0%	100.0%	100.0%

5.2 Descriptive Analysis of Variables

Since the data was collected with interval scale, the mean and stand deviation are used in this research to measure the central tendency and dispersion from the mean of sample (Malhotra, 2007).   Each variable was measured with five-point Likert-type scales:

1=Strongly Disagree   2=Disagree   3=Neutral   4=Agree   5=Strongly Agree

And all the results were shown as follows:

5.2.1 Independent variable

In order to identify the relationships between multidimensional customer-based brand equity (brand loyalty, perceived value and brand awareness/ brand association), perceived value and revisit intentions, the first part of the study aims to survey respondents' perception of brand equity regarding each dimension of

brand equity.

5.2.1.1 Brand Loyalty

Table 5.7: <u>Mean score and standard deviation of Brand Loyalty of sample visitors</u>

Brand Loyalty	N	Mean	Std. Deviation
I consider myself to be loyal to this brand of budget hotel	400	**3.44**	.805
I usually use this brand budget hotel as the first choice compared to other brand hotels.	400	3.52	.912
I am very likely to switch to another budget hotel brand that runs promotions.	400	2.65	1.098
Valid N (listwise)	400		

Table 5.7 indicates the descriptive statistics of hotel brand loyalty for the five selected budget hotels. The survey questions, 'I usually use this brand budget hotel as the first choice compared to other brand hotels' and 'I consider myself to be loyal to this brand of budget hotel', registered mean scores of 3.52 and 3.44 respectively. It shows the respondents that were involved in this study have preferences for the budget-hotel brand that they used. However, for the question, 'I am very likely to switch to another budget hotel brand that runs promotions', the mean was relatively lower (2.65), and standard deviation was higher than others. It indicates that customers' brand loyalty would be affected by promotion activities.

5.2.1.2 Perceived Quality

Table 5.8 illustrates that the tangible aspect of physical facilities with the question, 'The physical facilities at this brand budget hotel are visually clean and neat', obtained the mean score of 4.0, which was the highest among all the components of customers' perceived quality. It was followed by assurance (3.91) as gauged with the question, 'Employees of this brand hotel are consistently courteous

with me'; responsiveness (3.75) as gauged with the question, 'Employees of this

brand hotel are always willing to help me'; and reliability (3.71) as gauged with the

question, 'This brand hotel performs the service right the first time'.   Empathy

recorded the lowest mean (3.24) in all aspects of perceived quality, which may be

determined by the characteristics of budget hotels.

Table 5.8: <u>Mean score and standard deviation of Perceived Quality of sampled visitors</u>

Perceived Quality	N	Mean	Std. Deviation
The physical facilities at this brand budget hotel are visually clean and neat	400	**4.00**	.615
This brand hotel performs the service right the first time.	400	3.71	.696
Employees of this brand hotel are always willing to help me.	400	3.75	.721
Employees of this brand hotel are consistently courteous with me.	400	3.91	.700
Employees of this brand hotel understand my specific, individual needs such as choice of pillows or mattress.	400	3.24	.902
Valid N (listwise)	400		

5.2.1.3 Brand Awareness/Brand Association

Table 5.9: <u>Mean score and standard deviation of Brand Awareness/Brand Association</u> <u>of sampled visitors</u>

Brand Awareness/Brand Association	N	Mean	Std. Deviation
I Know what this brand budget hotel's physical appearance looks like.	400	**3.99**	.672
I can recognize the hotel among other competing brands	400	3.85	.847
Some characteristics of this brand hotel such as the color, special design come to my mind quickly.	400	3.81	.858
I can quickly recall the symbol or logo of the hotel	400	3.71	.909
I have difficulty in seeing the image of this brand hotel in my mind.	400	3.47	1.021
Valid N (listwise)	400		

From Table 5.9, the means of brand awareness and brand association were relatively higher, especially in budget hotels' physical appearance, which, at 3.99, had deep impressions in the customers' minds.   Nevertheless, the brand image of budget hotels was still lower than other aspects, accounting for 3.47.

5.2.2 Mediating variable

Table 5.10: Mean score and standard deviation of Perceived Value of sampled visitors

Perceived Value	N	Mean	Std. Deviation
.I consider this brand budget hotel to be very good value for money.	400	**3.63**	.725
The price paid for this brand budget hotel is very acceptable.	400	3.59	.770
The service provided by this brand budget hotel is considered to be a good buys.	400	3.62	.740
Valid N (listwise)	400		

To confirm the mediating action between brand equity and revisit intention, the second section of the questionnaire was designed to ask the questions about the perceived value of selected budget hotels.   The results of perceived value show that the average mean was about 3.6 and higher than the neutral score of "3" in three questions: 'I consider this brand budget hotel to be very good value for money' (3.63), 'The price paid for this brand budget hotel is very acceptable' (3.59) and 'The service provided by this brand budget hotel is considered to be a good buy' (3.62).   This testified that the budget hotel segment in China really was value for money.

5.2.3 Dependent variable

In order to examine the effect of brand equity on hotel revisit intentions, two questions were used to measure customers' revisit intentions.   Table 5.11 shows that

the mean score of the questions, 'I plan to revisit this brand budget hotel' was 3.92
and 'The probability that I would consider revisit this brand hotel is high' was 3.85,
very near to the "agree" score of '4' which further indicates that budget hotels right
now could satisfy customers' basic overall requirements and make them willing to
visit again.

Table 5.11: Mean score and standard deviation of Revisit Intention of sampled visitors

Revisit Intention	N	Mean	Std. Deviation
I plan to revisit this brand budget hotel.	400	**3.92**	.672
The probability that I would consider revisit this brand hotel is high.	400	3.85	.749
Valid N (listwise)	400		

5.3 Questionnaire Reliability Test

Table 5.12: Result of Reliability Test

Operational dimensions	Number of Items	Number of Cases	Reliability
Brand Loyalty	3	400	.636
Perceived Quality	5	400	.733
Brand Awareness/ Brand Association	5	400	.768
Perceived Value	3	400	.816
Revisit Intention	2	400	.701
Total	18	400	.860

This study conducted a total of 400 questionnaires and the results of the
reliability test shows that all alpha values of questions achieved were over 0.6 levels,
highlighting that the questionnaire employed in this study was reliable and consistent
to test its hypothesis (Sekaran, 1992).

5.4 Hypothesis Testing

5.4.1 Hypothesis1:

Analyze the correlation between brand equity and perceived value in budget

hotel

Ho1: In the budget hotel segment, all dimensions of brand equity have no effect

on customers' perceived value.

Ha1: In the budget hotel segment, all dimensions of brand equity have effect on

customers' perceived value.

Table 5.13: Correlation between brand equity and perceived value: Model Summary

Model Summary[d]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.480[a]	.231	.225	.56076	1.700

a. Predictors: (Constant), BA, LO, PQ

b. Dependent Variable: PV

Table 5.13 shows the Adjusted R Square was .225. It means brand equity can

explain 22.5% of variations in perceived value.   In addition, the DW value of 1.7

between 1.5 and 2.5 highlighted that the residuals were not correlated and this

multiple linear regression was acceptable.

Table 5.14: Correlation between brand equity and perceived value: ANOVA Analysis

ANOVA[b]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	37.302	3	12.434	39.541	.000[a]
Residual	124.525	396	.314		
Total	161.826	399			

a. Predictors: (Constant), BA, LO, PQ

b. Dependent Variable: PV

As indicated in Table 5.14, the results of the F test showed that the significance was .000 less than .05.   It means that the overall regression equation was significant and one or more partial regression coefficients were statistically different from 0.

Table 5.15: <u>Correlation between brand equity and perceived value: Coefficients</u>

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.341	.230		5.834	.000		
	LO	.230	.044	.260	5.183	.000	.770	1.298
	PQ	.284	.064	.228	4.429	.000	.737	1.358
	BA	.126	.049	.124	2.562	.011	.828	1.208

a. Dependent Variable: PV

Table 5.15 shows that all values of tolerance were over .20 and all values of VIF were less than the 4.0.   It proved that the multiple regression did not have the multicollinearity among independent variables.   At the same time, all the calculated t values of brand loyalty, perceived quality and brand awareness/brand association were larger than the critical value (critical value of t with 396 degrees of freedom and α=.05 is 1.6449), which means the partial regression coefficients of brand loyalty, perceived quality and brand awareness/brand association are significant and non-zero. And perceived quality (.284) had a more positive effect on the customers' perceived value than brand loyalty (.230) and brand awareness/brand association (.126). Therefore, the null hypothesis was rejected and all dimensions of brand equity have an effect on customers' perceived value.

Table 5.16 further attested that multiple regression was acceptable because the non-value of condition indices was over 30, the highest value being 21.135.

Table 5.16: Correlation between brand equity and perceived value: Collinearity Diagnostics

				Variance Proportions			
Model	Dimension	Eigenvalue	Condition Index	(Constant)	LO	PQ	BA
1	1	3.947	1.000	.00	.00	.00	.00
	2	.029	11.587	.06	.91	.01	.11
	3	.015	16.112	.18	.03	.18	.88
	4	.009	21.135	.76	.06	.81	.01

a. Dependent Variable: PV

5.4.2 Hypothesis2:

Analyze the correlation between brand equity and revisit intention in budget hotels.

Ho2: In the budget hotel segment, all dimensions of brand equity have no effect on revisit intentions.

Ha2: In the budget hotel segment, all dimensions of brand equity have effect on revisit intentions.

Table 5.17: Correlation between brand equity and revisit intention: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.568[a]	.322	.317	.51590	1.885

a. Predictors: (Constant), BA, LO, PQ

b. Dependent Variable: RI

Table 5.17 shows the Adjusted R Square was .317 that means brand equity could explain 31.7% of variations in revisit intention.   In addition, the DW value of 1.885 within 1.5 to 2.5 highlighted that the residuals were not correlated and the assumptions of ordinary least square for multiple regression hold.

Table 5.18: <u>Correlation between brand equity and revisit intention: ANOVA Analysis</u>

ANOVA[b]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	50.082	3	16.694	62.723	.000[a]
Residual	105.396	396	.266		
Total	155.477	399			

a. Predictors: (Constant), BA, LO, PQ

b. Dependent Variable: RI

As indicated in Table 5.18, with the 3 and 396 degrees of freedom, the calculated F statistic (62.723) exceeded the critical value of 2.60 (α=.05).   It means that the overall regression equation was significant and one or more partial regression coefficients were statistically different from 0.

Table 5.19: <u>Correlation between brand equity and revisit intention: Coefficients</u>

Coefficients[a]							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1.282	.212		6.062	.000		
LO	.271	.041	.313	6.637	.000	.770	1.298
PQ	.218	.059	.178	3.696	.000	.737	1.358
BA	.244	.045	.245	5.379	.000	.828	1.208

a. Dependent Variable: RI

Table 5.19 shows that all the values of tolerance were over .20 and all the

values of VIF were less than 4.0 which indicate there was no multicollinearity

problem between the independent variables and this multiple linear regression was

valid.   Simultaneously, all the calculated t values of brand loyalty, perceived quality

and brand awareness/brand association, were greater than the critical value (critical

value of t with 396 degrees of freedom and α=.05 is 1.6449), which means the partial

regression coefficients of brand loyalty, perceived quality and brand awareness/ brand

association are significant and nonzero.   And brand loyalty (.271) had a more

positive effect on revisit intentions than perceived quality (.218) and brand awareness/

brand association (.244).   Therefore, the null hypothesis was rejected and all the

dimensions of brand equity have an effect on revisit intentions.

Table 5.20: Correlation between brand equity and revisit intention: Collinearity

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	LO	PQ	BA
1	1	3.947	1.000	.00	.00	.00	.00
	2	.029	11.587	.06	.91	.01	.11
	3	.015	16.112	.18	.03	.18	.88
	4	.009	21.135	.76	.06	.81	.01

a. Dependent Variable: RI

Table 5.20 further proved that this multiple regression was acceptable because

the non-value of condition indices was over 30, the highest value being 21.135.

5.4.3 Hypothesis3:

Analyze the correlation between perceived value and revisit intentions in budget

hotels.

Ho3: In the budget hotel segment, perceived value has no effect on hotel revisit intentions.

Ha3: In the budget hotel segment, perceived value has effect on hotel revisit intentions.

Table 5.21: Correlation between perceived value and revisit intention: Model Summary

Model Summary[d]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.493[a]	.243	.241	.54396	1.759

a. Predictors: (Constant), PV
b. Dependent Variable: RI

Table 5.21 shows the Adjusted R Square was .241 which means perceived value can explain 24.1% of variations in revisit intention. In addition, the DW value of 1.759 that within 1.5 and 2.5 highlighted that the residuals were not correlated and this regression was acceptable.

Table 5.22: Correlation between perceived value and revisit intention: ANOVA Analysis

ANOVA[b]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	37.712	1	37.712	127.453	.000[a]
Residual	117.765	398	.296		
Total	155.477	399			

a. Predictors: (Constant), PV
b. Dependent Variable: RI

As indicated in Table 5.22, with the degrees of freedom 1 and 398, the calculated F statistic 127.453 exceeded the critical value of 3.84 (α=.05). It means that the regression equation was significant and the partial regression coefficient was statistically different from 0.

Table 5.23: <u>Correlation between perceived value and revisit intention: Coefficients</u>

Coefficients[a]							
Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	2.139	.157		13.635	.000		
PV	.483	.043	.493	11.290	.000	1.000	1.000

a. Dependent Variable: RI

Table 5.23 shows that the calculated t value of perceived value was higher than the critical value (critical value of t with 398 degrees of freedom and α=.05 is 1.6449) which means that perceived value has an effect on the revisit intentions and when perceived value was changed one unite, the positive 0.483 unit change was expected in revisit intentions. Therefore, the null hypothesis was rejected and perceived value has an effect on hotel revisit intentions.

Through a series of diagnostics, i.e. the significance of equation and partial coefficients, Durbin-Watson correlation of residuals, and multicollinearity between independent variables, it is concluded that the multiple linear regressions that were used for examining the hypotheses in this study were statistically significant and the three null hypotheses were rejected, which indicates that multidimensional customer-based brand equity has a positive effect on revisit intentions, mediating by the perceived value in the budget hotel segment.

5.4.4 Hypothesis4:

In order to identify the difference between business travelers and leisure travelers on the correlation of brand equity and perceived value in budget hotels, the dummy variable and interaction regressors were involved in the regression.

Ho4: In the budget hotel segment, there is no difference between business travelers and leisure travelers on the impact of brand equity on customers' perceived value.

Ha4: In the budget hotel segment, there is a difference between business travelers and leisure travelers on the impact of brand equity on customers' perceived value.

Table 5.24: Correlation between brand equity and perceived value: Model Summary 2

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.488[a]	.238	.224	.56087	1.688

a. Predictors: (Constant), DBA, BA, LO, PQ, DLO, Purpose2, DPQ
b. Dependent Variable: PV

Table 5.24 showed the Adjusted R Square was .224 which means that brand equity could explain 22.4% of variations in perceived value. In addition, the DW value of 1.688 between 1.5 and 2.5 highlighted that the residuals were not correlated and this multiple linear regression was still acceptable.

As indicated in Table 5.25, the result of F test showed that the significance was .000 less than .05. It means that the overall regression equation was significant and one or more partial regression coefficients were statistically different from 0.

Table 5.25: <u>Correlation between brand equity and perceived value: ANOVA 2</u>

ANOVA[b]					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	38.513	7	5.502	17.490	.000[a]
Residual	123.314	392	.315		
Total	161.826	399			

a. Predictors: (Constant), DBA, BA, LO, PQ, DLO, Purpose2, DPQ

b. Dependent Variable: PV

Table 5.26: <u>Correlation between brand equity and perceived value: Coefficient 2</u>

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant) α	1.383	.281		4.918	.000
LO β_1	.279	.054	.315	5.137	.000
PQ β_2	.208	.079	.167	2.653	.008
BA β_3	.149	.064	.147	2.344	.020
Purpose2 γ	-.117	.507	-.087	-.232	.817
DLO δ_1	-.148	.097	-.345	-1.528	.127
DPQ δ_2	.212	.137	.582	1.543	.124
DBA δ_3	-.057	.101	-.157	-.561	.575

a. Dependent Variable: PV

     To identify which special partial coefficient was different from 0, the t test was used.   As Table 5.26 shows, the p value of t in brand loyalty, perceived quality and brand awareness/brand association was less than 0.05.   However, for dummy variables and all interaction regressors, the p value of t was over .05 which means they were not statistically significant in the trip purpose and all two-way interactions which should be dropped from the equation 4.6.   Thus, the null hypothesis was not rejected and there was no difference between business travelers and leisure travelers

on the impact of brand equity on customers' perceived value in the budget hotel
segment.

5.4.5 Hypothesis5:

In like manner, the dummy variable and interaction regressors were involved in
the regressions to identify the difference between business travelers and leisure
travelers on the correlation of brand equity and revisit intentions in budget hotels.

Ho5: In the budget hotel segment, there is no difference between business
travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.

Ha5: In the budget hotel segment, there is a difference between business
travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.

Table 5.27: Correlation between brand equity and revisit intentions: Model 2

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.576[a]	.332	.320	.51478	1.895

a. Predictors: (Constant), DBA, BA, LO, PQ, DLO, Purpose2, DPQ
b. Dependent Variable: RI

Table 5.27 showed the Adjusted R Square was .320 which means brand equity
could explain 32% of variations in revisit intention.   In addition, the DW value of
1.895 between 1.5 and 2.5 highlighted that residuals were not correlated and this
multiple linear regression was acceptable.

The p value of F test was .000 less than .05, as presented in Table 5.28.   It
means that the overall regression equation was significant and one or more partial
regression coefficients were statistically different from 0.

Table 5.28: Correlation between brand equity and revisit intentions: ANOVA 2

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.598	7	7.371	27.815	.000[a]
	Residual	103.880	392	.265		
	Total	155.477	399			

a. Predictors: (Constant), DBA, BA, LO, PQ, DLO, Purpose2, DPQ

b. Dependent Variable: RI

Table 5.29: Correlation between brand equity and revisit intentions: Coefficient 2

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant) α	1.384	.258		5.365	.000
	LO β_1	.334	.050	.385	6.714	.000
	PQ β_2	.147	.072	.120	2.034	.043
	BA β_3	.231	.058	.231	3.949	.000
	Purpose2 γ	-.331	.465	-.251	-.712	.477
	DLO δ_1	**-.178**	**.089**	**-.422**	**-1.992**	**.047**
	DPQ δ_2	.206	.126	.578	1.637	.102
	DBA δ_3	.043	.093	.120	.458	.647

a. Dependent Variable: RI

The results for regression of revisit intentions were the same as the regression of perceived value, the p value of t in brand loyalty, perceived quality and brand awareness/brand association was less than 0.05, and in dummy variable and interaction regressors were over .05 except the DLO (brand loyalty& trip purpose interactions, 0.047). Table 5.29 presents the partial coefficient of DLO is -.178, according to the Equation 5.8 and Equation 5.9, which provided weak support for the

hypothesis Ha5 and sub-hypothesis Ha5a, other null sub-hypothesis of hypothesis5
were not rejected.

For business travelers:

Equation 5.1:

$$Y_{i1} = \alpha + \gamma(0) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1} \times 0) + \delta_2(X_{i2} \times 0) + \delta_3(X_{i3} \times 0) + \varepsilon$$
$$= \alpha + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \varepsilon_i$$

RI (business) =1.384+0.334LO+0.147PQ+0.231BA

For Leisure travelers:

Equation 5.2:

$$Y_{i1} = \alpha + \gamma(1) + \beta_1 X_{i1} + \beta_2 X_{i2} + \beta_3 X_{i3} + \delta_1(X_{i1} \times 1) + \delta_2(X_{i2} \times 1) + \delta_3(X_{i3} \times 1) + \varepsilon$$
$$= (\alpha + \gamma) + (\beta_1 + \delta_1) X_{i1} + (\beta_2 + \delta_2) X_{i2} + (\beta_3 + \delta_3) X_{i3} + \varepsilon_i$$

RI (leisure) =1.384+ (0.334-**0.178**) **LO**+0.147PQ+0.231BA

=1.384+ 0.156**LO**+0.147PQ+0.231BA

5.4.6 Hypothesis6:

Identify the difference between business travelers and leisure travelers on the
correlation of perceived value and revisit intentions in budget hotels.

Ho6: In the budget hotel segment, there is no difference between business
travelers and leisure travelers on the impact of perceived value on hotel revisit
intentions.

Ha6: In the budget hotel segment, there is a difference between business
travelers and leisure travelers on the impact of perceived value on hotel revisit
intentions.

Table 5.30 listed that Adjusted R Square was .241 which means brand equity
could explain 24.1% of variations in revisit intention.   In addition, the DW value of

1.752 between 1.5 and 2.5 highlighted that residuals were not correlated and this

multiple linear regression was acceptable.

Table5.30: Correlation between perceived value and revisit intentions: Model

Summary 2

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.496[a]	.246	.241	.54392	1.752

a. Predictors: (Constant), DPV, PV, Purpose2

b. Dependent Variable: RI

The p value of F test was .000 less than .05, as presented in Table 5.31.   It

means that the overall regression equation was significant and one or more partial

regression coefficients were statistically different from 0.

Table 5.31: Correlation between perceived value and revisit intentions: ANOVA 2

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.322	3	12.774	43.177	.000[a]
	Residual	117.156	396	.296		
	Total	155.477	399			

a. Predictors: (Constant), DPV, PV, Purpose2

b. Dependent Variable: RI

From Table 5.32, the trip purpose and interaction with perceived value also

were not statistically significant ($p>0.05$), indicating that it did not influence on the

hotel revisit intentions.   Therefore, the null hypothesis 6 was not rejected and there

was no difference between business travelers and leisure travelers on the impact of

perceived value on hotel revisit intentions in budget hotel segment.

Table 5.32: <u>Correlation between perceived value and revisit intentions: Coefficient 2</u>

			Unstandardized Coefficients		Standardized Coefficients		
Model			B	Std. Error	Beta	t	Sig.
1	(Constant)	α	2.290	.191		11.966	.000
	PV	β_1	.446	.052	.455	8.636	.000
	Purpose2	γ	-.443	.337	-.335	-1.313	.190
	DPV	δ_1	.111	.093	.304	1.194	.233

a. Dependent Variable: RI

CHAPTER 6

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter emphasizes the results, summarization and discussions of the study. Furthermore, the conclusions and recommendations were provided based on those findings, followed by the future research.

6.1 Summary of the Findings

6.1.1 Summary of Findings in Demographic Information

Table 6.1: Summary of the findings of demographic information of sampled visitors

Demographic factors	The major groups of respondents	% within Purpose	business travel	leisure travel
			% within Purpose	% within Purpose
Gender	Male	62.0%	67.3%	51.5%
	Female	38.0%	32.7%	48.5%
Age	26-39 years	65.2%	71.8%	52.2%
	18-25 years	24.2%	18.4%	35.8%
Education	college's or bachelor's degree	85.0%	90.2%	74.6%
Trip purpose	business travelers	66.5%	-	-
	leisure travelers	33.5%	-	-
Visit times	over 5 times	36.8%	47.0%	16.4%
	2-3 times	32.5%	24.1%	49.3%
Price range	90-150 RMB per night	46.5%	44.4%	50.7%
	151-200 RMB per night	36.0%	35.0%	38.0%

A total of 400 questionnaires were distributed for the study. The respondents' ratio of business travelers to leisure travelers was 2:1. The sample consisted of 67.3% males were more inclined than females to stay at budget hotels for business purposes, while there was no significant difference between genders for the leisure purposes. As Table 6.1 illustrates, 18-39 years olds were the major age range choosing to stay at budget hotels, especially for the 26-39 year old group, which accounted for 65.2%. Also, budget hotels were affordable for the 18-25 year olds traveling for leisure. Most of the respondents (85%) were educated with college or bachelor degrees. And budget hotels in the price range of 90-200 RMB per night had the largest market segment since they met the guests' psychological price level. With regard to the number of visits, over 5 times (36.8%) constituted the greatest percentage of respondents, followed by the 2-3 times (32.5%). As a result of purpose characteristics, 47% of business travelers visited over 5 times and the nearly 50% of leisure travelers visited the same hotel brand 2-3 times.

6.1.2 Summary of Findings in Hypotheses Testing
6.1.2.1 Research Objective 1

For research objective 1, three major hypotheses and six sub-hypotheses were tested through regression analysis. As Table 6.2 presents, all the null hypotheses of research objective were rejected and showed the significant positive effect ($p<0.05$).

Table 6.2: <u>Summary of the findings of hypothesis testing of research objectives 1</u>

Hypotheses		Level of Significance	Partial Coefficient	Testing Result
$H_0 1$	All dimensions of brand equity have no effect on customers' perceived value	0.000	-	$H_0 1$ was rejected
$H_a 1$	All dimensions of brand equity have an effect on customers' perceived value.			
$H_0 1a$	Brand loyalty has no effect on customers' perceived value.	0.000	0.230	$H_0 1a$ was rejected
$H_a 1a$:	Brand loyalty has an effect on customers' perceived value.			
$H_0 1b$	Perceived quality has no effect on customers' perceived value.	0.000	0.284	$H_0 1b$ was rejected
$H_a 1b$:	Perceived quality has an effect on customers' perceived value.			
$H_0 1c$	Brand awareness/brand association has no effect on customers' perceived value.	0.011	0.126	$H_0 1c$ was rejected
$H_a 1c$:	Brand awareness/brand association has an effect on customers' perceived value.			
$H_0 2$	All dimensions of brand equity have no effect on revisit intentions.	0.000	-	$H_0 2$ was rejected
$H_a 2$	All dimensions of brand equity have an effect on revisit intentions.			
$H_0 2a$	Brand loyalty has no effect on revisit intentions.	0.000	0.271	$H_0 2a$ was rejected
$H_a 2a$:	Brand loyalty has an effect on revisit intentions.			
$H_0 2b$	Perceived quality has no effect on revisit intentions.	0.000	0.218	$H_0 2b$ was rejected
$H_a 2b$:	Perceived quality has an effect on revisit intentions.			
$H_0 2c$	Brand awareness/brand association has no effect on revisit intentions.	0.000	0.244	$H_0 2c$ was rejected
$H_a 2c$:	Brand awareness/brand association has an effect on revisit intentions.			
$H_0 3$	Perceived value has no effect on hotel revisit intentions.	0.000	0.483	$H_0 3$ was rejected
$H_a 3$	Perceived value has an effect on hotel revisit intentions.			

6.1.2.2 Research Objectives2

For the sake of difference hypotheses tests, this study employed multiple regressions with dummy-interaction regressors for the hypotheses 4 to 6 and the sub-hypotheses.   This researcher identified the differences from the dummy variable and dummy-interaction regressors.   The differences between business travelers and leisure travelers exist when any one of those variable is statistically significant ($p<.05$), and partial coefficient will represent how much difference exists between them.

Table 6.3: Summary of the findings of hypothesis testing of research objectives 2

	Hypotheses	**Level of Significance**	**Partial Coefficient**	**Testing Result**
$H_0 4$	There is no difference between business travelers and leisure travelers on the impact of brand equity on perceived value.	-	Not Statistically Significant	$H_0 4$ was not Rejected
$H_a 4$	There is a difference between business travelers and leisure travelers on the impact of brand equity on perceived value.	.817 (trip purpose)		
$H_0 4a$	There is no difference between business travelers and leisure travelers on the impact of brand loyalty on perceived value.	0.127	Not Statistically Significant	$H_0 4a$ was not Rejected
$H_a 4a:$	There is a difference between business travelers and leisure travelers on the impact of brand loyalty on perceived value.			
$H_0 4b$	There is no difference between business travelers and leisure travelers on the impact of perceived quality on perceived value.	0.124	Not Statistically Significant	$H_0 4b$ was not Rejected
$H_a 4b:$	There is a difference between business travelers and leisure travelers on the impact of perceived quality on perceived value.			
$H_0 4c$	There is no difference between business travelers and leisure travelers on the impact of brand awareness/brand association on perceived value.	0.575	Not Statistically Significant	$H_0 4c$ was not Rejected
$H_a 4c:$	There is a difference between business travelers and leisure travelers on the impact of brand awareness/brand			Continued

Hypotheses		Level of Significance	Partial Coefficient	Testing Result
	association on perceived value.			
$H_0 5$	There is no difference between business travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.	On brand loyalty	On brand loyalty	$H_0 5$ was rejected
$H_a 5$	There is a difference between business travelers and leisure travelers on the impact of brand equity on hotel revisit intentions.	.477 (trip purpose)		
$H_0 5a$	There is no difference between business travelers and leisure travelers on the impact of brand loyalty on hotel revisit intentions.	0.047	-0.178	$H_0 5a$ was rejected
$H_a 5a:$	There is a difference between business travelers and leisure travelers on the impact of brand loyalty on hotel revisit intentions.			
$H_0 5b$	There is no difference between business travelers and leisure travelers on the impact of perceived quality on hotel revisit intentions.	0.102	Not Statistically Significant	$H_0 5b$ was not Rejected
$H_a 5b:$	There is a difference between business travelers and leisure travelers on the impact of perceived quality on hotel revisit intentions.			
$H_0 5c$	There is no difference between business travelers and leisure travelers on the impact of brand awareness/brand association on hotel revisit intentions.	0.647	Not Statistically Significant	$H_0 5c$ was not Rejected
$H_a 5c:$	There is a difference between business travelers and leisure travelers on the impact of brand awareness/brand association on hotel revisit intentions.			
$H_0 6$	There is no difference between business travelers and leisure travelers on the impact of perceived value on hotel revisit intentions.	0.233	Not Statistically Significant	$H_0 4$ was not Rejected
$H_a 6$	There is a difference between business travelers and leisure travelers on the impact of perceived value on hotel revisit intentions.	.190 (trip purpose)		

End of Table

6.2 Discussion

This study showed that brand loyalty is an important dimension of brand

equity amongst the sample visitors.   This study also showed that brand loyalty had a

positive effect on the customers' perceived value (H_a1a) and the hotel revisit

intentions (H_a2a).   The result is consistent with and proved similar to the one carried

out in the value hotel chain by Baldauf, Cravens and Binder (2003) and in the

mid-price hotels by Kim, Jin-Sun, & Kim (2008).   In other words, a higher level of

brand loyalty can explain that customers perceive a higher value of service.   It leads

the customers to consistently prefer a brand, which is strongly related to the hotel's

future revenue (Washburn and Plank, 2002; Kim, An, & Kim, 2003; Kim & Kim,

2004).   That is the reason why the hotel industry treats loyal customers as their

important assets.   The highest partial coefficient of brand loyalty (.271) effecting

revisit intentions further represents its significance in the budget hotel segment.   It is

noteworthy that, for business travelers, brand loyalty had a greater effect on revisit

intentions than it had on leisure travelers (Equation 5.1 & Equation 5.2: brand loyalty

partial coefficient 0.334>0.156), according to the general view that business travelers

favor a strong brand to save searching time and reduce the purchase risk.   However,

for leisure travelers, they may pursue new experiences and change from the brand that

they are usually loyal to.

        The findings of this study indicated that perceived quality had a positive effect

both on the perceived value (H_a1b) and on hotel revisit intentions (H_a2b).   There are

no controversial items between the perceived quality and perceived value that were

globally recognized (Zeithaml, 1988; Dodds, Monroe, & Grewal, 1991; Anderson,

Fornell, & Lehmann, 1994).   Nonetheless, the effect of perceived quality on revisit

intentions is significant ($p<.05$), which conflicts with the empirical studies of Kim, An,

& Kim (2003) and Kim, Jin-Sun, & Kim (2008) who advocated that perceived quality

was not important to hotel revisit intentions.   The results that they found were based

on a study of mid-price or luxury hotels located in mature hotel markets, which is not sufficient enough for the demonstration in China.   As expected, in the less developed Chinese hotel industry and with the characteristic of budget hotels, perceived quality is still playing a certain role on the budget hotel revisit intentions, which is consistent with the previous study by Washburn and Plank (2002).   This study also showed that the impact of perceived quality on perceived value and revisit intentions made no difference between business travelers and leisure travelers (p>.05).

Hoyer (1990) pointed out that the higher the level of brand awareness, the more likelihood there is of this brand being considered when they purchase.   With regard to the brand awareness/brand association, the data in this study shows it has positive effects on perceived value (H_a1c) and revisit intentions (H_a2c), too.   In interpreting these findings, the perceived value may work through the brand awareness/brand association even without the true experience e.g. Banyan tree hotel. And brand awareness/brand association will inflate the perceived value when customers are satisfied, which further increases their revisit intentions.

As initially predicted, the perceived value appeared to have significant positive effects on revisit intentions (H_a3), accounting for 0.483, which is higher than other predictors that were also found by Chang & Wildt (1994) and Parasuraman & Grewal (2000).   This study discloses that customers not only in mid-priced hotels (Kim, Jin-Sun, & Kim, 2008) but also in budget hotels are sensitive to the service they receive and the price they pay, as in Rust and Oliver's (1994) statement that even excellent quality can be regarded as poor value.   This result implies some warning for those people who are only absorbed in service quality improvement.   Apparently, value for money as one of the critical success factors for budget hotels should be given great attention.

6.3 Conclusions

Budget hotels as the most important hotel segment have been developing over half a century in the U.S. although they were still a new product concept in China until 2005, with the increased domestic tourism demand and higher return on budget hotel investment. And the good performance of budget hotels in the global economic downturn further accelerated the expansions of domestic competitors and the entries of numerous foreign brands. The customers will be confused by mass branding with only bed and breakfast (B&B) operations and price competition not the way for the long-term strategy. Therefore, building a strong brand is deemed useful and necessary for budget hotels to distinguish themselves to increase the customers' revisit intentions. Compared to the business travelers, leisure travelers are always overlooked although they represent 40% market share in the budget hotel segment. The difference between business travelers and leisure travelers on the impact of brand equity on revisit intentions also needs to be paid more attention. Thus, the purpose of this study was to investigate the impact of brand equity on hotel revisit intentions and the difference between business travelers and leisure travelers on this impact. The conceptual framework was modified for the answers of research questions, with a corresponding questionnaire which was distributed to a total of 400 individuals at the 5 selected top-5 brand budget hotels in Shanghai. The data was analyzed through both regression and multiple regressions with dummy-variable interaction regressors. And the results of the research objectives are shown as follows:

Objective1: This study aims to investigate the relationships between multidimensional customer-based brand equity (brand loyalty, perceived value and brand awareness/brand association), perceived value and revisit intentions in the Shanghai (China) budget hotel segment. The results show that strong brand equity

leads to the customers' higher perceived value which increases their revisit intentions. Furthermore, brand loyalty has a great impact on hotel revisit intentions, followed by brand awareness/brand association and perceived quality. Also worth mentioning is that the perceived quality also has positive effects on the revisit intentions in the budget hotel segment, which is different from the statement of Kim, Jin-Sun, & Kim (2008) and Kim, An, & Kim (2003) in other hotel segments. And perceived quality is the most significant predictor for perceived value, which has a significant impact on hotel revisit intentions.

Objective2: To identify the differences between business travelers and leisure travelers on the relationships of objective 1. The results indicate that there was no significant difference between business travelers and leisure travelers on the relationships of brand equity, perceived value and revisit intentions, except that H_a5a weakly supported that there was the difference between business travelers and leisure travelers on the impact of brand loyalty on hotel revisit intentions, subsequently supporting H_a5 that there are differences between business travelers and leisure travelers on the impact of brand equity on hotel revisit intentions. Therefore, to increase the leisure travelers' revisit intentions, more time, money and energy should be spent on brand loyalty than on business travelers. This would be more efficient on brand awareness/brand association, perceived quality and perceived value for increasing the leisure travelers' revisit intentions.

Additionally, the age range of 26 to39 years old is the major component of budget hotel customers, and almost all of them are with college or bachelor degrees. The Budget hotel from 90-200 RMB per night is preferred by both business travelers and leisure travelers. And males are the dominant gender of the business travelers.

6.4 Recommendations

With the rapid expansion of budget hotels, managers and investors have to realize the brand importance in their long-term development.   Strong brand equity can increase customers' revisit intentions and improve the hotel's financial performance.   However, keeping good brand management needs a variety of actions to support, requiring not only the arousal of hotel managers' attention but also investment in brand building.

6.4.1 Forming customers' brand loyalty to improve revisit intentions

Updating to be a listed company seems to make the best of both worlds.   It improves the brand's reputation, and simultaneously facilitates the hotel raising enough funds for their expansion plan.   Establishing more branches and a renowned brand enhance brand loyalty in the cognitive section, because through the available product or service information, customers already have their idea about the brand in that category, even though they haven't experienced it (Taylor and Bearden, 2002).

Promotion, especially price discounts, can be one kind of way to attract customers to experience a brand.   Hotel managers can cooperate with relevant industries and companies who have the same target customers, or depend on e-commerce information management.   Meanwhile, developing the effective loyalty of customers still needs their positive attitude to this brand, which is determined by the hotel's service quality and the satisfaction that the customer achieved.

After reaching the cognitive and affective loyalty, there is a possibility for developing the cognitive loyalty for a brand, e.g. loyalty programs for members. The members can redeem points that they earned through hotel stays to pay for rooms or upgrade their room, amongst other benefits.   Also, hotel managers can make the

use of E-commerce system, just as with the Kimption boutique hotel which offered

different hotel prices and promotions to different members at different booking times

under their black-box operations.   This is a useful process for budget hotels building

brand loyalty, which is the most significant predictor of brand equity to hotel revisit

intentions.

6.4.2 Building customers' brand awareness/brand association to increase the revisit intentions

Besides the brand loyalty, brand awareness/brand association seems to be a

more effective way to win the repeat customers.   Hotel managers can use a news

website, forum, SMS, email, radio and other communication methods to keep their

brand relationship with the customers.   For the long term strategy, the customer

lifecycle should be considered for cross sell/up sell at the customers' different age

stage.   It is regarded as a good idea to foster brand awareness/brand association of

subdivisions of budget hotel markets such as students, business travelers and families

over a long time, since the customers initially start from students.   It is familiar with

the McDonald's practice.   In addition, the segmentations can guide the firm to better

match customers' demands and reduce competition due to their distinguishing the

brand and hotel services.

6.4.3 Keeping standardized service quality to maintain the revisit intentions

No matter how fast the budget hotel segment expands, the service quality

always needs to be guaranteed at a certain standard.   Otherwise, it would be better

not to expand since over-expansion will damage hotels' brand awareness/brand

association and brand loyalty, and the hotel brand will disappear like the Top Star

Hotel Chain which was merged into Home Inn in 2007.

6.4.4 Keeping high perceived value to maintain the revisit intentions

Apparently, perceived value is a powerful predictor of hotel revisit intentions implies that Chinese customers are more sensitive to the price that they pay. The hotel managers have to be meticulous about setting the price and involving the perceived value into their hotel survey by which their marketing promotions may be effective.

6.4.5 Recommendations for the leisure travelers to increase the revisit intentions

Due to small differences between business travelers and leisure travelers in China's budget hotels, hotel managers are just inclined to the efforts of brand awareness/brand association, perceived quality and perceived value in building strong brands for leisure travelers. To the target market, a product differentiations strategy will have a chance to win the 90-200 RMB hotel market segment thanks to the affordable price for customers. And it is easy to guide the customers' consumer habits, e.g. online booking and forum communication. Because the majority of customers are young and generally have higher educational degrees, they are willing to accept the new things, especially for the business travelers. And providing the relative business facilities and fast check-in & check out special service for business travelers can better satisfy their requirements for efficiency.

6.5 Future Research

As a result of the limitations of time and resources, the findings of this study are from a sample in the Xiujiahui district of Shanghai, so generalization of the

findings is limited.   Further research is suggested in the whole city of Shanghai or in other provinces of China to test the results again.

This study emphasized the significance of brand equity in budget hotel development.   The adjusted R Square indicates brand equity could only explain 31.7% of variations in revisit intentions.   Considering the importance of perceived value in budget hotels, the proposed model can be extended to include the price and perceived value into the research of budget hotel revisit intentions.   However, it is not enough to explain the revisit intentions.   There must be other important factors that need to be identified in the future, e.g. customer satisfaction, hotel geographic coverage, etc.

REFERENCES

Aaker, D.A. (1991). *Managing Brand Equity: Capitalizing on the Value of the Brand Name*. New York: The Free Press.

Aaker, D.A. (1996). *Building Strong Brands*. New York: The Free Press.

Anantachart, S. (1998). *A theoretical study of brand equity: Reconceptualizing and measuring the construct from an individual consumer perspective*. University of Florida.

Anderson E.W., Fornell C. & Lehmann D.R. (1994). Customer Satisfaction, Market Share, and Profitability: Findings from Sweden. *Journal of Marketing*, 58, 53-66.

Bailey, R. & Ball, S. (2006). An Exploration Of The Meanings Of Hotel Brand Equity. *The Services Industry Journal, 26*, 15-38.

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

Beioley, S. (1991, July). Business Tourism. *Insights*, 7-14.

Bolton, R.N., & Drew, J.H. (1991, January). A longitudinal analysis of the impact of service changes on customer attitudes, *Journal of Marketing, 55*, 1-9.

Brown, T. J., Churchill, G. A., & Peter, J. P. (1993, spring). Research Note:
Improving the Measurement of Service Quality, *Journal of Retailing*, *69*(1),
127-139

Butcher, K. (2005). Differential Impact of Social Influence in the Hospitality
Encounter. *International Journal of Contemporary Hospitality Management*,
17(2), 125–135.

Chang, T.Z., & Wildt, A.R. (1994). Price, product information and purchase intention:
an Empirical study. *Journal of Academic Marketing Science, 22*(1), 550–561.

Chay, R.F. (1991). How marketing researchers can harness the power of brand equity.
Marketing Research: a Magazine of Management and Applications, *3*(2), 30-37.

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

Cronin, J.J. & Taylor, S.A. (1992). Measuring Service Quality: a Reexamination and
Extension. *Journal of Marketing*, *56*(1), 55-68.

Davidson, R. (1993). Budget hotels in Europe. *Insights*, 5, 141-144.

Davidson, R. (1994). *Business Travel*, London: Pitman Publishing.

Dick, A.S., & Basu, K. (1994). Customer loyalty: Toward an integrated conceptual
framework. *Journal of the Academy of Marketing Science*, *22*(2), 99-113.

Dodds, W.B., Monroe, K.B., & Grewal, D. (1991, August). Effect of price, brand, and
store information on buyers' product evaluation. *Journal of Marketing Research,*
28, 307-319.

Doyle, P. (2002). *Marketing Management and Strategy* (3rd Ed.). Harlow: Pearson
    Education.

Dyson, P., Farr, A. & Hollis, N.S. (1996). Understanding, measuring, and using brand
    equity. *Journal of Advertising Research, 36*(6), 9-21.

Farquhar, P.H. (1989, September). Managing Brand Equity. *Marketing Research, 1*,
    24–33.

Fiorentino, A. (1995, September). Budget hotels: not just minor hospitality products,
    Tourism Management, 16(6), 455-462.

Gay, L. R., & Diehl, P. L., jt. auth. (1996). *Research methods for business and
    management*. London: Prentice Hall International.

Gilbert, D. & Aronld, L. (1989). Budget hotels. *Leisure Management*, *9*(2), 61-63.

Gilbert, D. & Lockwood, A. (1990). Budget hotel-the USA, France and UK
    Compared. *The Travel &Tourism Analyst, 3*, 19-36.

Hellier, P. K., Geursen, G. M., Carr, R. A., & Rickard, J. A. (2003). Customer
    Repurchase intention: A general structural equation model. *European Journal of
    Marketing*, 37(11/12), 1762–1800.

Hoyer, W.D. (1990). The Effects of Brand Awareness on choice for a common,
    repeat-purchase product. *Journal of Consumer Research*, *17* (2), 141-148.

Justus, G. R. (1991). Microtel: how simple translates into success. *Cornell Hospitality
    Quarterly, 32*(4), 50-54.

Kandampully, J., & Suhartanto, D. (2000). Customer loyalty in the hotel industry: the
role of customer satisfaction and image. *Managing Service Quality*, *16*(6),
346-351.

Kayaman R., & Arasli, H. (2007). Customer based brand equity: evidence from the
hotel industry. *Managing Service Quality* .17(1), 92-109.

Keller, K.L. (1993, January). Conceptualizing, Measuring, and Managing
Consumer-Based Brand Equity. *Journal of Marketing*, 57, 1-22.

Keller, K.L. (1998). Strategic Brand Management*: Building, Measuring, and
Managing Brand Equit*y. New Jersey: Prentice Hall.

Keller, K.L. (2003). *Strategic Brand Management: Building, Measuring, and
Managing Brand Equity* (2nd Ed.). Upper Saddle River, NJ: Pearson Prentice
Hall.

Keller, K. L., & Lehmann, D. R. (2006). Brands and branding: Research findings and
future priorities. *Marketing Science,* 25(6), 740-759.

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

Kim, W.G., & Kim, H. -B. (2004). Measuring customer-based restaurant brand equity:
Investigating the relationship between brand equity and firms' performance.
Cornell Hotel and Restaurant Administration Quarterly, 45(2), 115–131.

Kim, H., & Kim, W. G. (2005). The Relationship between Brand Equity and Firms'
    Performance in Luxury Hotels and Restaurants. *Tourism Management*, *26*,
    549-60.

Kim, W.G., Jin-Sun, B. & Kim, H. J. (2008). Multidimensional Customer-Based
    Brand Equity and Its Consequences in Mid priced Hotels. *Journal of Hospitality*
    & Tourism Research, *32*(2), 235-254.

Lassar, W., Mittal, B., & Sharma, A. (1995). Measuring Customer-Based Brand
    Equity. *The Journal of Consumer Marketing, 12*(4), 11–19.

Lee, Y., & Hing, N. (1995). Measuring quality in restaurant operations: an application
    of the SERVQUAL instrument. *International Journal of Hospitality*
    Management, 14(3), 293-310.

Malhotra, N.K. (2007). *Marketing research: an applied orientation* (5th Ed.). Upper
    Saddle River, NJ: Pearson/Prentice Hall

Martin, G. S., & Brown, T. J. (1990). In search of brand equity: the conceptualization
    and measurement of the brand impression construct. *Marketing Theory and*
    Applications, *2*, 431-438.

Medlik, S. (1993). *Dictionary of travel, tourism, and hospitality* (3rd Ed.). Boston,
    England: Butterworth-Heinemann.

Myers, C.A. (2003). Managing brand equity: A look at the impact of attributes. *The*
    Journal of Product and Brand Management, 12(1), 39–52.

Nedungadi, P. (1990). Recall and consumer consideration sets: Influencing choice without altering brand evaluations. *Journal of Consumer Research*, *17*, 263–276.

Nguyen, T., & Nguyen, T. M. T. (2003). *Brand Equity and its antecedence in Vietnamese market*. Working paper, .UEH.

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

Oliver, R. L. (1999). Whence Consumer Loyalty. *Journal of Marketing*, *63*, Fundamental Issues and Directions for Marketing (Special issue 1999), 33-44

Parasuraman, A., Berry, L.L., & Zeithaml, V.A. (1991). Refinement and reassessment of the SERVQUAL scale. *Journal of Retailing*, 70, 201-229.

Parasuraman, A. (1997). Reflections on gaining competitive advantage through customer value. *Journal of the Academy of Marketing Science*, *25*(2), 154-61.

Parasuraman, A., Zeithaml, V. A., & Berry, L.L. (1988). A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, *64*(1), 12-40.

Parasuraman, A., & Grewal, D. (2000). The Impact of Technology on the Quality-Value-Loyalty Chain: A Research Agenda. *Journal of the Academy of Marketing Science*, *28*(1), 168-174.

Prasad, K., & Dev, C.S. (2000). Managing brand equity- a customer-centric framework for assessing performance. *Cornell Hotel and Restaurant Quarterly*, *41*(3), 22-31.

Quest, M. (1983, September). Is there a future for low-tariff UK hotels? *Caterer & Hotelkeeper, 29*, 55-61.

Raza, S.M., & Jalees, T. (2005). Brand Equity of Food Restaurants in Karachi, *Market force*, 1(2)

Reichheld, F.F., & Sasser, W.E. (1990). Zero defections: quality comes to services. *Harvard Business Review*, *68*, 105-11.

Rust, R.T., & Oliver, R.L. (1994). Service quality: insights and managerial implications from the frontier", in Rust, R.T. and Oliver, R.L. (Eds.), *Service Quality: New Directions in Theory and Practice,* Sage, Thousand Oaks, CA.

Rust, R. T., Zahorik, A. J., & Keiningham, T. L. (1995). Return on Quality (ROQ): Making Service Quality Financially Accountable. *Journal of Marketing*, 59(2), 58–70.

Sekaran, U. (1992). Research Method for Business: A skill building approach (2nd Ed.). New York: John Wiley & Sons, Inc.

Sekaran, U (2000). *Research methods for business: a skill-building approach*. New York: J. Wiley.

Senior, M., & Morphew, R. (1990). Competitive strategies in the budget hotel sector. *International Journal of Contemporary Hospitality Management*, *2*(3), 3-9.

Shocker, A.D., & Weitz, B. (1988). *A perspective in brand equity principle and issues*. Vol. Report 88-104.MA: MSI(Ed.).

Simon, C.J., & Sullivan, M.W. (1993). The Measurement and Determinants of Brand
Equity: A Financial Approach. *Marketing Science*, *12*(1), 28-52.

Sweeny, J. C., Soutar, G. N., & Johnson, L. W. (1999). The role of perceived risk in
the quality-value relationship: A study in a retail environment. *Journal of
Retailing, 75*(1), 77-105.

Tauber, E. M. (1988). Brand Leverage: Strategy for Growth in a Cost-control World.
Journal of Adverting Research, *28*, August-September, 26-30.

Taylor, V. A., & Bearden, W. O. (2002). The Effects of Price on Brand Extension
Evaluations: The Moderating Role of Extension Similarity. *Journal of the
Academy of Marketing Science, 30*(2), 131-140.

Washburn, J.H., & Plank, R.E. (2002). Measuring brand equity: An evaluation of a
consumer- based brand equity scale. *Journal of Marketing Theory and Practic*e,
10(1), 46–61.

Wood, L. (2000). Brands and brand equity: definition and management. *Management
Decision*, *38*(9), 662-669.

Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix
elements and brand equity. *Journal of the Academy of Marketing Science, 28*,
195-211.

Yoo, B., & Donthu, N. (2001). Developing and Validating a Multidimensional
Consumer-Based Brand Equity Scale. *Journal of Business Research*, *52*, 1-14.

Zeithaml, V.A. (1988). Consumer perceptions of price, quality, and value: A

means-end model and synthesis of evidence. *Journal of Marketing*, *52*(3), 2–22.

Zeithaml, V.A., Berry, L.L., & Parasuraman, A. (1996, April). The behavioral

consequences of service quality. *Journal of Marketing*, *60*, 31-46.

Zikmund, W.G. (2000). *Business research methods* (6th Ed.). The Dryden Press.

Internet Sources:

CHA (2010, Mar 30). Retrieved from the website of CHA, May 25 rd, 2010,

http://www.chinahotel.org.cn/dispArticle.Asp?ID=7467

China Tourist Hotels Association (2006). Retrieved from the website of CB

RICHARD ELLIS, Oct 23rd, 2009, http://hotels.cbre.com/NR/rdonlyres/

0405A01F-02C4-442E-927A-91FB9CAA203A/0/FinalHoteloperatorsinChina_

Eng.pdf

DeCoster, J. (2004). *Data Analysis in SPSS*. Retrieved <April, 2, 2010 > from

http://www.stat-help.com/notes.html

Durbin-Watson Test Limits (2006). *Regression Analysis, Module 16: Serial*

Correlation, Testing Retrieved <July, 14, 2010 > from

http://www.neas-seminars.com/discussions/download.aspx?id=1397&MessageI

D=2811

Inntie (2009, July 20). Retrieved from the website of Inntie, Jan 15th, 2010,

http://www.inn.net.cn/news.php?id=2354

Ji, Q. (2009, May 19).Retrieved from the website of Cyzone, Nov 25th, 2009,

http://news.cyzone.cn/news/2009/05/19/93201.html

Sun, D. (2009, April 8). Retrieved from the website of Xinhua Net, Nov 25th, 2009,

http://news.xinhuanet.com/english/2009-04/08/content_11147069.htm

Sun, X.X. (2008, July 10). Retrieved from the website of Kaishang Net, Nov 25th,

2009, http://www.kesum.cn/Article/ltcyyj/jdyyj/200809/43864.html

Xu, Z.R. (2009, August 31). Retrieved from the website of Conghui Net, Nov 25th,

2009, http://info.hotel.hc360.com/2009/08/310843138572.shtml

7Days: Retrieved <Nov, 2, 2009 > from www.7daysinn.cn

Homeinns: Retrieved <Nov, 2, 2009 > from www.homeinns.com

Htinns: Retrieved <Nov, 2, 2009 > from www.htinns.com

Inntie: Retrieved <Nov, 2, 2009 > from www.inn.net.cn

Jinjianginns: Retrieved <Nov, 2, 2009 > from www.jinjianginns.com

Motel168: Retrieved <Nov, 2, 2009 > from www.motel168.com

APPENDIX A

Questionnaire

(English Version)

APPENDIX A

SURVEY QUESTIONNAIRE

My dear friends,

This questionnaire will be used to collect data for my study of brand equity, perceived value and revisit intention in selected Chinese budget hotel. This survey is in partial fulfillment of the requirements for my MBA-TRM degree. In order to obtain accurate data for analysis, May I take about 15 minutes of your time to complete the questionnaire. Thank you for your participation in this research.

Assumption University Graduate Student Tourism Management MBA program
Yaqian Zhou

Please choose one of the budget hotel brands that you are currently staying in.

● 1.Home Inns   ● 4. 7Days Inn

● 2.Jin Jiang Inns   ● 5. Hanting Hotel

● 3.Motel 168 Chain

Please tick only one your choices of agreement at the appropriate box with "√" from Strongly Disagree to Strongly Agree where:

1=Strongly Disagree   2=Disagree   3=Neutral   4=Agree   5=Strongly Agree

Part 1. Rank the perception of Budget hotel brand equity	1	2	3	4	5
Brand Loyalty: a degree of your commitment to revisit or prefer this brand budget hotel.					
1. I consider myself to be loyal to this brand of budget hotel	☐	☐	☐	☐	☐
2. I usually use this brand budget hotel as the first choice compared to other brand hotels.	☐	☐	☐	☐	☐
3. I am very likely to switch to another budget hotel brand that runs promotions. （Reverse code）	☐	☐	☐	☐	☐
Perceived Quality: Your perception of the overall quality of this brand budget hotel					
4. The physical facilities such as bedroom bathroom and toilet at this brand budget hotel are visually clean and neat.	☐	☐	☐	☐	☐
5. This brand hotel performs the service right the first time.	☐	☐	☐	☐	☐
6. Employees of this brand hotel are always willing to help me.	☐	☐	☐	☐	☐
7. Employees of this brand hotel are consistently courteous with me.	☐	☐	☐	☐	☐
8. Employees of this brand hotel understand my specific, individual needs such as choice of pillows or mattress.	☐	☐	☐	☐	☐

Brand Awareness /Brand Association: Your can recognize and recall this brand in budget hotel and anything linked this brand.					
9. I Know what this brand budget hotel's physical appearance looks like.	☐	☐	☐	☐	☐
10. I can recognize the hotel among other competing brands	☐	☐	☐	☐	☐
11. Some characteristics of this brand hotel such as the color, special design come to my mind quickly.	☐	☐	☐	☐	☐
12. I can quickly recall the symbol or logo of the hotel	☐	☐	☐	☐	☐
13. I have difficulty in seeing the image of this brand hotel in my mind.（Reverse code）	☐	☐	☐	☐	☐

1=Strongly Disagree   2=Disagree   3=Neutral   4=Agree   5=Strongly Agree

Part 2. Rank your perception of Perceived Value and Revisit Intention in this brand budget hotel	**1**	**2**	**3**	**4**	**5**
Perceived Value: Your perception level of this brand budget hotel service quality relative to the price that you paid.					
14. I consider this brand budget hotel to be very good value for money.	☐	☐	☐	☐	☐
15. The price paid for this brand budget hotel is very acceptable.	☐	☐	☐	☐	☐
16. The service provided by this brand budget hotel is considered to be a good buys.	☐	☐	☐	☐	☐
Revisit Intention: Your judgments about the likelihood of patronize this budget hotel again.					
17. I plan to revisit this brand budget hotel.	☐	☐	☐	☐	☐
18. The probability that I would consider revisit this brand hotel is high.	☐	☐	☐	☐	☐

Part 3.Demographics

19. Gender: ● 1. Male   ● 2.Female
20. Which age (at last birthday) do you belong to? ● 1. 18~25 years   ● 2. 26~39 years   ● 3. 40~54 years   ● 4. Over 55 yeas
21. Educational Level (already achieved) ● 1. High school   ● 2.College's or Bachelor's degree   ● 3.Master degree or PhD   ● 4.Other
22. What is the major trip purpose for choosing the budget hotel? ● 1.Business Travel   ● 2.Leisure Travel
23. How many times have you visited this brand budget hotel? ● 1. Only one time   ● 2. 2~3 times   ● 3. 4~5 times   ● 4. Over 5 times
24. Which price range of budget hotel you usually choose (per night)? ● 1. 90-150 RMB   ● 2. 151-200 RMB   ● 3. 201-250 RMB   ● 4. Over250 RMB

Thank you for your help!

APPENDIX B

Questionnaire

(Chinese Version)

APPENDIX B

經濟型酒店品牌調查問卷

親愛的應答者:

　　這份問卷是泰國易三倉大學旅遊管理專業碩士學位畢業研究的一部分。其目的是通過對中國五大經濟型連鎖酒店品牌的調查，揭示品牌發展對再次光顧該酒店直接和間接影響，從而推動本土經濟型酒店品牌的維護和健康發展。此調查將會耽誤您 15 分鐘左右的時間，您的幫助將是本研究成功的關鍵。我們將對您的回答完全保密，謝謝您的配合和支持！

　　　　　　此致
　敬禮

研究者：周雅倩
泰國易三倉大學旅遊管理專業碩士研究生

在填寫問卷之前，請您選擇目前入住的經濟型酒店品牌
○ 1.如家快捷　　　　　　　　○ 4.7 天连锁
○ 2.锦江之星　　　　　　　　○ 5.汉庭连锁
○ 3.莫泰 168

(請在以下空格處打勾 "√")
1＝ 完全不同意， 2＝ 不同意，3＝ 中立，4＝ 同意， 5＝ 完全同意

第一部分：經濟型酒店品牌權益	1	2	3	4	5
品牌忠誠度:					
1. 我認為自己對這個酒店品牌很忠誠	☐	☐	☐	☐	☐
2. 相比較其他經濟型酒店，這個品牌通常是我的第一選擇	☐	☐	☐	☐	☐
3. 如果其他品牌的經濟酒店有促銷活動，我很可能選促銷品牌 (反向代碼)	☐	☐	☐	☐	☐
服務品質：					
4. 這個品牌的酒店房間，浴室和廁所看起來很乾淨，很整潔	☐	☐	☐	☐	☐
5. 這個品牌的經濟型酒店能夠第一時間提供您所需服務	☐	☐	☐	☐	☐
6. 這個品牌的經濟型酒店員工總是很樂意幫助我	☐	☐	☐	☐	☐
7. 這個品牌的經濟型酒店員工對我總是很禮貌，很友好	☐	☐	☐	☐	☐
8. 這個品牌的經濟型酒店員工能夠理解並注意我的特殊需求，例如枕頭和床墊的提供	☐	☐	☐	☐	☐
品牌意識/品牌聯想:					
9. 我對這個品牌的酒店的外觀有一定的印象	☐	☐	☐	☐	☐
10. 我能從眾多經濟型酒店品牌中認出該酒店品牌	☐	☐	☐	☐	☐

	1	2	3	4	5
11. 這個品牌的酒店特徵如色彩，特殊設計等能很快浮現在我的腦海裏	☐	☐	☐	☐	☐
12. 我能很快記起這個品牌的酒店標誌或符號	☐	☐	☐	☐	☐
13. 回想這個品牌的酒店形象有一定的難度 (反向代碼)	☐	☐	☐	☐	☐

1= 完全不同意， 2= 不同意，3= 中立，4= 同意， 5= 完全同意

第二部分. 經濟型酒店的感知價值及再次入住該酒店的意向	1	2	3	4	5
感知價值:					
14. 我認為這個品牌的經濟型酒店性價比很高	☐	☐	☐	☐	☐
15. 這個品牌的酒店價格可接受度很高	☐	☐	☐	☐	☐
16. 入住這個品牌的經濟型酒店看起來很合算	☐	☐	☐	☐	☐
再次光顧意向:					
17.我计划再入住這個品牌的經濟型酒店	☐	☐	☐	☐	☐
18. 我再次光顧這個品牌的经济型酒店可能性很高	☐	☐	☐	☐	☐

第三部分 是有關您的一些個人資訊，此資料只用於本研究，決不用於其他途，請放心填寫。

19. 性別: ● 1. 男　　　　● 2. 女
20. 年齡 ● 1. 18˜25岁　● 2. 26˜39 岁　● 3. 40˜54 岁　● 4. 55岁以上
21. 已達到教育水準 ● 1.高中　　● 2.大专或本科　● 3.研究生或博士生　● 4. 其它
22. 您入住經濟型酒店，大多數是因為 ● 1. 商务出差　● 2.个人旅游
23. 目前為止，您入住該經濟型酒店的次數 ● 1.只有一次　● 2. 2˜3 次　● 3. 4˜5 次　● 4.大于5次
24. 您通常選擇什麼價位區間的經濟形酒店？ ● 1. 90-150人民币　● 2. 151-200人民币 ● 3. 201-250人民币　● 4.大于250人民币

非常感謝您寶貴的意見!

APPENDIX C

Reliability Analysis Output

APPENDIX C

Test of Reliability –Cronbach's Alpha

1. Reliability analysis-Scale (Alpha) ----- Brand Loyalty

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.698	.679	3

2. Reliability analysis-Scale (Alpha) ---- Perceived Quality

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.903	.909	5

3. Reliability analysis-Scale (Alpha) ---- Brand Awareness/Brand Association

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the
procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.680	.716	5

4. Reliability analysis-Scale (Alpha) ---- Perceived Value

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the
procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.865	.866	3

5. Reliability analysis-Scale (Alpha) ---- Revisit Intention

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.785	.789	2

6. Reliability analysis-Scale (Alpha) ---- Total

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded[a]	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.878	.881	18

7. Reliability analysis-Scale (Alpha) ----- Brand Loyalty (400)

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded[a]	0	.0
	Total	400	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.636	.658	3

8. Reliability analysis-Scale (Alpha) ---- Perceived Quality (400)

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded[a]	0	.0
	Total	400	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.733	.743	5

9. Reliability analysis-Scale (Alpha) ---- Brand Awareness/Brand Association (400)

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded[a]	0	.0
	Total	400	100.0

a. Listwise deletion based on all variables in the
procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.768	.777	5

10. Reliability analysis-Scale (Alpha) ---- Perceived Value (400)

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded[a]	0	.0
	Total	400	100.0

a. Listwise deletion based on all variables in the
procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.816	.816	3

11. Reliability analysis-Scale (Alpha) ---- Revisit Intention (400)

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded[a]	0	.0
	Total	400	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.701	.704	2

6. Reliability analysis-Scale (Alpha) ---- Total (400)

Case Processing Summary

		N	%
Cases	Valid	400	100.0
	Excluded[a]	0	.0
	Total	400	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.860	.870	18