

**T.C.  
ISTANBUL AYDIN UNIVERSITY  
INSTITUTE OF SOCIAL SCIENCES**



**THE IMPACT OF PERCEIVED BRAND PERFORMANCE, BRAND IMAGERY  
AND EWOM ON CUSTOMER LOYALTY: A CASE STUDY OF FIVE STAR  
HOTELS IN ISTANBUL**

**THESIS**

**Niloufar MOSHIRI**

**Department of Business Administration  
Business Management Program**

**Thesis Supervisor: Assist. Prof. Dr. Farid HUSEYNOV**

**JANUARY - 2018**







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T.C.  
İSTANBUL AYDIN ÜNİVERSİTESİ  
SOSYAL BİLİMLER ENSTİTÜSÜ MÜDÜRLÜĞÜ

**Yüksek Lisans Tez Onay Belgesi**

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I would like to say that my study titled “THE IMPACT OF PERCEIVED BRAND PERFORMANCE, BRAND IMAGERY AND EWOM ON CUSTOMER LOYALTY: A CASE STUDY OF FIVE STAR HOTELS IN ISTANBUL” has been written without any help which is contrary to scientific ethics and traditions in all processes. This study I make use are made of the ones shown in the bibliography that have used by reference to them (25/ 01 / 2018).

**Niloufar Moshiri**



*To my Parents  
The reason of what I become today*





## **FOREWORD**

Foremost, I would thank my respectful supervisor Dr. Farid HUSEYNOV for the continuous support of my dissertation, for his motivation and his support during my tough time, without his advice and guidance; I could not construct this dissertation. His guidance helped me in all the time of research. My sincere thanks also goes to all the participants who helped me to collect my data.

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**JANUARY - 2018**

**Niloufar MOSHIRI**



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## **ABBREVIATIONS**

<b>CLM</b>	: Customer Loyalty Management
<b>CFA</b>	: Confirmatory Factor Analysis
<b>CBBE</b>	: Consumer Based Brand Equity
<b>e-business</b>	: Electronic Business
<b>e-marketing</b>	: Electronic Marketing
<b>e-travel</b>	: Electronic Travel
<b>e-commerce</b>	: Electronic Commerce
<b>SBC</b>	: Self Brand Connection
<b>WOM</b>	: Word of Mouth
<b>eWOM</b>	: Electronic Word of Mouth



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**ÖZET**

Bu araştırmmanın amacı, tüketici odaklı marka değerinin ve electronic ağızdan ağıza (eWOM) pazarlamanın müşteri sadakati üzerindeki etkilerini araştırmakdır. Araştırmada CBBE bileşenleri (marka imajı ve algılanan marka performansı) ile eWOM'un tüketici sadakati üzerindeki etkisini açıklığa kavuşturmak hedefleniyor.

Bu faktörler, otelin pazardaki derecelendirmesine dayanan başarısızlığı yahut başarayı belirler. Tüketici bazlı marka değeri, güçlü bir marka oluşturmak için başarayı doğrudan etkileyebilir. Bu çalışmanın amacına ulaşmak için, daha önce beş yıldızlı otellerde konaklayan ve 200 kişiden oluşan örneklem kullanılarak seçilen anket yapılmıştır. Elde edilen sonuca göre, tüketici sadakati ile marka tarafından algılanan performans, marka imajı ve eWOM arasında pozitif bir ilişki olduğunu gösteriyor. Sonuç olarak, yukarıdaki faktörlerin hepsi, otele yönelik tüketici sadakatını artırmaya etki bırakmaktadır. Bu tür araştırma, beş yıldızlı oteller için pazarlama ve marka stratejilerine derinlemesine katkısı olarak gelecek araştırmacılar için yararlı olabilir.

Bu çalışma, marka stratejileri belirleme ve tüketici'yi belirli otel markasına sadık kıracak bir araç olarak işlevsel olabilir. Günümüzde en iyi beş yıldızlı oteller, online platformu kullanarak eWOM'a dikkat edip müşterilerinin zihninde yüksek marka performansı ve marka imajına sahip olmuşlar. Bu çalışmada, İstanbul'daki beş yıldızlı oteller arasında tüketici odaklı marka değerinin değişkenleri ile tüketici sadakati konusundaki electronic ağızdan ağıza pazarlama değişkenleri arasındaki ilişkileri incelemek için veriler yer almaktadır.

**Anahtar Kelimeler:** *Tüketici odaklı marka değeri, Algılanan marka performansı, Marka imajı, Müşteri sadakati, Electronic ağızdan ağıza pazarlama.*



**ALGILANAN MARKA PERFORMANSI, MARKA İMAJI VE ELECTRONIC  
AĞIZDAN AĞIZA PAZARLAMANIN ETKİSİ MÜŞTERİ SADAKATIN  
UZERİNE : İSTANBUL'DA BEŞ YILDIZ OTELİNİN ÖRNEK BİR  
ARAŞTIRMASI**

**ABSTRACT**

The aim of this study is to investigate impacts of customer based brand equity and electronic word of mouth (eWOM) on customer loyalty. It clarifies how components of CBBE (brand imagery and perceived brand performance) and eWOM influence on customer loyalty. The factors determine failure or success of hotel based on the scale and rating of the hotel in the market. Consumer based brand equity can directly affect building strong brand and success in the market. To meet the objective of this study, the questionnaire method selected by using the sample of 200 people, who are previously stayed as a guest in five-star hotels. Based on the result, it shows that there are positive relationships between perceived brand performance, brand imagery, eWOM and customer loyalty. As a result, all above factors, influence building strong customer loyalty toward the hotel. This type of study might be useful for future researchers who look in depth toward the marketing and branding strategies for five- star hotels. This study might be functional as a tool for setting branding strategies and making loyal guest to the specific hotel brand. Nowadays the top five-star hotels have high brand performance and strong brand imagery on the mind set of their customers, with taking attention to eWOM by using online platform. The result of this study is to investigate interrelation between impact of perceived brand performance, brand imagery and electronic word of mouth on customer loyalty among five-star hotels in Istanbul.

**Keywords:** *Consumer Based Brand Equity, Perceived Brand Performance, Brand Imagery, Customer Loyalty, Electronic Word of Mouth.*



## **1. INTRODUCTION**

Tourism industry growing globally and it has strong impact on growth of social and economical sustain around the globe. Branding and brand management today, has many advocates in the marketing world. Successful brand increase trust in intangible products and services, customers can better visualize and identify their services. Besides investigations on the dimensions of the brand imagery about products or services, perceived brand performance are most important factor of marketing strategies, and they tend to highlight the brand.

To this end, service providers and hotels try to communicate with customers and create an optimal image in the customer's mind. Using brand imagery as a strategy has a popularity among the five-star hotels. Especially due to the beliefs, which helps hotel to have higher consumer association and loyalty towards the brand (Keller, 2003). However not all the brand extension hotel succeeds, as there is a risk of failure on the image of the parent image itself (Martínez & Pina, 2003). The famous brand chains use brand extensions for an existing brand to get more benefits from the name that has enough popularity among the people. They make an impact on consumer perceptions by the brand name about the services and products that they receive. In addition, perceived brand performance components such as service quality and the cost that paid by customers have important effect. So investigate on perceived brand performance is another factor which should take into consideration. In the last decades by increasing the online platforms, people live in the Internet era. Internet presents not only endless source of information but also gives the opportunity to communicate and reach to other people from all around the word. The effective, well-known eWOM is recognized in hospitality business. We can consider eWOM as one of the most effective and influential channels of communication. Traditional WOM found to be more credible than other marketing communication tool and the impact of electronic word of mouth is expected to continue to grow due to technological grow in communication channels (Allsop et al., 2007).

The main purpose of this study is to examine the impact of brand imagery, perceived brand quality and attitudes towards eWOM on customer loyalty.

### **1.1 Study Topic**

This is a study on impact of perceived brand performance, brand imagery and electronic word of mouth on customer loyalty.

Hospitality and tourism industry is a huge and wide, indeed amount of people who are served is progressively increased very fast. In last decades by growth in tourism industry, there is increasing demand for five-star hotels that can satisfied their guests and make them loyal towards themselves. Consumer based brand equity and eWOM have influence on customer loyalty as there is increasingly demand for better quality hotels.

For five- star hotels is not easy to draw customer attention and increase their loyalty level of their guests. The objective of hotels is to build a strong brand and create revenue. To reach the goals, five-star hotels have to measure loyalty level of their customers. Building strong customer loyalty has been always hotels managers concern. Many researches and findings have shown that guests select hotel with high brand performance and brand imagery. In recent years by increasing in online platform, attitude and intentions of people towards eWOM, is also changed. All those criteria might have influence loyalty level of customers.

For five-star hotels customer loyalty effectiveness has been always hotel managers concern. Many studies have shown that hotel guests select hotels with better brand performance and brand imagery, as well as attitude and intentions of other people toward the brand online. However, no analysis as shown yet, the direct relations between influences of perceived brand performance, brand imagery and electronic word of mouth on customer loyalty.

Between loyal guests and factors that influence them to select hotel might be some relation analyses. Therefore, this research helps hotel managers to identify the factors to measure consumer based brand equity by analyzing how perceived brand performance, brand imagery and eWOM influence the customer loyalty level. One of the current answers to this question is to look through market segment analysis of the hotels. Identifying the

influence of perceived brand performance, brand imagery and eWOM is important to build strong customer loyalty.

### **1.2 Purpose of the study**

Brand management defined as how organization or company planning about perceived brand in the market. Branding is an action that companies make descriptive statement on what company stands for. Besides, one of the main influential factor for customers to make decision on selecting the hotel and revisit the hotel where they stayed in the past is their loyalty level toward the specific hotel. Yet five-star hotels with a famous brand must developed a great relationship with target market. The brand image of the hotel able to secure longer expected economic life. E-businesses let the customers to directly buy the products and services from the online platform over the Internet. Electronic word of mouth technologies makes companies to expand their market by enabling customers too easily use, carry out fast, great transparency and have much more control on the services which is available.

Nowadays, most of the five-star hotel brands knows how to manage the tangible and intangible characteristics of the brand. Reaching out to the customers who are loyal to hotel itself always been managers concerns. Management level and owners of big organizations in tourism industry tries to establish loyalty among their customers. Loyalty is emotional feeling which sets in consumer's mind over the time. This research tries to understand some critical about brand equity of consumer and eWOM by measuring the impact of them on customer loyalty. Realizing interrelationship of consumer based brand equity components such as brand imagery and perceived brand performance within customer loyalty and measuring attitude and intentions of people towards eWOM effectiveness on customer loyalty is another part of this research.

### **1.3 Research Question**

This paper will identify the factors measure customer loyalty and the consumer based brand equity components such as brand imagery, perceived brand performance and electronic word of mouth on customer loyalty for five-star hotels in Istanbul. In addition,

this research would need to reach to the bigger size population. There are several questions that might be asked in this study, but fundamental core of a review of literature and main research questions directed deal with a following investigate question:

- How perceived brand performance, brand imagery and eWOM influence customer loyalty?

#### **1.4 Justification of the study**

Customer based brand equity is most influential aspects of branding strategies among the hotel business. On the other hand, eWOM also has sustainable impact on customer's selection and decision process. Investigation on the influence of brand imagery, perceived brand performance and eWOM on customer loyalty is critical part of hotel businesses. Branding management on online platforms brings some positive value to success of their hotel brand and it will increase the loyalty level of the guests. By looking at certain components of the consumer based brand equity and eWOM, might explore the effects of those items on customer loyalty. The results of this study will help hotel managers to maximize the loyalty and satisfaction level of their guests. By considering those impact of perceived brand performance, brand imagery and eWOM in their management system they might have better and greater results on their operation systems.

#### **1.5 Research Objectives**

The main objective of this study is to measure the impact of brand imagery and perceived brand performance among electronic word of mouth on customer loyalty.

Those factors show the failure or success of hotel among their competitors based on the scale questionnaire which be rated among five-star hotel guests.

- Analyzing the impact of Brand imagery on customer loyalty.
- Analyzing the impact of Perceived brand performance on customer loyalty.
- Evaluate relationship between attitude & intention to follow eWOM on customer loyalty.

## **1.6 Thesis outline**

This thesis divided into six chapters that are mentioned below. Chapter one starts from study topic, purpose of the study, research question, justification of the study, research objectives. The topic of the research focus on attitude and intentions of people to follow eWOM and its impacts on customer loyalty for five-star hotels in Istanbul. The theoretical part of this thesis consists of three part. Firstly, explanation and overview on brand equity, customer based brand equity components which are brand imagery and perceived brand quality are given. The first part introduction presented by looking at brief background of research topic and how to measure those components according to the research hypotheses. The second theoretical part is analyzing attitude and intention of people to follow electronic word of mouth by categorizing common statement and looking at traditional WOM. The third part is consisting of customer loyalty perception. Research model development and hypothesis formulation which are present in chapter three, comes along the research methodology in the next chapter. Quantitative method such as online survey is conducted among customers who are previously stayed at five-star hotel in Istanbul. Data analysis about findings and discussion of the research, are present at last chapter before conclusion and recommendations.



## **2. LITERATURE REVIEW**

### **2.1 Background of the study**

The general and public definition of loyalty is commitment of others to purchase. Loyal customers always try to repurchase from the same services and products to promote repeat purchase.

As a developing and growing sector of economy, tourism takes numerous shapes depending on the area of tourism activity. Each area, has its own characteristic, which require to diverse techniques for improvement. Based on the qualities of that area, different strategies need to be developed on the strength in this growing sector.

The internet has become latest strategy for the business owners in hotel and tourism industry, whereby travel providers can offer their product and services to potential travelers at anytime and anywhere (Lubetkin, 1999). The advancement of data innovation has caused a radical change in such a way that tourism industry does the productive business (Lai et al., 2003, Bernstein, 1999).

Recently, online hotel review pages are a common and regular type of selecting method for travelers. The quick development in the e-travel service business is clear prove of the how a few authors indeed consider online travel a booming trade (Diefenbach, 1998).

Loyalty can be characterized as “a profoundly held commitment to re-buy a favored item or benefit in the future consistently, in spite of situational impacts and promoting along with marketing effort having the potential to cause exchanging behavior” (Kuenzel & Yassim, 2007, p. 44). Often as possible associations, customers develop action to create intention and attitude toward a movement and choose to maintain a strategic distance from it. Satisfaction refers to a reaction determined from the comparison of prior desires and expectation of perceived performance after consumption. If perceived performance falls

short of a customer's expectations about what they want and expect from the brand or firm, the customer might face disappointed. Satisfaction level of customers have direct relationship with their loyalty level, dissatisfied customers tend to be less loyal. If the perceived performance meets the customer's expectations the customer's desires is fulfilled.

## **2.2 Measuring brand equity and customer brand perception**

The five-star hotels which are able to maintain the customer needs and wants by obtaining commitment level toward the hotel, are successful. Those type of hotels obviously set certain standards and value for their brand. One of the important brand equity study of all time is by Keller's research in 1993. Brand equity defines as equity directly effects on consumer's responses toward the brand knowledge. Customers brand knowledge and awareness level is the main factor which have positive relation to brand equity. Based on the concept there are two type of motivational factor for brand equity, first is financial motivation and the second is a motivation strategy based on motivation which related to improvement in marketing and productivity of the products and services. For firms, brand is a symbol that adds values on tangible and intangible services and products. Brand equity leads the loyal customers to reduce their search time. Analyze the role of feeling variables and affective factors on brand resonance in the setting of brand. Keller's brand model (Keller, 2013) was utilized to distinguish the role of affective factors in the brand value chain. Brand title is one the most important resources for any company, organization, or substance (Keller, 2013).

In today's advanced trade situations, customers are uncovered to more choices; media and communication innovations bring more outwardly engaging messages around elective items; shoppers have less and less time to make choices and subsequently, they are pushed to make rearranged choices. In this manner, customers make their choices based on brand assessments, companies attempt to reinforce their brand pictures to impact their customers. Brand information is like a collection of pieces in the consumers' minds that actuate and produce brand association. Association can be separated into three main categories: association with enthusiastic traits, association with utilitarian qualities of an item, and attitudinal association. So, setting up the brand relationship quality requires

consideration of brand affection, which speaks to sentiments that can be related with the act of enjoying and liking.

Brand equity brings recognition and brand recall among the competitors in market (Ailawadi, Lehmann and Neslin, 2003). Measuring brand equity is an attitudinal measurement that is related to brand recognition and brand imagery. The brand enables hotels to build customer loyalty and compete in the market. Brand equity is measured carefully as it gives power to the brand. The researchers find numerous ways for measuring and estimating brand equity since 1980s. Based on the CBBE model development by (Aaker, 1991) and also extending theory proposed by Keller and Lehmann (2006), these researchers have been finding out numerous ways for measuring brand equity. Accurate management system on measuring brand equity is very necessary for the brand in order to assist managers with guidelines (Yoo, Donthu and Lee, 2000). There are different approaches for measuring brand equity which are direct and indirect approaches (Bearden, Netemeyer & Haws, 2011). Most of the indirect approach assesses to potential source of brand equity by defining consumer based brand knowledge structured directly (Schultz & Dewar, 1988).

Most of the time the indirect approach assesses to the potential sources of brand equity by tracking down and defining customer brand knowledge structure directly. However, the direct approaches of actual impact on the brand knowledge for consumer response consider as aspect of the marketing (Low & Fullerton, 1994).

The conceptual dimensions of the brand equity include brand loyalty, brand association, brand awareness and perceived quality (Aaker, 1991). Consumer more likely looks at a brand, which can influence them during their selection process. Brand equity has direct relationship with consumer mind set and value within any situational context. Therefore, the important part is to understand how hotel brand are contributing in the overall guest loyalty perception (Myers, 2003). Among attitude and intention to select specific hotel, critical consideration has been committed about customer brand perception, significant attention has been made about the construct. Customer lean toward the items that have a great corresponding with their image that receive from products (Sirgy, 1982).

The customers perceive brand quality has the expectation of great effect with the brand. As the result of subsequently, arrangement for loyalty increase directly by perceived brand performance. Brand perception variables are profoundly related with self-concept and rates on the perception of customers rather than any objective pointers. The best generalized definition about brand equity done by (Aaker, 1991) where highlights that brand equity is the responsibilities and group of features that related to the brand. Other authors also used the Aaker (1991) point of view as a reference of their claim incremental definition which most of the definitions are markedly similar (Spry, Pappu and Bettina Cornwell, 2011). There are two dimensions of the brand perception to analyze, the perspectives with the point of view of producer's consumer perspective.

According to the Allen Broyles et al., (2010) for producer (dealer from selling side) brand perception management is a qualified opportunity to generate higher revenue or benefit edges to add value to the product.

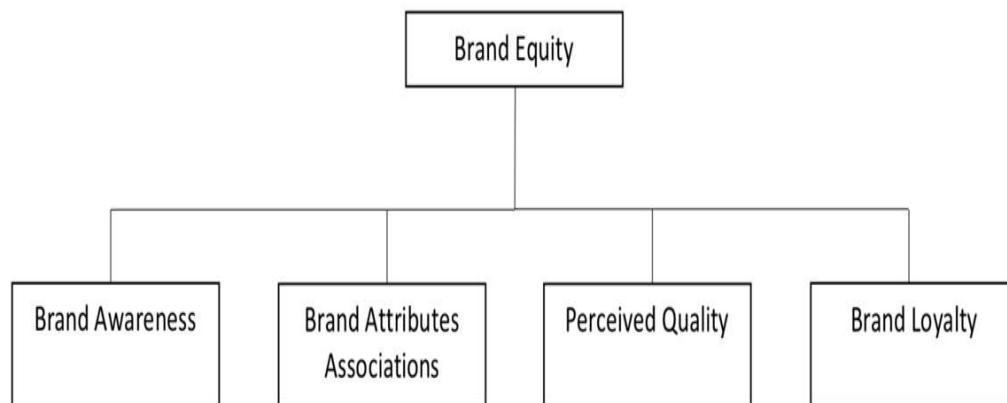
Customer perception is a considered form of customer's ideals and attitudes, engaging which will make the clients more likely to select a specific brand over the competitors. Customer perception also more likely to pay premium price. Those branches linked and connected with high equity from customer perspective. All those factors leads to generate positive reaction towards the brand (Foroudi et al., 2018). By considering work of Aaker and Keller, there are considerable amount of academic article books and research reports about customer based brand equity have been published in the past decades. Many research progress has been made, but there are several opportunities still exist.

The relevant literature has indicated that brand equity provides the platform for the introduction of new products or services, for making company different from the competitors. It indicates that if customers have a specific knowledge for a particular brand, they will have favorable reactions to elements for marketing mix. In addition, as brand equity customers tend to perceive tangible and intangible features of the brand, by the information sources to change the meaning of the brand. The customer and brand equity will influence customer preferences and it increase purchase intentions of people.

For the firms facing market competition is very important to establish brand equity. For owning competitive brand, only way is to increase strength in the market share and having firm with strong brand equity (Herr, Aaker and Biel, 1994).

However, there are less information about the impact of customer based brand equity components on customer loyalty. Those components that effects the loyalty of guest must express more in the future researches.

According to the research on brand equity, the influence of the brand moves fast in the market. For instance, brand creates value and being aware about the consumer based brand equity brings more loyalty in return for five-star hotels in the hospitality industry. The brand equity components that underlined consist of brand awareness, brand attributes, perceived quality and brand loyalty (Kim, 2014).



**Figure 2-1 : Brand Equity (Qualtrics, 2015)**

### **2.3 Dimensions of customer based brand equity (CBBE)**

A world of branding might be characterized as image, sign, plan, design, title and combinations all of them. It proposed to clarify the services or merchandise of bunch in seller by separating the brand from other competitors in the advertise (Kotler, 1991). Brand equity have two results and outcomes, those are brand esteem and brand strength (Srivastava, Alpert & Shocker, 1984).

Aaker (1991) and Keller (1993) both conceptualized brand equity in them possess way and both in an unexpected way once more their definitions for consumer based brand equity. The two approaches have many similarities from customer perspective and they use same measurement system to conceptualize the concept of consumer based brand equity (Aliawadi et al. 2003).

Interrelation between components of consumer based brand equity give a chance to managers to develop strategies to attract more customers. The strategies must increase the organizational values as well as keep the brand unique among all competitors. Indeed, brand management plays big role in the selection and in building process of strong hotel brand. The aim of study brand equity is to do more investigation on factors to measure consumer based brand equity components and to realize how components interact with each other's. High brand equity gives a value and higher degree for brand loyalty (Kotler, 2001).

There are two perspectives through the study of brand equity, it consists of financial based brand equity. From financial part of customer based brand equity several studies have attempted to explain brand equity is increase in profit or the cash flow quantity in the future. Some studies also argue that the value of a brand equity can be defined as the cost of replacing brand (Simon and Sullivan, 1993). Some studies view brand equity as part of perceived value in customer's minds. If customer perceive a product to have high brand equity they will think more positively about the given product or brand which in return have impact on purchasing choices. Brand equity is defined as a construct in consumer between a particular branded and un-branded product which is set the same level in terms of product features (Yoo, B. DonthU.N, 2001).

In researches the importance of consumer based brand equity components is widely discussed. Building strong brand equity as it provides guidance to marketing activities by identifying areas of strength and weakness for a company. Besides, keller and Aaker conceptual model comprises there are other research findings from (Yoo, B. DonthU.N, 2001) which brings same findings about the breakdown of conceptualization model comprises.

Building strong brand equity gives direction to showcasing scale by comprises the relationships of brand equity dimensions. Dimensions of brand resonance model consist of perceived brand quality, brand awareness, brand imagery, brand loyalty. Brand resonance model developed by Keller, it has a strong impact to build customer loyalty. In this study, model is divided to the six main segments that helps to build effective brand equity. Brand salience is also describing on how easily brand will fall under consumption and purchases situation. Consumers and clients of any company must have clear identification of brand, brand must have high association in consumer's mind sets, its relate to the customers' awareness about brand. This model is important to have a clear identification and associate brand with the hotel. Well managed brand with high growth effects customer loyalty perceptions (Hellofs & Jacobson, 1999). From bottom to top brand awareness is located at the bottom of the CBBE pyramid it refers to the level of strength of brand in the customer mind and to the capacity of decision makers to recall a brand. Brand awareness level is the portion the percentages of the markets that is aware of a firm name. Central dimensions have been used to describe the impact on word of mouth (Subhani and Osman, 2011).

Brand equity is understanding the concept that analyzed the components of consumer based brand equity. For the hotel by using marketing strategies to develop effective and functional brand chain to serve the market segmentation (Jiang & Devand Rao, 2002).

The clients might be loyal to the hotel and their expectation about product and services might faced well. The brand quality and customer loyalty will effect overall customer satisfaction. The guest who are not satisfied from hotel services and product will leave the brand and will never visit hotel again (Ekiz, 2012). According to the brand equity, the brand will bring more value and hotel guest have a minor need of switching the brand (Aaker ,1990). The brand title separately has it claims on concept, all of these can be the relationship between brand that have something to consider establishing certain promises toward the guests. Therefore, hotel brand imagery directly related to consumer feelings and emotions (Kim, 2004).

As the customer's loyalty grows, the value of the hotel brand is increases. The brand creates a value for the hotel products and services.

The guest satisfaction about hotel and its brand leads them to repeat purchase (Oh, 1999). Established hotel brand starts growing and estimating the brand with brand extensions in the market. In addition, people are more likely to select different hotels based on the travel purpose. Some travelers are depended to brand of hotel during their selection process. They select the particular hotel based on less searching time to minimize the cost for searching (Lane & Jacobson, 1995). Therefore, people prefer five-star hotels, product and services that is familiar to them. However, the value of brand might be mismanaged if a problem happened during the guest's accommodation period at hotel with a famous brand. Increasing focus on consumer based brand equity and measuring them will positively effects customer loyalty.

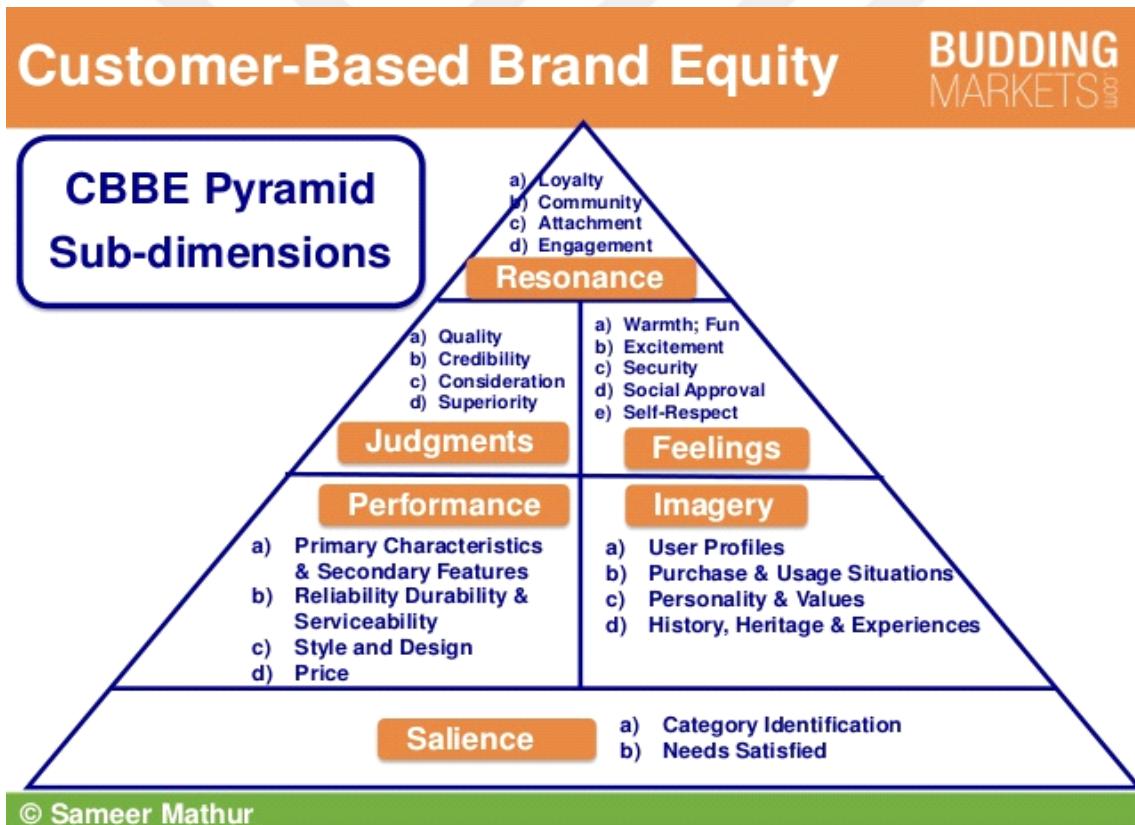


Figure 2-2 : CBBE Pyramid (Keller, 1993)

## 2.4 Perceived brand performance and brand imagery

In general, the process of designing services and delivering system for a well-known five-star hotel brand is critical part of quality association.

The category of customer who consider a certain factor based on the CBBE pyramid to make decision for selecting the hotel. For the guests finding reasons to buy a product and to differentiate product from the others, by the price itself and many other factors might take into consideration.

Associations can also be attribute products last forever by providing extreme value to firm with enhancing the efficiency and effectiveness of marketing programs. Perceived brand quality is viewed as dimension brand equity and it is not part of overall (Aaker & Biel, 1993). The logo seems to play a fundamental role as perceived quality is better defined in customer judgments process for excellence of a brand (Foroudi et al., 2018).

For customer that have less awareness of a hotel branding strategies, the product or services does not directly perceive high quality. Perceived brand performance helps brand image and it increases the perceived value of given brand in customer's minds.

The perceived value brings some benefits especially about cost reduction in the firm. Customer perceived value defines as benefits which are associated with consumption practices. The concept has its own regard to perceive as dimensional construct. The customer perceived quality is emotional value of the brand that defined as the utility derived from the feeling. By considering loyalty and online transaction, customers effectively engaging and interacting with the product and brand information. Based on these interactions, customers try to prove the enjoyment and hedonic benefit. Therefore, the customer perception is about to give value to the brand and make a clear action tendency. By improving the perceived quality, customer capacity positively effects their emotions to engage in the interrelated processes. Based on the related literature, the indirect effect of successful relationship of consumers and brand imagery is more than its direct effect, which illustrates the important role of brand equity in content of brand imagery creation. In addition, there is a significant positive impact of successful customer relationship and brand equity on brand imagery. Building brand equity means value proposition and distinguish the specific brand from others. The main aim of the marketing is to deliver message to potential customers.

In order to deliver the right message to direct segments of the customers, management of hotels should decide on the marketing strategy to build strong image among the

competitors. The marketing strategies implies for increasing sales of company and achieving a sustainable competitive advantage (Schultz & Dewar, 1984). Building strong brand image includes long term and basic activities in marketing filed that deals with the initial strategic situation of the hotels.

## **2.5 Loyalty Perception**

Loyalty is kind of general customer's sense to purchase a particular item, product or services in future over and over repeatedly without any consideration (Jones, 1996). Customer loyalty is characterized as a transaction between customer relative behavior towards a specific brand and their repeated purchase intention towards that brand (Dick and Basu, 1994).

Since the 1930s, the idea of loyalty has been one of the concern of researchers. Concurring to Oliver (1999), loyalty is a profound commitment to buying an item or a bad habit once more in the future, which causes redundancies of the same brand in spite of situational impacts and promoting that have the potential to incite an alter in conduct.

Customer loyalty is a vital factor to take in consideration for hotel businesses. Making quality assurance for guests, help in building a corporate picture helps to build customer loyalty. As customer loyalty level in hospitality industry becomes better, customer will react less to other competitors' activities. That is to say, who gives the best service and treats the hotel customers in the best way as a result gets the customer to recommend to their relatives and friends.

The common definition for the loyalty is commitment to revisit or repurchase of services or products in such way as to advance its repeated purchase. Faithful and loyal clients repurchase from the same product or service providers whenever possible, suggest and recommend those providers and keep up a positive intention and attitude towards them (Kandampully and Suhartanto, 2000). From an administrative and managerial prospective the pertinence of the study lies in the influence of loyalty on achieving success in the organizations. The cost of managing with a loyal customer are significantly inferior to the cost of attracting and dealing with new customer (Oly Ndubisi, 2006).

In expansion, brand loyal customers of five-star hotel keeps committed to particular brand; loyal customers are willing to pay more cost for remaining at strong popular brand hotel. Since, they consider themselves loyal toward the particular brand, they put much more effort to revisit that hotel in the future. Other than that, this hotel has brand loyal clients and less promoting and marketing costs. According to the mind set of customers who have loyalty to the particular brand, clients can be consider less sensitive in cost changes; the loyal hotel guests all the times give less reaction to cost changes and upon review of reactions, this brand is one of a kind, and not comparable with its competitors.

Customer loyalty is a unique side of the intangible assets that some organizations can have. Loyalty might bring differentiation and it is a main source of competitive advantage in the market. Numerous research focus on finding out the antecedents of the loyalty, most of them list perceived value; service quality and satisfaction to measure the customer's loyalty.

To theoretical and professional aspects there are some efforts have been made about customer loyalty in recent years. However not many kinds of research might be considered as reliable source. In this study different elements and factors are studied for enhancing key variables.

Brand loyalty defined by Oliver (1991) as deep highly commitment to rebuy a preferred service or product consistently. Indeed, by causing same brand purchasing set up and repetitive brand selection, rebuy process happened. The marketing efforts or situational factor influencing the brand having great potential to cause switching behavior. These definitions are reasons to identify two different aspect of the brand loyalty which had been described mainly by authors (Aaker, 1991).

Based on the previous research of (Baloglu, 2002) there are two classes of loyalty exist, behavioral and attitudinal. The hospitality literature was replaced with research on customer loyalty with its some consequences. Research permits that loyalty is multidimensional construct of attitudinal loyalty, behavioral intentions and actual loyalty. Many models have been developed to evaluate the relations among the loyalty and other variables like satisfaction among service quality (Han and et al., 2010, Bowen and Shoemaker, 2003).

Most of studies use structural equation model, which is popular among hospitality industry. Although understanding loyalty process, there are disconnection between academic research and need of industry and professional point of view of people who are working for the industry. Usage of reward programs and the primary mechanism used by hospitality businesses and hotels to build customer loyalty. With several expectations for the hospitality, loyalty research has the critical role of loyalty membership.

Hospitality industry is not just the only industry that have several research on loyalty program effectiveness. Some research review, cover that all industries attract the fact that research has not determined which drives loyalty program effectiveness in the market (Dorotić Sesar, 2013). The concept of attitudinal brand loyalty, which includes some values, associated within the brand by considering a degree of dispositional commitment. Purchase or behavioral loyalty is defined by repeated purchase of the brand over the time. Attitudinal loyalty is representing a long-term order of commitment of clients to the organizations that indicates propensity to display certain behaviors. For example, likelihood of future purchase (Cho and Hong, 2011).

Attitudinal loyalty defined as the extend of the psychological customer attachments and attitude towards the market. By increasing attitudinal loyalty, customers encompass positive word of mouth intentions. The customers have strong attitudinal loyalty willingness to recommendations to others and encouraging others to use the services and products of a company. Attitudinal scale contains two measurements, intentions and purchasing of the firms.

Attitudinal scale is an adjustment from those studies (Elangovan et al., 2001, Mittal and Lassar, 1998). This original scale contains two measurements, purchasing intention and the proposal of the firm to the third parties (Ping, 1997). In this study, used this measurement system for loyalty to incorporate rating this dimension of loyalty, that it would compromise the discriminant legitimacy and validity of measurement system in our research. For example, repeated purchasing is one of the loyalty indicators.

Under the attitudinal approaches of loyalty, every state of mind in the different emotions make up the loyalty of customers toward a services or products. In addition, if the customers do not repeat the purchase, they only prescribe and advertise or recommend the

administration of their suppliers to other customers; the attitudinal perspective side of the loyalty become clear (Kursunluoglu, 2014).

From the behavioral loyalty viewpoint, loyalty is a way of customer behaving and carrying on the behavior to be dependent from others (Cossío-Silva et al., 2016).

Behavioral loyalty ensure the customer loyalty might be converted into actual purchase behaviors. Behavioral loyalty has been defined in terms of repeating buying behavior in the purchasing process. Loyal customer only tries to repurchase the same brand over time even there is an alternative brand in the market. This means the ability to make a customer, repeatedly look for buy one brand over another. A satisfied customers need to be more loyal to a brand over time than a customer which purchase has tends to conduct greater market share. A satisfied customer tends to be more loyal to a brand, as it causes by other reasons such as time and information deficits.

The guest recognition that has a rich database of guest's preferences in their system and before the guest's arrivals to the hotel, they will be able to check preferences and dislikes. By providing the finest personal service and facilities, hotel guests will be able to ensure that their requests or problems have been met to their satisfaction. For hotel manager it is essential to make brand loyal guest. The usefulness of this brand helps to build a good image and brand loyalty. Consumer based brand equity always gives positive impact on customer loyalty. For hotel supervisor and manager, it is important to make brand loyal hotel guests. The convenience of this brand helps to makes a good image and loyalty.

## **2.6 Customer loyalty and brand building in general**

Promoting methodologies of each hotel brand to increase their deals and make feasible competitive advantage among other five-star hotels. There is some measurement model which examines the relationship between customer loyalty and building strong brand. In some research result indicates the integrity of repurchase intentions and having positive relationship failed to load by other factors respectively. The important factor is brand trust is formative variable which have direct relationship with loyalty.

Loyal customers represent not only a stable source of income, it also acts as a channels of information that informally connect networks of friends and other potential travelers

(Huang and Cai, 2015). In addition, the advantage of loyal customer is that they are showing greater result in willing to pay for products and services. Most of the loyal customers are less sensitive to price changes; and also the cost of serving this type of tourist is lower comparing with the traveler who visited the place for the first time and without any loyalty level toward the destination that they want to visit. (this sentence is too long. Please, split it)

The broadly accepted definition for the loyalty is by Jacoboy and Kyner (1973), who portray loyalty as a based non-irregular behavioral reaction, which are expressed over time among choices in the market. Indeed, it is a vital dimension in brand equity. Customer behavior is connected to behavioral dependability and loyalty of their choice for particular brand. For choosing hotel, the five-star hotels brand might be coming up to the mind at the very beginning, it is consumer selection and it appears customers' loyalty toward the particular brand. As a result, a hotel brand might be able to end up the respondents' primary selection of purchased over and over in visitor's mind sets. From a long time, a solid brand in the hospitality industry maintain itself in a long period. Concurring the customer based brand equity model and building strong brand strategies, might be conceivable by taking new steps and arrangements. Each steps aimed to bring the effective completion of past process and also by tracking both past and future challenges about customer loyalty. The beginning portion and step in this demonstration starts with the handle of recognizable proof and association of brand with the customer's thinking's. The secondary step begins with the handle of establishment of a brand in the mind of hotel guests. The last process is to change, over brand reaction to offer assistance creating dynamic loyalty program between hotel brand and customers.

Characteristic of strong brand has to improve shareholder esteem. Branding drives shareholder esteem by constructing and maintaining the previous branding strategies. Shareholder esteem of five-star hotel brand have to provide competitive return. One of the great roots to accomplish conveying competitive returns for shareholders is to construct a brand with remarkable strong brand value. The reason why advertise capitalization of hotel frequently surpasses the esteem, is because of customer brand value must take into the consideration. Brand value must be developed among customer hence hotel can utilize

it as sign of future monetary processed. Strong brand permits individual to discover successful ways to increase benefits and returns. Intangible resources such as brands in hotel industry play important role as a driver for shareholder's values and benefits. Numerous ideas about this issue give very strong prove that brand equity in hotel industry incredibly affects brand. It makes brand important as well as the markets valuation of the hotel. Thus, the brand might be bought and sold as a resource, customer willing to pay for hotel brand more than the competing their products and services. Numerous investigation inspected though the execution of hotel with remarkable brands that outflank the market with less chance in the market. Client must relate themselves emphatically with the brand since when client builds passionate relationship with hotel item that specifically developed their loyalty and devotion level.

Lodging brand is a marquee (symbol, color and so on) that must proactively secure for five-star hotel. They have to insure the customer about brand title on all major promoting channels. Branding hotel in these days, are more vital than before, begin creating the branding techniques by considering existing and potential clients is too critical for hotels. Nowadays, tourism information form as an assortment of sources to determine markets value, so guests as a basic portion have an impact on the brand management process.

## **2.7 Perception about eWOM**

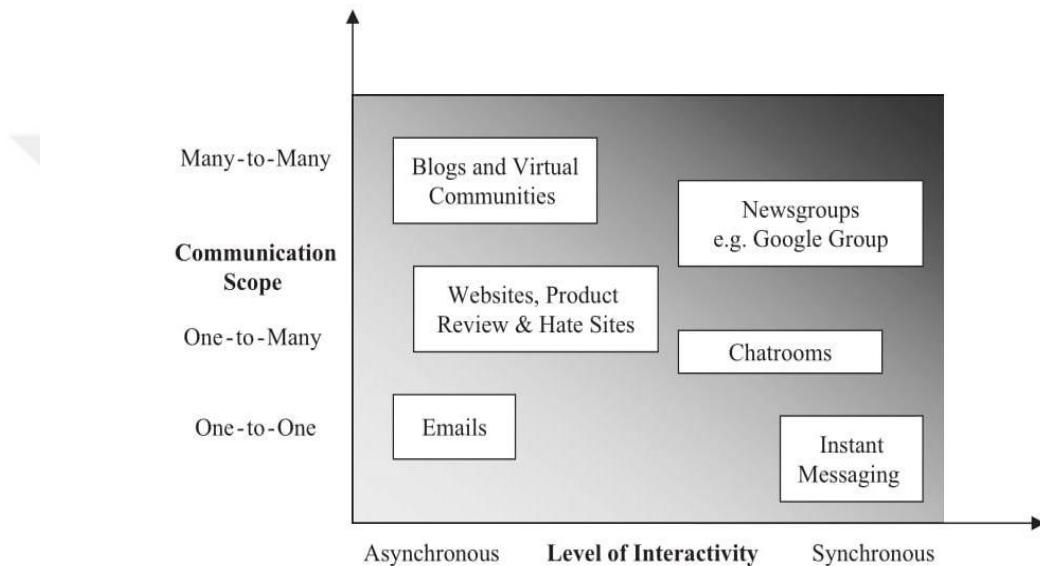
As online reservations system is being used by the most of the hotels and it is expected that they will be increasing. They use of e-marketing is absolutely necessary for the improvement and well-being of an enterprise. Building sustainable service, successful brands rely on their customers. Electronic word of mouth can consider as form of buzz marketing and it can become viral if the message is important. Electronic word of mouth communication focus on person-to-person contacts that's happened on the Internet era. Electronic word of mouth communication has receive attention in both academic and Business communities by looking at the effectiveness of communication in a systematic review especially catchy enough try to track the customers attention traditional WOM has become one of the most effective factors when it comes to digital channels speech marks be more trusted then using Technology it is much more easier for the customer share information about the brand that helps to make import information viral.

By the development and increase in online technologies, hotels and online service providers currently implement a variety of platforms by taking advantage of online items. Customer have to select to review sources to find out how deliver brand to unique experience. Online review platforms might effectively consist of positive, negative and neutral opinions into accessible electronic word of mouth, that has become a source of information the behavior of online customers by reducing hotel product uncertainties. Indeed, most of the hotels try to encourage customers to post the online reviews in the e-commerce platform. Most of the previous studies have investigated the impact of eWOM on sales for individual media such as online to review websites, online markets and blogs. This study focus on WOM communication based on as effective consumer opinion platform. Because basically web based opinion platforms is the widest place to discover affecting resources for the information transmission. The cyber space and electronic mouthpieces consist of a variety of media forms and types of website in that have the most access to ideas and online content.

Online review websites about the brand is type of social media platform hosted by a company, that helps customers to build strong relationships with brand directly by social indicators. It recently believed that online brand can effect customer's perceptions and actions as well as providing sustainable marketing value. People who are participating in brand community are more likely to revisit the hotel website and purchase the products and it motivated other customers to be more loyal. Online product and services reviews have consistently been shown that have an influence on online platforms, although there is some disagreement about a metric associated and dimension with online reviews that is much more impactful. There are studies found that the importance of online reviews impacts on hotel brand is significantly. However, the extracted change in affective and style properties of online review typed has been relived. Related literatures show the firms

and content of online reviews, they found positive changes increasing with the product interest.

Thus, online reviews affect performance of firms and offer the cost effective way to measure word of mouth. There are five factors motivating consumers to generate product and publish the online review. For the consumer's self-enhancement, economic incentives, social benefit and advice seeking. All above factors identifications show that



**Figure 2-3 :** A typology of electronic word-of-mouth (eWOM) channels (Litvin, Goldsmith and Pan, 2008)

individual with the extreme product experience both positive and negative would be to post review online.

The website is a Figure 2-3 an asynchronous, the site is a no concurrent. A typology of electronic word of mouth consist of websites, product review and hate sites. While inactive implies of communication, websites can be utilized to make beginning step of 'buzz' in arrange to stimulate eWOM among customers. As does traditional promoting, a successful website should not only way of share data, but moreover make a desire to memorize around the item and ideally induce a want to visit the website. eWOM can be made online by advertising of the guests and with trust to ability to access online websites. The opinions of satisfied visitors help to build strong loyalty management system. To achieve this, positive product reviews and customer comments should be highlighted on

the most important part of the company's web pages. In addition, guests should discover the links to company, where they will be welcomed to take a part of supposition leader by expressing their claim and sharing their individual experiences. Loyal customers should also be empowered to post links on their individual websites that directs them to the tourism provider's site. The key is to sustain a community of interest guests and potential guest's conversation. The products and services features which shared on the online platform, make interest in other traveler's mind. By make the process simple and clear for those people who post their vacation pictures on both the company's web location as well as their own web site empowers eWOM. Travelers, food aficionados and those with other special interests are energetic to share their experiences with others.

About the eWOM, there are some difficulties and challenges that happened inside the market. The digitalization of WOM has made both modern and new outcomes for companies. With the low cost of access into the information and data trade, eWOM can show up in an uncommon huge scale, possibly making new dynamics in the market. In spite of the fact in scope, the innovation and technologies permits for more prominent control over communication sorts.

Marketers often engages in convincing customers, but sometimes they ignore the fact that customer interactions will have the most impact on their products and services (Bruyn & Linien 2008). Online platform and information technology of social network sites have changed the way information transmitted which can easily affect the consumption decision of consumer. Traditional word of mouth plays a major role in customer's buying decisions and selection through the hotel website. The guest's opinions on online platform can consider as an influential factor in their hotel selection process. Internet enables the hotel guests to share their point of view, opinions about the hotel goods and services.

## **2.8 Examination of the influences of eWOM on loyalty**

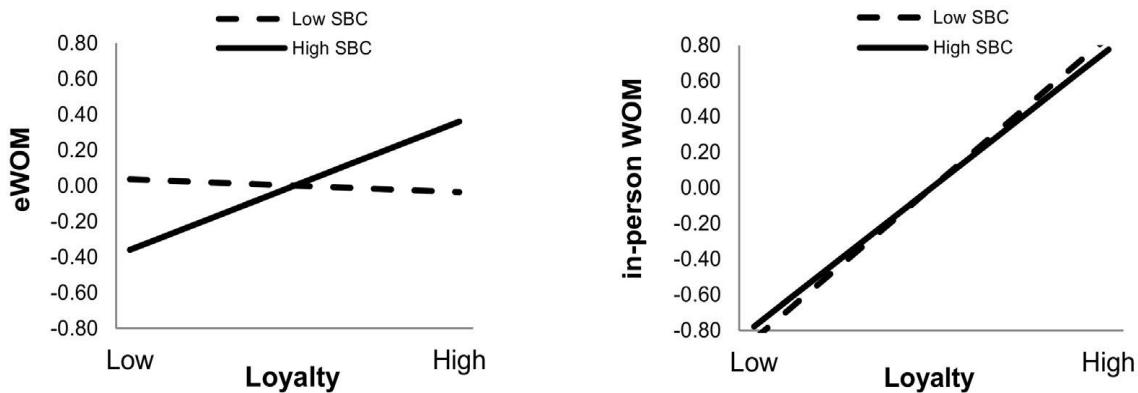
eWOM communications means a brands popularity through the consumers spreading the brand. eWOM have different types of communication (e.g., Web based opinions platform, news group, boycott web sites). The power of interpersonal effect through word-of-mouth communication has been well acknowledged in the consumer mindset (Arndt, 1967). The

hotel guest and clients of the any tourism organization influence through word of mouth. However, electronic word of mouth communication plays big role in this industry. Within the arrival of technology and internet the traditional way of thinking about word of mouth also changes very fast. In the traditional way the cost of selling and marketing was too high. New marketing methods, such as electronic word of mouth marketing in a shorter time and with less capital. in general website satisfaction is a perception and positive navigation experience of well-designed website. There are several experimental aspects of along with other elements, to have better investigate customer satisfaction (Chancellor, 2009, Jin et al., 2015). According to authors a dissatisfied client is more likely to resist the effort of and to search for alternative information to change to the other competitors comparing with satisfied customer. In context of e-commerce, the customer interface that provides necessary information to potential clients. By considering popularity of online social media.

Traditional word of mouth is known as a critical factor that has an important role in customer decision making process. Based on the previous research traditional word of mouth is seven times is much more effective than magazine advertising and newspaper (Bickart and Schindler, 2001, Trusov, Bucklin and Pauwels, 2009). In the marketing of hotel business, word of mouth is stronger than personal selling and two time more effective than radio advertising. Extensive study on the effects of word of mouth on dimensions of brand still remained unexplored by researchers. There are researches that examined influence of word of mouth on brand equity dimensions and focused on the message that customer received from opinion leaders (Lazarsfeld, 1955).

For instance, many papers have taken advantage of self-reports to demonstrate the sales effectiveness of word of mouth. In their analysis consequences of word of mouth call for effect of eWOM on actual customer behavior and for the nature of eWOM and reviews of publications.

Electronic word of mouth applies to positive and negative articulations and explanation made by actual and potential previous customers who are ready to use information of company product and services (Hennig-Thurau, 2004). Electronic word of mouth via consumer opinion, should motivate consumers to articulate themselves on online platform. Hotel guests can post their comments, opinions and reviews of the services and product of the particular hotel on any online platform.



**Figure 2-4 : WOM & eWOM Difference (Eelen, Özturan and Verlegh, 2017)**

Fig. 2-4 Self-brand connection (SBC) moderates the relationship between loyalty and eWOM. The interaction effect is not significant for in-person WOM ( $p > 0.10$ ) but it is depicted for comparison. Based on the research found that the relationship between the loyalty level and eWOM. Difference between loyalty level and in person word of mouth, based the figure 2-4 is clear. According to the result of figure above, can conclude that the effect of the loyalty was weaker on eWOM in compare to the on in-person WOM. Another result is the interrelation between self-brand connection and loyalty was significant and positive for eWOM. However self brand connection among did not intense and moderates the relationship between loyalty and in-person or face to face WOM.

## 2.9 Interrelation of brand equity and eWOM.

Tourism industry among with online platforms are growing very fast. There are increasing demand for the hospitality industry to improve their systems and technological items regarding this issue. Brand management today has many advocates in the marketing

industry. Successful brands increase trust in intangible products and services, and customers can better visualize and better identify their service. Besides investigation on the palpable dimensions of a product or service, the brand image is the most important thing that most marketing strategies focus on, and they tend to highlight the brand.

To this end, inside the hotel or any service operations try to communicate with customers create an optimal image in the customer's mind through the impact they make on customer perceptions of the services they receive. According to (Keller, 2003) concept for loyalty has been defined in several ways the concept for loyalty has been operationalized studies generally agree with that loyalty entails both concept repeat purchase and behavioral loyalty among positive feeling towards the brand. Loyal customer is willing to overcome to the any obstacles that prevent them from buying a process of brand. Loyalty is held commitment to patronized a preferred products or services.

Despite situational influences and marketing efforts have the potential to switch behavior. In traditional word of mouth, whereby people talk about those topics and things that come to mind easily, these increased level for accessibility and credibility should have result in higher levels of word of mouth for the consumers who are more loyal towards the brand. Most of customers have a greater opportunity to deliberate about electronic word of mouth. About electronic word of mouth, the online communication speed the word of mouth is more motivated behavior and more deliberated. Therefore, can conclude that electronic word of mouth requires additional motivational behavior. Consumers will less share their positive thought on brand. Based on the result it implies the influence of loyalty on word of mouth is weaker comparing online and face to face comments and conversations (Tanford, 2013).

## **2.10 The impact of brand equity on eWOM**

Electronic word of mouth has become the driving constrain which changes the Internet information into an intelligently data and communications technology devices. Social media has critical part by impacts that they make in customer's choice selection of services and products. This administrate based on consumer's feedbacks that shows on weblogs, websites, online sheets and online boards (Raman, 2009). In this manner, the fact is critical

that brand equity is no longer esteemed by expensive and cashes that companies contribute, in spite the customers managing the esteem and value of the brand by what they are saying to each other. Hence, the interrelation among electronic word of mouth and the measurements of brand value is an important manner in this study. The hotel products and services is the main factor which influence guest reviews on any web pages. If studies mainly concentrate on the relationship between customers and the sources that's has an impact on their behavior, might use the impact of growth in the number of internet users. The growing trend of Internet usage makes online consumers to be segmented for making successful marketing strategies. If the customers identify the products and services that they prefer, marketing efforts of that company might be customized to be more specific to corporate customers needs and wants.

## **2.11 Traditional word of mouth**

Word of mouth is a one of most influential part of communication. Based on some research, it can be more reliable and credible than other marketing communication. The impact of word of mouth is expected to grow due to the technological improvement among communication channels, several researches have demonstrated that word of mouth may be more credible and persuasive comparing with other marketing instruments (Herr, 1991). For example, some studies empirically show that word of mouth is more persuasive than marketing tool such as advertising (Godes and Mayzlin, 2004). Several studies also show customer perceive psychological and social benefit from word of mouth (Frenzen and Nakamoto, 1993, Robertson and Gatignon, 1986).

For example, customers who used products or services might have perceived some benefits from word of mouth because they justify the information based on their understanding from word of mouth. Taking general approval of others and achieving to the great social status is beneficial part of word of mouth. Other research investigates on the response of customer towards the functions for marketing input and shape of customer's response functions. There are studies that only analyze the impact of word of mouth on adoption and sales. The word of mouth affect customer directly and assume the effects increase with the number of previous adopters (Arndt, 1967). Adaption process or adaptors who are the positive recommenders also need to improve their activities by using

effective word of mouth. Estimate the effect of word of mouth across five type of product categories (Goodwin and Easingwood, 1983) and also it shows that the impact of word of mouth tend to decrease with penetration (Nawaz Sharif and Kabir, 1976). The customer who use electronic word of mouth to find service providers and those who put reviews on website, have a higher degrees of strength in their decisions. The comment and review of customers on website will leads a positive or negative intentions and attitude towards electronic word of mouth information on the website.

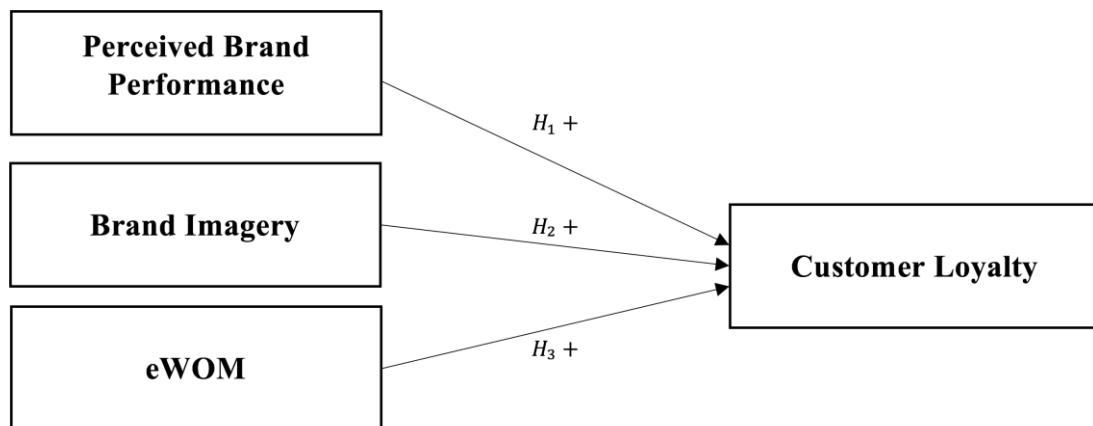
## **2.12 Demographic factors impact on customer loyalty**

Demographic factor is one of the most popular and well accepted factor for conducting market segmentation analyses. In the market segmentation by identifying of key demographics of one's basis profile of the targeted customer can estimated customer efficiency and reach of the market (Kotler and Armstrong, 1991). For example, using panel data, concluded that there was no difference among customer loyalty between younger and older aged consumers. Gender segmentation is another part of the demographic factors that has grown in use over the recent years as a marketers have become more sensitive to the female's involvement. Hence, key difference between male and female is important in the consumer loyalty perception. Demographic segmentation the most common segmentation that's aims to group individuals based on the characteristics such as age, gender, education and etc.



### 3. HYPOTHESES FORMULATION AND RESEARCH MODEL DEVELOPMENT

#### Conceptual Models



**Figure 3-1:** Model Structures

Research model and hypotheses formulation are given in above figure. Figure 3-1 presents the three impacts of consumer based brand equity dimensions, which are perceived brand performance, brand imagery and eWOM towards the customer loyalty. This model will be tested individually in terms of their perceptions about customer loyalty. The independent variable consists of perceived brand performance, brand imagery and electronic word of mouth. Hypothesized to indirectly and directly influence positively customer's loyalty.

Based on the research objective in thesis, the influence of perceived brand performance, brand imagery and electronic word of mouth is tested according to the research hypotheses.

Generally, the feeling of customers about the quality of products is kind of features provided toward perceived brand performance, brand imagery and eWOM.

The firms made the promises to their customers by using the brand name in order to meet expectation (Zeithaml and Zeithaml, 1984). Furthermore, measuring the effects of consumer based brand equity components such as brand imagery and perceive brand performance on company might consider as a remarkable feature that firms can get benefit. This study used two variables of consumer based brand equity and eWOM for measuring customer loyalty in the hotel industry.

Brand performance is largely determined by brand loyalty (from consumers), which is a fundamental concept in strategic marketing (Mazodier & Merunka, 2012).

The relevant literature, researches shows the relationship between loyalty and brand perceived performance is positive (Godey, 2015). A range of popular management authors advice marketers to get their loyal customer to talk about their brand, quality of product and services that they receive. Cronin and Taylor (1992) investigated on the relationship between perceived brand performance and customer loyalty.

Basically brand perceived performance is some part of the customer's overall quality excellence of product. The perceived quality, formed in some situations that overall quality of a services and products applied (bColicev, O'Connor, & Vinzi, 2016).

Customers usually have idea about the judgments and objective of quality as they use quality attributes, to associate with quality (Zeithaml & Zeithaml, 1984). Overall satisfaction of customers refers to customer's level of cognitive response, based on their experience about the services, product and brand.

Brand perceived quality, which is the base component of brand performance, also mediates direct relationship with customer loyalty (Pappu and Quester, 2016). The hotel brand which is strong attracts the guest who are loyal to their marks due to the quality that they made. With the higher perceived quality there is higher confidence and intention to purchase. The consumer who are prefer the hotel for the quality of service that they receive have higher intention to select hotel again.

The brand of hotel which has higher quality is more familiar to the guest and brings better selection confidence. Therefore, perceived quality have positive relationship towards the loyalty and it is a great way to take into considerations when consumer included inside.

Based on the discussion mentioned above about perceived brand performance and its effects on customer loyalty, following hypothesis is put forward:

**H1:** Perceived Brand Performance positively influence on customer loyalty.

Brand imagery is another components of the consumer based brand equity which has positive influence on customer loyalty (Review, 2017). Branding has been considered as one of the critical strategies adopted in the current global hotel industry. Hotels are facing competition and it has become very difficult for hotels to maintain loyal customer base. The customer behavior research studies emphasize that information elaboration resources in the human mind are limited, and communication media are competing for them. Based on this view, when advertising companies exposed to an ad for a familiar brand, customers are likely to engage more on confirmation based process (Keller, 1991). Some studies about marketing literature, consider the effect of imagery on brand claim recall, which leads the customer loyalty (Burns, Biswas and Babin, 1993). The results of these studies demonstrate positive relationships between various dimensions of imagery (instructions vs. no instructions to imagine, etc) and the subsequent advertising effects (attitude toward the ad, intention to buy, etc). There is a significant positive impact of successful customer relationship and brand imagery. For example, when consumers have a high expectation about the brand image on their mind, they will easier go for selection that brand. Customers might choose the brand again regardless of any changes in price or the location of the firm. Therefore, loyalty and brand imagery on consumer mind has positive relationship (Park et al., 2004). Based on the discussion mentioned above, following hypothesis is put forward to investigate more on the relationship between brand imagery and customer loyalty:

**H2:** Brand imagery positively influence on customer loyalty.

Word of mouth always known as the believable form and strongly affects the customer choices in the hotel selection (Henricks, 1998). In addition, the Internet let the people's opinion be more quickly and easily accessible to the others. Recommendations and advices of other people experience from Internet users become influential factor for their behavior and to measure loyalty level (Thompson, 2003). Moreover; eWOM is regarded as a critical source for the making a hotel selection decision people to updated their

reviews and recommendations about the hotel they visit (Brown & Reingen, 1987). Creating the eWOM defined and dependent on negative, positive and natural experiences related to a company, brand, service and product. The result of an appraisal process is eWOM coping response from spiritual and emotional reaction or the degree of satisfaction (Bagozzi, 1992). The results show that loyalty increased eWOM (Eelen, Özturan and Verlegh, 2017).

Studies conducted about tourism industry also showed the direct relationship between loyalty and eWOM. Their claims that if hotels not provide enough information, most of people will not believe a review posted on a website or easily accept information (Ratchford, Talukdar, and Lee, 2001). Besides, the number of the person who use online platform is increasing and the number of people who are using eWOM for choosing a brand impacts, as it directly related to the sales volume of that brand (Chen and Xie 2004).

By the studies conducted about loyalty and traditional word of mouth in hospitality industry and by considering the relevant literature about the relationship between electronic word of mouth and customer loyalty, the following hypothesis is put forward:

**H3:** eWOM positively influence on customer loyalty.

## **4. RESEARCH METHODOLOGY**

### **4.1. Research Design**

The study discusses the impact of perceived brand performance, brand imagery and eWOM on customer loyalty. In order to achieve the objectives, this study employed quantitative research methods, where data collected through online survey techniques. In addition, this study also made use of real five-star hotel guests to measuring and test research hypotheses. Research questions were generated after reviewing the relevant literature. The first part of the survey questionnaire contains the demographic questions. The second part of questionnaire designed to evaluating the variables of the study. The dependent variables of the study can be classified into brand imagery, brand perceived performance and electronic word of mouth. In addition, questionnaire for the dependent variable which is customer loyalty was adopted from previously validated questionnaires. All the questionnaire items are in the form of 5-point Likert Scale.

### **4.2 Procedures**

The first part of the research data was based on the self-administration and demographic questionnaires. The demographic profile consists of (age, gender, marital status, education, number of visit five-star hotel annually, income level) which enables participants to select the answer. The second part of online survey is consisting of Likert type question based on scale and rating. Participants of the research was the guest who has accommodation experience at five-star hotels. Before filling the online survey, the participations of the research were informed in short about the purpose of the study. Necessary permission was obtained from five-star hotels before distributing the survey. Online survey was distributed to hotel guests in order to evaluate the impact of perceived brand performance, brand imagery and eWOM on customer loyalty.

#### **4.3. Sampling design & Survey instruments**

In terms of sampling design, this study focused on the five-star hotel guest who are previously stayed at that hotel. The survey was distributed to 200 hotel guests. To select the potential respondent's convenience-sampling method used. The study conducted by using online survey techniques. In the questionnaire participants were asked to state their opinion about various dimension of CBBE and eWOM.

Selective techniques were used to avoid missing information. This technique is better to avoid any non-answer or ignorant of questions. The survey method carried to clarify the objective of the research. On the other hand, measurement scale of items starts in between strongly agree to strongly disagree that consider as a powerful scale.

#### **4.4. Statical Method**

There is need a need to investigate the results and analysis of the questionnaire which helps to support or deny the hypotheses. In this quantitative study, multiple linear regression statistical tool was used. Data analysis of this study was carried out in IBM SPSS software.

**Table 4-1 : Statistical Method**

Research Methodology	Quantitative Research
Source of research data	Primary data used
Data Collection Method	Online Questionnaire survey conducted
Target Respondents	Five-star Hotel guests in Istanbul

## **5. DATA ANALYSIS**

### **5.1 Purpose Findings and Analysis**

This study provides number of relevant insight for marketers and brand managers to have better understanding the impact of perceived brand performance, brand imagery and intention to follow eWOM on customer loyalty. This finding provides the foundation for hotel managers who are seeking to build and maintain their brand in the market by encouraging customers to engage with eWOM and become more loyal towards their hotel brand. The questionnaire of study encircles three basic parts which can separate into general data and background of the participants. Demographic questions including age, gender, education level, marital status of customers to degree and measure the effect of those components on customer loyalty at the beginning. Then next part consists of scale questions relating to brand imagery, brand perceived performance and eWOM rate level of vitality based on hotel customer recognition with the impact of customer loyalty. The third part contains 6 questions measuring the level of agreement of each hotel guests. Likert questionnaire, measure the impact of every variable on customer loyalty based on scale extending from 1 to 5. All information is accumulated by means of blending result of SPSS and excel software to investigate the relation of a costumer based brand equity on customer loyalty. 200 participants participating in this research who had stayed at five-star hotels in Istanbul.

### **5.2 Findings**

#### **5.2.1 Demographic Analysis**

Participants of this survey were 200 hotel guests who has visited or stayed at five-star hotels in Istanbul. The first question of demographic question was gender. Based on the table below table, the gender of the respondents has approximately equal frequency and percentage.

**Table 5-1 : Demographic profile of respondents**

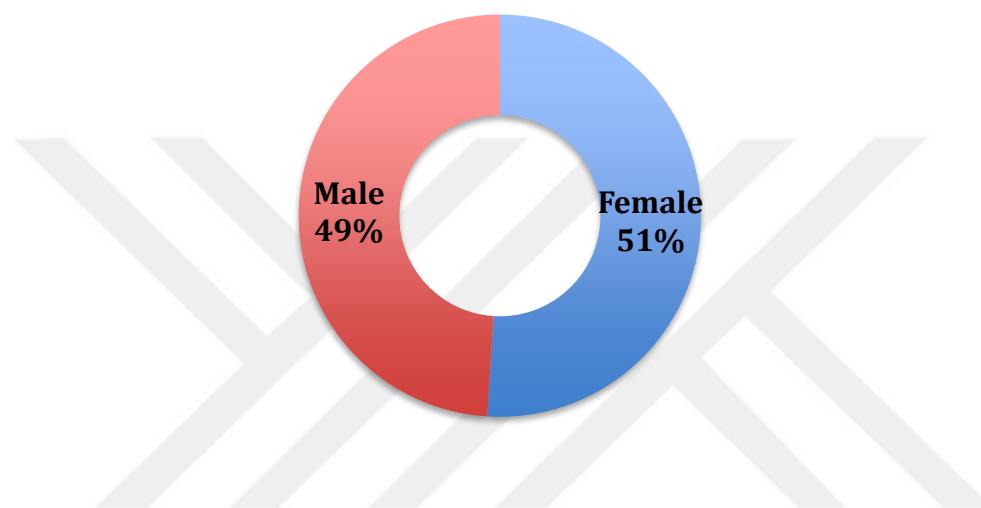
Demographic Profile	Frequencies	Percentage (%)
Gender		
Male	98	51.00
Female	102	49.00
Age		
21-31 Years old	51	25.05
31-40 Years old	80	40.00
41-50 Years old	50	25.00
Above 51 Years old	19	9.5
Total	200	100.00
Marital status		
Married, having dependent children	83	41.05
Married, having independent children	10	5.00
Married, no children	44	22.00
Single	63	31.05
Total	200	100.00
Education level		
Bachelor's degree	85	42.05
Doctorate	22	11.00
High school diploma	17	85.00
Masters degree	76	38.00
Total	200	100.00
Visit		
Occasionally (3<x<5)	71	35.05
Often (>5)	34	17.00
Once a year	34	17.00
Twice a year	61	30.05
Total	200	100.00
Online		
About half of the trips	54	27.00
All trips	23	11.05
Less than half of the trips	47	23.05

More than half of the trips	40	20.00
Never	36	18.00
Total	200	100.00
Income		
<\$10.000	27	13.05
>\$20.000	54	27.00
\$10.000-14.999	45	22.05
\$15.000-19.999	74	37.00
Total	200	100.00
Reason		
Business reasons	79	39.5
Rest & relaxation	109	54.5

The second part in the table above illustrates the age of respondents and hotel guests who has five-star hotel experience. The range of table divided to the four main categories. The max percent (40%) belongs to “31-40 years old” age group and the minimum percent (9.5%) belongs to “Above 51 years old” group of age. (21%) percent belongs to both 21-31 years old and 41-51 years old. The third part of demographic variables was marital status. The huge number of respondents is percent (41.5%) belongs to “Married, having dependent children” status. The number of single respondents was and the minimum percent (0.5%) belongs to “Married, having independent children” marital status. The forth part of the demographic question illustrates the educational status of respondents, the max percent (42.5%) belongs to “Bachelor’s degree” and (38. %) percent belongs to the master degree qualification, minimum percent (8.5%) belongs to “High school diploma”. frequencies of the people who answered the number of visit occasionally (35%) and (30%) percent belongs to twice a year, often one a year have an equal percentage which is (17%). Given table also illustrate people who post Hotel experience online (27%) about half of the trips, (20%) more than half of the trips which shows most of the people post online experiences of the hotel visit and only (18%) percent’s belongs to never post online experience. The income table shows the annual household income of survey applicants. In the above income table clearly shows the biggest that annual income is belongs to \$15.00 \$19.999, while the minimum percent (13.5%) belongs to “less than

“\$10.000” which is the lowest income level as a result most of the income level of respondents is are high .last but not least is the primary reason for guest to stay at five-star Hotel in Istanbul (54.5%) belongs to rest and relaxation and other main reason was business trip which is (39.5%)

Gender of respondent



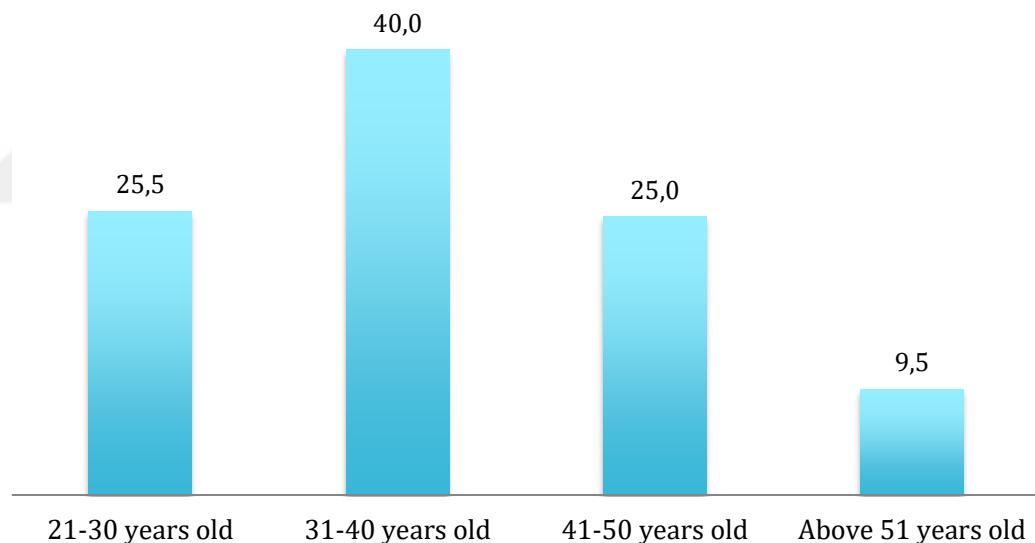
**Figure 5-1** Gender

The first demographic question was gender. According to table, the gender of the respondents has approximately equal frequency percent. 51% percent belongs to the female and 49 % percent belongs to the male participants.

**Table 5-2** Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	102	51.0	51.0	51.0
Valid Male	98	49.0	49.0	100.0
Total	200	100.0	100.0	

Age of respondent

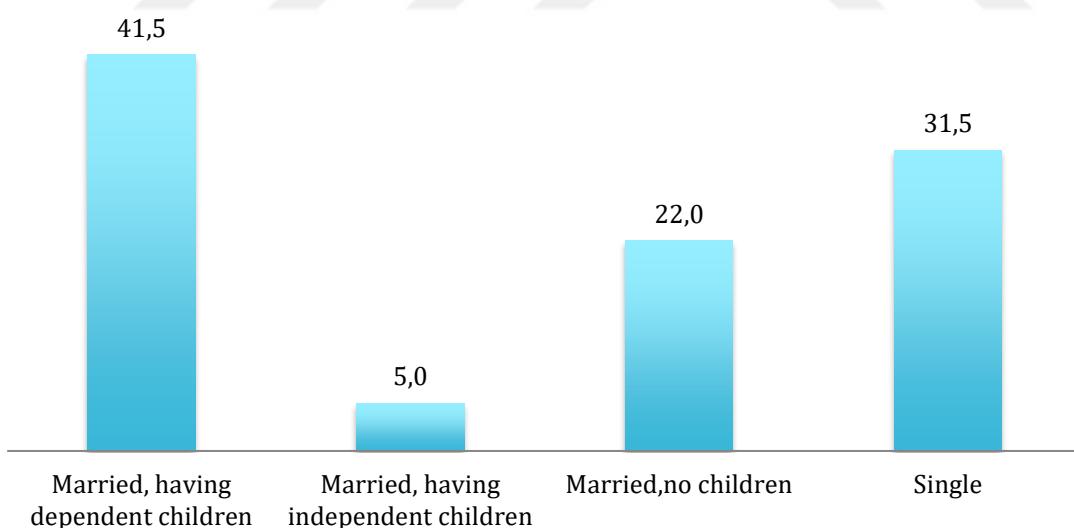
**Figure 5-2** Age of respondent

The table illustrates the range of age between the people who answered the survey questions. According to table, the age range divided to 4 levels, the huge number of respondents and the max percent belongs to “31-40 years old” age group and the minimum percent (9.5%) belongs to “Above 51 years old” group of age.

**Table 5-3** Age

	Frequency	Percent	Valid Percent	Cumulative Percent
21-30 years old	51	25.5	25.5	25.5
31-40 years old	80	40.0	40.0	65.5
Valid 41-50 years old	50	25.0	25.0	90.5
Above 51 years old	19	9.5	9.5	100.0
Total	200	100.0	100.0	

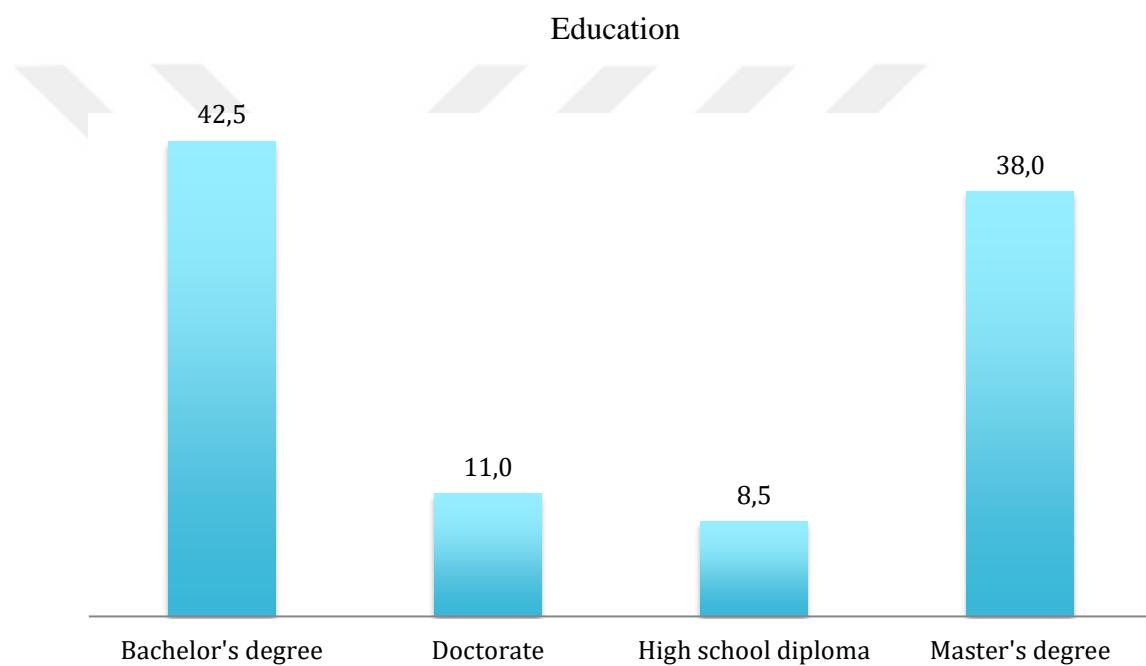
Marital status of respondents

**Figure 5-3** Marital status of respondents

The third demographic variable was marital status. The number of single respondents was 63 and they captured 31.5 % of survey applicants, while the married applicants were the max percent (41.5%) belongs to “Married, having dependent children” status and the minimum percent (0.5%) belongs to “Married, having independent children” marital status.

**Table 5-4** Marital Status

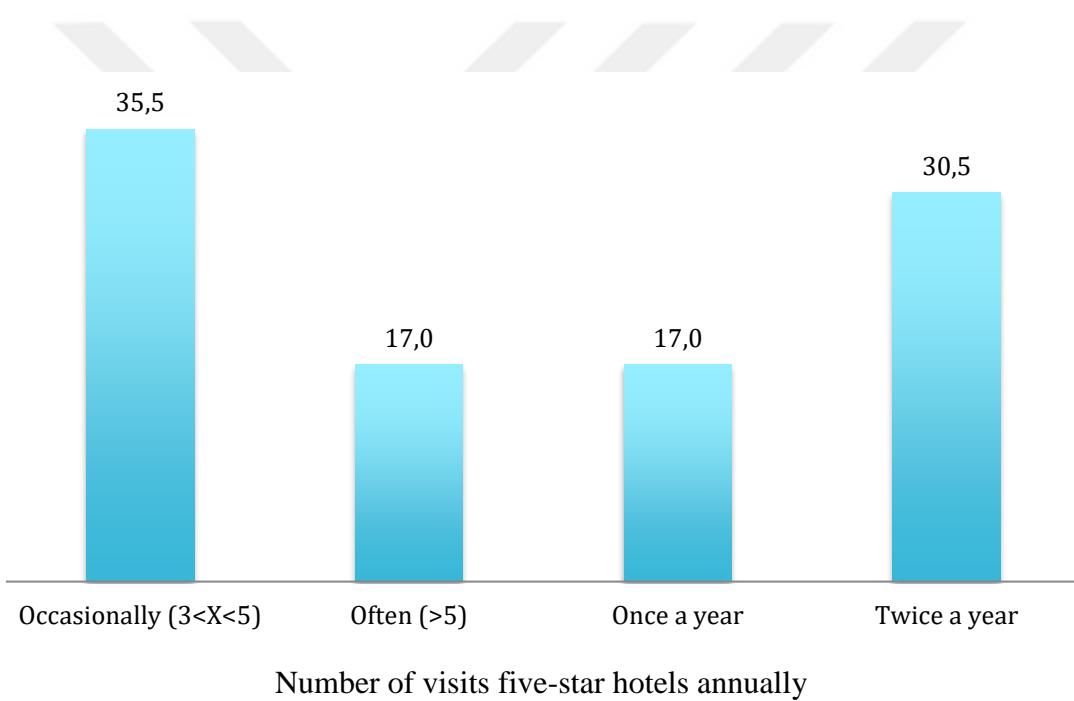
marital.status					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married, having dependent children	83	41.5	41.5	41.5
	Married, having independent children	10	5.0	5.0	46.5
	Married, no children	44	22.0	22.0	68.5
	Single	63	31.5	31.5	100.0
	Total	200	100.0	100.0	

**Figure 5-4** Education

The forth part of the demographics illustrates the educational status of respondents, the max percent 42.5% belongs to “Bachelor’s degree” and 38. % percent belongs to the master degree qualification, minimum percent 8.5% belongs to “High school diploma”

**Table 5-5** Education

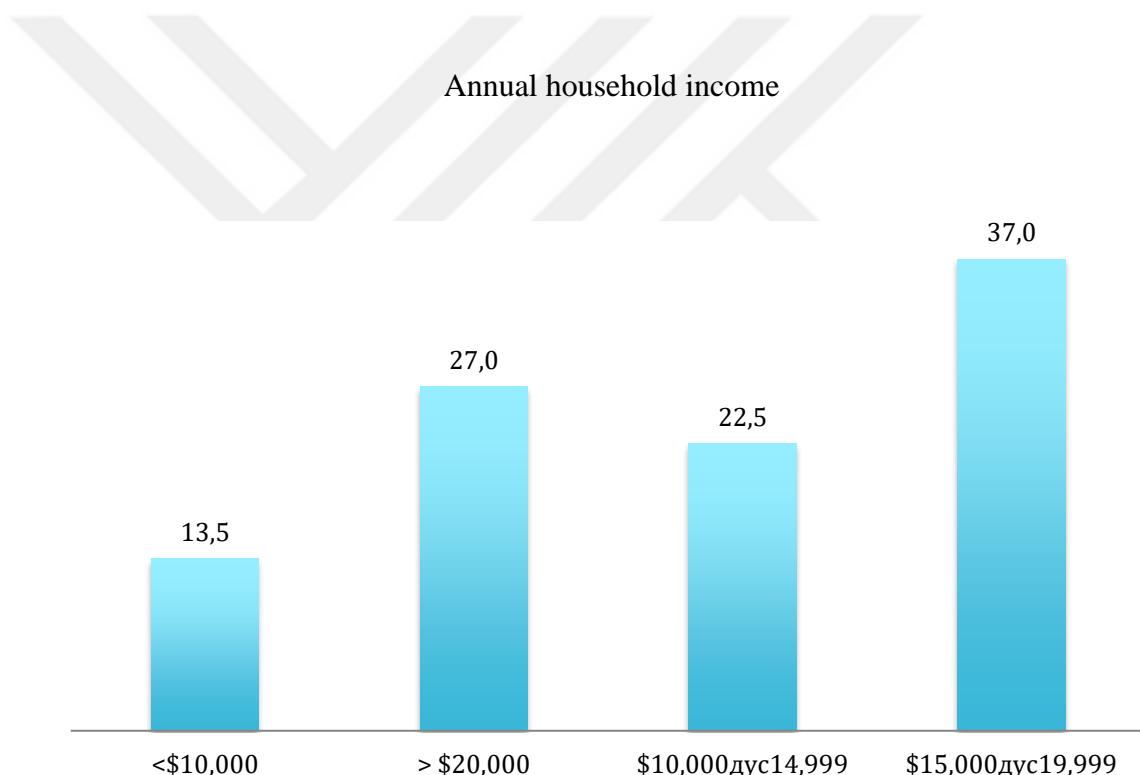
		education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bachelor's degree	85	42.5	42.5	42.5
	Doctorate	22	11.0	11.0	53.5
	High school diploma	17	8.5	8.5	62.0
	Master's degree	76	38.0	38.0	100.0
	Total	200	100.0	100.0	

**Figure 5-5** Visit

According to the table, the max percent 35.5% belongs to “Occasionally” and the minimum percent 17.0% belongs to “Often” and “Once a year”.

**Table 5-6** Number of visit

		visit			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Occasionally (3<X<5)	71	35.5	35.5	35.5
	Often (>5)	34	17.0	17.0	52.5
	Once a year	34	17.0	17.0	69.5
	Twice a year	61	30.5	30.5	100.0
	Total	200	100.0	100.0	



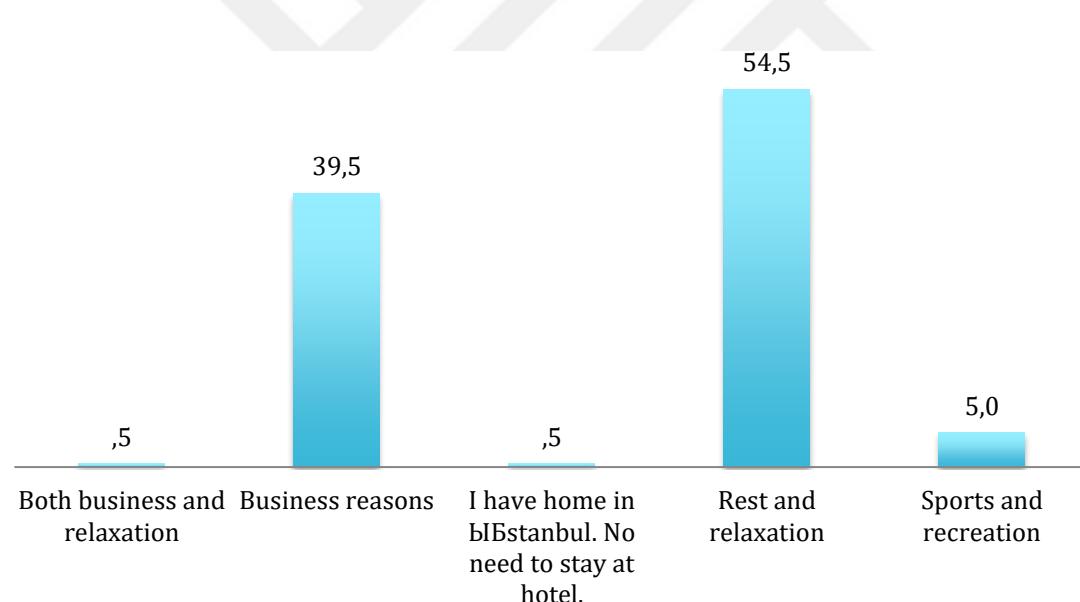
**Figure 5-6** Income

According to the income table, shows the annual household income of survey applicants. In the above income table clearly shows the biggest that annual income is belongs to “\$15,000 to \$19.999”, while the minimum percent 13.5% belongs to “less than \$10.000” which is the lowest income level as a result most of the income level of respondents is are high.

**Table 5-7** Income

income					
	Frequency	Percent	Valid Percent	Cumulative Percent	
Valid <\$10,000	27	13.5	13.5	13.5	
> \$20,000	54	27.0	27.0	40.5	
\$10,000дус14,999	45	22.5	22.5	63.0	
\$15,000дус19,999	74	37.0	37.0	100.0	
Total	200	100.0	100.0		

The primary reason for staying at five-star Hotel in Istanbul



**Figure 5-7** Reason

According to the table, the max percent 54.5% belongs to “Rest and relax” and the minimum percent 0.5% belongs to “Both business and relaxation”. Table shows that most of people prefer five-star hotels for rest and relaxation. However, there are some people who visit the hotel based on their job purposes, and they stay at five-star hotel for business reasons.

**Table 5-8** Reason

		reason			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Both business and relaxation	1	.5	.5	.5
	Business reasons	79	39.5	39.5	40.0
	I have home in İstanbul. No need to stay at hotel.	1	.5	.5	40.5
	Rest and relaxation	109	54.5	54.5	95.0
	Sports and recreation	10	5.0	5.0	100.0
	Total	200	100.0	100.0	

### 5.2.2 Normality Analysis

**Table 5-9:** One-Sample Kolmogorov-Smirnov Test

	Perceived brand performance	Brand imagery	Analysis of attitude & intention to follow eWOM	Consumer loyalty
N	200	200	200	200
Normal Parameters <sup>a,b</sup>	Mean 3.8383	3.0650	3.5142	3.1650
	Std. Deviation .69212	.38567	.81629	.36261
Most Extreme Differences	Absolute .172	.187	.158	.101
	Positive .091	.187	.079	.101
	Negative -.172	-.118	-.158	-.099
	Test Statistic .172	.187	.158	.101
	Asymp. Sig. (2-tailed) .000 <sup>c</sup>	.000 <sup>c</sup>	.000 <sup>c</sup>	.000 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

There are several methods of assessing whether data are normally distributed or not. To investigate the normality of variables, kolmogorov-smirnov test is used.

The results are shown below:

$H_0$ : The data distribution is normal

$H_1$ : The data distribution is not normal

As it can be seen in the table, all the sigs (.000) are less than significance ( $p<0.05$ ), so the null hypothesis is not accepted, rejecting null hypothesis means rejecting the data distribution is normal. So in order to measure demographic effect on loyalty non-parametric test kruskal wallis and mann whitney u test is used. For measuring multiple regression analysis, the Skewness and kurtosis values that must between -.199 and +1.96 for measuring Multiple regression. Based on the result about assumptions for multiple regression analysis conclude that our data are normally distributed.

### 5.2.3 Hypothesis Analysis

The correlation between “Perceived brand performance” and “Customer loyalty”

$H_0: \rho = 0$

$H_1: \rho \neq 0$

**Table 5-10** : Correlations between “Perceived brand performance” and “Customer loyalty”.

	Perceived brand performance	Customer loyalty
Correlation Coefficient	1.000	.211**
Sig. (2-tailed)	.	.003
N	200	200
Correlation Coefficient	.211**	1.000
Sig. (2-tailed)	.003	.
N	200	200

As it can be seen in the table above, the sig (.000) is less than sig level (.05) so the  $H_0$  is not accepted, it can be concluded that there is correlation between “Perceived brand performance” and “Customer loyalty”. Correlation is one of the statistical technique which can show how strongly pair of variables are related to each other. Although correlational research designed as an appropriate method for investigation between potential relationship among study variables. Correlation analysis above shows that the correlation

between customer loyalty and perceived brand performance is positive or direct when the values increasing together.

The correlation between “Brand imagery” and “Customer loyalty”

$H_0: \rho = 0$

$H_1: \rho \neq 0$

**Table 5-11:** Correlations between “Brand imagery” and “Customer loyalty”

		Brand imagery	Customer loyalty
Brand imagery	Correlation Coefficient	1.000	.274**
	Sig. (2-tailed)	.	.000
	N	200	200
Spearman's rho			
Customer loyalty	Correlation Coefficient	.274**	1.000
	Sig. (2-tailed)	.000	.
	N	200	200

\*\*. Correlation is significant at the 0.01 level (2-tailed).

In SPSS program output above, the sig (.000) is less than sig level (.05). So the  $H_0$  is not accepted, it can be concluded that there is correlation between “Brand imagery” and “Customer loyalty”.

The correlation between “Attitude & intention to follow eWOM” and “Customer loyalty”

$H_0: \rho = 0$

$H_1: \rho \neq 0$

**Table 5-12:** Correlations between “eWOM” and “Customer loyalty”

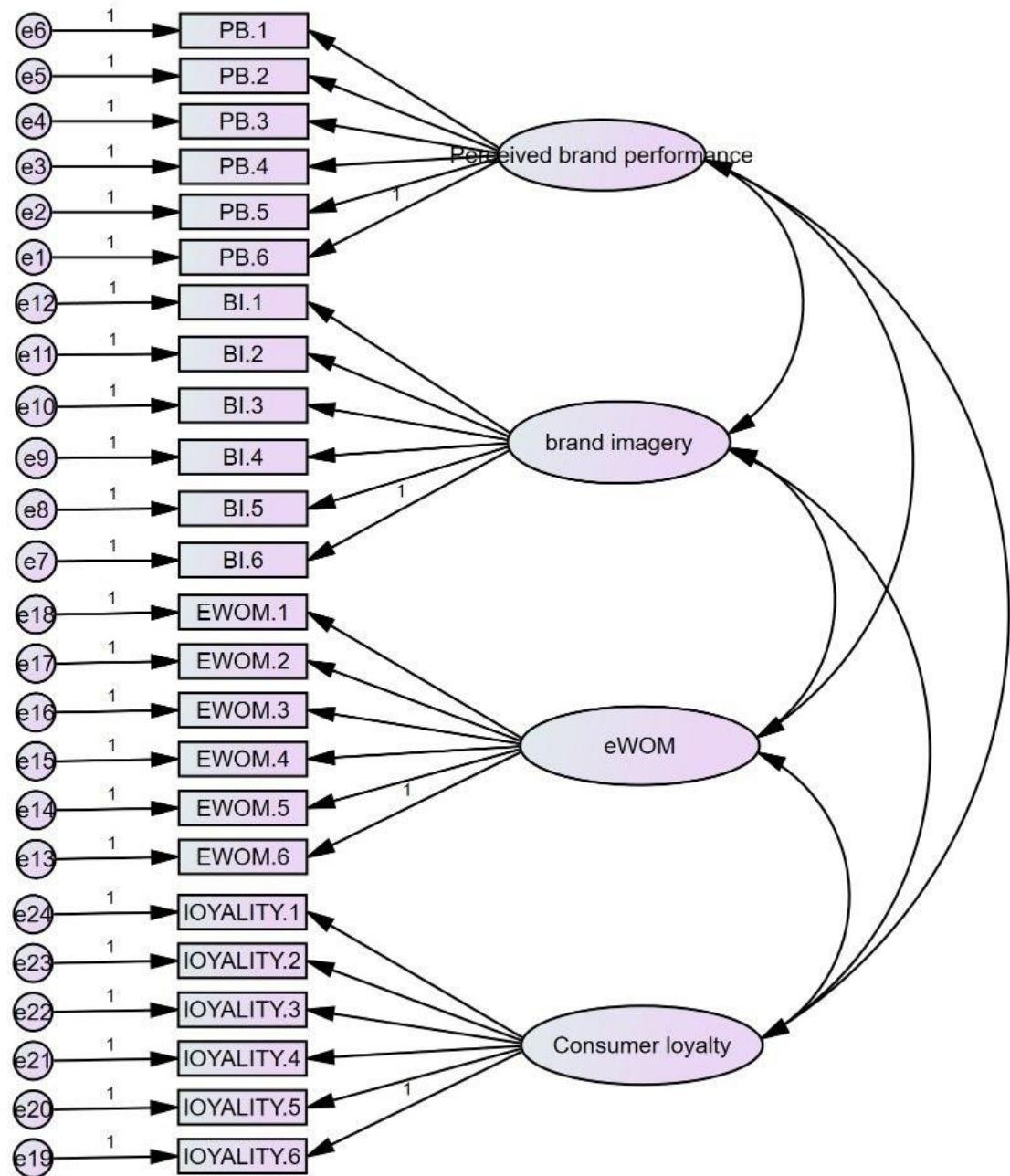
		Customer loyalty	Analysis of attitude & intention to follow eWOM
Customer loyalty	Pearson Correlation	1	.225**
	Sig. (2-tailed)		.001
	N	200	200
Analysis of attitude & intention to follow eWOM	Pearson Correlation	.225**	1
	Sig. (2-tailed)	.001	
	N	200	200

\*\*. Correlation is significant at the 0.01 level (2-tailed).

In SPSS output above, the sig less than sig level (.05), although the  $H_0$  is not accepted, there is correlation between “attitude & intention to follow eWOM” and “Customer loyalty”.

#### 5.2.4. Confirmatory factor analysis (CFA)

Confirmatory factor analysis is used as a statistical technique to verify structure of set variables. In this study CFA model performed for the measurement model testing and to construct validity. In the CFA model indicates that the items under each factor loading the good result so the measurement model is refined concluded that CFA to test the total construct validity of structured model.



**Figure 5-8** CFA Model

### **5.2.5. Regression Analysis**

Multiple regression tells how the variance independent variable which is customer loyalty can be explained within the independent variables. Regression used when need to predict the value of a dependent variable based on the value of two or more independents variables. The independent variables consist of brand imagery, perceived brand performance and eWOM and dependent variable is customer loyalty.

### **5.2.6. Assumption for Multiple Regression Analysis:**

First assumption is the dependent variable which is customer loyalty should be measured based on continuous scale. As customer loyalty can consider as an interval or ratio variable. Customer loyalty level is variable as it measured in this research by Likert items which for point scale strongly agree to strongly disagree which can be consider as continuous scale rating measurement.

The second assumption there should be two or more independent variables that can be continuous or categorical which known as nominal variables. In this research model there are more than two independent variables, those are brand imagery, brand perceived performance the third independent variable is electronic word of mouth. All of the independent variables in this research are ordinal variables that can proves second assumption. This study also considers the four elements of the demographic factors includes (Gender, Age, Marital Status, Education) which can be used as a nominal variable.

**Table 5-13:** Descriptive statistics of Normality

	Perceived brand performance	Brand imagery	Analysis of attitude & intention to follow eWOM	Customer loyalty
N	Valid	200	200	200
	Missing	0	0	0
	Skewness	-1.578	.613	-.985
	Std. Error of Skewness	.172	.172	.172
	Kurtosis	1.779	.742	.756
	Std. Error of Kurtosis	.342	.342	.342

The most important assumption for multiple regression analysis is residuals, which mean the errors, are approximately normally distributed. The common method to check the assumption is checking the standard error through Skewness and kurtosis. Skewness and kurtosis values have to be indicating in the research. Positive skewness value tells positive or right skew and negative value indicates left skew. In the normality assumption the standard error for both skewness and kurtosis score is important. If the divide score by its standard error result is less than +1.96 or -1.96, it suggested that the data are normal. Standard error in the study data was 0.172 for skewness and 0.342 for kurtosis, both well limits between +1.96, -1.96. Normality of the data in our research accepted. Based on the table 5-13 accept that assumption that data must distribute normal.

Another important factor is in our research data must not show multicollinearity. Multicollinearity occurs when there are two or more independent variables that are not highly correlated. So based on this assumption for multiple regression the predictors should not be highly correlated with one another. Both correlation and coefficients tables used to test this assumption for multiple regression. By checking the coefficients table can be more formally check out the independent variables or predictors are not too highly correlated.

The correlation between “Perceived brand performance” and “Analysis of attitude & intention to follow eWOM”

$H_0: \rho = 0$

$H_1: \rho \neq 0$

**Table 5-14:** Correlations to support Multicollinearity.

		Correlations	
		percieved brand performance	Analysis of attitude & intention to follow eWOM
percieved brand performance	Pearson Correlation	1	.482**
	Sig. (2-tailed)		.000
	N	200	200
Analysis of attitude & intention to follow eWOM	Pearson Correlation	.482**	1
	Sig. (2-tailed)	.000	
	N	200	200

\*\*. Correlation is significant at the 0.01 level (2-tailed).

As it can be seen in the table, the sig (.000) is less than sig level (.05) so the  $H_0$  is not accepted, it can be concluded that there is correlation between “Perceived brand performance” and “Analysis of attitude & intention to follow eWOM”.

**Table 5-15:** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.399 <sup>a</sup>	.160	.147	.33497

a. Predictors: (Constant), Analysis of attitude & intention to follow eWOM, Brand imagery, Perceived brand performance

The regression results in this study comprise the model summary table with limit model summary table, which provides the important information about regression lines ability to account the total variation to study dependent variable, which is customer loyalty. Table's above demonstrates the observed y value. The dependent variable can be measured by variance. This part of the variance is measured as the sum of the squared differences

between respondents predicted value toward the customer loyalty and the overall mean divided by the number of respondents. The proportion varies between 0 and 1 and is symbolized by  $R^2$  (R Square). As can be seen from Table 5-15, the value of our  $R^2$  is 0.160, which means that 16 percent of the total variance in variables has been customer loyalty toward the brand. Not very impressive, but not bad either compared with the  $R^2$ . The R is the square root of  $R^2$ .

The multiple regression was calculated to predict customer loyalty based on brand imagery, perceived brand performance and eWOM. Based on the assumptions prediction error are independent, error follows a normal distribution and have constant variance.

**Table 5-16:** Coefficients <sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.722	.242		7.110	.000
Perceived brand performance	.124	.039	.236	3.140	.002
1 Brand imagery	.263	.062	.280	4.251	.000
Analysis of attitude & intention to follow eWOM	.096	.033	.203	2.380	.039

a. Dependent Variable: Customer loyalty

In the table labelled coefficients, in the Column B (first row), the constant value is presented. In the column Beta is the coefficients of the independent variables are presented, the linear equation of the regression. When the independent variables (Brand imagery, perceived brand performance and eWOM are pairwise, the importance of each

them in the regression is assessed by coefficient of correlation of the independent variables and dependent variable. To test the hypothesis that customer loyalty level of hotel guests is a function for three variables. According to the research theory, the results of the regression analysis provides confirmation and support for research hypothesis. Beta coefficients for the three predictors is important, the first hypothesis H1: Perceived Brand Performance positively influence on customer loyalty is supported as  $\beta = 236$ ,  $t=3.140$ ,  $p < .001$  SO H1 is confirmed. H2: Brand imagery positively influence on customer loyalty also supported as beta coefficients for three predictors are  $\beta = 280$ ,  $t= 4.251$ ,  $p < .001$ . For the third hypothesis also supported as

$\beta = 203$ ,  $t= 2.380$ ,  $p < .001$  in the multiple regression analysis.

$.236 \times \text{Perceived brand performance} + .280 \times \text{Brand imagery} + .203 \times \text{eWOM} + 1.722 = \text{Customer loyalty}$

**Table 5-17:** The results of tested hypothesis

	Hypothesis	Result
$H_1$	H1: Perceived Brand Performance positively influence on customer loyalty.	Accepted.
$H_2$	H2: Brand imagery positively influence on customer loyalty.	Accepted.
$H_3$	H3: eWOM positively influence on customer loyalty.	Accepted.

## 6. CONCLUSIONS AND RECOMMENDATIONS

This study was conducted to investigate the influence of perceived brand performance, brand imagery and eWOM on customer loyalty. The result provides guideline for marketers and hotel managers to have better understanding about the five- star hotels marketing strategies and business. By identify the interrelationship of dimensions of consumer based brand equity and analyzing attitude of customers toward eWOM can estimate traveler's loyalty level for five-star hotels in Istanbul. The sample size is defined 200 people who are previously stayed at five-star hotels in Istanbul as a guests. The quantitative research technique used by taking online survey method. There were some books, articles and researches by considering demographic factor of participants, brand imagery, brand perceived quality and attitude of eWOM to measure the loyalty level for each hotel guests in order to collect needed data.

After collection the first part of the research about background of study and related literature, the second part conducted by questionnaire to conduct survey. The research survey analyzed background information of each customer by demographic part and second part consist of analysis to test the research hypothesis. The researcher applied Kruskal-Wallis H test Mann-Whitney U test (see appendix), correlation analysis between dependent variable of the research and demographic factors. Multiple regression analysis used after checking normality of variables of the study. Assumptions related to the analysis for multiple regression analyses checked. The hypothesis tested there are correlation between intention to follow eWOM and customer loyalty. There is also correlation between perceived brand performance, brand imagery with customer loyalty as well. By looking at the result beside correlations, there are multiple regression analysis that shows there is the linear equation of the regression. Furthermore, based on the result of survey conducted for the five-star hotels, the three hypothesis are supported in the research. The main assumption for multiple regression analysis is residuals or errors, are approximately normally distributed. This assumption also checked by the standard error

through Skewness and kurtosis. Skewness and kurtosis values have to be indicating in that approximately normality have been reach through our research data. The value for the  $\beta$  and  $t$ ,  $p < .001$  for all three predictors was normal. Based on the study findings, can conclude that three hypothesis in this research are accepted. It is important to make hotel guest become very loyal about the brand. It is required to say brand imagery, perceived brand quality and eWOM directly influence on customer loyalty.

According to the previous studies the perceived brand performance has positive impact on effect of attitude and purchase intention of luxury hotel (Casidy, Wymer and O'Cass, 2018). The effect of brand performance is the purchase intentions of the hotel that is directly related to loyalty. It also shows that customer with the low or high involvement of reviews has effect by making purchase decision and loyalty (Park, Lee and Han, 2007). Strong brand imagery has positive effect on customer willing to pay premium price as result direct effect with customer loyalty level (Cretu and Brodie, 2007). Brand performance and customer loyalty has positive effect (Godey, 2015). In addition, study of eWOM has positive effect with loyalty as support of our research hypothesis (Thompson, 2003). Also another result from the specific article come to support the research hypothesis (Eelen, Özturan and Verlegh, 2017).

This research developed a stronger understanding and views that how guest might get impact from brand equity and eWOM to influence their loyalty perceptions. Another study variable is the attention and attitude of customer towards eWOM influence on customer loyalty. Loyal customers put not much effort to switch another brand. In the future, hotel Websites and brand performance and brand imagery system will have a growing importance in reaching a hotel's business goal. It is up to the hotel management to recognize the importance of customer loyalty towards the hotel, as well as the need for regular check to measuring the effect of eWOM on different web pages and the need for improvement of the hotel Web site, and adaptation to the new trends regards the brand, to make their existence guest become more loyal toward the hotel.

The primary effect of this study is to make more practical and more empirical proposal for the five-star hotels management. From an empirical point of view, this research affirms the positive impact of consumer based brand equity and usage of eWOM on how customer

become loyal. Some criteria's like perceived brand performance, brand imagery and eWOM should emphatically put into achieve high customer loyalty.

From practical vision, this research is about to make vital conclusion and hypotheses related to the subject by making powerful variables on customer loyalty. For heat of brand as well as building solid brand that empowers customer loyalty.

As every research, this study also has limitation. Firstly, participants of study were selected based on their ease of access. Yet, there was difficulty about study respondents and sample size. Another major limitation of the study stems from the hotel brands that selected which should be only five-star hotel brands in Istanbul. The study measured customer based brand equity components using scale, which was tested on only hotel brands initially, and thus lacks generalizability in the broader hotel setting. Yet, future studies are recommended, to carry out analysis for the participants who are stayed in different country or any other type of hotels in order to increase the generalizability of study findings. The same type of research may apply in different country or cities in Turkey, even comparing the result of this study. The countries depend on tourism industry are might get benefit from this research. Furthermore, by considering research variables such as components of brand equity and eWOM similar research could be explore to studying other factor which influence the hotel guest decisions and loyalty level toward the particular brand. Using same pattern for different industries also recommended to have better understanding on the main factors in this research.



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## **APPENDICES**

### **APPENDIX A**

Questionnaire:

#### **Section One: General Information**

Demographic and Socioeconomic Characteristics of Subsample

(Huang and Cai, 2015)

1.What is your gender? \*

Male

Female

2.How old are you? \*

21-30 years old

31-40 years old

41-50 years old

Above 51 years old

3.Family Situation \*

Single

Married, no children

Married, having dependent children

Married, having independent children

4. Education level \*

High school diploma

Bachelor's degree

Master's degree

Doctorate

5. How often do you visit five-star Hotel annually? \*

Once a year

Twice a year

Occasionally (3<X<5)

Often (>5)

6. Post Hotel experience online \*

Never

Less than half of the trips

About half of the trips

More than half of the trips

All trips

7. Annual household income \*

<\$10,000  
\$10,000–14,999  
\$15,000–19,999  
> \$20,000

8. The primary reason for your stay at five-star Hotel in Istanbul \*

Rest and relaxation  
Business reasons  
Sports and recreation  
Other

## Section Two: Scale Rating Questions

### 2.1 Perceived Brand Performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
9. I can always trust on this hotel brand, if I want high quality service					
10. Relative market share of the brand is high.  (O'Cass and Weerawardena 2010)					
11. The brand has good sales Performance.					
12. I will choose this brand again even if they increase their price					
13. The hotel I stayed at is up-to-date					
14. Overall performance of the brand is good.					

## 2.2. Brand Imagery

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
15. The views or location of hotel is consistent with its Advertisements					
16. When I think about this hotel, this brand is the first that come to my mind					
17. I can easily recognize this hotel brand among other competing brand					
18. Brand is a leading luxury company.					
19. I can quickly recall the symbol or logo of this hotel (Kim and Hyun, 2011)					
20. Hotel brand is a customer-oriented company. (Kim and Hyun, 2011)					

### Section Three: Likeret Questions

#### 2.3. Analysis of attitude & intention to follow eWOM \*

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
21. I would rely on the recommendations made by other travelers					
22. I like the advices/information obtained on social media(Muntinga, Moorman and Smit, 2011)					
23. Expressing your opinion & Sharing ideas for new products and experiences of brand online (Muntinga et al., 2011)					
24. Writing an online review about brand (Muntinga et al., 2011)					
25. I would mention this hotel to others through online platforms (Park et al., 2010)					
26. I am proud to tell others online that I use this hotel. (Park et al., 2010)					

## 2.4. Customer loyalty

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
27. I consider myself to be loyal to this hotel. (Aaker, 1991; Yoo et al., 2000)					
28. I am satisfied with X hotel brand with every visit. (Yoo, Donthu and Lee, 2000)					
29. I would like to revisit to this hotel in the future (Yoo et al., 2000)					
30. I recommend this hotel brand whenever I can					
31. This hotel is my first choice compared to other hotels. Nam et al. (2011)					
32. I will not switch to another hotel					

## APPENDIX

### The impact of Gender on “Customer loyalty”

As it can be seen in the table, the P-values (sig.) is not less than significance level (.05), so the H0 is not rejected. It can be concluded that gender has no effect on “consumer loyalty”. The effect of gender on “customer loyalty” used Mann-Whitney U test. According to the table gender has no direct effect on customer loyalty.

$$H0: \mu_1 = \mu_2$$

$$H1: \mu_1 \neq \mu_2$$

**Ranks**

gender	N	Mean Rank	Sum of Ranks
percieved brand performance	Female	103.71	10578.50
	Male	97.16	9521.50
	Total	200	
brand imagery	Female	97.08	9902.50
	Male	104.06	10197.50
	Total	200	
Analysis of attitude & intention to follow eWOM	Female	97.40	9934.50
	Male	103.73	10165.50
	Total	200	
Consumer loyalty	Female	105.11	10721.00
	Male	95.70	9379.00
	Total	200	

**Customer loyalty**

Gender	Mean	N	Std. Deviation
Female	3.1944	102	.34872
Male	3.1344	98	.37586
Total	3.1650	200	.36261

Test Statistics<sup>a</sup> of Customer loyalty

	Consumer loyalty
Mann-Whitney U	4528.000
Wilcoxon W	9379.000
Z	-1.161
Asymp. Sig. (2-tailed)	.246

a. Grouping Variable: gender

Mannn Whitney u test is conducted on dependent variable by independent variables.

According to the table, the P-values (sig.) is not less than significance level (.05), so the H0 is not rejected. So, can concluded that gender has no effect on “customer loyalty”.

The effect of Marital status on customer loyalty

H0:  $\mu_1 = \mu_2$

H1:  $\mu_1 \neq \mu_2$

Customer loyalty

Marital status	Mean	N	Std. Deviation
Married	3.1582	137	.36454
Single	3.1799	63	.36083
Total	3.1650	200	.36261

**Test Statistics<sup>a</sup> of Customer loyalty**

	Consumer loyalty
Mann-Whitney U	4236.500
Wilcoxon W	6252.500
Z	-.210
Asymp. Sig. (2-tailed)	.834

a. Grouping Variable: marital status

We used Mann-Whitney U test for effect of marital status on consumer loyalty. According to the table, the P-values (sig.) is not less than significance level (.05), so the H0 is not rejected. It can be concluded that marital status has no effect on “customer loyalty”.

The effect of education on “customer loyalty”

H0:  $\mu_1 = \mu_2 = \mu_3 \dots = \mu_k$

H1: The means are not all equal.

**Consumer loyalty**

Education	Mean	N	Std. Deviation
Bachelor's degree	3.1667	85	.37796
Doctorate	3.2500	22	.34407
High school diploma	3.2745	17	.24959
Master's degree	3.1140	76	.36738
Total	3.1650	200	.36261

This means educational has no effect on consumer loyalty. As stated in the table, the P-values (sig.) is not less than significance level (.05), so the H<sub>0</sub> is rejected. It can be concluded that education has no effect on “consumer loyalty”.

Test Statistics <sup>a,b</sup> Customer loyalty

	Consumer loyalty
Chi-Square	5.201
df	3
Asymp. Sig.	.158

a. Kruskal Wallis Test

b. Grouping Variable: education



Evrak Tarihi ve Sayısı: 07/03/2018-1587



T.C.  
İSTANBUL AYDIN ÜNİVERSİTESİ REKTÖRLÜĞÜ  
Sosyal Bilimler Enstitüsü Müdürlüğü

Sayı : 88083623-044-1587  
Kodu : NILOUFAR MOSHIRİ'nin Etik Onay  
İlk.

07/03/2018

Sayın NILOUFAR MOSHIRİ

Enstitümüz Y1512.130095 numaralı İşletme Anabilim Dalı İşletme Yönetimi (İngilizce) Tekli Yüksek Lisans programı öğrencisinden NILOUFAR MOSHIRİ'nin "THE IMPACT OF CONSUMER BASED BRAND EQUITY CONSUMER LOYALTY AND ELECTRONIC WORD OF MOUTH: A CASE STUDY OF FIVE-STAR HOTELS IN ISTANBUL" adlı tez çalışması gereği "The impact of consumer based brand equity in hospitality industry" ile ilgili ankacı 07.03.2018 tarihli ve 2018/09 sayılı İstanbul Aydin Üniversitesi Etik Komisyon Kararı ile etik olarak uygun olduğuna karar verilmiştir.

Bilgilçinize rica ederim.

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## **RESUME**



### **Objective**

I enjoy working in a fast paced, highly motivating position where I can assist others while challenging and expanding my knowledge and understanding of the task at hand. I am seeking a position that will utilize my skills and offer the chance for advancement as well as allow me the opportunity to gain additional skills and experience.

### **Basic Information:**

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Address:	Duatepe Mah, Ergenekon Caddesi, Bozkurt Caddesi, Şişli,İstanbul

### **Qualifications**

2016-2018

Master Degree in Business Administration with Thesis (MBA) Istanbul Aydin University

2011-2015

Bachelor of International Hospitality Management at Taylors University (Award is given in dual with UNIVERSITE DE TOULOUSE 2 LE MIRAIL, France)

1st Class Degree with Professional Placement

2010-2011

Diploma in Foundation Science

### **Work experience**

2009

Travel Agency Donyayaeh Ghare

Tehran,IRAN

Travel Agent Assistant

2011

romoted Inbound and Outbound tours, Managed booking domestic and international flights, (Tour & Ticketing)

2014

Tirajeh,sdh Company

Kualalumpur,Malaysia

Accountant Assistant

Company as Accountant assistant with the good Performance letter.

2014-2015

Ritz- Carlton Hotel Kuala Lumpur, Malaysia

Guest Recognition, Front Office, sales & marketing.

From 06.01.2014 to 15.3.2014 : Internship I received training under three departments with certificate

2015 -2016

Grand Star Hotel Bosphorus Istanbul, Turkey

Guest Relations Manager, analyze customer feedback provide strategic direction to continuously improve overall rating on online platform, Attending guest's needs

2016-2017

Steigenberger Hotel Maslak Istanbul, Turkey

Meeting & Event coordinator, meet with clients to work out event details, plan with client and sales team, knowledge about opera reservation system

## **Skills**

Language Skills:

- Persian: Mother Tongue
- English: Business fluent
- Turkish: Advanced
- French : Intermediate
- Arabic : Elementary