

**DIFFERENTIATING SERVICES:
A STUDY OF HOTEL'S BRAND IMAGE**

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ABSTRACT

The current study examines the service brand images of hotels in Malaysia. The attraction and popularity of Malaysia as destination for tourism has created a competitive pressure among servicing sectors particularly the hotel industry to attract and maintain tourist's loyalty to their hotels. These hotels have, and, are developing competitive marketing strategies to augment their brand images as well as to be seen as the best service provider in the country. However, little is known to understand how these hotels position their service brand images in order to be seen as such. Moreover, with regards to the service sectors, research shows that very few brands have managed to differentiate themselves from their competitors, (McDonald, de Chernatony & Harris, 2001) particularly in hotel industry. Thus, the current study examines the service brand images of hotels in Malaysia.

Most brand image research to-date is conducted on physical goods, with still lack of empirical evidence on service branding (Turley & Moore, 1995; Kapferer, 1998; O'Cass & Grace, 2003). The tremendous growth of the services sector require service providers to create and develop service brand differentiation to maintain sustainable competitive advantage (McDonald, de Chernatony & Harris, 2001).

Drawing from measures developed by Davies *et al.* (2004) known as 'Corporate Character Scale', this study examines the hotels' service brand image in Malaysia. Service or corporate brand images are commonly measured by human personality traits to portray the brand image of a company or hotel and, recently, increasing attention has been given to the understanding of the more abstract, intangible aspects of consumer brand knowledge (such as brand personality or corporate brand image). By using metaphorical expressions, specifically the personification approach (i.e. by viewing the company or institution as a person), previous studies have examined corporate brand images or brand personalities in various settings such as retailing (Davies and Chun, 2002), automobile (Rojas-Mendez, 2004) and books (Syed Alwi and Da Silva, 2007) but little has been done to understand the positioning in the context of services sector such as hotel. The applicability of this type of methodological approach is questioned due to its limited empirical findings.

In addition, there has been a growing interest in the subject of corporate branding in recent years amongst academics and practitioners because there is a belief that a business operating in a competitive corporate market gains reputational value from a strong corporate image (Van Riel and Van Bruggen, 2002). However, there are limited empirical studies aimed at identifying the dimensions that actually represent corporate especially service brand images. Understanding corporate branding is vital because a positive corporate brand will help a company achieve higher levels of performance, for example, by increasing profitability through increased sales, without having to spend enormous amounts of money on advertising. As a corporate brand is more about the intangible and emotional values associated with a brand or company name, these values are the most sustainable source of competitive advantage (de Chernatony and Harris, 2000). It is therefore the study's intention to explore consumers' perceptions of service brand image in the hotel industry. Specific research questions for this study are as follows.

- 1- Is the service brand image(s) presented by multi-dimensional constructs in the hotel?
- 2- If so, what would the service brand image be?
- 3- Which dimension(s) is more important when associated with the hotel's brand image?

The present study enhances this understanding by providing the empirical evidence in the context of services such as hotels. The research is informed by 529 responses from experienced customers. Structural equation modelling was performed to identify the hotel's service brand image. While previous literatures stress consumers appeared to express retail department stores to be more agreeable, chic and ruthless, the study found that the hotel's brand image appeared to be expressed as more competent, enterprise, ruthless, and agreeable. This result simultaneously confirms the postulation that service brand image could be explained by multi-dimensional construct (with four service brand image dimensions) and that the dimensions vary depending on which context it is operating. For example, Davies and Chun (2002) indicate that consumers express corporate brand image of retail department store as agreeableness, ruthlessness, competence and chic. Although not all of the seven dimensions appeared in the context of hotels, as different study environments may result in different dimensions (Davies et al., 2003), the differences were apparent. The inclusion of a negative dimension i.e. ruthlessness is also found appropriately explaining hotel's brand image as well as consistent with other retail studies such as department store.

The comparison of the study results with past research in relation to which personality traits are more significant in the hotel environment is limited due to lack of such research in the past. Yet, this finding perhaps gives some insight into which brand image dimension to be considered more important in the hotel environment to both academics and practitioners, and simultaneously helps to address the issue concerning which emotional component or attributes to emphasis when designing marketing strategies for the hotels. The practical contribution of the study and its managerial implications can be seen in the context of defining strategy and positioning the hotel within the industry.

Yet, the study is not without its limitations. The present study is conducted in a service sector namely the hotels. Thus, the findings of this study could not be generalised in other service industries. Cross-validation to other hotels (as well as comparison with other type of hotels such as budget hotels) could not be performed in this study as it is outwith scope. Replicating this research in similar or other industries is therefore vital in generalising the findings of this study.