

# [Brand equity in luxury hotels | research proposal](https://assignbuster.com/brand-equity-in-luxury-hotels-research-proposal/)

## Introduction

At the present time, globalisation which just means linking together the localities separated by distance is not an issue in terms of communication, moreover it brings together the world as one (Scheuerman, 2010). The positives of globalisation do not limit itself to just bringing the world together in terms of communication, tourism and hospitality industry has also greatly benefited by this.

India is considered one of the fastest growing countries in the world and becoming an attraction for the foreign tourist. India hosted 6. 58 million foreign tourist in the year 2012, which was an increase by 4. 3% compared to last year. The foreign exchange earnings were a staggering $17. 74 billion which was an increase of 7. 15 compared to last year (India Tourism Statistics, 2012). The Indian government un It will not be wrong to assume that India has been successful in catering the basic requirements which a tourist looks for before planning their trip to a foreign country. These statistics make India one of the top tourist destinations. The basic requirements being variety of serviced accommodation to choose from, adequate infrastructure, communication system, museum, art galleries, restaurants, cafes, craft places, gardens, historic places and sports amenities. The tourism ministry of India was quick to recognise the tourism market in India and has taken necessary steps to promote it. The Foreign Tourist Arrivals in India during the eighties and nineties lacked consistency but since then it has seen steady growth. The early 2000 can be considered the best years for tourism industry as they saw double digit growth (India Tourism Statistics, 2012).

This paper specifically focuses on the 5 star luxury hotels section of the hospitality industry of India. It is very important for the individuals involved in the operations of the hotel to know about the factors which might affect the competition. In the competitive setting, Brand Equity is believed to be the most important value generating asset to the organisation and its customers. Customers can benefit through Brand Equity as it would help them get a better understanding of the services provided by the brand which would eventually increase confidence and help them in making the buying decision. The organisation can benefit in terms of increasing profits, attracting new customers and retaining the loyal customers, having a competitive advantage over rivals (Aaker, 1991).

Therefore, the study is carried out to better understand the brand equity of high end luxury hotels in India and the link between brand equity and the post purchase evaluation by the customers. This will provide a better understanding of brand equity of the hotel which is just a small element of brand asset. The post purchase evaluation by the customers for the brand equity in hospitality industry will be directed by analysing the already existing written texts. The suggestions given by the guests who have already visited the hotel are used to analyse as their feedback and opinion would shed light on the major issues faced in terms of brand equity during their stay.

Hence, the conclusion of this paper would provide an insight of the different brand equity elements, their features and the influence these elements can have on the day to day working of the hotel by the top management, the marketing team, operations team and everybody responsible for implementing the strategy. A successful brand strategy would give the hotel a competitive advantage over its existing market rivals.

### Problem Statement

A brand can be called an important resource for value addition to the organisation as it is used in the marketing strategy and positioning of the company in the market (Ghauri and Cateora, 2010). Brand equity is a combination of elements namely brand loyalty, brand awareness, brand association, perceived quality denoting the improved value of the brand as a whole. In case of hospitality industry, the focus is mainly on how the consumer perceives the hotel brand, this further improves chances of making more profit.

The literature on brand equity have largely focused on the product aspect and not much study has been contributed to the service industry. Thus, literature on brand equity for service industry like hotels is very limited. This has attracted my attention and inspired me to study brand equity primarily focusing on the hospitality industry.

As stated above, India has been successful in improving its tourism and hospitality sector over the years. This has resulted in stiff competition amongst the hotel operators. To increase the rate of growth, the government helps and extends its support in almost all domains of the tourism industry. As an example, the government’s initiative to improve the Indian tourism industry in overseas market is the brochure support. The overseas offices help promote organisations who intend to promote special tours (Ministry of tourism, 2014). There are marketing development assistance schemes to promote Indian tourism abroad which is administered by the ministry of tourism, government of India to help hoteliers, travel agents, tour operators etc. The competition in the hospitality industry is intense in parts like Andhra Pradesh, Tamil Nadu, Uttar Pradesh, Karnataka and Maharashtra which experienced maximum domestic tourist in the year 2012. The foreign tourist preferred Delhi, Mumbai (Maharashtra), Chennai (Tamil Nadu), Bangalore (Karnataka) and Kolkata (West Bengal) as their top 5 destinations in India (India Tourism Statistics, 2012).

Furthermore, the intense in business competitions especially for five stars luxury hotels are higher than other hotel with fewer stars rating. Normally, the higher stars rating hotel such as five stars luxury hotel comes with the higher price of the offering. However, the competition is not only based on the price and promotion concern but also the uniqueness of the hotel brand. In addition, the emerging of new comer hotels in Bangkok area can also be the supporting evidence, for example Starwood’ St. Regis, W hotel, Four Points by Sheraton (Starwood, 2010).

As a result, brand equity can play an important role in increasing the overall profit of the hotel and the people responsible for operating the day to day functioning of the hotel need to realize this. The elements of brand equity needs to be studied in terms of the hospitality industry, this would help understand the role of brand equity in hospitality industry. This paper primarily focuses on the five star luxury segment of the hotels in India. This paper is based on the comments and feedback of the guests who have visited the chosen hotels which are then linked with the elements of brand equity.

### Purpose of Study

The main motive of this study is to understand brand equity and elements in terms of the hospitality industry in India considering the post purchase evaluation of the customers who have visited the hotel. The research also aims to find the link between the elements of brand equity and the comments and feedback of these customers after their purchase. Moreover, the objective of this study is to find the practical effects of brand equity. By the end of this research, I intend to suggest some articulated hypothesis of brand equity in hospitality industry for future studies.

### Research Questions

The research question has been framed on the basis of the background of the topic chosen and the problem statement to accomplish the objective of this research:

1. What are the features of brand equity of high-end (5 Stars) luxury hotels in India?
2. Which elements of brand equity do most of the customers perceive for evaluation?

### Thesis Outline

The first chapter gives a brief about the research topic on evaluation of post purchase behaviour on brand equity for hospitality industry in India. This is further explained by designing the problem statement and research topic to specify the path of the study with the focus only on five star luxury hotels in India.

Chapter two includes the literature review. This is done by investigating the literature available in physical format and those available on the internet. The literature review explains branding and the various aspects of brand equity to give a basic understanding about brand equity. This will be followed by brand equity in hospitality (service) industry, buying decision of customers, electronic word of mouth and evaluation of customers after using the hotel (post-purchase). Along with this literature, a framework has been designed to give a better understanding of the research which includes the idea of brand equity.

Chapter three begins by explaining in the research methodology, how the topic was chosen. This is followed by a discussion on the methodologies used in the research design. Qualitative and quantitative approach were used for this study. Qualitative approach was done by carrying out content analysis using a specific set of measurements. Quantitative approach was used to present the findings and the results. The process of collecting data, the use of secondary data like the feedback of hotels from customers, text and other articles on brand equity are discussed in this section. This section continuous with further explaining the limitations of this study and the sampling design in context of the total volume considered and the time period observed for the data collection. This is commenced by highlighting the validity and the reliability of the study.

The fourth chapter presents the findings from the collected data from the website tripadvisor. com for feedback from the guests who have visited the hotels. The main aim for this exercise is to analyse and interpret this data and then divide them in terms of the different components of brand equity or the set of measurements. The results are explained by using the quantitative approach by denoting them in terms of percentage of each component and sub component of brand equity.

The fifth chapter analyses the findings and discusses the results and a comparison is made with the earlier studies on brand equity and hospitality industry. This section is concluded by analysing each brand equity category and proposing the hypothesis on brand equity for hotel.

The sixth chapter concludes the research by explaining the results obtained from findings and analysis in the previous chapter. This section also answers the research questions for the study.

The seventh and the final chapter recommends on the real-world effects of the results obtained from this research. This paper is concluded by proposing a path for the future study centred on the hypotheses.