

Building Brand Equity in Hotel Industry: The Mediating Role of Customer-Based Brand Satisfaction

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Abstract *Customer-based brand equity is seen as an aspect of perceived value, association and brand awareness in customers' mind. Especially, in the case of tangible products, this issue is becoming a key element in development of hotel marketing. However, there has been only limited investigation into the impact of customer satisfaction on the relationship between brand equity and brand loyalty in the hotel industry. Therefore, this study investigates the effect of brand equity on brand loyalty in the hotel industry through customer satisfaction. It also examines whether customer satisfaction moderates the impact of brand equity on brand loyalty. Based on data collected through 1016 customers, the hypothesized structural model is conducted. The results reveal that brand equity has a positive indirect effect on brand loyalty through customer satisfaction and that brand awareness has a positively direct influence on brand loyalty.*

Keywords: *Customer-Based Brand Equity, Perceived Value, Brand Awareness, Brand Association, Brand Loyalty*

INTRODUCTION

In today's competitive business environment, managing brand equity has become essential for any business organizations, hospitality organizations are no exception. The hotel industry is characterized by its global and highly competitive nature. As service firms where close interaction with the customer takes place constantly, hotels can have an important partner orally, namely the customers themselves. Customer satisfaction is one of the key objectives of major hotel company management teams, as it is directly linked to factors such as reputation or profitability. It is, therefore important to understand how brand value is conceived by customers and how it affects customer satisfaction (Back & Parks, 2003).

Studies have shown that a brand is a valuable, intangible asset in the hotel industry (O'Neill et al., 2013). Many studies revealed that brand equity affects stock prices, financial performance and shareholder value (Kim & Kim, 2005). Hence, the hospitality industry has widely adopted

strategies to enhance brand equity (O'Neill et al., 2013; Huang & Cai, 2015).

Although previous research has examined the relationship between consumer satisfaction and brand loyalty in the setting of products (Brakus et al., 2009) and in services (Nysveen et al., 2013), there has been only limited investigation into the impact of consumer satisfaction on the relationship between brand equity and brand loyalty in the hotel industry. This study further contributes to the existing body of knowledge by examining the mediating role of consumer satisfaction on the relationship between consumer-based brand equity and brand loyalty.

The remaining part of the paper is organized as follows. First, the study begins by establishing a conceptual framework through a review of related theories and literature. The four topics of conceptualization considered in this section are hotel brand equity, dimensions of hotel brand equity, customer satisfaction. The hypotheses development was founded on each reviewed literature theme. Second, the study is to examine the influence of brand equity on customer

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satisfaction and loyalty; meanwhile, it is to investigate the mediation role of satisfaction in the relationships among brand equity and brand loyalty. Third, this is followed by the presentation and discussion of the main results. In the final section, the contribution of findings is outlined to theory and practice, as well as present areas for future research and current study limitations.

LITERATURE REVIEW

Brand Equity

There are at least two different perspectives through which to study brand equity, including financial-based brand equity and customer-based brand equity. Compared to the definition of brand equity from a financial perspective as the total value of the brand that is a separable asset when it is sold or included in a balance sheet (Feldwick, 1996), customer-based brand equity is defined from the perspective of the customer, as an aspect of perceived value in customers' minds and is based on consumer knowledge, familiarity, and associations with respect to the brand (Washburn & Plank, 2002). Aaker (1996) suggested that there are four dimensions of customer-based brand equity could be measured: brand awareness, brand associations, its perceived quality and brand loyalty. All of which are widely accepted by scholars (Kim, Kim & An, 2003; Low & Lamb, 2000; and Yoo et al., 2000), combining perceptual and behavioural dimensions.

Dimensions of Brand Equity

Brand Awareness

Brand awareness can be defined as the level of brand recall and familiarity when consumers make a choice of their preferred brand (Martínez & Nishiyama, 2017). Brand recognition reflects the ability of consumers to confirm their past experiences with the brand, whilst brand recall demonstrates consumers' ability to spontaneously generate the brand from their memory (Hoeffler & Keller, 2002). Alternatively, Aaker (1996) operationalized brand awareness as brand recognition, brand recall and top-of-mind awareness. A brand with strong brand recall (unaided awareness) and top of mind can affect customers' perceptions, which lead to different customer choice inside a product category (Kimpakorn & Tocquer, 2010). Brand awareness can be a sign of quality and commitment, letting consumers become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991).

Perceived Quality

Perceived quality is defined as the consumers' judgement of the superiority or excellence of a brand (Konecnik, 2006). The fact that consumers have a high awareness of a branded product/service does not necessarily imply that they will

perceive it to be of high quality. Perceived quality shapes brand image, increases the perceived value of the given brand in consumers' minds and serves as a determinant in the brand equity model (Gartner & Konecnik Ruzzier, 2011; and Netemeyer et al., 2004).

Based on earlier research in the service industry, service quality is central to the development of strong service-dominant brands because it enhances perceived superiority of the brands and helps to differentiate brands in competitive markets (Low & Lamb, 2000; and Yoo, Donthu & Lee, 2000). Considering the growing body of research in the service industry, this study proposes two service quality dimensions for the evaluation of hotel brand equity: physical quality and staff behaviour (Ekinci et al., 2008).

Brand Association

The role of brand associations as an important element in brand equity management has been previously documented (Im et al., 2012). Keller (1993) posits that the customer-based brand equity framework provides a way in which brand associations can be categorized into three dimensions based on their level of abstraction (Alba & Hutchinson, 1987): attributes, benefits, and attitudes. Attitudes consist of the consumer's complete appraisal of the brand and as a result often depend on the strength and favorability of the attribute and benefit associations (Keller, 1993). Brand associations create value for the firm and its customers by helping to process/retrieve information, differentiate the brand, create positive attitudes or feelings provide a reason to buy, and provide a basis for extensions (Aaker, 1991).

Brand Loyalty

Brand loyalty is a major component (Aaker, 1991). Brand loyalty refers to the degree to which people are committed to a given brand as shown both by their inner attitudes reflected in lasting biases toward a specific brand, as well as by externally exhibited behaviours such as repeat purchases of a certain brand among several alternatives (Tsai, Lee & Pan, 2015). From a behavioural perspective, it is defined as the degree to which a buying unit, such as a household, concentrates its purchases overtime on a particular brand within a product category (Schoell & Guiltinan, 1990). From an attitudinal perspective, brand loyalty is defined as "the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice" (Oliver, 1997).

Customer Satisfaction

The term satisfaction refers to "the consumer's response to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product as perceived after its consumption" (Tse & Wilton, 1988, p. 204). Satisfaction has been perceived as one consequence of positive emotional and cognitive states (Kim, 2005). Anderson & Sullivan

(1993) stated that satisfaction requires unique experience with the products/services.

Overall satisfaction is an evaluative judgment of the last purchase occasion and based on all encounters with a service provider (Bitner & Hubbert, 1994). This definition focuses on the process evaluation associated with the purchase behaviour as opposed to the outcome-oriented approach, which emphasizes the buyer's cognitive state resulting from the consumption experience. Thus, overall satisfaction is a better indicator of future loyalty and business performance (Lee et al., 2004).

THEORETICAL FRAMEWORK

H1: Brand Awareness and Satisfaction and Loyalty

Customers tend to make decisions swiftly regarding a product if they know about or they recognize the brand. The better the consumers can identify, recall and remember a firm's brand the more satisfied will they be (Keller, 1993). Brand awareness has a stronger impact on the subsequent purchasing choices if the product once tried out fulfilled the consumer's expectations (Keller, 1993). A number of research projects have analyzed the relationship between brand awareness and customer satisfaction within the context of the hospitality industry (Ahmand & Hasshim, 2010), who researched the mediating effects of consumer satisfaction on the relationship between brand awareness and brand loyalty in the hotel and restaurant industry. Therefore, the hypothesis is proposed:

- *H1a: brand awareness has a positive effect on satisfaction.*

Keller (2013) emphasized that one of the advantages of developing strong brand awareness is that it influences the consumer to include the brand in a set of alternatives that can be considered for future purchases. In addition, strong brand awareness can affect a consumer's buying decision in terms of brands that are being considered. Past studies reveal that brand awareness positively influences brand loyalty (Dhurup, Mafini & Dumasi, 2014). The studies showed that brand awareness contributes significantly to the prediction of brand loyalty. Therefore, it is hypothesized that:

- *H1b: Brand awareness has a positive influence on loyalty.*

H2: Perceived Quality and Satisfaction and Loyalty

Numerous researchers provide conceptual and empirical evidence to support a positive relationship between service quality and customer satisfaction. For instance, Oliver (1993) finds that service quality is an antecedent

of consumer satisfaction and that both constructs should positively associate with each other. With this view, Gera (2011) investigated the link between service quality, value, satisfaction and behavioral intentions in a public sector bank in India and stated that service quality was found to significantly impact on customer satisfaction and value perceptions. Empirical research confirms the positive relationship between service quality and consumer satisfaction in the hospitality industry (Heung, Wong & Qu, 2002; and Tam, 2000). Therefore, the following hypotheses have been proposed.

- *H2a: Perceived quality has a positive effect on satisfaction.*

Many empirical studies believed that the customers tend to become loyal to a brand which its offer is based on high quality (Hsu et al., 2012; and Dawood & Affara, 2015). Chow et al. (2017) using a structural equation modeling technique, examined the effect of perceived quality on brand loyalty in Taiwan's industrial tourism. The result showed that perceptions of good quality will help promote brand loyalty. More recently, Bihamta et al. (2017) addressed the impact of service quality and brand equity on hotel restaurant satisfaction and brand loyalty among international and local travelers. On the basis of all these findings, the following research hypothesis is:

- *H2b: Perceived quality has a positive effect on the loyalty.*

H3: Brand Association and Satisfaction and Loyalty

Each association is based on the consumers' memories and experiences of the brand (Aaker, 1991). Thus, brand associations influence a consumer's brand choices and purchases (Aaker, 1996; and Keller, 1993). Kumar (2014) has proved that there is a significant relationship between the brand association and customer satisfaction. Nassar (2017) examined the effect of brand association on customer satisfaction among international and local travellers and in the Egyptian hotel industry. Hence, there is a positive relationship between website brand associations and satisfaction.

- *H3a: Brand associations has a positive effect on satisfaction.*

Brand association would provide consumers with a purchasing reason, because most brand associations are related to brand attributes, the target consumer market, and the benefits that consumers need, so that they form the foundation of brand loyalty and consumers' purchasing decisions (Len, Cind & Lynn, 2007). Many previous studies show that brand association directly influences brand loyalty (Pike et al., 2010; and Buil et al., 2013). Thus, drawing from the above mentioned discussion, they are therefore hypothesized that:

- *H3b: Brand association has a positive influence on loyalty.*

H4: Satisfaction and Loyalty

In services, the relationship between satisfaction and loyalty seems almost intuitive. Confirmation of this idea has been attempted by several researchers (Woodside, Frey & Daly, 1989). Brakus et al. (2009) examined relationship between brand satisfaction and brand loyalty for a bundle of several brands and stated that satisfied consumers usually want to stay with the brand in the future. It has been argued that the strength of positive relationship between brand satisfaction and brand loyalty may differ from customer to customer or across product categories (Dong et al., 2011).

Further, studies have explained the positive influence of customer satisfaction on brand loyalty in the context of services (Nysveen et al., 2013), the hotel and restaurant industry (Nam et al., 2011), and hotel industry (Nassar, 2017). Hence, the following hypothesis is suggested.

- *H4: satisfaction is positively associated with loyalty*

H5: Mediating Effect of Satisfaction on Dimensions of Brand Equity

Brand awareness, perceived quality, and brand associations can all strengthen brand loyalty by increasing customer satisfaction and providing reasons to buy the product. Even when these assets are not visibly pivot able to brand choice, they can reassure the customer, reducing the incentive to try other brands (Aaker, 1992). When the consumers perceive that a brand has fulfilled its promises, they are more likely to believe that this particular brand will behave in the same manner in the future (Flavián et al., 2006). Whereas a dissatisfied customer is most probably search for information on other alternative brands and more likely to switch to competitor brand (Anderson and Srinivasan, 2003). Customers' satisfaction and appreciation for a brand result in loyalty (Anderson and Sullivan, 1993). Hence, the hypothesis is predicted as follow.

- *H5: There is a positive mediating effect of satisfaction on dimensions of brand equity*

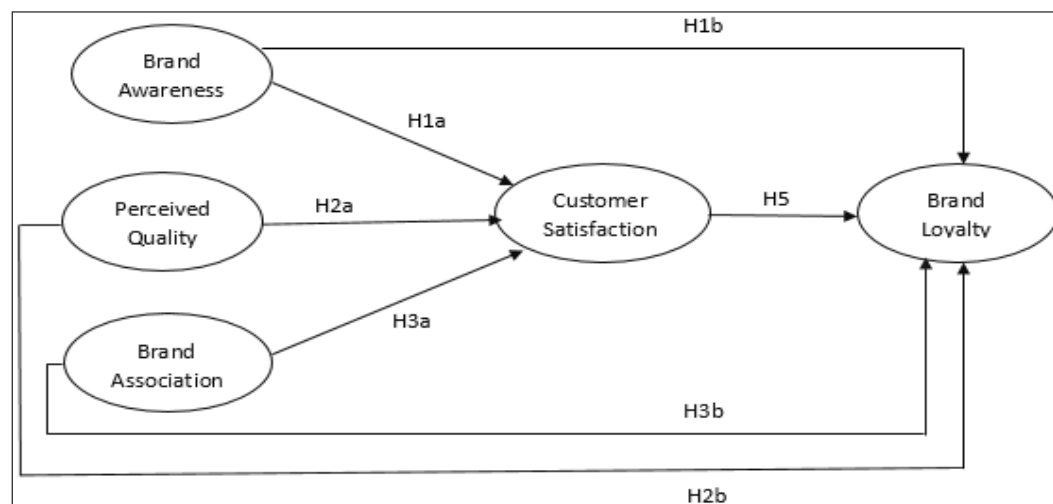


Fig. 1: The Proposed Conceptual Model

RESEARCH METHOD

Survey Instrument

The questionnaire is divided into two parts. The first is concerned with the demographic. The second part is the independent and dependent variables. The data collection instrument is a structured questionnaire. A pool of 27 items compiled from the literature was incorporated into the questionnaire. A Likert-scale of 1 to 5 was adopted for all measure with the anchors 'strong disagree' (1) and 'strongly agree' (5).

Six test items for measuring *brand awareness* were obtained from empirical studies of Yoo and Donthu (2001). Two service quality dimensions—physical quality and staff behaviour—are incorporated to measure *perceived quality* of hotel brand (Nam, Ekinici & Whyatt, 2011). Five items are proposed for measuring the perceived quality of a hotel brand through the customer's perception of service quality responds to customer's needs. Four items regarding *brand association* were modified to investigate the connection between the brand and customers based on the studies of Aaker (1996). *Customer satisfaction* with five items was assessed by adapting the scales developed by Oliver (1980) to measure customer satisfaction after using the service of

the hotel brand. Lastly, brand loyalty with four items was evaluated by using scale items adapted from Zeithaml, Berry and Parasuraman (1996).

All items were translated from English into Vietnamese by two bilingual doctoral students. These items were modified

through face-to-face interviews with 11 lecturers those who are our colleges to ensure the clarity of the questionnaire. The scale was then translated back into English by two professors who were unfamiliar with the original items. All items after modifying were described in the index (Table 1).

Table 1: Measurement of Independent and Dependent Variables

Dimensions/Scales	Code	Items
Brand awareness (BW)	BW1	I have easily in imagining this hotel brand in my mind.
	BW2	I am familiar with the hotel brand.
	BW3	I can recognize this hotel brand among competing brands.
	BW4	This hotel brand is the only brand recalled when I need to make a purchase decision on the service.
	BW5	This hotel brand comes up first in my mind when I need to make a purchase decision on the service.
	BW6	I am familiar with the hotel brand name.
Perceived quality(PQ)	PQ1	This hotel brand has modern-looking equipment.
	PQ2	Materials associated with the service (such as menus, furniture) are visually appealing.
	PQ3	Employees of this hotel brand listen to me
	PQ4	Employees of this hotel brand are helpful
	PQ5	Employees of this hotel brand are friendly
Brand association (BA)	BA1	This hotel brand is safe to use/consume.
	BA2	I believe that this company and people who stand behind the hotel brand are socially responsible
	BA3	The hotel brand is well priced.
	BA4	I believe that this company who stand behind the hotel brand does not take advantage of consumers.
Customer satisfaction (CS)	CS1	I am satisfied with my decision to purchase service from the hotel brand
	CS2	I feel satisfied with service quality of staff from the hotel brand
	CS3	My choice to purchase from the service was a wise one.
	CS4	The overall quality of provided physical features (facilities, equipment, room,...) made me satisfied
	CS5	I think I did the right thing by buying from the service.
Brand loyalty (BL)	BL1	In thinking about hotel service, the brand is my first choice
	BL2	As long as the present service continues, I can hardly consider changing to other hotel brand
	BL3	I will promote the hotel brand to my close friends
	BL4	In future years, I would still often purchase service from the hotel brand

On the other hand, two stages of pre-tests were conducted on the questionnaire. Firstly, the questionnaire was done by 11 lecturers to ensure all questions easily for interviewing. Basing on their feedback, the wording of the questionnaire relating to brand equity, customer satisfaction and brand loyalty was justified. Secondly, the pilot test was performed by interviewing with 137 citizens to ensure that its constructs were reliable and valid by Cronbach's Alpha analysis. The result showed that all items of research constructs were clarity and reliability with Cronbach's Alpha coefficient of each items was from 0.70 to 0.85.

Sample and Data Collection

The survey was launched from September 2018 to May 2019 at three big cities in Hanoi, Hue and Hochiminh city and also

at four tourism destinations in Quang Ninh, Da Nang, Nha Trang and Dalat. These places have center points and popular tourist destinations which attract a large number of visitors to use hotel services for many purposes of travelling such as business, meeting and conference, or taking a vacation. This sample size was determined at 1000. Data was collected through face-to-face interview method. The interviews were trained to base on the purpose of the study and investigating method. In order to obtain at least 1000, 1300 surveys were launched and collected 1057 responses. In which, 41 back surveys which were not fully answered, were excluded from the study. The final result was 1016 valid questionnaires with the response rate of 78.15%. Demographic characteristics of customers (gender, age, job, income and frequency to use hotel service per year) are described in the index (Table 2).

Table 2: Demographic Characteristics of Customers

Characteristic	Number	Percent
<i>Gender</i>		
Female	536	52.8
Male	480	47.2
<i>Age</i>		
Below 20	87	8.6%
21-30	251	24.7%
31-40	369	36.3%
41-50	199	19.6%
Above 50	110	10.8%
<i>Job</i>		
Student	77	7.6%
Staff	323	31.8%
Business	319	31.4%
Other	297	29.2%
<i>Income per month (USD)</i>		
Below 250	252	24.8
250-500	204	20.1
500-1000	226	22.2
1000-1500	200	19.7
Above 1500	134	13.2
<i>Frequency to use hotel service per year</i>		
Below 2 times	315	31
2-4 times	492	48.4
4-6 times	151	14.9
Above 6 times	58	5.7

Data Analysis Method

This analysis confirms the factor used to assess the reliability and validity of all constructs in the model. The saturated model is used to evaluate final model compatibility with

actual data (Chi-square/df coefficients < 5; CFI, TLI, IFI > 0.9 and RMSEA < 0.08) (Kline, 2011). The factor loadings of each observed variable (> 0.5) are considered convergent validity (Hair et al, 2010). In order to the discriminant validity between the constructs in the model, the criteria the square root of average variance extracted off each construct is performed. Otherwise, the Cronbach's Alpha coefficients and composite reliability coefficients (> 0.7) and the average variance- AVE (> 0.3) also reveal that the factors achieve the required reliability (Fornell & Larcker, 1981). Finally, the structural equation modelling (statistical significant at 0.05) is conducted to test the research hypotheses.

DATA ANALYSIS

Reliability and Validity of Variable Measurement

Item-to-total correlations and exploratory factor analysis were analyzed to assess the scales. To examine the validity of constructs, confirmatory factor analysis was conducted to assess the measurement scale. The analysis result revealed that the model achieved overall fit with the actual data (Chi-square/df = 3.656; GFI = 0.931, CFI = 0.922; TLI = 0.910; RMSEA = 0.051). The factor loadings of each item in the constructs (> 0.5) showed that the components in the first-order construct were reached convergent validity. The Cronbach's Alpha and composite coefficients (> 0.7) and average variance extracted (> 0.3) indicated that the first order construct achieved the reliability. The testing by the square root of average variance extracted coefficients compared to the correlation of the constructs confirmed that the constructs in the model reached discriminant validity (Table 3, 4).

Table 3: The Reliability and Convergent Validity

Construct	Range of Loadings (CFA)	Cronbach Alpha	Composite Reliability	Average Variance Extracted
BW	0.609-0.689	0.808	1.165	54.1%
PQ	0.611-0.673	0.792	1.204	54.2%
BA	0.594-0.704	0.754	1.242	56.3%
CS	0.562-0.66	0.776	1.248	50.2%
BL	0.564-0.601	0.700	1.360	48.6%

Table 4: Discriminant Validity

Constructs	BW	PQ	BA	CS	BL
BW	0.736				
PQ	0.598	0.736			
BA	0.384	0.641	0.750		
CS	0.561	0.705	0.650	0.709	
BL	0.694	0.69	0.513	0.688	0.697

Hypothesis Testing

There were five models conducted to test the direct and indirect relationships among constructs in the model. The findings showed that brand association and perceived quality had indirectly impact on brand loyalty, and also showed that customer satisfaction played the mediating role in the model.

There was statistically significant in direct effect of hotel brand association on hotel brand loyalty without other constructs (model 1) while insignificance statistically founded in direct impact on analyzing with other constructs

(model 5). Similarly, perceived quality has direct effect on brand loyalty in model 2 while there was the none-direct relationship between brand association and brand loyalty (model 5). Model 3 and Model 4 revealed the role of customer satisfaction as a mediator. In the saturated model (model 5), there were statistically significant in direct relationship between hotel brand equity (including brand awareness, brand association and perceived quality) and customer satisfaction; indirect impact of hotel brand awareness on brand loyalty. On the other hand, H1a, H2a, H3a, H1b and H5 were accepted while H2b and H3b were not supported (Table 5).

Table 5: The Result of SEM Analysis

Relationships			Model 1		Model 2		Model 3		Model 4		Model 5	
			Std. Beta	p-value	Std. Beta	p-value	Std. Beta	p-value	Std. Beta	p-value	Std. Beta	p-value
BA	->	CS	-	-	-	-	0.623	<0.001	-	-	0.270	<0.001
BA	->	BL	0.517	<0.001	-	-	-	-	-	-	-	-
PQ	->	BL	-	-	0.692	<0.001	-	-	-	-	-	-
PQ	->	CS	-	-	-	-	-	-	0.753	<0.001	0.450	<0.001
CS	->	BL	-	-	-	-	0.867	<0.001	0.894	<0.001	0.696	<0.001
BW	->	CS	-	-	-	-	-	-	-	-	0.187	<0.001
BW	->	BL	-	-	-	-	-	-	-	-	0.304	<0.001
Model fit indexes			Chi-square/df=4.437; CFI = 0.957; TLI = 0.937; GFI=0.977; RMSEA = 0.058		Chi-square/df=4.975; CFI = 0.959; GFI=0.973; TLI=0.941; RMSEA =0.063		Chi-square/df=3.235; CFI=0.964; TLI =0.953; GFI=0.971; RMSEA =0.047		Chi-square/df=3.235; CFI=0.963; TLI =0.953; GFI=0.968; RMSEA =0.047		Chi-square/df=3.645; CFI=0.921; TLI =0.910; GFI=0.931; RMSEA =0.051	

Table 6: Direct, Indirect and Total Effect Coefficients

Dependent Variable	Effect	BW	PQ	BA	CS
CS	Direct	0.187	0.450	0.270	0.000
	Indirect	0.000	0.000	0.000	0.000
	Total	0.187	0.450	0.270	0.000
BL	Direct	0.304	0.000	0.000	0.696
	Indirect	0.130	0.313	0.188	0.000
	Total	0.435	0.313	0.188	0.696

In order to assess the total impact of all factors in the model; the total effect analysis is performed (Table 6). The result indicated that perceived quality has the largest direct impact on customer satisfaction (0.450), following by brand association (0.270) and lastly brand awareness (0.187). Otherwise, customer satisfaction played key role in

mediating brand equity model in a hotel. It also means that there was the indirect relationship between brand awareness, brand association, perceived quality and brand loyalty while perceived quality has the biggest indirect effect on brand loyalty (0.313), following by brand association (0.188) and finally brand awareness (0.130).

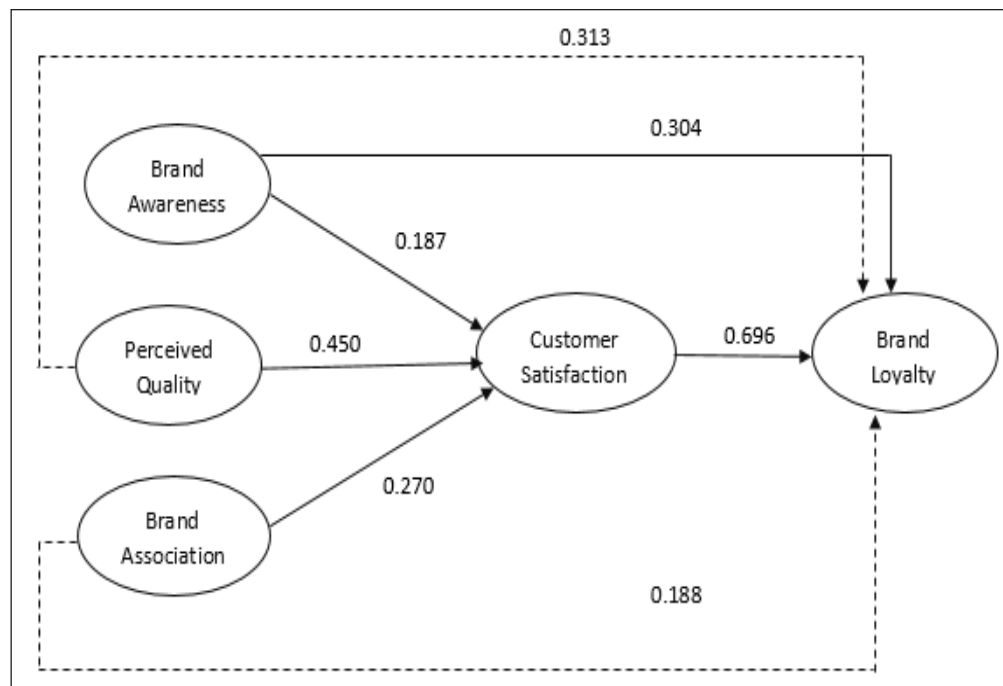


Fig. 2: The Saturated Model

With regard to the saturated model (Fig. 2), the results indicated that H1a, H1b, H2a, H3a and H5 are supported except for H2b and H3b. More specifically, the results impressed that brand equity is influential predictors, while perceived quality is the most determinant on customer satisfaction, followed by brand association and awareness. Customer satisfaction refers to the level to automatically make a connection between brand equity (brand awareness, brand association and perceived quality) and brand loyalty.

DISCUSSION

In general terms, the positive influences in building brand loyalty in the hotel industry of all proposed factors (brand equity and customer satisfaction) are also confirmed. However, contrary to the idea of brand equity (brand awareness, brand association and perceived quality) being the most important factors affecting brand loyalty (Chow et al., 2017; González-Mansilla, Berenguer-Contrí & Erra-Cantalops, 2019), the customer-based brand satisfaction in this paper plays the key role in mediating the impact of brand equity on brand loyalty. Likewise, a large number of studies also found the effect of brand equity on brand loyalty through customer satisfaction (Hussain, Nasser & Hussain, 2015; and Iglesias, Markovic & Rialp, 2019).

On the other hand, the constructs brand awareness, brand association and perceived quality have positively direct impact on customer-based brand satisfaction. Therefore, hypotheses 1a, 2a and 3a were confirmed. Similar to González-Mansilla, Berenguer-Contrí and Serra-Cantalops

(2019) indicated the brand equity and perceived value are positively linked with customer satisfaction in the hotel industry while Lin (2015) examined these relationships between brand equity and customer satisfaction in Airline industry. In addition, similar to Giovanis & Athanasopoulou (2018) we confirmed that customer-based brand satisfaction has a positively direct influence on brand loyalty. Consequently, hypothesis H5 was accepted.

Moreover, brand awareness has a positively direct impact on brand loyalty, so the hypothesis 1b was confirmed. This finding is consistent with previous studies (Sasmitha & Mohd, 2015; Kim, Choe & Petrick, 2018) which have found brand awareness to reinforce loyalty. Besides, many past researches revealed that perceived quality is an important component in conceptualizing brand loyalty (Gomez, Lopez & Molina, 2015).

This research concluded that perceived quality has not direct impact on brand loyalty but have indirect influence on loyalty, thus hypothesis 2b was not confirmed. In this sense, Kandampully et al. (2011) and Severi and Ling (2013) empirically analyzed the effect of perceived quality on brand equity. They found that perceived quality and brand loyalty had no direct link; these two constructs had an indirect relationship through other factors. Besides, Bose et al. (2018) measuring customer-based place brand equity from a public diplomacy perspective showed that perceived quality does not affect directly to brand loyalty, just has indirect impact through brand engagement. Especially, Wu (2011) studied the impact of hospital service quality on customer satisfaction and loyalty. Similar to us, he stated

that customer satisfaction has a vital role in mediating the impact of service quality on loyalty. On the other hand, his research showed the indirect effect of service quality on loyalty through patient satisfaction.

Finally, brand association also had an indirect relationship with brand loyalty through customer-based brand satisfaction. Other word, a brand association was not a direct impact on brand loyalty in the context of the Vietnamese hotel industry, thus hypothesis 3b was not supported. Similar to this, Algharabat et al. (2019) also indicated that brand association do not affect brand loyalty.

CONCLUSION

This study offers an important theoretical contribution to the literature including the effect of brand equity (brand awareness, perceived quality and brand association) on brand loyalty through the mediating role of customer-based brand satisfaction in hospitality literature. This paper adopted the multidisciplinary approach to obtain a comprehensive understanding of the literary hotel industry, forming the basis for further research and conceptual elaboration. Therefore, it can be believed that this study has a valuable contribution to the hotel industry and help to understand a hotel brand.

However, this paper also has some limitations. At first, we have not yet compared the efficacy of two different measures which are affective and cognitive items in brand loyalty construct. Therefore, we need to improve in future research. Secondly, this research does not discuss the interrelationships among other brand equity like hotel brand image, hotel brand effectiveness influence brand loyalty (Kladou & Kehagias, 2014). Consequently, future studies should improve this gap. Thirdly, the customers' demographic characteristics in this study did not explore because the difference on gender may be perceived differently in analyzing advertising (Lin et al., 2008). Thus, the effect of age and gender should be studied in the future to examine the result in different types of customers. Finally, this study was conducted in Vietnam, not in different countries and other different cultures. Future research also needs to improve this limitation.

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