Hospitality Co-branding: Enhancement or Erosion in CBBE?

Asli D. A. Tasci, Ph.D.
Assistant Professor
School of Tourism Recreation and Sport Management
University of Florida
FL 32611, USA
E-mail: adatasci@hhp.ufl.edu

&

Basak Denizci Guillet, Ph.D.
Assistant Professor
School of Hotel and Tourism Management
Hong Kong Polytechnic University
Hung Hom, Kowloon, Hong Kong
Fax: + 852 2362-9362
E-mail: hmbasakd@polyu.edu.hk

Submitted exclusively to:

1st submission:

Hospitality Co-branding: Enhancement or Erosion in CBBE?

ABSTRACT

Co-branding is suggested as a competitive strategy for the hospitality industry due to its potential benefits. Although implied, the potential impact of co-branding on consumer-based brand equity of partner brands and the composite brand has not been empirically investigated in the hospitality industry context. Therefore, a four-phase study design with a structured survey was applied to general tourist population in Hong Kong to identify the potential influence of co-branding on the brand equity of individual brands as well as the hotel-restaurant composite brand versus the hotel-retail composite brand. Surprisingly, results revealed brand equity erosion rather than brand equity enhancement for even the presumably fit hotel, restaurant, and retail brands. Implications and future research suggestions are provided.

1. INTRODUCTION

Co-branding is suggested as a competitive strategy for the hospitality industry due to its potential benefits, particularly consumer-based brand equity (referred to as CBBE, henceforward) enhancement. However, the literature on hospitality co-branding does not provide insights in terms of the potential influences of co-branding onto the CBBE of partner brands and the composite brand. Despite a substantial amount of articles on brand extension of manufactured products as well as tourism and hospitality products, the existing theory does not fully explain the extent and direction of a change in brand equity in case of co-branding. Although the benefits of co-branding are discursively delineated from management perspectives, CBBE has not been linked to any of the identified benefits. Therefore, this study's aim is to empirically investigate and elaborate on the potential influence of co-branding on the CBBE of hotels and their more conventional partner brands (restaurants) and less conventional partner brands (retail brands), as well as their composite brands, namely hotel-restaurant composite brand versus the hotel-retail composite brand.

2. LITERATURE REVIEW

CBBE is conceptualized and operationalized with either "a financially-based motivation to estimate the value of a brand more precisely for accounting purposes (in terms of asset valuation for the balance sheet)… or with "a strategy-based motivation to improve marketing productivity" (Keller 1993, p.1). The former motivation regards a brand as an asset with a value for the firm that generates more earnings than the value of the tangible assets (de Chernatony and McWilliam 1990). The latter motivation puts the focus more on the "consumer response to the marketing of the brand" (Keller 1993, p.8) and the brand meanings for consumers. These brand meanings for consumers, termed as CBBE, are postulated to occur "when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory" (Keller 1993, p.2). More specifically, CBBE is the

total of meanings of a brand for consumers including associations, awareness, familiarity, quality and value perceptions, which induce consumer loyalty and boost revenues through higher price premiums (Aaker 1991, 1996a, 1996b; Davis and Smith 1998; Keller 1993, 2003).

Hence CBBE research involves consumer perceptions (awareness, image, associations, perceived value and perceived quality) or consumer behavior (intention, loyalty, willingness to pay price premiums) or both. Brand awareness, ranging from brand recognition, to brand recall, to top-of-mind recall, and to the only brand recalled (Aaker 1991, p.61) and brand associations, "anything linked to the memory of a brand" (Aaker 1991, p.109) including attributes, benefits, and attitudes (Keller 1993) are considered necessary but not sufficient for high CBBE (Washburn and Plank 2002). Although these are clearly separate constructs, awareness preceding associations (Aaker 1991; Keller 1993), they are highly correlated; hence collapsed into the construct of image in some studies measuring CBBE for tourism and hospitality products. Image is the "result of composite perceptions which are, in turn, dictated by attitudes to result in a positive or negative image" (Sussman and Unel 1999, p.211). Thus, single scale of holistic image or multi-scales of image attributes are used to measure images of tourism products as a single dimension or as part of CBBE (Echtner and Ritchie 1991; Gartner, Tasci, and So 2007; Kim and Kim 2004; Lee and Back 2008; Prasad and Dev 2000).

Brand quality is "customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose relative to alternatives" (Aaker 1991, p.85). Brand value was not defined as a separate brand equity dimension (Aaker 1991); however, increasing attention on this construct has set the basis of the need to do so. Value dimension includes two constructs: 1) the perceived ratio of benefits over costs of having a brand, referred to as 'consumer value' or 'perceived value' (Woodruff 1997; McDougall and Levesque 2000; Zeithaml 1988); and 2) a price premium that can be charged for a brand

compared with similar products and consumers are willing to pay, usually called as 'brand value' (Crimmins 2000; Keller 2003). In fact, 'brand value' depends on 'consumer value'; as long as consumers believe that benefits provided by the brand are equal or more than the costs of having the brand, they are expected to be willing to pay higher prices and not switch even in case of price increases (Crimmins 2000; Keller 2003). Loyalty has both covert indicators of attitudinal commitment -preference, price sensitivity, and liking- and overt indicators of behavior -actual repeat purchase and intentions, free information provision, positive word of mouth, etc. (Bowen and Shoemaker 2003; Dick and Basu 1994; Keller 1993, 2003; Yoo and Donthu 2001). In addition, being related to many of the above consumer behavior variables, constructs of consumer trust has also been studied as a proxy to consumer loyalty (Huang and Chiu 2006; Jang and Feng 2007).

The potential effect of co-branding on CBBE is based on the general marketing literature on several related constructs including, multi-branding, brand extension, ingredient or component branding, dual branding, composite branding, joint sales promotions, advertising alliance, product bundling, cross promotion, joint branding and symbiotic marketing (Aaker and Keller 1990; Dickinson and Barker 2007; Dipietro 2005; Hadjicharalambous 2006; Helmig, Huber, and Leeflang 2007; Leuthesser, Kohli, and Suri 2003; Muller 2005). The effect of co-branding on CBBE is explained by the synergy effect that the marriage of two brands accrues to not just the sum value of the individual brands but an extra value by mutual strengthening of each other's assets (Rao and Ruekert 1994), which happens by spill-over effects between the brands and transfer of meanings from the individual brands to the co-brand (Park, Jun, and Shocker 1996; Simonin and Ruth 1998; Washburn, Till, and Priluck 2000).

For example, Ueltschy and Laroche (2004) argued that co-branding can be a win-win situation for one or both partners if it is properly planned, handled and executed. Evaluations

of brand alliances are influenced by brand attitudes for the original or parent brands, familiarity and perceived fit between the original brands; this fit is believed to create spillover effect for the original brands and the transfer effect for the co-brand (Aaker and Keller 1990; Simonin and Ruth 1998). Helmig, Huber, and Leeflang (2007) reviewed the relevant literature on ingredient branding and concluded that "high brand awareness…and positive brand evaluations lead to positive evaluations of co-branded products" (p.288). However, strong parent brands have more influence on the perception of the co-brands and less influenced by the attitudes towards the co-brand than the weaker parent brands (Simonin and Ruth 1998). Perceived fit or compatibility is found to have positive impact on evaluations of the co-brand (Simonin and Ruth 1998). Perceived fit is proposed to include several dimensions including concept consistency, typicality, relatedness and similarity, which is known to be the mostly used dimension (Dickinson and Barker 2007). Also, product complementarity of the original or parent brands is seen "as a key appeal in co-branding, because complementarity allows the co-brand to inherit the desirable qualities of each of the parent brands" (Leuthesser, Kohli, and Suri 2003, p.39).

Hadjicharalambous (2006) classifies co-branding extensions as either homo-brand (similar industries) or hetero-brand (different industries) extensions and delineates "the effect transfer model" to explain the potential consequences; according to this model, : "the basic premise of the affect transfer model is that when the extension category is similar to the parent brand category and the fit between the core brand and the extension is good, the evaluation of the extension is based on attitudes toward the core brand…. the more favorable the attitude toward the core brand, the more favorable the evaluation of the extension" based on several criteria including the quality and fit of the involved brands (p.376).

Washburn, Till, and Priluck (2000) conducted a before and after trial design to test the effects of co-branding and concluded that "co-branding is a win/win strategy for both co-

branding partners regardless of whether the original brands are perceived by consumers as having high or low brand equity. Although low equity brands may benefit most from co-branding, high equity brands are not denigrated even when paired with a low equity partner. Further, positive product trial seems to enhance consumers' evaluations of co-branded products, particularly those with a low equity constituent brand" (p.591).

However, most research on hospitality co-branding is discursive rather than empirical. On co-branding of multiple restaurant brands, as Yum! Brands, Muller (2005) speaks in favor by referring to the benefits of "giving customers a wider choice of food in a given location and reducing customers' search costs" (p.92), while Dipietro (2005) warns that such co-branding may cannibalize the future of a brand by diluting the image, value and satisfaction of a brand for consumers. On co-branding of hotels with restaurants, on the other hand, Siguaw and Enz (1999) list the benefits as better value for money, high quality, and customer satisfaction, especially beneficial when brands are owned by the same company; however, they also warn that target market segments have to be the same.

A few empirical studies exist; however, most of them lack a complete measurement of consequences of co-branding on CBBE. Lee, Kim, and Kim (2006) investigated the impact of co-branding cards (credit cards that restaurants ally with) on post-purchase behaviors of loyalty (only one dimension of CBBE) and purchase patterns in family restaurants in Korea; comparison of cardholder customers with non-cardholder customers revealed positive impact on both attitudinal and behavioral loyalty. Denizci-Guillet and Tasci (2010a) investigated travelers' preferences on hotel and restaurant co-brands by allowing traveler respondents to make matches between given hotel and restaurant brands, in other words, to create hypothetical hotel-restaurant co-brands. Their results revealed that, for both Asian and Western travelers, familiarity is the critical factor in judgment of product fit and compatibility. Based on their results on travelers' mix and match preferences as well as brand

strength and fit perceptions, they concluded that "unlike most consumer product co-branding, when a hotel and a restaurant co-brand, they do not physically blend to create a totally new hybrid product. Therefore...loss of identity or shadowing, and thus brand (identity) clash, is one potential consequence of pressing two stars together" (Denizci-Guillet and Tasci 2010a, p.160). In another study, they investigated travelers' preferences on a hetero-brand co-brand, namely hotel-retail co-brands and found similar results. Familiarity was the critical factor in evaluations of co-brands; thus they concluded that "consumer perception of product compatibility and fit may not be favorable when there is a lack of familiarity" (Tasci and Denizci 2010, p.496). However, they warned that perceived compatibility may not be enough to guarantee "consumer liking and favorable behavior…towards a hotel and retail co-brand" (Tasci and Denizci 2010, p.496). Their results also had implications on product complementarity; since respondents had difficulty in pairing of hotels with retail brands, they suspected lack of perceived complementarity in hotel-retail co-brands, unlike other options such as hotel-restaurant co-brands.

In investigating the impact of co-branding on CBBE, Denizci-Guillet and Tasci (2010b) also used a real co-brand of two very strong brands globally, the Disney-McDonald's alliance that had a lifetime of 10 years between 1996 and 2006. Comparing the ratings of each company separately and as a pair in terms of CBBE dimensions and fit, they found lower ratings for McDonald's than that of Disney, except for price and familiarity dimensions. They suspected that in this old brand friendship, McDonald's might have been the beneficiary while Disney might have been denigrated, leading to the conclusion that "co-branding may not always be a win-win strategy for all partners regardless of the power of each separate brand. Their results supported the suggestions of other researchers in terms of attitudes toward parent brands affecting attitudes toward the co-brand (Dickinson and Barker 2007; Simonin and Ruth 1998; Aaker and Keller 1990). However, their findings in terms of familiarity's impact

on brand equity perception run against the common propositions in literature since Asians with less experience and familiarity with these two Western brands rated the majority of the CBBE dimensions of the parent brands and the co-brand higher than the Westerners. They attributed this contradictory finding to cultural differences in perception and the potential variety and diversity elements provided by such Western brands in Asian popular culture.

In light of the above literature review, the aim of the current study is to assess if the transfer effect of cobranding is CBBE enhancement or CBBE erosion in hotel-restaurant composite brand versus hotel-retail composite brand for different market segments. The brand equity dimensions include: 1) familiarity about a brand; 2) a general positive image of the brand; 3) quality of product and service of a brand; 4) consumer value in terms of the difference between costs and benefits of using a brand, namely value for money; 5) brand value in terms of brands' premium prices; and 6) loyalty manifested in attitudinal indicators of trust, liking, preference and intention to re-purchase a brand next time and preference and intention to re-purchase a brand as the first choice compared to others (as also tested by Yoo and Donthu 2001 and Denizci-Guillet and Tasci 2010b). Brand awareness and brand associations are collapsed into the brand image construct for the purposes of this study (as also was preferred by Gartner, Tasci, and So 2007).

3. METHODOLOGY

This is an exploratory study, with a cross-sectional research on Chinese and international travelers in Hong Kong. Hypothetical co-brands of real brands were used, as was also the case in Park, Jun, and Shocker's study (1996). The study was conducted in three phases, a pilot test, two preliminary phases and two follow up phases. The pilot test and the preliminary two phases were conducted to both test the questionnaires and identify the brands that are most suitable to use for effective and efficient results in the main phases, which were conducted to identify the transfer effect of co-branding in hotel-restaurant composite brand

versus the hotel-retail composite brand. Since the aim of the current research is to identify the potential influence of hotel-restaurant and hotel-retail cobranding on CBBE rather than defining ultimate or appropriate co-branding options or strategies for any brand, a survey on a large group of respondents is preferred rather than in-depth choice experiments with a small group of respondents.

The four-phase design with different sample groups was chosen for two reasons: (1) to identify the transfer effect of co-branding for hotel-restaurant and hotel-retail co-brands separately to eliminate possible respondent bias (tiredness, fatigue, reiteration, inference, familiarity); and (2) to acquire the highest response rate possible with short and simple questionnaires. Nevertheless, to have similar sample profiles in each phase, all phases of the study were conducted using cross-sectional site intercept surveys with structured questionnaires on randomly selected respondents with very short time intervals between phases, at the Avenue of Stars of Hong Kong, the number three tourist attraction in Hong Kong (Hong Kong Tourism Board 2008). Hence, sample representativeness is assumed; even if not, it is not considered as a threat for the validity of the results since the purpose of the current study is beyond description of Hong Kong's tourist population. The response rate among the appropriate respondents, excluding residents and expatriates, was about 80%.

A structured and short survey in English and both versions of Chinese was used in each phase of the study. Survey items were prepared based on the co-branding literature on consumer product and hospitality marketing. The first two phases and last two phases of the study had identical questionnaires except for the co-brand partner for the hotel being restaurant in the 1st and 3rd phases and retail on the 2nd and 4th phases. Questionnaires were printed in color so that brand logos are complete with color connotations for respondents. Considering the respondent profile, half of the brands selected were of Western origin and the other half of Asian origin (See Figure 1). Economy, mid-priced and upscale hotel restaurant and retail brands were included to account for the quality inference. As can be see from the figure, 2 made up brands, 1 in each category were included

for control purposes to see if consumers provided honest responses when asked about their awareness and use of certain brands. Only a minimal amount of respondents reported awareness and use of the made-up brands, hence were neglected. The expert opinion of 10 Chinese and international scholars was used regarding their perceptions of which hotel, restaurant and retail brands were most representative of the economy, mid-priced, and upscale categories. However, the reader must be aware that there may not be a clear distinction among the quality levels of some brands, and there might be differences in the perceived quality of some of the brands between Chinese and international travelers.

Figure 1 About Here

In the preliminary phases items included brand awareness, brand use, brand dominance and CBBE ratings of brands and their co-brands: JW Marriott Hotel and Morton's Steakhouse separately and paired up as a co-brand in the 1st preliminary phase; JW Marriott Hotel and Burberry separately and paired up as a co-brand in the 2nd preliminary phase. Based on the results of these two preliminary phases, brands of the 3rd and 4th phases were defined; with identical measurement scales except for the brands. To identify the potential influence of co-branding on the brand equity of individual brands as well as the composite brand, Grand Metro Park, Quanjude and Giordano were used for Chinese while Novotel, TGI Friday's and Zara were used for others (see Table 1 for information about these brands). Also, to test for potential bias from item order, in each phase, half of respondents (Both Chinese and others) saw the hotel brand logo and related questions above the restaurant or retail brands while the other half received the hotel brand logo and related questions below the restaurant (3rd phase) or retail (4th phase) brand logos and relevant questions; however, analysis revealed haphazard differences in results, without a pattern to generalize.

In all 4 phases, a short and concise brand equity scale prepared by synthesizing the scales used by previous relevant studies, (Gartner, Tasci, and So 2007; Kim and Kim 2004; Lee and Back 2008; Prasad and Dev 2000; Yoo and Donthu 2001). Since the main purpose

was to measure change in brand equity due to co-branding, rather than measuring the equity of each brand, use of a representative sample or use of an extensive brand equity scales was not compulsory. All brand equity and fit measures were assessed through 7-point Likert scales as this is preferred by most consumer attitude studies due to more variability potential of such wider scale intervals (Simonin and Ruth 1998; Washburn and Plank 2002; Washburn, Till, and Priluck 2000). Perceived fit in this study refers to respondent perception of brands' associative consistency as also was used by Dickinson and Barker (2007) in studying brand alliances.

Table 1 About Here

4. RESULTS

4.1. Two Preliminary Phases

SPSS 11.0 was used to analyze the data; frequencies, descriptives, t-test and chi-square test were used for the objectives of this study. A total of 801 surveys were completed, with 419 from Chinese travelers (Mainland Chinese, Macau residents, and Taiwanese), 261 from Western travelers (mainly European and North American), and 121 from travelers from other Asia-Pacific countries (mainly Australian). As is summarized in Table 2, respondents in the 1st and 2nd phases of the study were middle-aged, with a relatively even gender split, majority being highly educated and visiting Hong Kong for pleasure purposes. These characteristics are representative of "average" Chinese, Asia-Pacific, and Western tourists to Hong Kong in 2007 (Hong Kong Tourism Board 2008).

Table 2 About Here

Results of both preliminary phases indicated that Chinese respondents were significantly more likely to be aware of Asian brands, while Westerners and Asia-Pacific respondents were more likely to be aware of Western brands. Also, Chinese respondents were significantly different from the other two groups in both awareness and use of the included

brands. Table 2 summarizes the awareness and use levels of only the brands relevant to the discussions in this study. Overall, Giordano, Quanjude and Grand Metro Park had the highest level of familiarity, namely awareness and use, among the Chinese respondents, in that order; while JW Marriott, Novotel and TGI Friday's were the most familiar among the other respondents, in that order. Verbal feedback from respondents also showed that Giordano is considered as close to a mid-price brand similar to that of Zara brand, which was not among the retail brands included in the 2nd preliminary phase of the study. Therefore, Chinese and Westerners (along with Asia-Pacific respondents) were decided to be subjected to different questionnaires with Asian and Western brands, respectively, in the 3rd and 4th phases.

In the 1st and 2nd phases, ratings of the CBBE variables displayed a clear advantage of the hotel in the hypothetical JW Marriott and Morton's Steakhouse co-brand. As can be seen from Table 3, the number of respondents in ratings of JW Marriott and Burberry are higher than Morton's, which is taken as an indicator of the level of familiarity with brands. Respondent numbers also drop in ratings of the co-brand even if one partner has high response rate. Hence, individual brand familiarity may not guarantee the transfer effect on the CBBE of the co-brand. Results of both phases revealed that JW Marriott's brand equity is above the average on the 7-point scale for all respondents, except the low familiarity dimension for Chinese respondents.

Table 3 About Here

Phase 1 results revealed that JW Marriott has stronger brand equity than Morton's for all respondents, all being significant except for the high price and two loyalty dimensions (preference for the next trip and preference for all trips) for Chinese respondents. Thus, in their co-brand, Morton's has a substantial equity gain for all respondents, while JW Marriott has a substantial equity loss from other respondents' perspective. Mean ratings of the co-brand equity dimensions are significantly higher than those of Morton's except for one loyalty

dimension (preference for all trips) while mean ratings of the co-brand are significantly lower than those of JW Marriott except for the high price and one loyalty dimension (preference for all trips).

However, 2nd phase results revealed a different picture: Both JW Marriott and Burberry are strong in brand equity, above the average on the 7-point scale, JW Marriott being stronger for others, Burberry being stronger for Chinese but not significantly except for lower familiarity of JW Marriott for Chinese and one lower loyalty dimension (liking) of Burberry for others. When paired, except for JW Marriott's gain in familiarity dimension for Chinese, overall the composite brand results in loss for both brands (see Tables 3). However, the loss is more of Burberry's from Chinese perspective, but more of JW Marriott's from others' perspective. Burberry loses only from familiarity for others while it loses from familiarity, image, high prices and one loyalty dimension (liking) for Chinese. A similar contradiction exists for JW Marriott, which loses in familiarity, image, quality product, quality service, and all four loyalty dimensions (trust, liking, preference for next trip, and preference for all trips) for other respondents. These results signal the implication that for brands to gain in co-branding, brands may need to be less than best but compatible in brand equity perception as well. Therefore, the brands chosen for the next two phases, namely Grand Metro Park-Quanjude and Grand Metro Park-Giordano for the Chinese respondents; Novotel-TGI Friday's and Novotel-Zara for the Westerner and Asia Pacific respondents seemed to be appropriate.

4.2. Two Main Phases

In the 3rd and 4th phases, a total of 519 surveys were completed, with 259 from Chinese travelers (Mainland Chinese, Macau residents, and Taiwanese), 174 from Western travelers (mainly European and North American), and 86 from travelers from other Asia-Pacific

countries (mainly Australian). As displayed in Table 4, respondents in the 3rd and 4th phases were also middle-aged, gender split being skewed toward males in some groups, and majority being highly educated and visiting Hong Kong for pleasure purposes, financing their own trip and staying in a hotel. About a quarter of Chinese respondents used Grand Metro Park, more than once, on average, while the majority of other respondents used Novotel, more than twice, on average. The usage rates of restaurant and retail brands were much higher than those of hotels, especially for the Chinese respondents, with Zara being popular among Western and TGI Friday's being popular among the Asia Pacific respondents.

Table 4 About Here

Table 5 displays that item response rate is much higher for all brands and for all respondents in 3rd and 4th phases than those of the previous phases. Hence, choosing brands with high familiarity improved response in ratings of brand equity for both individual brands and the co-brand. Thus, brand familiarity for both brands may improve the transfer effect on the CBBE of the co-brand. Results of both phases revealed that, both Quanjude and Giordano had better equity ratings than Grand Metro Park for Chinese respondents; while Novotel's ratings were almost equal to both TGI Friday's and Zara for other respondents.

Table 5 About Here

Although Chinese respondents' brand equity ratings of Grand Metro Park, Quanjude and Giordano are above the average on the 7-point scale, Quanjude is significantly better than Grand Metro Park in all dimensions of brand equity and Giordano is better than Grand Metro Park in familiarity, image, quality products, quality services, and one loyalty dimension (trust) while Grand Metro Park is higher than Giordano only in high price dimension. When paired with Quanjude, Grand Metro Park gains in some brand equity dimensions (familiarity, quality products, high prices, and value for money dimensions). Quanjude on the other hand, loses in all dimensions except for quality services, and value for money dimensions. When paired with

Giordano, Grand Metro Park only gains in the familiarity dimension and loses in high prices and three loyalty dimensions. Giordano on the other hand is a loser in all dimensions except for high prices and intention to use as first choice.

Similarly, other respondents' brand equity ratings of Novotel, TGI Friday's and Zara are above the average on the 7-point scale, Novotel being significantly better on value for money yet worse on familiarity than TGI Friday's; and significantly worse than Zara on one loyalty dimension (intention to use for next trip). When paired with a TGI Friday's and Zara, all brands undergo brand equity loss except for Novotel gaining in familiarity in the co-brand with Zara. All brands except for Grand Metro Park, consistently lose from three loyalty dimensions, trust, liking and intention to use for next trip, in the composite brand. Chinese respondents' brand fit ratings of Grand Metro Park- Quanjude (3.87) and Grand Metro Park-Giordano (3.71) were above the average and similar to other respondents' brand fit ratings of Novotel-TGI Friday's (3.83) and Novotel-Zara (3.90). Therefore, these results of brand equity erosion in most equity dimensions were not expected for these hypothetically compatible hotel, restaurant, and retail brands. When asked for brand dominance perception in the co-brand, the plurality of Chinese respondents stated Grand Metro Park (37%, 44%) being dominant over both Quanjude (35%) and Giordano (25%), while the plurality of other respondents stated Novotel (36%) being dominant over TGI Friday's (35%) but Zara (34%) being dominant over Novotel (31%). However, the differences in dominance choices of Chinese and others were not significant.

5. IMPLICATIONS & SUGGESTIONS

Study results revealed that hotel, restaurant and retail brands included in the study have above the average ratings on the CBBE scales, although JW Marriott's and Burberry's were a bit higher, on average. This could be interpreted as undependable or false consumer

evaluations on brand equity; or another explanation could be strong brand equity is possible even for brands in relatively lower quality categories; quality is in the eye of the beholder anyhow. In the main phases of the study, brand equity enhancement, rather than erosion, was expected since presumably compatible hotel, restaurant, and retail brands were used. However, brand equity erosion in most equity dimensions was observed in their hypothetical co-brands, especially in loyalty dimensions. Maybe, even when hypothetical, co-branding results in a change that reduces the consumer confidence and increases perceived risks in the resultant new product, thus reducing the loyalty towards it. Therefore, it is utmost importance for cobranding partners to keep elements of familiarity to provide the needed safety and security for consumers.

In judgment of brand fit, brand quality level, hence price categories are assumed to be the defining criteria in this study. From this quality-price-driven perspective, the chosen brands are suitable co-branding partners, potential to enhance each other's brand equity; however, the results showed otherwise. Maybe the quality-price criterion is not the appropriate choice in judgment of hotel co-brand partners; other variables such as brand identity, personality, and character, and values associated with the brand may be more relevant and salient in the tourist experience context.

Literature reports that a brand defines identity with the communicated meanings (Kapferer 1997) which is initially created and communicated by marketers but interpreted and re-created in consumers' minds (King 1991; Keller 2003; de Chernatony 2001). With this identity, comes brand personality, the presumed human personality traits that consumers associate with brands (Aaker 1997; Batra, Lehmann, and Singh 1993) are also considered to differentiate a brand (Crask and Henry 1990), and enhance brand equity (Keller 1993, 2003). Brand personality dimensions such as, stable, dependable, expert, friendly are proposed to affect the success of a brand due to its potential impact on consumer trust and loyalty

(Fournier, 1998) and consumer preference, choice and decision (Batra, Lehmann, and Singh 1993, Keller 2003; Laurent and Kapferer 1985). Besides, delivered by symbols and designs, brands form "value systems" (de Chernatony and Dall'olma Riley (1998, p.437) that can be core, absentee, peripheral or generic (Blackett and Boad 1999, p.118).

Thus, while controlling for brand compatibility and fit, future studies can investigate the fit between partner brands in terms of brand identity, personality, character and associated values in investigating the success of co-branding in terms of brand equity enhancement. Ideally, a good fit would be expected to be in not only identity and personality but also character and associated values, at least the core values for successful co-branding of two brands. As the basis of such studies, Siguaw, Austin, and Mattila's (1999) study can be used since it applied the 5-factor (competence, sincerity, excitement, sophistication, and ruggedness) brand personality scale of Aaker (1997) to identify the personality of restaurants. Although values of hospitality brands has been a void in literature, Blackett and Boad's study (1999) identifying values of brands can inspire future studies investigating the fit between values of parent brands and its influence on the perceptions of the co-brand.

Variables such as brand logos, colors and slogans can be instrumental in consumer evaluations of brand fit. Literature on consumer evaluations of color delineates different connotations of different colors for consumers (Schmitt and Simonson 1997). Brands used in this study have different brand logo colors which may have hindered brand equity enhancement in consumers' perspective. For example, Novotel's brand logo color is mainly blue, a calming and peaceful color while it is mainly red for TGI, which is known to be exciting and aggravating. Juxtaposing these colors together along with their thought, belief and feeling connotations may not be well-received by consumers. So, two strategies can be followed to eliminate such a potential negative result: (1) use brands with similar logo features or (2) harmonize the brand logo features when applying co-branding, maybe by

modifying the brand logos a little bit to accommodate necessary looks for easier consumer acceptance.

The results' validity is neither warranted nor needed to defend here since each hotel's customer segment is unique requiring more targeted research than an exploratory one with a general population such as in this study. Brands mean different things to different people, meaning brand equity and the importance of the brand vary across time, place and circumstance (Askegaard and Bengtsson 2005, p.328). Hence, the results of unexpected brand equity erosion signals the need for targeted research with current or most potential customers rather than the general tourist population when investigating the influence of co-branding on real or hypothetical co-brands. Particularly use of in-depth interviews can provide more of consumer perspectives in terms of suitable co-branding strategies. Brand equity creation is a "social negotiation" process where brand meanings, associations, feelings and values generated by marketers mesh with those of consumers (Ligas and Cotte 1999). Both marketers' and the consumers' perspective are, indeed "a reflection of culture and fashion" (Askegaard and Bengtsson 2005, p.328). Therefore, more qualitative research delving into the intricate meanings of tourism and hospitality brands for different cultures is needed.

In a similar subject, results also merit elaborations on Hadjicharalambous' (2006) question about the consequences of bringing two brands from different countries together, considering the potential negative country image of a partner brand. Creating a hypothetical co-brand between a French-based brand, Novotel and a US-based brand, TGI Friday's might have resulted in negative consequences for the CBBE of the co-brand due to value-clash between the brands. Maybe values of different countries along with their different cultural values impact the brands' value systems as well, which merits attention from researchers.

Co-brand equity is proposed to be established by the process of strategic articulation, but created by the marketing communications (Motion, Leitch, and Brodie 2003). When co-

branding is studied with hypothetical co-brands, where creations of marketing communications have not taken place in consumers mind yet, the results can be void of the miracles that a successful marketing campaign can do in promoting a co-brand. The marketer generated meanings may have to meet with the consumers' own meanings and experiences for the social negotiation to take place. Hence, studying real co-brands can reveal different results as was in Denizci-Guillet and Tasci's (2010b) study, which revealed results contradicting with those of others. More empirical studies are needed on the consequences of co-branding by using real hospitality co-brands, especially with pre and post comparisons of not only CBBE but also the real impact in terms of sales, profits, cash flow, and market share.

REFERENCES

Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name.* New York: The Free Press.

Aaker, D. A. (1996a). *Building strong brands*. New York: Free Press.

Aaker, D. A. (1996b). Measuring brand equity across products and markets. *California Management Review*, 38(3), 102.

Aaker, D. A. and Keller, K.L. (1990). Consumer evaluations of brand extensions. *Journal of Marketing*, 54(January), 27-41.

Aaker, J. L. (1997). Dimensions of brand personality. *Journal of Marketing Research*, 34(3), 347-356.

Accor Hotels (2010). Novotel, designed for natural living. Retrieved May 4, 2010 from Accor Hotels, Our Hotel, website: http://www.accorhotels.com/gb/brands/hotels-novotel.shtml

Askegaard, S., and Bengtsson, A. (2005). When Hershey met Betty: love, lust and co-branding. *Journal of Product & Brand Management*, 14(5), 322-329.

Batra, R., Lehmann, D.R. and Singh, D. (1993). The brand personality component of brand goodwill: some antecedents and consequences, in Aaker, D.A. and Biel, A. (Eds), *Brand Equity and Advertising*, Lawrence Erlbaum Associates, Hillsdale, NJ.

Blackett, T., Boad, B. (1999). *Co-branding: the Science of Alliance,* Macmillan, London.

Bowen, J. T. and Shoemaker, S. (2003). Loyalty: A Strategic Commitment. *Cornell Hotel and Restaurant Administration Quarterly*, 44(5/6), 31-46.

Crask, M.R. and Henry, A.L. (1990). A positioning-based decision model for selecting advertising messages. *Journal of Advertising Research*, 30(4), 32-38.

Crimmins, J. C. (2000). Better measurement and management of brand value. *Journal of Advertising Research*, (November/December), 136-144.

Davis, S. M., and Smith, J. (1998). Do you know your ROBI? *Management Review*, 87(9), 55-58.

de Chernatony, L. (2001), *From Brand Vision to Brand Evaluation: Strategically Building and Sustaining Brands,* Butterworth-Heinemann, Oxford.

de Chernatony, L., Dall'Olmo Riley, F.D. (1998). Defining a 'brand': beyond the literature with experts interpretations. *Journal of Marketing Management*, 14, 417-43.

de Chernatony, L., McWilliam, G. (1990). Appreciating brand as assets through using a two-dimensional approach. *International Journal of Advertising,* 9, 111-119.

Denizci-Guillet, B. and Tasci, A.D.A. (2010a). Travelers' takes on hotel-restaurant co-branding: Insights for China. *Journal of Hospitality and Tourism Research*, 34(2),143-163.

Denizci-Guillet, B. and Tasci, A.D.A. (2010b). An exploratory study of multicultural views on the Disney-McDonald's alliance. *Journal of Travel & Tourism Marketing*, 27, 82-95.

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

Dickinson, S. and Barker, A. (2007). Evaluations of branding alliances between non-profit and commercial brand partners: the transfer of effect. *International Journal of Nonprofit and Voluntary Sector*, 12(1), 75-89.

Dipietro, R.B. (2005). The case against multibranding strategy. *Cornell Hotel and Restaurant Administration Quarterly*, 46(1), 96-99.

Echtner, C. M. and Ritchie, J. R. B. (1991). The meaning and measurement of destination image. *Journal of Tourism Studies,* 2 (2), 2-12.

Fournier, S. (1998). Consumers and their brands: developing relationship theory in consumer research. *Journal of Consumer Research*, 24, 343-373.

Gartner, W. C., Tasci, A.D.A., and So, S.I.A. (2007). Branding Macao: An application of strategic branding for destinations. *Proceedings from 2nd International Conference on Destination Branding and Marketing: New Advances and Challenges for Practice.* Macao SAR, China.

Giordano (2010). Our company. Retrieved May 4, 2010 from Giordano, About Giordano, website: http://www.giordano.com.hk/web/HK/ourCompany.html

Hadjicharalambous, C. (2006). Typology of brand extensions: Positioning cobranding as a sub-case of brand extensions. *The Journal of American Academy of Business*, 10(1), 372-377.

Helmig, B., Huber, J., and Leeflang, P. (2007). Explaining behavioural intentions toward co-branded products. *Journal of Marketing Management*, 23(3-4), 285-304.

Hong Kong Tourism Board, 2008. A statistical review of Hong Kong tourism 2007. Available from http://DiscoverHongKong.com.

Huang, H.H. and Chiu, C.K. (2006) Exploring Customer Satisfaction, Trust and Destination Loyalty in Tourism, *Journal of American Academy of Business*, 10(1), 156-159.

INDITEX (2010). Stores around the world. Retrieved May 4, 2010 from INDITEX Group,

    Who we are, website: http://www.inditex.com/en/who_we_are/stores?zone=0

Jang, S.C.S. and Feng, R. (2007) Temporal destination revisit intention: The effects of novelty

    seeking and satisfaction. *Tourism Management*, 28, 580-590.

Kapferer, J. N. (1997). *Strategic Brand Management. Creating and Sustaining Brand Equity*

    Long Term, Kogan Page, London.

Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand

    equity. *Journal of Marketing*, 57(1), 1-22.

Keller, K. L. (2003) *Strategic brand management: Building, measuring and managing brand*

    equity. Upper Saddle River: Prentice Hall.

Kim, W. G., & Kim, H. B. (2004). Measuring customer-based restaurant brand equity:

    Investigating the relationship between brand equity and firms' performance. *Cornell*

    Hotel and Restaurant Administration Quarterly, 45(2), 115-131.

Laurent, G., and Kapferer, J. L. (1985). Measuring consumer involvement profiles. *Journal of*

    Marketing Research, 22(February), 41-53.

Lee, J., and Back, K. (2008). Attendee-based brand equity. *Tourism Management*, 29(2), 331-

    344.

Lee, S., Kim, W.G., and Kim, H.J. (2006). The impact of co-branding on post-purchase

    behaviors in family restaurants. *International Journal of Hospitality Management*, 25,

    245-261.

Leuthesser, L., Kohli, C., and Suri, R. (2003). 2+2=5? A framework for using co-branding to

    leverage a brand. *The Journal of Brand Management*, *11*(1), 35-47.

Ligas, M. and Cotte, J. (1999). The process of negotiating brand meaning: a symbolic

    interactionist perspective. In Arnould, EJ. and Scott, L.M. (Eds), *Advances in Consumer*

    Research, 26, Association for Consumer Research, Provo, UT, pp. 609-14.

McDougall, G. H. G., and Levesque, T. (2000). Customer satisfaction with services: Putting

perceived value into the equation. *Journal of Service Marketing*, 14(5), 392-410.

Metropark Hotel (2010). Our company. Retrieved May 4, 2010 from Metropark Hotel, About

us. website: http://www.metroparkhotels.com/eng/aboutus-our-company.php

Motion, J., Leitch, S. and Brodie, R. (2003). Equity in corporate co-branding: the case of

Adidas and the All Blacks. *European Journal of Marketing*, 37(7/8), 1080-1094.

Muller, C. (2005). The case for cobranding in restaurant segments. *Cornell Hotel and

Restaurant Administration Quarterly*, 46(1), 92-95.

Novotel Hotels (2010). Search and book a hotel. Retrieved May 4, 2010 from Novotel Hotels,

website: http://www.novotel.com/gb/reservation/recherche_destination.shtml

Quanjude (2009). Chain support. Retrieved May 4, 2010 from Quanjude, Franchise Business,

Website: http://www.quanjude.com.cn/chain_list.html

Park, C.W., Jun, S.Y. and Shocker, A.D. (1996). Composite branding alliances: an

investigation of extension and feedback effects. *Journal of Marketing Research*,

33(November), 453-466.

Prasad, K., and Dev, C. S. (2000). Managing hotel brand equity: A customer-centric

framework for assessing performance. *Cornell Hotel and Restaurant Administration

Quarterly,* 41(3), 22-31.

Rao, A.R. and Ruekert, R.W. (1994). Brand alliances as signals of product quality. *Sloan

Management Review*, 36(Fall), 87-97.

Schmitt, B.H. and Simonson, A. (1997). *Marketing Aesthetics*. New York: The Free Press.

Siguaw, J. A., Austin, J.R., and Mattila, A. (1999). The Brand-Personality Scale, An

Application for restaurants. *Cornell Hotel and Restaurant Administration Quarterly*,

40(3), 48-55.

Siguaw, J. A. and Enz, C. A. (1999). Best practices in food and beverage management. *Cornell Hotel and Restaurant Administration Quarterly*, 40(5), 50-57.

Simonin, B. L., and Ruth, J. A. (1998). Is a company known by the company it keeps? Assessing the spillover effects of brand alliances on consumer brand attitudes. *Journal of Marketing Research,* 35(2), 30-42.

Sussmann, S. and Unel, A. (1999). "Destination image and its modification after travel: An empirical study on Turkey." In Pizam, A. and Mansfeld Y. (Eds.) *Consumer Behavior in Travel and Tourism*. The Haworth Hospitality Press, pp. 185-203.

Tasci, A.D.A. and Denizci, B. (2010). Fashionable hospitality: A natural symbiosis for Hong Kong's tourism industry? *International Journal of Hospitality Management,* 29, 488-499.

T.G.I. Friday's (2010). Friday's worldwide. Retrieved May 4, 2010 from T.G.I. Friday's, about us, website: http://www.tgiFriday'ssec.com.cn/locator_e.asp

T.G.I. Friday's (2008). Pennsylvania's Steve Gill Wins Northeast Division Title of T.G.I. Friday's® World Bartender Champion. Retrieved May 4, 2010 from T.G.I. Friday's, 2008   Archive, website: http://www.carlson.com/media/article.cfm?id=668&group=restaurants&subhilite=1&ter hilite=2

Ueltschy, L. C., and Laroche, M. (2004). Co-branding internationally? Everyone wins? *Journal of Applied Business Research*, 20(3), 91-102.

Washburn, J. H. and Plank, *R. E.* (2002). Measuring brand equity: An evaluation of a consumer-based brand equity scale. *Journal of Marketing Theory and Practice*, 10(1), 46-62.

Washburn, J.H., Till, B.D. and Priluck, R. (2000). Co-branding: brand equity and trial effects. *Journal of Consumer Marketing*, 17(6/7), 591-604.

Woodruff, R. B. (1997). Customer value: The next source for competitive advantage. *Journal of the Academy of Marketing Science,* 25(2), 139-153.

Yoo, B. and Donthu, N. (2001). Developing and validating a multidimensional consumer-based brand equity scale. *Journal of Business Research*, 52(1), 1-14.

Zara (2010). Store finder. Retrieved May 4, 2010 from Zara, Store Finder, website: http://www.zara.com/#/en_GB/shops/Store Finder/

Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 52(3), 2-22.

TABLES & FIGURES

Table 1. Asian and Western brands used in the 3rd and 4th phases

Brand Categories	Western Brands		Asian Brands	
Hotel Brands	Novotel		Metropark	
# of countries	58		1	
# of outlets in China	11		50	
# of outlets Worldwide	402		50	
Restaurant Brands	T.G.I. Friday's		Quanjude	
# of countries	61		4	
# of outlets in China	8		58	
# of outlets Worldwide	923		62	
Retail Brands	Zara		Giordano	
# of countries	73		30	
# of outlets in China	44		1,092	
# of outlets Worldwide	1,395		2,114	

Sources: Accor Hotels, 2010; Giordano, 2010; INDITEX, 2010; Metropark Hotel, 2010; Novotel Hotels, 2010; Quanjude, 2009; T.G.I. Friday's, 2008,2010; Zara, 2010

Table 2. Respondent characteristics in the 1st and 2nd phases

	1st Phase (Hotel-Restaurant) N=401			2nd Phase (Hotel-Retail) N=400		
Origin **Variables**	**Chinese n=219**	**Asia-Pacific n=51**	**Western n=131**	**Chinese n=200**	**Asia-Pacific n=70**	**Western n=130**
Age (mean)	32.00	34.86	42.32	29.49	34.75	44.72
Gender (%)						
Male	47.30	47.10	61.50	46.8	50.9	70.4
Female	52.70	52.90	38.50	53.2	49.1	29.6
Education (%)						
Master's or Ph.D.	10.70	7.80	11.50	11.3	19.6	18.4
University Graduate	64.90	70.60	58.50	65.7	55.4	61.6
Secondary or less	24.50	21.60	30.10	23.1	25	20
# of visits to Hong Kong (mean)	3.65	2.49	3.33	2.59	2.44	4.45
# of nights in Hong Kong (mean)	3.77	14.92	6.27	3.13	13.77	7.12
Visit purpose (%)						
Pleasure	71.40	72.50	63.30	81.1	71.4	50.0
Business	25.20	21.60	27.30	13.4	14.3	47.5
VFR	3.30	5.90	9.40	5.5	14.3	2.5
Brand Familiarity						
Brand Awareness (%)						
JW Marriott	33.60	74.50	79.40	28.9	64.9	83.2
Novotel	24.90	70.60	74.00	18.1	52.6	71.2
Grand Metro Park	31.80	25.50	16.80	39.2	21.1	18.4
Restaurant or Retail Brand	9.20 Morton's	15.70 Morton's	26.70 Morton's	46.1 Burberry	66.7 Burberry	80.8 Burberry
	32.70 T.G.I.	43.10 T.G.I.	64.90 T.G.I.	88.2 Giordano	80.7 Giordano	46. Giordano
	53.90 Quanjude	7.80 Quanjude	3.80 Quanjude			
Brand Use (%)						
JW Marriott	10.10	33.30	53.40	5.9	24.6	45.6
Novotel	6.90	51.00	55.70	3.9	33.3	42.4
Grand Metro Park	6.90	9.80	6.90	7.4	8.8	7.2
Restaurant or Retail Brand	3.70 Morton's	7.80 Morton's	18.30 Morton's	19.6 Burberry	21.1 Burberry	27.2 Burberry
	20.30 T.G.I.	31.40 T.G.I.	55.00 T.G.I.	65.2 Giordano	49.1 Giordano	15.2 Giordano
	44.20 Quanjude	7.80 Quanjude	2.30 Quanjude			

Table 3. T-test results of CBBE comparisons of individual and composite brands for Chinese and others in the 1st and 2nd phases

1st Phase (Hotel-Restaurant) N=401	Chinese N=219						Significance of differences			Others N=182						Significance of differences		
CBBE Dimensions	N	JW (better equity) (mean)*	N	Morton's (mean)*	N	Couple (mean)*	JW vs. Morton's	JW vs. couple	Morton's vs. couple	N	JW (mean)*	N	Morton's (mean)*	N	Couple (mean)*	JW vs. Morton's	JW vs. couple	Morton's vs. couple
I have high level of familiarity with it	194	2.24--	193	1.53++	180	1.87	0.000**	0.004**	0.006**	190	3.64--	181	2.24++	176	2.68	0.000**	0.000**	0.001**
It has a strong positive image	104	4.42	78	3.32++	75	4.07	0.004**	0.694	0.001**	156	5.10--	100	3.79++	113	4.23	0.000**	0.000**	0.017**
It offers high quality products	100	4.36	77	3.39++	76	4.11	0.001**	0.636	0.004**	151	5.06--	99	3.86++	111	4.40	0.000**	0.000**	0.006**
It offers high quality services	99	4.46	76	3.26++	76	4.13	0.001**	0.832	0.000**	151	5.14--	98	3.84++	108	4.44	0.000**	0.000**	0.002**
It has high prices	98	4.41	77	3.48++	76	4.21	0.093	0.510	0.013**	152	5.06	98	3.87++	110	4.57	0.000**	0.066	0.000**
It offers good value for money	99	4.17	77	3.19++	76	4.17	0.001**	0.312	0.000**	150	4.66--	97	3.68++	109	4.28	0.000**	0.030**	0.001**
I trust it	99	4.45	79	3.43++	76	4.11	0.001**	0.586	0.026**	150	4.65--	98	3.88++	110	4.38	0.000**	0.048**	0.004**
I like it	99	4.27	77	3.32++	75	4.21	0.015**	0.850	0.001**	149	4.74--	98	3.81++	110	4.34	0.000**	0.036**	0.003**
I would prefer it for my next trip	102	3.89	78	3.38	77	3.79	0.144	0.890	0.082	150	4.16--	98	3.56++	110	3.88	0.003**	0.046**	0.102
I would always prefer it for my trips	100	3.72	78	3.26++	76	3.83	0.136	0.325	0.004**	149	3.70	98	3.29	109	3.54	0.032**	0.424	0.130
2nd Phase (Hotel-Retail) N=400	Chinese N=200						Significance of differences			Others N=200						Significance of differences		
CBBE Dimensions	N	JW (mean)*	N	Burberry (mean)*	N	Couple (mean)*	JW vs. Burberry	JW vs. couple	Burberry vs. couple	N	JW (mean)*	N	Burberry (mean)*	N	Couple (mean)*	JW vs. Burberry	JW vs. couple	Burberry vs. couple
I have high level of familiarity with it	195	1.80++	199	2.65--	186	1.96	0.000**	0.036**	0.000**	194	3.45--	188	3.59--	179	3.13	0.274	0.041**	0.005**
It has a strong positive image	86	4.33	116	4.79--	94	4.18	0.730	0.541	0.036**	142	5.17--	142	4.96	134	4.63	0.334	0.002**	0.107
It offers high quality products	79	4.33	114	4.75	87	4.36	0.889	1.000	0.398	137	5.13--	141	5.11	131	4.85	0.453	0.038**	0.261
It offers high quality services	80	4.67	114	4.81	88	4.40	0.485	0.079	0.135	139	5.36--	139	4.95	131	4.93	0.071	0.009**	0.844
It has high prices	79	4.71	113	5.13--	87	4.54	0.303	0.715	0.050**	142	5.43	141	5.48	131	5.25	0.885	0.316	0.482
It offers good value for money	76	4.11	111	4.41	86	4.27	0.381	0.211	0.619	140	4.60	139	4.39	131	4.49	0.188	0.357	0.187
I trust it	79	4.29	113	4.45	85	4.13	0.831	0.661	0.213	141	4.77--	139	4.50	131	4.44	0.185	0.024**	0.943
I like it	76	4.05	114	4.41--	85	3.93	0.326	0.573	0.011	138	4.78--	139	4.29	129	4.22	0.039**	0.001**	0.894
I would prefer it for my next trip	81	4.11	117	3.89	87	3.79	0.288	0.435	0.461	139	4.09--	141	3.79	131	3.63	0.131	0.004**	0.172
I would always prefer it for my trips	81	3.52	115	3.63	86	3.57	0.406	0.271	0.387	140	3.61--	141	3.35	131	3.35	0.335	0.028**	1.000

*:1=Strongly disagree, 7=Strongly agree
**:Significant at 0.05 level
--: Lose in CBBE in the composite brand
++: Gain in CBBE in the composite brand

Table 4. Respondent characteristics in the 3rd and 4th phases

	3rd Phase (Hotel-Restaurant) N=259			4th Phase (Hotel-Retail) N=260		
Origin Variables	Chinese n=127	Asia-Pacific n=38	Western n=94	Chinese n=132	Asia-Pacific n=48	Western n=80
Age (mean)	32.58	37.68	40.18	28.75	33.93	34.16
Gender (%)						
Male	57.7	39.5	60.6	45.3	45.6	53.8
Female	42.3	60.5	39.4	54.7	54.4	46.3
Education (%)						
Master's or Ph.D.	15.4	18.4	25.5	11.3	9.0	43.8
University Graduate	72.4	44.7	58.5	67.0	73.1	37.5
Secondary or less	10.6	31.6	11.7	10.4	9.0	15.0
Other	1.6	5.3	4.3	11.3	9.0	3.8
Visit purpose (%)						
Pleasure	78.5	83.3	57.0	79.8	77.6	59.2
Business	14.0	11.1	38.4	14.4	13.4	35.5
VFR	7.4	5.6	4.7	5.8	9.0	5.3
Package traveler (Yes %)	23.6	26.3	16.0	15.1	14.5	16.3
Type of accommodation (%)						
Relative/friend's house	23.6	7.9	9.6	26.4	8.7	5.0
Guesthouse	15.4	7.9	19.1	14.2	15.9	21.3
Hotel	45.5	78.9	68.1	46.2	72.5	65.0
Trip financer (%)						
Myself	84.6	55.3	62.8	84.0	72.5	66.3
Company	11.4	7.9	29.8	11.3	8.7	26.3
Family members	2.4	23.7	3.2	3.8	13.0	5.0
Trip budget (mean)	1207.07	2310.61	3214.65	964.07	2015.84	2629.61
Stayed in before (Yes %)	23.6 Metro Park	65.8 Novotel	51.1 Novotel	24.5 Metro Park	50.7 Novotel	58.8 Novotel
# of stays (mean)	1.58 Metro Park	10.0 Novotel	4.22 Novotel	1.35 Metro Park	2.69 Novotel	5.51 Novotel
Used before (Yes %)	62.6 Quanjude	55.3 TGI	79.8 TGI	82.1 Giordano	71.0 Zara	71.3 Zara
# of dining or shopping (mean)	2.92 Quanjude	16.2 TGI	6.19 TGI	6.12 Giordano	5.75 Zara	19.79 Zara

Table 5. T-test results of CBBE comparisons of individual and composite brands for Chinese and others in the 3rd and 4th phases

3rd Phase (Hotel-Restaurant) N=259 — Chinese n= 127 / Significance of differences / Others n= 132 / Significance of differences

CBBE Dimensions	N	GMP (mean)*	N	Quanjude (Better equity) (mean)*	N	Couple (mean)*	GMP vs. Quanjude	GMP vs. couple	Quanjude vs. couple	N	Novotel (mean)*	N	TGI (mean)*	N	Couple (mean)*	Novotel vs. TGI Friday's	Novotel vs. couple	TGI vs. couple
I have high level of familiarity with it	125	3.24++	128	4.67--	123	3.97	0.000**	0.000**	0.000**	123	4.00	126	4.58--	121	3.95	0.001**	0.816	0.000**
It has a strong positive image	124	4.26	128	5.13--	122	4.48	0.000**	0.136	0.000**	122	4.67--	126	4.65--	121	4.20	0.531	0.001**	0.000**
It offers high quality products	120	4.16++	125	5.05--	122	4.57	0.000**	0.006**	0.001**	124	4.58--	126	4.43	120	4.35	0.382	0.041**	0.054
It offers high quality services	120	4.38	125	4.78	122	4.63	0.014**	0.085	0.137	124	4.69	126	4.70--	120	4.49	0.850	0.052	0.005**
It has high prices	120	4.18++	126	4.88--	119	4.48	0.000**	0.027**	0.004**	123	4.27	125	4.34	120	4.23	0.477	0.884	0.159
It offers good value for money	118	4.22++	124	4.64	122	4.52	0.008**	0.020**	0.341	122	4.78--	124	4.35	120	4.44	0.036**	0.008**	0.821
I trust it	121	4.23	125	4.74--	123	4.26	0.002**	0.950	0.001**	123	4.72--	125	4.47--	122	4.22	0.202	0.000**	0.003**
I like it	121	4.11	125	4.66--	121	4.23	0.001**	0.377	0.007**	121	4.62--	124	4.46--	122	4.09	0.492	0.000**	0.003**
I intend to use it for my next trip	120	4.10	125	4.75--	120	4.13	0.001**	0.720	0.001**	121	3.83--	125	3.78--	122	3.47	0.545	0.008**	0.002**
I would use it as my first choice compared to others	120	3.82	125	4.36--	121	3.93	0.001**	0.555	0.007**	121	3.34	125	3.09	122	3.11	0.225	0.103	0.713

4th Phase (Hotel-Retail) N=260 — Chinese n=132 / Significance of differences / Others n=128 / Significance of differences

CBBE Dimensions	N	GMP (mean)*	N	Giordano (Better equity) (mean)*	N	Couple (mean)*	GMP vs. Giordano	GMP vs. couple	Giordano vs. couple	N	Novotel (mean)*	N	Zara (mean)*	N	Couple (mean)*	Novotel vs. Zara	Novotel vs. couple	Zara vs. couple
I have high level of familiarity with it	130	3.54++	132	5.08--	128	3.96	0.000**	0.015**	0.000**	123	4.47++	128	4.77--	124	3.83	0.170	0.000**	0.000**
It has a strong positive image	127	4.43	132	4.86--	130	4.25	0.001**	0.125	0.000**	122	4.89--	128	4.98--	123	4.29	0.339	0.000**	0.000**
It offers high quality products	125	4.33	131	4.72--	130	4.30	0.004**	0.766	0.000**	122	4.73--	128	4.71--	123	4.41	0.917	0.005**	0.012**
It offers high quality services	126	4.45	131	4.72--	129	4.40	0.049	0.542	0.008**	122	4.84--	128	4.61	123	4.46	0.107	0.001**	0.278
It has high prices	122	4.52--	129	4.09	128	4.16	0.013**	0.039**	0.595	121	4.48	128	4.46	123	4.27	0.961	0.105	0.130
It offers good value for money	120	4.47	129	4.60--	128	4.23	0.395	0.074	0.007**	122	4.74--	127	4.68--	122	4.40	0.776	0.003**	0.013**
I trust it	123	4.23--	129	4.57--	127	4.00	0.020**	0.035**	0.000**	122	4.80--	127	4.60--	123	4.27	0.140	0.000**	0.014**
I like it	123	4.40--	130	4.37--	128	3.90	0.569	0.000**	0.000**	121	4.58--	128	4.72--	123	4.23	0.422	0.005**	0.000**
I intend to use it for my next trip	123	4.25--	128	4.48--	130	3.88	0.168	0.004**	0.000**	121	4.04--	128	4.51--	123	3.80	0.018	0.044**	0.000**
I would use it as my first choice compared to others	124	4.06	130	3.87	130	3.88	0.199	0.183	0.807	122	3.64	128	3.87	123	3.64	0.170	0.894	0.119

*:1=Strongly disagree, 7=Strongly agree
**:Significant at 0.05 level
--: Lose in CBBE in the composite brand
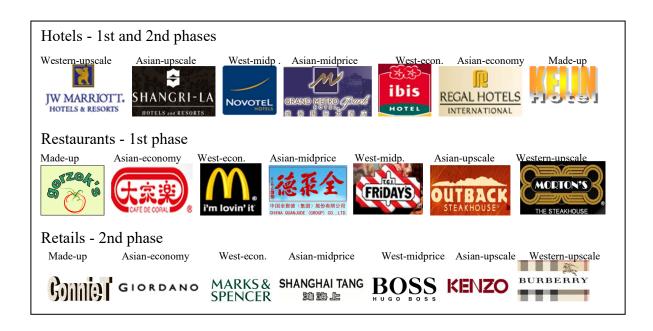++: Gain in CBBE in the composite brand

Figure 1. Hotel, restaurant and retail brand logos used in 1st and 2nd phases