Chapter 9
Customer Brand Identification and Its Influence on Customer Loyalty in the Hotel Industry

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ABSTRACT

Customer brand identification is described by the customer's perception and feeling about a brand. It brings value and meets the customer's needs. The four drivers of CBI are brand self-similarity, brand social benefits, brand identity, and memorable brand experiences. The purpose of this study is to understand the influence of CBI (and, consequently, its drivers) on customer loyalty and its perception of hotel brands. Although the importance of CBI has already been recognized in some studies, its effects on customer loyalty in the hospitality context are still relatively unexplored. A survey was used to understand and confirm that CBI and all four of its dimensions significantly influence customer loyalty. This means, in the hotel industry, customers tend to look for brands that are distinct from their competitors, have an identity of their own, and close to their values. It was also possible to conclude that the client tends to behave more favorably towards the brand, spreading positive word of mouth and recommending brands that meet CBI conditions.

INTRODUCTION

The hotel activity has an exceptionally competitive nature, either due to the growing level of an offer or the ease of reproducing its models, concepts and associated services (Mattila, 2006). This environment led to the need to look for new sources of differentiation and competitive advantages. The brand has become one of the main focuses globally for this purpose (Kayaman & Arasli, 2007; O'Neil & Mattila, 2010).

A strong brand represents an essential asset in this market context, with consequences regarding financial results. Other indicators, such as average price, occupancy rate, revenue and return on invest-ment (ROI), also tend to have higher values. The brand also appears as a means of quality assurance and simplifies evaluating alternatives for the customer (O'Neill & Xiao, 2006).

Although the Customer Brand Identification (CBI) is an essential tool in defining a brand, it is still not mainly used in hotels (Leaniz & Rodriguez-de-Bolque, 2013). Consumers no longer buy branded services and products just for the sake of status and/or social status. The brand value, in some way, should contribute positively to their lives and relate to their concept of lifestyle (Sirgy & Su, 2000). This identification with the brand makes the customer use the product or service more and increases purchase frequency (Kuenzel & Halliday, 2010).

The main objective of this study is to understand the relationship between Customer Brand Identifica-tion and customer loyalty, starting by individually evaluating the behavior of the four dimensions of CBI.

Initially, a theoretical contextualization of each concept was carried out, which allowed the formula-tion of the hypotheses to be studied. Then, the methods used in the investigation, the structure of the survey, and procedures for evaluating the results were explained. Finally, the results were exposed and analyzed, and the conclusions presented.

LITERATURE REVIEW

Concept and Dimensions of Customer Brand Identification

Customer Brand Identification is understood by the customer's perception and feelings about a brand and how it brings value and encourages belonging (Lam S., Ahearne, Mullins, & Schillewaert, 2013). The CBI consists of four dimensions that can be organized into practical or cognitive dimensions. The dimensions of cognitive factors are brand self-similarity (Brand Self-Similarity - BSS) and brand identity (Brand Identity - BI). On the other hand, the Brand Social Benefits (BSB - brand social benefits) and Memorable Brand Experiences (MBE - consumer experiences) dimensions are mostly related to affec-tive factors (Lam S. et al., 2013).

There are different focuses in the literature regarding this topic. Stokburger-Sauer, Ratneshwar, & Sen (2012) define CBI as the "union" of the customer with the brand, while, for example, Lam S., Ahearne, Hu, & Schillewaert (2010) focus on the definition of CBI from a perspective mainly psychological, that is, centered on feelings and their valuation of belonging. Others cover a more cognitive rather than affec-tive perspective, arguing that the emotional factors of the relationship between a consumer and a brand should be analyzed separately from the consumer's identification with the brand (Bergami & Bagozzi, 2010; Stokburger-Sauer et al., 2012).

Creating a long-term relationship with customers begins by practicing marketing techniques that at-tract, develop, maintain, and improve the customer's relationship with the company (Kotler, Kartajaya, & Setiawan, 2017). In addition, companies must manage information about consumers to adopt more accurate practices and build a more robust commercial relationship. (Nastasoiu & Vandenbosch, 2018).

Satisfaction is understood as the feeling of pleasure or disappointment resulting from comparing the expectation of a product or service and its actual performance (Tsiros, Vikas, & Ross, 2004). According to several studies, quality is one of the priorities in the evaluation of service (El-Adly, 2019). This is

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