Influence of Branding on Consumer Behavior: Case of Palais Hansen Kempinski Vienna

Bachelor Thesis for Obtaining the Degree
Bachelor of Business Administration
Tourism and Hospitality Management

Submitted to Bozana Zekan

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Vienna, 18 April 2014
Affidavit

I hereby affirm that this Bachelor’s Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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Date               Signature
To my beloved father, may your soul rest in peace
Abstract

This thesis investigates the role of branding on consumer behavior, i.e. travel motivation, in the context of the luxury hospitality industry. The aim of the study is to investigate how guests pick a luxury hotel, and how a luxury brand provides value and creates guest loyalty. Those objectives served as the research questions of this thesis. To analyze the influence of branding on consumer behavior, hence answering the author’s respective research questions, Palais Hansen Kempinski Vienna served as the case study for this thesis. The concepts of branding, and the respective travel motivation have been researched by the author; as well as the luxury hospitality hotel company, and the example of the hotel group Palais Hansen Kempinski Vienna. In order to produce a balanced outcome, the author decided to address the matter from both sides: supply and demand. An in-depth interview with the General Manager of the Palais Hansen Kempinski Vienna, served as the supply side (hotel company) representation; while a survey with the respective hotel’s guests served as the demand side representation. The study found that the concept of branding allows a company to standout in its marketplace. Furthermore, according to the 51 guests who completed the survey, the study found that the important characteristics when choosing a luxury hotel are location, followed by hotel facilities and level of service. Concerning guest loyalty, the supply side (hotel) believes that loyal guests are created via exceptional service. Findings from the survey showed that the hotel guests’ (demand side) loyalty was a range between committed and non-committed guests. Regarding how a brand provides value, Palais Hansen Kempinski Vienna ensures quality via the Kempinski DNA: five values set by the hotel company to incorporate with service delivery throughout all guest touch points. In addition, the hotel conducts internal and external checks to guarantee service quality. The Kempinski values and the checks conducted by the hotel were found to be effective, as the survey showed that a remarkable percentage of the sample of guests would spread positive word-of-mouth about their respective stay. The findings of the paper are vital, as they explain the significance of branding on the respective travel motivation. Ultimately, acknowledging this influence, and its significance on loyalty and value, is crucial for any luxury hotel company’s continuance in a dynamic marketplace.
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1 Introduction

1.1 Aims and Problems of the Bachelor Thesis

We are living in an era where success of key industries and their respective components is greatly dependent on a well-elaborated branding strategy. Within constantly growing industries, such as the hospitality and tourism industry, brands need to be studied and analyzed thoroughly for them to be managed appropriately. An all-rounded understanding about a company’s existence should be formulated so that the respective brand is thoroughly comprehended. It could be safely said that any brand’s essence and meaning lie in the basis of its very own configuration. Once a complete analysis has been formed, problems and challenges are to be identified, and consequently solved; a brand could attain a solid continuance in the industry where a dominant position is filled (Randall 2000).

When the topic of branding first emerged, it was thought to be a management trend, which would fade away in a few years. In fact, this particular topic grew to be one of the most sought after topics of the century, where it was clearly distinguished as the contrary of a management trend: it became a management must (Aaker and Joachimsthaler 2000). Existing industries are constantly realizing that branding is a crucially important segment to their company’s existence, as it helps to distinguish their respective brand name in the marketplace (Murphy 1988). Examples of such industries include the hospitality and tourism industry. Such businesses, amongst many others, believe that branding is an application that needs constant nourishment and development in order to keep up with the dynamic marketplace and competitive environment (Aaker and Joachimsthaler 2000).

Randall (2000) has shed light on an important matter which explains that branding lies in creating consumer relations, leading to positive consumer behavior as well as maintaining the delivery of promised values and experiences. In other words, branding and marketing activities’ main goal is to make the brand both exciting and appealing to consumers. Therefore, with the main basis of marketing and consequent branding operations being consumer-focused and consumer-oriented, consumer behavior is considered to be the starting point for the majority of branding activities (Blythe 2013).
Taking into account that branding and marketing are consumer-based, it is considered to be that every marketer’s job is to influence consumer actions through all possible touch points. Those influential touch points are based on the fact that each consumer has his/her own set of individual actions, which is the outcome of a distinctive background and experiences that result in a unique consumer behavior (Blythe 2013). A major element of consumer behavior is tourist motivation. Tourist motivation, also known as travel motivation, is a subject that is centralized on the concept of need. This is due to the fact that travel motivation is stimulated by needs; thus, it is fundamental that those consumer needs are not only discovered but also understood in order to know how they can be fulfilled (Pizam and Mansfeld 1999). In relevance, it could be said that travel motivation has a domino effect: needs stimulate travel motivation, which in turn drives the individual (travelers) towards fulfilling those respective needs/desires.

Consequently it could be said that the understanding of tourist motivation is considered to be the essential success agent, as comprehending travelers is of severe importance. It could be implied that this is because of the fact that more and more consumers are being aware of the goods and services that are available, and therefore tend to be more demanding due to their own nature and changeable environments.

This thesis aims to investigate how guests pick a luxury hotel; this purpose serves as the research question of the study. Guest/travel motivation could be a collaboration of factors: whether it is the hotel’s geographical location or its relevant surroundings, the welcoming staff who could be further associated with heart-warming gestures from their behalf towards the guests, a turndown service with a touch of uniqueness, or the genuine remembrance of the hotel’s brand name. All of the previously mentioned aspects of consumer behavior are topped with the constant struggle between the comfort of visiting the same hotel and the discomfort of staying at a new one (Cahill 1997).

Ultimately, the objective of this study is to find out how a luxury brand provides value and how it creates guest loyalty. This aim also serves as the research question of the paper. In order to fulfill those goals, the author will use the case study of the world-renowned luxury hotel, Palais Hansen Kempinski Vienna. Palais Hansen
Kempinski is located in the capital of Austria, Vienna. This particular hotel was chosen primarily due to the author’s ability to gain permission from the G.M. to use the property as a case study, and consequently his time. Secondarily, Kempinski was chosen by the author due to the brand’s respective mission, which is to deliver luxurious hospitality at its finest. The projection of the brand promise is done through all hotel employees, as it seems that the Kempinski brand believes that brand consistency is the key to optimum global performance (Kempinski 2013).

Bearing in mind the research question and the Kempinski mission, the author will conduct primary research in the form of an in-depth interview with the G.M. of Palais Hansen Kempinski. An in-depth interview sets the path towards understanding the managerial standpoint of branding and guest/travel motivation. Further, for an appropriate understanding of consumers’ perspective and their individual brand loyalty, the author will conduct a survey with the respective hotel’s guests (granted upon approval of the hotel’s G.M), which will include various questions that delve into their behavior and subsequent travel motivation, branding influences, etc. The aim of this in-depth interview and the survey is to reach an understanding of the importance of branding from a holistic view, as it shows the supply side, as well as the demand side. Thus, this study is necessary as it aims to display the effect of branding on respective consumer behavior from an angle that covers both, supply (hotel company/management) and demand (guests) side.

Finally, based on the findings and the merging of the already existing knowledge on branding and consumer behavior, this thesis aims to highlight the correlation existing between the two respective topics: branding and consumer behavior. Ultimately, the author intends to examine how a fully understood and correctly integrated marketing strategy creates a powerful managerial tool.

The thesis is broken down into five main parts: introduction, literature review, methodology, findings, and conclusion. The first chapter, introduction, includes the aim of the study and the respective research questions, as well as the structure of the paper. The second chapter, literature review, includes the definition of branding and its importance, the brand building process and brand equity, and of course branding in the hospitality industry. The second chapter also includes the explanation of travel motivation and a description of Maslow’s Hierarchy of Needs.
Last but not least, the second chapter includes a description over the hotel company Kempinski, as well as Palais Hansen Kempinski Vienna. The third chapter, methodology, will explain the types of methodologies used, namely in-depth interview and surveys, and the construction of the respective question guides as well as consequent data collection methods. The fourth chapter, findings, will include the results of the study from both the supply side (in-depth interview) and demand side (surveys), which are compared with the literature and ultimately answer the author’s respective research questions. Finally in the fifth chapter, conclusion, the author will sum up the findings of the study to conclude the answers to the research questions: How branding creates guest loyalty and how it creates value, and how a guest picks a luxury hotel?

2 Literature Review

2.1 Branding

This section is divided into three main parts: definition of a brand and importance of branding (2.1.1), brand building process and brand equity (2.1.2), and last but not least branding in the hospitality industry (2.1.3).

2.1.1 What Is A Brand?

There are various definitions and explanations revolving around the term ‘brand.’ Taking the literal meaning of the word and encompassing it into a universal business understanding, a brand is a permanent mark that is hot-stamped onto a good or service. This brand would have a particular and distinct company name and respective trademark (Hansen and Christensen 2003). According to the American Marketing Association (AMA), a brand is composed of several elements, such as a name, a logo, and a design. It is often that a brand has all of those elements working together in a way that uniquely identifies a company and differentiates it from its competitors. As for the Merriam-Webster Dictionary (2013), a brand is not only a collection of goods and/or services that are produced and delivered by a single company, but can also be a distinctive characteristic.
Therefore, a brand can be a logo, a slogan or catchphrase, a characteristic, etc. A brand is a name that resonates in consumers’ minds, and greatly affects their purchasing behavior (Kapferer 2008). It could be said that a brand can act as a verbal and non-written mutual agreement between any two parties, such as a producer and a consumer. To simply break it down, a brand is a promise between a sender (hotel) and a receiver (guest), where the respective recipient can form his/her own individual feelings about what the brand at stake demonstrates to him/her (Healey 2008).

Keeping in mind the various definitions of a brand, the hot stamping of a permanent mark onto a product or service, i.e. branding, is considered to be successfully effective once it incorporates the elements of consistency, clarity, continuity, visibility, and authenticity throughout its operations (Kotler and Pförtsch 2010). Consistency demonstrates the constant delivering of the brand’s promised values via product/service delivery, marketing distribution channels, and even handling customer complaints. Steadiness throughout all customer touch points is of crucial importance to the successful existence of a brand. Regarding the element of clarity, it is situated upon a company’s vision, mission, and values. It implies that a brand’s respective stakeholders, mainly consumers, must be able to openly and with all readiness understand what the brand is, and what it intends to deliver (Kotler and Pförtsch 2010).

Concerning the continuity element, on one hand it denotes that a company should be carefully and strongly managed, in a way that it only changes to the better. On the other hand, the continuity element explains that a brand should not only be market driven, but a brand should strive for being a market driver (Kotler and Pförtsch 2010). This means that a brand must not only be driven by the competing innovations that set the standards in the existing marketplace, but also be pioneering in a way that sets the standards for other alternatives in its current market place. As for the element of visibility, it indicates that a brand must always seek to increase its exposure via increasing its target audience base (Kotler and Pförtsch 2010). This is done through heavy marketing and advertising campaigns to make sure that the brand in question is placed at points where the consumer has
high attention sensitivity. Those are points where consumer responsiveness and remembering are considerably elevated (Kotler and Pförtsch 2010).

The last important element to be implemented in order to effectively position the brand is authenticity. This element is meant to stimulate marketers towards original and creative thinking. Revolutionizing the standard of the brand’s marketplace, such as producing a good or service that is completely new constitutes as authenticity (Kotler and Pförtsch 2010).

Relating to the above-mentioned elements, Kotler and Pförtsch (2010) emphasizes that according to a company’s top management, the key to successfully running a brand is the effective collaboration of three of those five elements: clarity, consistency, and leadership. Due to the constantly changing environment that is continuously being influenced by the over flooding of competitions in the marketplace and the frequently evolving technology, those three factors must be of a flexible nature (Kotler and Pförtsch 2010).

Keeping in mind the five elements proposed by Kotler and Pförtsch (2010), Healey (2008) suggests that anything could be branded: a product, a service, a trademark, an organization, even a destination could be branded and consequently forming the respective brand name. A brand name is a barrel of information about the company itself. It is meant that this barrel contains all added values that a brand offers to its respective stakeholders in a way that positively offsets a brand from its competitors. (Hansen and Christensen 2003). According to Aaker (1991), a brand name is a valuable and intangible strength that a company owns. This intangible strength lies in the brand name itself, and the goods/services it represents. The mission that a brand name serves is the delivery of a promised satisfaction from the sender (company) to the receiver (consumer) (Healey 2008).

The brand name, along with its attributes, is uniquely designed in order to generate a collection of memory correlations. Those memory correlations directly link the brand name in question to the consumers’ mind (Hansen and Christensen 2003). It could be said that each consumer relates to the brand in question in a different way; ultimately each company aspires to stimulate positive correlations between the consumer and the respective brand. Thus, the underlying incentive behind a brand is
positively denoting a unique motion in the marketplace via stimulating positive memory correlations (Hansen and Christensen 2003). This incentive explains how a brand aspires to be perceived by its consumers, and how it stands out amongst other competing alternatives (Hansen and Christensen 2003). Ultimately what marketers try to trigger is this peculiar motion; marketers are constantly trying to influence consumer perception of the brand in question (Blythe 2013). This is done via advertisements, and the subsequent subliminal messages that they leave in the consumers’ hearts and minds. According to Healey (2008), advertisements help to directly and indirectly influence the idea of the brand that the consumer has formulated in his mind. This influence is created triggering emotions that affect the company’s respective brand name (Healey 2008).

Consequently relating to the consumer touch points that marketers continuously attempt to influence is the relationship between the brand and the consumer. It is noted that this is an issue that could be examined and analyzed from two perspectives. This relationship is multi-directional, where from the consumer’s perspective a brand has personality (Aaker and Biel 1993). As for the company’s perspective, a brand should possess an attitude. Centralizing on a concrete set of brand elements that formulate a brand name, a brand personality is born. Some may identify the brand personality as certain characteristics, whether tangible or intangible, that a certain brand offers its consumers (Aaker and Biel 1993). Brand personality even provides its consumers with great confidence regarding the quality of the good/service offered (Aaker and Biel 1993). Bearing in mind brand personality, consumers tend to engage in a relationship with a brand name and all of its subsequent characteristics (Franzen and Moriarty 2009).

As for the brand attitude, it is a set of beliefs and attributes that are safely kept within the organization, and intentionally not precisely passed on to consumers (Franzen and Moriarty 2009). Therefore, it is understood that a brand does not provide information about itself to the consumer, but it rather provokes a set of feelings and thoughts within him/her. In order to correctly identify what the consumer believes the brand attitude to be, he/she is to be asked to consider the brand a person, and to imagine what would the brand in question say if it were to speak (Franzen and Moriarty 2009). Once this is done, a set of feelings and thoughts
are triggered within the consumer, and it is those feelings and thoughts that mirror the respective brand attitude (Hansen and Christensen, 2003).

Re-counting the numerous ideologies and definitions that are proposed by the different authors, it is consequent to believe that the reason behind a brand’s existence is for the consumer to differentiate one brand, and its respective attributes, from another brand in a marketplace (Hansen and Christensen 2003). Consequently, a brand is pondered as a highly important long-term strength to a company, where the company uses it as a guide to manage performance on a strategic level (Aaker 1996).

Furthermore, it could be emphasized that a brand is a very influential communication tool in which marketers try to speak through to the public (Kotler and Pförtsch 2010). Branding is a topic of high importance to the company, and is used as a strategic asset by top management, and even as a guiding plan. Branding has always been the path that companies take in order for the respective brand name, and subsequently the goods/services they produce, to be readily distinguished from other competing alternatives. In addition, branding provides an overall consistency and rationality to a company’s strategic mission (Murphy 1988). In other words, branding enforces a certain flow throughout all operations and activities that are executed by a company.

Therefore, it could be said that due to the key-role that branding plays, the topic has remarkably and gradually developed over the years. Consequently, for the healthy survival of companies, a special emphasis on branding is considered necessary (Murphy 1988). This is because the brand itself along with its brand name, and consequent goods and services are the main selling points that catch the consumer’s attention. So according to Murphy (1988), once brands are looked at and considered to be appealing from the consumer’s perspective, they instantly become valuable assets.

In order for a brand to successfully standout in the marketplace from the consumer’s perspective, companies have to portray their goods and/or services uniquely in the marketplace (Murphy 1988). Once a brand is well known in a certain marketplace, which could be even of a regional and local taste, it is most likely to be exciting to
international consumers. In addition to consequently differentiating one brand from competing alternatives, consumers start considering the respective brand as a valuable treasure to be owned rather than a casual commodity to be purchased (Murphy 1988). Further, it could be said that once a brand is firmly established in its existing marketplace it will be recognized on an international level; this greatly adds to the brand name and the respective company’s importance (Murphy 1988).

2.1.2 Brand Building Process and Brand Equity

2.1.2.1 What Is the Brand Building Process?

In order for a brand to live up to its potentials, brand strategists must approach their operations in a holistic manner (Kotler and Pförtsch, 2010). This means that brand marketers and strategists must look at the brand in question from a very wide angle, rather than from a narrow one, as it provides a better understanding of the respective brand. Brand building is about the full knowledge of the brand’s responsibilities and customers. It is about truly anticipating its respective customer’s needs. Therefore, brand building begins with the profound comprehension of the characteristics of the brand’s goods and services (Kotler and Pförtsch, 2010).

According to Kotler and Pförtsch (2010), it is considered to be that the top management initiates a company’s branding, as it is a strategic necessity that is of great importance to the company. This means that the company’s Chief Executive Officer as well as the respective shareholders join forces and mutually agree on a brand-building approach. This consent on approach includes instituting a brand’s strength(s), which ultimately achieves brand stability, leadership, and of course international presence.

For a company’s top management to successfully build a brand, they need to incorporate the elements of clarity, consistency, and leadership (see page 11-12) along with their strategic mission. Therefore, to be able to get those three elements in flow with their strategic mission, the following brand building process is suggested:
The figure above, Figure 1, represents the sequence of processes for building a brand. Figure 1 is composed of 5 processes: brand planning, brand analysis, brand strategy, brand building, and brand audit.

The first process, brand planning, has a main goal of incorporating the company’s daily activities in line with the strategic plan. So it is considered that the brand planning process is a process that encourages rather focused upon, taking the full picture into consideration: for management to look at matters from the holistic side. This is done via holding a good stability between endurance and involvement (Kotler and Pförtsch 2010). According to Kotler and Pförtsch (2010), for a company to have a strong hold and balance between tolerance and participating, the following are some of the procedures must be implemented:

1. Formulating an atmosphere that allows steady adaptations to take place with the continuous changes a company faces/might face.
2. Including processes that produce appropriate information in a time-efficient manner; this could be done through executing a SWOT analysis, as it would help the company to identify their respective brand’s position, and subsequent identity.
3. Disclosing procedures towards continuous planning progressions; those processes must be centralized upon extensive brand breakdown. This means a full comprehension of the market size the brand is operating in, and its respective market growth. The brand breakdown also includes available channels of delivery, customer demographics, etc.
4. Including all employees and staff members into the brand planning process, as well as the overall brand building process. This procedure is
considered crucial, as it elevates motivation within team members and therefore, improves the current and following brand-building steps.

It could be said that the brand planning process is a method that assists the company in question in aligning their internal resources with their strategic plan. This would result in the efficient production of the firm’s organizational framework, which is needed to continue towards the next process of the brand building process.

According to Kotler and Pförtsch (2010), the produced organizational framework from the brand planning process is required to initiate the second process, brand analysis. Brand analysis, as the name implies, begins with the core understanding of the brand’s respective marketplace and the main factors operating within, such as the company’s respective consumers, and competitors (Kotler and Pförtsch 2010). Once market research is done, valuable insight could be gained regarding the core values of the brand. The reason existing behind brand analysis is for the brand to answer questions such as what the brand is, what makes the brand stand out in the marketplace, what the brand wants to deliver, what the strategic vision of the brand is, etc. (Kotler and Pförtsch 2010).

The previously mentioned facts help to identify and form the company’s mission, vision, personality, and values. They also help the company in understanding the brand’s respective product/service, employees, etc. (Kotler and Pförtsch 2010). Thus, brand analysis helps the company to truly identify all of the external and internal elements operating in its environment; respectively such as, competitors and consumers.

Through identifying the external and internal elements, and based upon the company’s mission, vision, and values, the required outline is put together which helps to trigger the third process, brand strategy. Brand strategy simply describes the administration of the brand’s unique elements throughout the organization and respective operations (Kotler and Pförtsch 2010). This process is one that creates a certain rhythm between various components of the company thus, serving as an issue of high priority.
On an equal level of importance to brand strategy is brand architecture (Kapferer 2008). According to Petromilli et al. (2002), brand architecture is how a company promotes and runs its respective brands. There are three forms of brand architectures: corporate-dominant, product-dominant, and hybrid structures (Petromilli et al. 2002). Corporate-dominant architecture is voted to be the most popular amongst firms. This type of architecture constitutes around a specific number of products (Kotler and Pförtsch 2008) where it could be said that companies such as IBM, and Kempinski would fall under such a category. On the other hand lies the product-dominant architecture, which is commonly found within brands that have accumulated growth via joint ventures or acquisitions. An example of such architecture is Damier Chrysler (Kotler and Pförtsch 2010). As for the hybrid structure architecture, it is a combination of corporate-dominant and product dominant architectures (Petromilli et al. 2002).

Once a company understands its respective architecture, it can easily align it with its branding strategy. By doing so, the company directs the brand towards a certain path. The guiding of a company’s course is considered a challenge to top management, as it means not only configuring the future of the brand, but also configuring the brand’s current status (Kotler and Pförtsch 2010). Therefore, to correctly configure the brand’s current and future status, the company in question needs to configure its economic feasibility (differentiating feasible activities from the unfeasible ones). Once a company’s economic capabilities are put in order, a well-compiled branding strategy is formulated (Kotler and Pförtsch 2010).

Keeping in mind all the information that Kotler and Pförtsch (2010) proposed about brand strategy and how it helps in understanding the brand architecture, the fourth process, brand building, is activated. Brand building is an ongoing process, where a brand is formed over time, and is equally altered over time (Kotler and Pförtsch 2010). The reason behind this is that a company constantly strives to modify its brand attributes due to the constantly changing market place. Thus, this step denotes that when a company reaches this stage, the brand must already have its respective mission, vision, and distribution channels in coherence with one another for a marketing plan to be implemented (Kotler and Pförtsch 2010).
As soon as a marketing plan is implemented, the consequent process brand audit takes place. Brand audit indicates the importance of a periodical brand check-up. The goal of this process is to evaluate a brand’s strengths and weaknesses, which could be executed through focus groups, surveys, questionnaires, etc. (Kotler and Pförtsch 2010). Analysis of the results of such data collection methods is required for setting a brand’s bearing line, and ultimately for knowing its current standpoint. Once this has been done, the respective brand would be able to grasp what it means to its consumers, as brand audit helps the company in identifying its weak point(s) and potential opportunities directly from the source of their demand, consumers (Kotler and Pförtsch 2010).

It could be emphasized that the brand building process is a process that consumes the respective company’s resources, as such a procedure cross-examines the company’s internal and external processes to produce a well-structured strategy (Pandley and Tripathy 2008). Therefore, it could be derived that brand-building process has an underlying objective of constructing a marketing and branding plan that attracts a large number of customers to the brand name at stake (Pandley and Tripathy 2008).

2.1.2.2 What is the brand equity?

Brand equity is considered to be one of the timeless management developments (Aaker 1991) that developed into a powerful management topic (Burmann et al. 2009). Brand equity is “the set of brand assets and liabilities linked to a brand, its symbol, that add to or subtract from the value provided by a product or service to a firm and/or to a firm’s customers” (Aaker 1991, p. 15). To break it down, brand equity consists of all the assets and liabilities that are related to a certain brand name and its respective logo. Those assets and liabilities are correlated in a manner that if the brand’s name or logo changes, they are changed; consequently they are greatly affected (Aaker 1991).

The topic of brand equity is becoming a highly important and fundamental topic, as it constitutes of the priceless value(s) that is added to a product or service for the sole reason of holding the respective brand’s name, and consequent logo. Those values that are being added do not only include tangible qualities, but also abstract ones. The intangible brand qualities or brand attributes are held in the minds of the
brand’s consequent consumers (Aaker and Biel 1993). In a sense, brand equity represents the mental correlations and framework a consumer has composed over a certain brand. This set of conceptual associations and linkages is not born overnight, but rather is built over a long period of time (Kapferer 2008). It could be confirmed and highlighted that the untouchable brand characteristic(s) that reside(s) in the consumers’ minds is a brand equity feature with the highest level of significance (Aaker and Biel 1993). So, it could be stated that the assets and liabilities holding tangible and intangible values are added to a good/service in order to enhance them.

According to David Aaker (1991), those assets and liabilities can be categorized as brand loyalty, name awareness, perceived quality, and brand associations summarized in Figure 2:

![Figure 2 Brand Equity Model by Aaker (1991 p. 17)](image)

Figure 2 displays the four brand assets and liabilities that constitute as the core of the brand equity model (Aaker 1991). On one hand the four categories in the model when adequately managed by the company, would act as a strategic asset that provides the company with various benefits. On the other hand when those four categories are handled poorly, they act as a liability to the company (Aaker 1991). Ultimately, the goal of any company is to utilize its brand equity in a way that assists customers in identifying the brand and analyzing the respective information about it. So it could be said that when those assets and liabilities portrayed in Figure 2 are
effectively managed, they help to create brand value to the customer, and consequently the company (Aaker 1991).

2.1.2.2.1 Brand Loyalty

The first category, brand loyalty, exemplifies the customers who are always keen on buying the goods/services of a certain brand name, regardless of what the competing alternatives are offering. Simply stated, brand loyalty means that a specific brand’s customers are highly involved with the brand and its respective features to the point where they do not take into account what other brands are offering. Thus, brand loyalty is the degree of how attached consumers are to a brand. It has been observed that the higher the consumer loyalty concerning a brand, the lower his/her tendency to purchase from competing alternatives (Aaker 1991).

Brand loyalty can be broken down to two parts: the consumer loyalty pyramid and the strategic value of brand loyalty. The first part, the consumer loyalty pyramid, constitutes of five levels of loyalty, all of which are considered as unique assets to be run by and benefitted from by marketers.

![Brand Loyalty Pyramid by Aaker (1991 p. 40)](image)

Figure 3, derived from Aaker (1991), represents the five levels of consumer loyalty. The lowest level of the pyramid represents the type of consumer who has little consideration over the brand. At this level, the consumer has little-to-no interest over what type of brand exists, as long as it fits his/her price range. This segment is
labeled ‘switchers’ or ‘price sensitive buyers’ where they do not purchase according to what the brand name is (Aaker 1991).

The second level of the pyramid represents the type of consumer who is borderline satisfied with the brand at stake. This means that he/she has not yet exhibited any unpleasing brand dimensions that cause dissatisfaction. Therefore, such a consumer is labeled as a ‘satisfied/habitual buyer.’ Such segments, if dissatisfied, are greatly influenced by competing alternatives (Aaker 1991).

The middle level of the pyramid represents a consumer who is satisfied about the brand in question. His/her satisfaction is linked to switching-cost dimensions such as, time, money, etc. Thus, such a segment is labeled as satisfied buyers. In order to win over such a segment from competing businesses, the company must offer a set of benefits that compensates the cost of changing brands (Aaker 1991).

The fourth level of the pyramid represents a consumer who genuinely likes the brand, and even considers the brand a friend. This liking might be based on a set of brand characteristics and experiences, high quality, and even brand image. So, it could be said that this feeling of loyalty is not tracked back to any particular brand attribute, but rather is arising from strong feelings of attachment towards the brand in question (Aaker 1991).

Finally, the top level of the pyramid represents a consumer who is completely brand loyal with a growing sense of brand pride. This pride over the brand is triggered by great confidence concerning the brand. Such a segment is labeled as ‘committed buyer’ where the consumer feels certain about the brand to the degree that he/she creates additional business to the brand in question via recommending the brand to friends (Aaker 1991).

According to Aaker (1991), the five levels that were briefly explained along with their respective market segments are not always easily spotted. This means that such segments do not represent themselves clearly; a lot of customers will show signs that fit to multiple levels of the pyramid. However, those five levels provide a general understanding of what types of consumer loyalty exists, and the respective characteristics of their market segments (Aaker 1991).
The second part of brand loyalty, strategic value, explains that when brand loyalty is managed and appropriately made use of, it acts as a strategic asset that provides the company with various benefits. The strategic significance of brand loyalty could be achieved via several methods. Those methods are in turn considered as brand loyalty benefits (Aaker 1991). One benefit of brand loyalty is that it reduces marketing expenses. It simply means that it is significantly less expensive to maintain current customers than it does to attract new ones. This is because existing customers, if satisfied with the brand, are easy to keep and cost less marketing efforts to reach them (Aaker 1991).

In addition, it could be noted that a satisfied customer base helps in generating a feeling of comfort within future customers (Aaker 1991). This means that if an individual is making use of a certain brand name, which offers him/her all the services that fit his/her needs perfectly, it could imply that the respective brand satisfies this individual. Being satisfied, which is usually a product of dedicated customer service and even post-service, is usually what attracts future clients. Thus, winning over new customers from the already existing customer base is considered as another benefit of brand loyalty (Aaker 1991).

All of the above-mentioned elements of brand loyalty help to bring out the strategic value of the brand equity. However, in order for a brand to prosper and thrive, it must be able to continue satisfying their existing customers (Aaker 1991). This is because through meeting the needs of current clients, their respective loyalty in turn grows even stronger. For a company to appropriately generate loyal customers and sustain their loyalty status, it must: manage and measure customer satisfaction, keep good and close relations with the customer, and last but not least treat the customer right (Aaker 1991).

First, the company needs to frequently measure their respective customers’ satisfaction, and manage it as well. This could be done via surveys, as they help the management understand how customers feel truly about their brand and its services (Aaker 1991). In turn, analyzing the satisfaction/dissatisfaction surveys, the management could figure out ways to correct the mishaps and/or maintain an even better service. In order for those customer satisfaction measures to remain updated
and be of a full impact, they need to be integrated by the management into daily operations (Aaker 1991).

Second, the company needs to stay within a close distance to their customers in order to create a well-rounded customer culture (Aaker 1991). This is done by the brand in order to show their respective customers that they are the center of their operations, and that their involvement matters. Such gestures imply that the management is concerned with their customers, and it portrays how valuable they are to the company in question (Aaker 1991).

Lastly and most importantly, the company needs to treat the customer well. It could be said that the key to keeping customers from switching to competitive alternatives in the marketplace is by providing them with all the possible services that help keep them around. This means that the service personnel need to have positive relations with the customer. This could be achieved via being empathetic and sympathetic to the customers, polite, responsive, reliable, and respectful (Aaker 1991). It could be added that once a customer is treated right and his/her needs are met, service continuance is guaranteed, as well as positive word-of-mouth (WOM).

2.1.2.2 Brand Awareness

Generally, it is known that brand loyalty has a great effect on service continuance, and even positive WOM. So, it could be said that brand loyalty has a great effect on brand equity (Krystallis and Chrysochou 2013). Another category of brand equity that has a large impact on it is brand awareness (Figure 2). Brand awareness, according to Aaker (1991), is when a potential consumer recognizes a certain product, service, and/or brand name and links it to a particular category. For example, if a brand is classified a luxury brand, and the brand name or logo is seen by the respective customer, and is linked by him/her to the category of luxury; this is known as brand awareness. Brand awareness is considered to be a measure of how many people know the respective brand, and how many people correctly link it to the class it belongs to (Kapferer 2008) such as, luxury, commodity, etc. Brand awareness is the route a company follows in order to be noticed and recognized in the marketplace. This could be done via publicity, as it allows the brand at stake to pass on their intended messages to the consumers (Aaker, 1991). Kapferer (2008)
classified brand awareness into three types: top of the mind, unaided, and aided awareness.

All three types of brand awareness proposed by Kapferer (2008) could be measured via telephone surveys, focus groups, etc., where the respondents are asked a set of questions or provided with a collection of brand names where their respective level of brand awareness is measured. Top of the mind awareness represents whether the brand is the first one that comes into the consumers’ minds when asked about a certain product category. As for unaided brand awareness, it represents the degree of which the brand is randomly associated within a defined product category. Whereas aided awareness explains whether the respective pool of respondents have heard or recall the brand in question or not. Thus, it could be said that brand awareness measures the number of people who remember the brand, its logo (shapes, colors, etc.), and respective product class (Kapferer 2008). In a way, it could also be said that brand awareness includes the mental incorporations of certain linkages made in in the consumers’ minds between a brand and its respective product class (Aaker 1991).

A company’s brand awareness, category of brand equity, helps to create values in a number of ways: anchor to which other associations, familiarity/liking, commitment, and brand to be considered (Aaker 1991). Each brand name is linked with a set of emotions, impressions, and individualistic attributes in the consumers’ minds. Ideally, it should be mentally assorted in the consumers’ memories in a way that the respective brand name, along with the associated feelings and attributes are easily reachable (Aaker 1991). It could be noted that the structure of the anchor metaphor can be further strengthened via linking the respective associations themselves. Anchor metaphors are used to gain value through brand recognition, as all the products or services linked with a certain brand name are greatly concerned about achieving the respective brand recognition (Aaker 1991). Once recognition is achieved, new associations and correlations could be added thus, creating brand metaphors.

As for familiarity and liking, customers usually go for the choices that sound familiar to them, especially concerning commodity products (Aaker 1991), whereas regarding more complex decisions, for instance picking a hotel, there is a constant
struggle of whether to stay at a familiar hotel brand, or choosing a completely new one (Cahill 1997). In order to make purchase decisions easier, marketers always advertise the respective brand name so that they can increase customer exposure and ultimately recognition, as studies have shown that exposure and brand recognition are positively related. Thus, in order for brands to achieve the familiarity and consequent liking status, they must increase their respective advertising (Aaker 1991).

Of equal importance to anchor metaphors and familiarity stands the subsequent brand substance and commitment. Being aware of a brand signals presence, and represents elements of commitment and substance attributes to both marketers and respective customers. According to Aaker (1991), when a brand name is recognized it could be due to extensive advertisements, being in the marketplace for a long time, having worldwide locations, or overall brand success.

These possibilities are not entirely based on specific brand knowledge, but they explain that the least brand exposure could still lead to positive brand recognition. This positive brand recognition once linked to brand awareness makes a distinctive difference to the purchase behavior (Aaker 1996).

As for being amongst the list of brands to be considered, brand remembrance is considered to be elemental. This means that the first set of companies offering similar services that are recalled by consumers, have the winning advantage of actually being chosen (Aaker 1991).

Bearing in mind all the brand awareness contributing values, the respective brand awareness is not the sole asset of brand equity that creates sales. This is especially true when it comes to new brand names in the market place, as Aaker (1991) explains that when a brand that is not quite known in the marketplace, its survival chances are very low. As for the older and well-established brand names, it could be said that as the respective brand name establishes itself firmly in the marketplace, and over a considerable period of time, it is greatly accompanied by great exposure therefore, having a greater chance. Consequently, it could be said that this exposure leads to brand name recognition, and therefore, giving the older established brand names power in terms of creating more sales and customers (Aaker, 1991).
2.1.2.2.3 Perceived Quality

Keeping in mind brand loyalty and brand awareness, perceived brand quality is another category that is of high importance to brand equity, as proposed by Aaker (1991) via his Brand Equity Model. According to Aaker (1991), perceived quality is how the customer identifies a brand’s respective quality when comparing it to existing alternatives that provide the same value. To put it in simpler words, perceived quality is a subjective matter as it depends on a customer’s own perceptions and what attributes are important to him/her when it comes to evaluating quality (Aaker 1991). It is a questionable matter that is rather difficult to identify, as all customers greatly differ in demographics, personalities, cultures, and past experiences. It could be stated that perceived quality is an intangible feeling customers have over a specific brand (Aaker 1991).

According to Aaker (1991), this indefinable feeling about the product or service, also known as perceived quality, generates value in various ways. The value of perceived quality is achieved via a number of ways, amongst which is that it provides the customer with a reason to buy the respective brand (Aaker 1991). A regular customer often needs motivation to buy a respective brand. This could be due to the lack of ready-information about a brand’s quality, and/or shortage of resources to acquire it. Therefore, in such cases, perceived quality is essential as it provides essential set of reasoning to buy a respective brand. This could be due to the fact that perceived quality is the element that makes the company’s invested marketing efforts more successful (Aaker, 1991). So, it could be noted that perceived quality provides a certain push towards a brand name, as it delivers the necessary information about the advertised and actual quality about a product or service (Aaker 1991).

In relevance to the above-mentioned value generated by perceived quality, it is necessary to highlight that a brand name’s perceived quality provides a price guideline to the company on how to charge its respective customers. According to Aaker (1991), perceived quality affects the price of a service or product offered by a brand; higher perceived quality allows the respective company to charge higher prices for their offerings.
2.1.2.2.4 Brand Associations

The Brand Equity Model (Figure 2) proposed by Aaker (1991) also includes an important category, brand association. Brand associations include all elements about a brand and/or their respective relations held in the minds of the consumers (Aaker 1991). All the brand associations have a specific level of strength; as the association to the brand is based on profound experiences and deep connections, the respective level of strength increases. Thus, the deeper the experience is with a certain brand and/or its associations in the consumer’s mind, the brand consequently holds a higher the level of strength within the consumer than competing alternatives (Aaker 1991).

Brand associations are considered to be of a high rank, as they highlight what a brand accentuates over the long run (Kumar 2007). A brand association includes the brand’s slogan (Kumar 2007), which for some consumers acts as one a key aspect of the brand that is instantly recalled. Brand associations help to develop the brand image and the respective brand positioning (Kumar 2007). According to De Mooij (2010), a brand image explains how a brand is painted in the minds of its consumers. Thus, a brand image revolves around the set of brand linkages mentally assembled by the consumers (Aaker 1991). This brand image is usually correlated with individualistic brand characteristics (Mooij 2010) and visuals (Aaker 1991) thus, forming the subsequent image (Mooij 2010).

Brand linkages and the respective brand’s image together form the brand’s perception. This representation of how the brand is perceived may not be an objective one (Aaker 1991). For instance, an image of brand proficiency may be formulated upon how appealing the place of the brand’s product/service delivery is, rather than how happy or content the brand’s existing customers are. It could be added, that centralizing upon the brand perception, i.e. brand association and brand image, the brand’s respective positioning is created (Aaker 1991). This means that the positioning, in a way, is based on the image that a brand gives off (luxury image = luxury positioning). For a brand to be firmly positioned in the marketplace and in the minds of the consumers, it must have well-constructed brand linkages.

According to Aaker (1991), brand associations help in the generating of various values to the company such as allowing the consumers to easily distinguish the
respective brand name amongst competing alternatives. Also brand associations help to create positive attitudes by the consumers regarding the brand itself, which in turn create more reasons for the consumer to buy the brand (Aaker 1991).

The fundamental concept behind brand positioning is what slot does each brand hold in a consumer’s mind. This space is often particular to how a brand is distinguished amongst other brands (Sengupta 2007). To help marketers configure what mental slot their respective brand holds perceptual mapping is used. Perceptual mapping is one visual method that can be used by marketers to help them in understanding what position their consequent brand linkages hold in the minds of the consumers (Mooij 2010). It also shows how one product is viewed amongst other similar products in the marketplace using two different variables (Sengupta 2007) based on the views of the consumer (Nargundkar 2008). According to Nargundkar (2008), amongst the probable dimensions of comparisons to the consumer would be delivery price and time. Regarding the parameters of price and time concerning a specific brand, they could be mapped in the mind of the consumer as: high price and fast delivery of service, high price and slow delivery of service, low price and fast delivery of service, and low price and slow deliver of service. Thus perceptual mapping is defined as the “means of displaying or graphing, in two or more dimensions, the location of products, brands, or group of products in customers’ minds” (Lamb et al. 2013, p. 141).

In relevance to the brand equity model proposed by Aaker (1991) displayed in Figure 2, it could be said that the above explained categories, respectively: brand loyalty, name awareness, perceived value, and brand associations, jointly construct the brand’s respective equity. Each category produces distinct brand values that help the respective customers, and company as well in several ways.

2.1.3 Branding In the Hospitality Industry

The hospitality industry, which is a segment of the service industry, has become a very important economic factor to many countries, such as Austria, Germany, U.S, China, India, and many more (Salver 2009). The hospitality industry is considered to be a significant one to many countries as it has helped in creating many jobs thus, lowering the countries’ respective unemployment rates (The Travel & Tourism
Competitiveness Report 2013). Therefore, it has been emphasized that the service industry, mainly the hospitality industry, has greatly contributed to the Gross Domestic Product (GDP) and Gross National Product (GNP) of the countries it operates in (Salver 2009).

Fundamentally, the hospitality industry is constituted upon the delivery of services. Services, being intangible by nature, are rather experienced than felt, heard, tasted, etc. Also, services are considered perishable; which means that if a certain room is not sold on a particular night in a hotel; it has eternally lost the opportunity to be sold on that night (Shoemaker et al. 2007). In addition, it could be noted that the service delivered within a hotel is rather diverse. That is, unfortunately it often lacks consistency. This could be exhibited in certain cases where the service delivery in the front desk is different than at the food and beverage (F&B) outlets. Heterogeneity in service-delivery is centralized upon the fact that consistency in delivering services is put in the hands of employees, which are often fueled with emotions that may affect the delivery of the respective service (Shoemaker et al. 2007).

Keeping in mind all of the above-mentioned contributions of the hospitality industry to the GDP and GNP, and the respective characteristics of services (The Travel & Tourism Competitiveness Report 2013), it could be said that branding has become the main concept of many hospitality companies (Dev 2012). According to Dev (2012), branding has proven to be a strong marketing tool in most industries, especially in the hospitality industry.

Within the hospitality industry, a brand may refer to the consistency in delivering values and promises throughout all consumer touch points (Olsen et al. 2005). Consistency in delivering brand values should be looked after in a way that it continues to be attractive to its respective consumers (Murphy 1988). Being a name, logo, slogan, branding constitutes itself in the minds of the consumers. In the hospitality industry, branding has become so widespread to the degree that some customers may only associate the respective hotel’s name with the term brand (Prideaux et al. 2006). Many researches point to the fact that marketing and the consequent branding initiatives impact the respective consumer’s views of the brand (Olsen et al. 2005) and bring value to both the consumer and the company (Murphy 2008). Consequently, it could be emphasized that branding is a strategic tool and
asset that is greatly put in practice in the hospitality industry in order to bring out the values it holds for the respective stakeholders (Dev 2012).

Bearing in mind that branding is an influential marketing tool (Murphy 1988) that when used efficiently and effectively could provide value for the stakeholders, mainly company and customers, then evaluating the degree of the importance of branding, matters must be assessed from both sides. Brands provide a number of advantages to the supply side, as well as the demand side (Salver 2009). Recalling the brand equity categories that were previously mentioned (brand loyalty, name awareness, perceived value, and brand associations), it could noted that the origin of branding benefits lies within them if efficiently managed (Aaker 1991). The following table, Table 1, summarizes the list of benefits branding provides for companies and the respective consumers (Salver 2009):

<table>
<thead>
<tr>
<th>Supply Side</th>
<th>Demand Side</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows the brand to distinguished from competing alternatives.</td>
<td>Helps to identify the brand products as well as all the required relevant information</td>
</tr>
<tr>
<td>Effective branding with internal customers provides a well-rounded internal identification. With careful understanding on the basis of the brand, employees are better aware of the respective characteristics of the brand and consequently speak accurately of it; ultimately high employee loyalty</td>
<td>Consumers gain a certain type of security concerning quality when purchasing brand name.</td>
</tr>
<tr>
<td>High employee loyalty greatly affects service delivery, ultimately in a way that generates greater customer loyalty and greater financial returns to the company</td>
<td>Being aware of what the brand name is provides the consumers with a general promise incentive while purchasing the brand; risk reducer.</td>
</tr>
<tr>
<td>Lowers customer dissatisfaction; as they know what type of brand is provided thus, have a certain idea/image on quality.</td>
<td>Branding allows the consumers to focus on certain attributes of goods/services provided. This in turn reduces cost of searching for the brand-relevant information.</td>
</tr>
<tr>
<td>Impacts consumer behavior; it acts as an emotional pull</td>
<td>Allows consumers to express their belonging to a certain brand name via brand logo</td>
</tr>
</tbody>
</table>

Bearing in mind all the benefits of branding, to both the company and the respective consumers (Table 1), it could be said that when branding is efficiently implemented
within a company it gains the brand a competitive advantage in the marketplace it operates in (Salver 2009). This economic advantage is a result of both, internal and external, customer satisfaction, which generates great economic feasibility to the company at stake (Salver 2009), for example the hotel company. Thus, it could be said that branding is an essential and crucial tool to be implemented within an organization, as it truly is a strategic asset (Kotler and Pförtsch 2010). It could also be said that branding is considered to be a topic of great importance in the hospitality industry (Oh and Pizam 2008).

2.2 Travel Motivation

2.2.1 What Is Travel Motivation All About?

Consumer behavior is considered an issue of great importance, as all of us are humans and, by nature, consume the goods and services around us on daily basis. So, it could be highlighted that all business operations rely on the existence of consumers. Thus, it could be said that a life without consumers is a life with no business (Blythe 2013). By definition, consumer behavior is “the set of the processes involved when individuals or groups select, purchase, use or dispose of products, services ... to satisfy needs and desires ” (Solomon et. Al 2006, p. 27). As for the American Marketing Association (AMA), it explained that consumer behavior is about the joint collaboration of behavior, reasoning, and environment in which humans, i.e. consumers, purchase their products. Consumer behavior does not only include the purchase and consumption of tangible products, but also intangible ones. This means that the topic encompasses the service sector of consumption as well. So, it could be denoted that consumer behavior revolves around the extensive understanding of how a consumer buys a certain good/service, and how he/she makes use of it (Sharma 2006).

Relating back to Randall (2000), it is certain that consumers are one of the most important stakeholders of any company. Thus, it is considered that the winning point to any marketing strategy is to comprehend consumer behavior (Wright 2013). This means that in order for a well-elaborated strategy to be put in action, the marketers need to understand what is truly appealing to their respective customers (Sharma 2006)
Bearing in mind the importance of consumer behavior, it is asserted that each consumer has his/her own set of individual actions that are the products of a distinctive background and experiences therefore, resulting in a unique behavior. This unique behavior is what marketers are constantly trying to influence in a way that favors their respective brand (Blythe 2013).

A major segment of consumer behavior is travel motivation, which is topic that is heavily based upon the concept of need (Pizam and Mansfeld 1999). An individual’s needs are what stimulate motivation (Pizam and Mansfeld 1999), which in turn stimulates the actual action. In the case of travel motivation, the action is the act of travelling thus, travel motivation “relates to why people travel” (Woodside and Martin 2008, p.25). Due to the fact that travelers themselves are demanding and are unpredictable by nature, this results in compound decision structures (Kozak and Decrop 2009). According to Kozak and Decrop (2009), the process of selecting, purchasing, consuming, and disposing of tourism goods and services involves a wide range of actions that is influenced by many attributes. This wide range of processes, which is rather complex, is a topic that should be of interest to the upper management.

In order to understand the complex processes that travelers undergo when selecting, purchasing, consuming, and disposing of their goods/services, Maslow’s hierarchy of needs is considered a groundbreaking theory (Woodside and Martin 2008). Maslow’s theory of needs is very popular in the respective areas of marketing and tourism is because of its simplicity (Kozak and Decrop 2009). The following figure, Figure 4, illustrates Maslow’s hierarchy of needs:
Maslow’s Hierarchy of Needs, Figure 4, explains that all human needs can be categorized into 5 categories. Those five needs put in ascending order (from bottom of pyramid to top); according to Maslow is what humans are constantly striving to satisfy. This means that once the basic needs are fulfilled, the next category of needs would emerge as striking needs that urgently have to be fulfilled (Woodside and Martin 2008). Thus, once a certain category of needs is met then it would no longer be labeled as urgent, and the individual in turn is motivated to meet the next category of needs (Kozak and Decrop 2009).

Many researchers have often criticized Maslow’s hierarchy of needs theory, arguing that it did not include all sets of needs that consumers want to fulfill (Woodside and Martin 2008). Unfortunately, very few researchers have taken the time to notice that two extra categories of needs that Maslow has added: the aesthetic need, and the needs to know and understand (Maslow, 1970). For the tourism and hospitality industry, those two additional sets of needs are the ones that actually carry the greatest importance. This is because when people plan to travel, they aim to learn something new (Woodside and Martin 2008); to experience something different. This could involve sightseeing (Woodside and Martin 2008), and even staying at a particular hotel.
2.2.1.1 What Is the Travel Decision-making Process?

Everyday consumers are constantly being exposed to marketing strategies that attempt in influencing their purchasing decisions. In return, consumers are always in the process of choosing a product/service to make use of, to consume. In order to execute the processing of purchasing a good or service, the consumers undergo a set of processes called ‘The Consumer Buying Decision Process.’ This process is considered to be a very powerful tool for marketers in the tourism and hospitality industry as it allows them in understanding how guests truly fulfill their needs and motivations (International Encyclopedia of Hospitality Management, 2010). The consumer, i.e. travel, decision-making process is illustrated as follows:

![Diagram showing the Consumer Decision-making Process]

Figure 5 Consumer Decision-making Process by Reid and Bojanic (2001, p.103)

Figure 5 demonstrates the Consumer Decision-making Model, which is comprised of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and evaluation. Need recognition arises when the consumer notices a difference between his/her actual state and his/her desired state. During this stage, any occurrence may stimulate the need to reach the desired state (Reid and Bojanic, 2001). In the case of luxury hospitality, an image of a person enjoying a luxury service triggers the need within the consumer for himself/herself to be basking in luxury service. Once this need is recognized, the consumer begins looking for information, which leads to the second stage of the model: information search (International Encyclopedia of Hospitality Management 2010). Information search involves the process of going through already existing information about the object of desire. The consumer looks for information stored in the memory or by actually retrieving it from his/her surroundings, which includes WOM and advertisements (International Encyclopedia of Hospitality Management 2010). The amount of information that the consumer stumbles upon, and the time dedicated to retrieve it affects his/her involvement. For instance, long duration to retrieve information leads to greater involvement (Reid and Bojanic 2001).
During the second stage, the consumer is exposed to a number of brands offering similar services. Those set of brands denotes the consideration set, which in the consumer’s perspective is the list of alternatives. Once the set of alternatives have appeared, the third stage of the process commences: evaluation of alternatives (International Encyclopedia of Hospitality Management 2010). Marketers always aim at being amongst the list of alternatives (consideration set) that the consumer assembles (Reid and Bojanic 2001), and they always try to influence it in a way that positively affects their brand (Blythe 2013). Comparisons are made at this stage regarding dimensions such as, price, location, and service quality (Reid and Bojanic 2001). The consumer, as a result, chooses the alternative with the most appropriate variables that satisfies his/her desires. This is known as the purchase decision (Reid and Bojanic 2001).

After the fourth stage, purchase decision, the consumer evaluates their respective choice/purchase. This is known as post-purchase evaluation (International Encyclopedia of Hospitality Management, 2010). The fifth stage of the travel decision-making process is of particular importance to the tourism and hospitality industry. It is the stage where the consumer questions whether his/her choice is appropriate in comparison to the image he/she had in mind. Hotel staff could minimize such doubts through effective communication with the respective consumer (International Encyclopedia of Hospitality Management, 2010) such as, correcting any problems that might have occurred during their guest’s stay, as well as enforcing follow-ups. If a negative occurrence took place, then the guest will be dissatisfied; hence will be spreading negative WOM and vice-versa (International Encyclopedia of Hospitality Management 2010).

According to the International Encyclopedia of Hospitality Management (2010), understanding the travel decision-making process is a delicate matter where marketing and branding initiatives have a good chance of affecting the guest’s choice. In addition, comprehending such a complex process allows the respective brand to better provide services to the consumer. The proper comprehension of the travel decision-making process, allows proper marketing and branding strategies to be implemented within the company at stake (International Encyclopedia of Hospitality Management, 2010), hence understanding how a guest picks a hotel.
According to Aaker (1991), once the supply side (in this case hotel company) provides a good or service that the respective guests need (first step of Figure 5), then the hotel company is on the right track in grasping how a guest (demand side) picks a hotel.

2.3 Kempinski

2.3.1 History and Background

“HOTELIERS SINCE 1897” is the luxury hotel brand name’s slogan. The Kempinski brand name has been established in Berlin in 1897 under the name ‘Hotelbetriebs-Aktiengesellschaft’ which was later changed to Kempinski Aktiengesellschaft (AG) in 1977 (Kempinski, 2013).

The father of the brand, Berthold Kempinski, was born in 1843 in the currently known Poland (Kempinski.com 2013). It seems that Mr. Kempinski has always had an interest in the service industry, as he began his career by opening a gourmet wine shop in Breslau in 1862 with his brother (Kempinski 2013). Later, he moved with his wife to Berlin and opened another branch of the wine store there. The business seemed to be going very well (Kempinski 2013) that it increased Berthold Kempinski’s interest in other segments of the service industry until 1989; he opened the biggest restaurant in Berlin. Consequently in 1897, the Kempinski brand name was founded with partnership between Mr. Kempinski and his son-in-law Richard Unger (Kempinski 2013).

Keeping in mind the extensive brand name timeline, the father of the brand, Berthold Kempinski, has always been known as a hard working entrepreneur, and alongside Richard Unger, the Kempinski brand has witnessed great success throughout the years (Kempinski 2013). The current President and Chief Executive Officer (CEO) of the hotel company is Reto Wittwer, who has been with the company since 1995. Under Mr. Wittwer’s administration, the Kempinski hotel company “has become one of the most prestigious names in the hospitality industry” (Kempinski 2013 Management Board section).

The luxury hotel brand name’s mission aims at being “… renowned as hoteliers who offer luxurious hospitality in the grand European style” where they serve “… the kind
of people who expect excellence and value individuality …” (Kempinski 2013 Kempinski’s Strategy section). This mission statement explains how they aim on being the deliverers of superior quality tailored to the need of each guest, thus providing optimum service quality and standards. The hotel company’s brand promise is to deliver a genuinely European and luxurious service to their respective customers. Kempinski believes that this is attainable through internal customer (employee) training and the respective empowerment (Kempinski 2013).

According to Kempinski’s strategy, respective employees are adequately chosen and greatly invested in to assure that the brand name’s guarantee is passed on accurately to their respective guests through all brand channels (Kempinski 2013). It is safe to say that their aim at being luxury European hoteliers is constantly being achieved, as they have received numerous awards such as “Best Luxury Hotel Brand” in 2012, and “Best People & Talent Management Programme” in 2011 (Kempinski 2013).

The Kempinski brand name is majorly focused on management contracts (Kempinski, 2013), which means that they do not acquire properties but rather are hired by the owner. A management contract enforces greater quality control and employee standards, as the management company (in this case Kempinski) is in charge of hiring the hotel’s respective management and staff (Front Office Operations Unit 1 2012). Thus, they run the luxury properties on behalf of the owners in a way that maximizes their respective profit via introducing Kempinski’s renowned luxury standards with the goal of ultimately increasing the Kempinski brand value. So, it could be said that once the owner of the property agrees on the Kempinski management contract, consequent brand recognition and success is guaranteed (Kempinski 2013).

The brand name, Kempinski, is not a publically traded stock, as the Thailand Crown Property Bureau majorly owns it. The Thailand Crown Property Bureau follows a constructive strategy to further diversify the Kempinski portfolio in worldwide key destinations (Kempinski.com, 2013). As Kempinski (AG) aims at spreading the brand name internationally, it currently owns 75 luxury hotels worldwide (Kempinski.com, 2013). Their portfolio presently incorporates “historic grand hotels, superb city hotels, outstanding resorts and superior residences. As well as famous names,
such as the Hotel Adlon Kempinski in Berlin, the Emirates Palace in Abu Dhabi, the Hotel Taschenbergpalais Kempinski in Dresden, or the Çiragan Palace Kempinski in Istanbul” (Kempinski 2013 History section).

In addition, the hotel company Kempinski is the founding member of the Global Hotel Alliance (GHA), which contains more than 320 hotels of superior luxury properties in over 55 countries for their respective members to choose from (Kempinski 2013 Partner section).

Bearing in mind the company portfolio, it is assumed that the hotel chain Kempinski is concerned with quality rather than quantity, and are quite selective about their locations with the aim of keeping their “Kempinski family small” (Kempinski 2013 Hotel Development section). Therefore, not only are the hotels located in the heart of pumping cities, but are also situated in far away less and traveled places.

2.3.2 Palais Hansen Kempinski

Palais Hansen Kempinski is one of the newly added hotels to the Kempinski brand name. It is located in the heart of Central Europe, Vienna. The hotel has a strategic location, as it is close to many historic sites such as the St. Stephan’s Cathedral, and could be accessed by a number of ways (public transportation and cars). The flagship property offers its guests the perfect blend between Vienna’s famous historic exteriors, and contemporary interior that is enriched by Kempinski’s luxurious service standards (Kempinski 2013).

The hotel has 152 rooms, consisting of superior, deluxe, and grand deluxe rooms and suites (Junior, Presidential, etc.). The rooms range between 32 and 45 square meters, designed in a modern way and include all elements of luxury. As for the suites, they range between 53 and 68 square meters that incorporate style, comfort, and royal luxury. As for the presidential suite (320 m²), it is of an exquisite interior of sophistication and fashion trends, with a presidential-like-atmosphere (Kempinski 2013).

Palais Hansen Kempinski also prides itself for the luxurious F&B outlets it offers, amongst which are the Cigar Lounge, Die Küche restaurant, and Edvard, which is headed by the famous chef Philipp Vogel. All of the bars, lounges, and restaurants
offer choices to the respective guests that are of an optimum mix between Austrian tradition and modern trends (Kempinski 2013)

In addition to the charming rooms and suites, and culinary experiences, Palais Hansen Kempinski offers its guests and visitors a spa that soothes the senses. This luxury spa has all the treatments and massages that unwind the muscles and carry the guests away on a magical journey, where aromatic oils and scrubs, and gentle hands are the main talents (Kempinski 2013)

So, it could be said that Palais Hansen Kempinski is one of the youngest additions to the Kempinski brand name. The newest Kempinski flagship property is ought to deliver European luxury to the international guests through all employee touch points through its comforting rooms, exquisite dining, customized services, and extrinsic people’s skills.

3 Methods

In order to cover the author’s intention of covering the topic of branding and its influence on consumer behavior from supply side (hotel company) and demand side (guests of the hotel company), this section is divided into two parts: In-depth interviews (3.1) and surveys (3.4).

3.1 In-depth Interviews

To truly understand how an individual or particular party thinks, talking to the person or group in question is considered the best choice. In other words, a conversation is known as the basic communication method where genuine thoughts are unveiled, experiences are thoroughly spoken of, and feelings and attitudes are truly brought to life (Kvale and Brinkmann 2009). So in an interview, a conversation takes place between the interviewer and the interviewee, where the former thoroughly listens and takes notes of the interviewee’s views and opinions concerning the topic of interviewer’s interest (Kvale and Brinkmann 2009).

Bearing in mind what an interview is, it is considered to be a form of qualitative research. Generally, qualitative research is about examining people’s lives in real time and under real conditions (Yin 2011). Thus, it could be said that an interview,
which is a form of qualitative research, is about mirroring the interviewee’s thoughts and opinions where he/she is given the liberty of expressing certain events or personal thoughts regarding the topic/question the interviewer has proposed (Yin 2011). Other forms of interview include focus groups, telephone interviews, Internet interviews, etc. (Klenke 2008). The important aspect about qualitative research is to truly capture and represent the respective interviewee’s responses and opinions, not the researcher’s views and beliefs about the topic at stake (Yin 2011).

Consistent with Yin (2011), Kvale and Brinkmann (2009) also believe that the essence of qualitative research lies in understanding the viewpoints of the interviewee, not the researcher’s own opinions. Therefore an interview being listed as a qualitative research and in more detail being recognized as a form of conversation, it is simply about harmoniously pulling together conversational skills in an adequate way that helps in reflecting the respondent’s answers (Kvale and Brinkmann 2009). According to Flick (2006), an in-depth interview is used when the interviewer wants to capture the interviewee’s insight and consequent view of certain topics, thus addressing the interviewer’s topic of interest subjectively.

Concerning methodology, this thesis is partially based upon a semi-structured in-depth interview (other being a survey questionnaire). A semi-structured interview is one where the questions to be asked are already decided upon and thus, forming an interview guide. This interview guide is equivalent to a checklist of topics-to-be-covered by the interviewer. The wording and the structure of questions stated in the interview guide are adapted upon the flow of the conversation itself between the interviewer and interviewee (Robson 2011). During the thesis, responses from the General Manager (G.M.) of the Palais Hansen Kempinski are constructed upon an in-depth interview, where the author of the thesis has the intention of allowing him to respond freely (without any pressure) on all questions. Thus, based on this intention, the author is being consistent with Robson (2011), who states that ideally an interview is to be executed in a manner where the interviewee is free to answer any question with no induced pressure by the researcher.

An in-depth interview is not of a specific duration, but rather the duration is dependent upon the interviewer’s estimation of both the interviewee and the questions themselves (Seidman 2013). On a general level this means that young
interviewees prefer to have shorter durations than elder interviewees. However, it could be mentioned that a time-lapse of two hours may seem just too lengthy for both the interviewer and interviewee. Therefore, it could be said that an interview should be of less than 2 hours in duration (Seidman 2013). Generally, the types of questions asked in an in-depth interview are: open questions, and theory-based questions (Flick 2006). Open questions are ones that are answered by the interviewee based on his immediate knowledge, such as: “What do you think, and why are people in general ready to trust each other?” (Flick 2006, p. 156). Theory-based questions are questions that are driven towards the interviewer’s topic literature, and towards the interviewer’s research questions (Flick 2006). The author of the thesis has set an approximation of one hour of interviewing based on the interviewee (G.M. of Palais Hansen Kempinski Vienna), and of course the questions themselves.

In order to ensure smooth flow throughout the conversation, i.e. interview, probes are to be used. A probe is a “device to get the interviewee to expand on a response when you have the feeling that he has more to give” (Robson 2011, p. 283). To simply break it down, a probe could be a simple phrase (could you further elaborate on that topic) or a non-verbal cue (a glance/silence) that gives the interviewee the chance to further provide remarks concerning a certain topic (Robson 2011).

Bearing in mind all the information mentioned previously concerning interviews and probes, there are plenty of advantages and disadvantages regarding the topic in general. Advantages include how flexible and seemingly simple it is to dig for responses via interviews. Being face-to-face with a respective respondent allows the interviewer to truly understand what lies behind the respondent’s viewpoints (Robson 2011). It could be noted that observing the interviewee’s set of actions while attempting to respond to a question is a signal that helps the interviewer in better understanding the topic being discussed and therefore, exploring primary intentions (Robson 2011).

As for the disadvantages of interviews, they include altering the views of the respondent’s by the interviewer. Another disadvantage is that the interviewer and the interviewee could greatly misinterpret non-verbal communication (body language). This occurrence could in turn greatly affect how the responses are
interpreted and how the questions are understood, respectively (Robson 2011). Also a major downside of interviews is the fact that they are relatively time consuming. This is due to the fact that the researcher has the aim of capturing valuable interviewee’s insight, which in most cases does not flow through the interview right away but rather takes time. This disadvantage may lead to a concern of “respondent fatigue” (Robson 2011, p. 281). Respondent fatigue is a result of lengthy interviews, where the respondents are too tired and unwilling to respond any further to the researcher’s questions (Robson 2011).

3.2 Development of the In-depth Interview Guide

Please check Appendix 1 for this part of the thesis.

The interview guide is comprised of three respective parts: introduction, main body of interview questions, and closing questions. An introduction, first part of interview guide, is where the interviewer introduces him/herself, and it also includes the purpose of the interview (Robson 2011). Along with the introduction, an estimate of the time is to be included and also asking for permission regarding the taping of the session. In addition, assurances of confidentiality are given to the respective interviewee (Robson 2011).

According to Brynman (2012), the questions developed in an interview guide must follow a certain logical flow to both the interviewer and interviewee, and more importantly they should cover the research questions at stake. Therefore, the main body of the interview (second part of interview guide) is comprised of 13 questions that the author has put together in order to get an adequate managerial view of the research questions: how does branding create quest loyalty and how it creates value, and how a guest picks a luxury hotel. Out of the thirteen questions, seven questions directly reflect on the author’s research questions.

Question 1 of the interview guide aims at pointing out that whether the concept of branding helps in differentiating a respective brand in the marketplace or not, thus, confirming or disconfirming with Murphy (1988) and Salver (2009). Questions 2, 3, and 4 serve the purpose of highlighting the importance/unimportance of the
elements of clarity, consistency, and leadership respectively, thus, agreeing/disagreeing with Kotler and Pförtsch (2010).

As for question 5 and 6, they aim at highlighting whether branding is an influential communication tool that marketers try to speak through to the public or not, as mentioned by Kotler and Pförtsch (2010). Question 7 investigates the brand equity category of loyalty therefore, being consistent/inconsistent with Aaker (1991); and thus, answering the research question of how branding creates customer loyalty from the supply standpoint.

As for question 8, the author aims to assemble an anchor metaphor to which other Kempinski brand associations could be attached, from the managerial perspective (Aaker 1991). Ultimately, question 8 attempts in creating a link between guests’ emotional attributes and their respective brand loyalty. Questions 9 and 10 aim to assess how Kempinski handles brand/property awareness and perceived quality (hence value), respectively. Henceforth, questions 9 and 10 aim to address the research question of how a brand helps to provide value. As for question 11, it aims to understand the managerial views regarding perceptual mapping, whereas question 12 aims to conform with the International Encyclopedia of Hospitality (2010) regarding the travel decision-making process and Kempinski’s branding and marketing strategies, and answering accordingly the question of how guests pick a luxury hotel (from the managerial viewpoint). Finally, question 13 has the intention of understanding how consumers pick a luxury hotel, hence also answering the author’s research question of how a guest picks a luxury hotel.

After all the questions have been responded to by the interviewee, and also after the appropriate probes have been used, a closure is to be presented. A closure, last part of interview guide, includes the goodbye (Robson 2011). Prior to the goodbye, the author asks the interviewee whether he/she would like to add anything further, and offers him/her a copy of the thesis once it is completed.

### 3.3 Data Collection Process for In-depth Interview

In order to set a meeting with the Palais Hansen Kempinski Vienna G.M., the author of the survey has first contacted him via telephone on December 9, 2013 where both
parties have agreed to set a meeting in January, and the mediator being the G.M. personal assistant. Instantly after the telephone conversation, the personal assistant contacted the author of the survey and a meeting on January 22, 2014 at 13:00 was set, and the location being the hotel’s lobby.

On January 22, 2014 at exactly 13:00, the in-depth interview took place at the Palais Hansen Kempinski Vienna lobby, which covered 13 questions and respectively lasted for 40 consecutive minutes. During the in-depth interview, the G.M. seemed satisfied with the questions, as he openly answered all of them based on his extensive experience with Kempinski. The G.M. also answered some questions with respect to his prior experiences with other Kempinski hotels thus; the author of the survey has kindly asked him to elaborate further on the question regarding the Case Study of Palais Hansen Kempinski Vienna.

The author herself has put a thorough 10-page transcript of the interview together on January 24, 2014 (please check Appendix 2 for the transcript).

### 3.4 Surveys

When dealing with large volumes of data, quantitative research is usually the option of choice. Quantitative research is heavily based on the fact that the data being processed is rather of a quantifiable nature (Rasinger 2013). It could also be said that the researchers resort to quantitative research primarily due to their interest in examining certain variables, and the consequent visual models that help explain the original variables and the respective respondents’ responses/behavior (Hoy 2010). Simply, it means that when large capacity of data, i.e. quantifiable data, is to be collected, the researcher is mostly interested in knowing the number of applicants who ticked answer ‘A’, ‘B’, etc. (Rasinger 2013), in order to produce visual models that help underline the respondents’ choices (Hoy 2010).

Quantitative research is of three types: exploratory, descriptive, and causal (McNabb 2009). This thesis is focused on descriptive research where a questionnaire is constructed in order to produce answers to specific questions (McNabb 2009), namely the author’s research questions. Another form of descriptive research is
observation, which is “observing and counting overt acts of behavior” (McNabb 2009 p. 109).

A mean of collecting data from people about their current status (age/education/etc.), about their consequent viewpoints (beliefs), and about their actions towards named situations (behaviors) is called surveys (Balnaves and Caputi 2001). Surveys are considered to be one of the most widespread data collection methods (McNabb 2009). A survey is usually used to explain previous behaviors or to forecast future ones (McNabb 2009). Different forms of survey questions are: multiple choice, true/false, rating scale, and short answer questions (Barbazelette 2006). The quantitative research that covers the demand side of this thesis is mostly focused on multiple-choice questions. Usually a survey that is constructed upon multiple-choice questions includes questions such as: what is your gender? Such a multiple-choice question is answered by giving the respondent two options to choose from: male and female (Trochim and Donnelly 2007).

Generally, surveys are in the form of a questionnaire where a person responds to a certain set of questions and scenarios put together by the researcher, either in person or via e-mail or telephone (Balnaves and Caputi 2001). It is safe to say that a questionnaire is the medium, in which the applicants fill in their responses, which helps pass on the views of the respective respondents to the researcher (Trochim and Donnelly 2008). Surveys are usually chosen by researchers in order to capture objective data, which is collected directly from respondents themselves (Vogt et al. 2012). It is important that a survey is logically structured, beginning with warm-up questions that the respondents can reply to instantly with minimal effort such as: “Do you own a bicycle” (McNabb 2009 p. 116).

Keeping in mind all the information mentioned above concerning surveys, there are numerous advantages and disadvantages concerning the topic. Advantages include the fact that the data collected through surveys is empirical data; collecting data in real time observations and directly from the respondent’s perspective (Denscombe 2007). Another advantage of a survey is that it could channel a broad range and/or inclusive set of views; it could be tailored to the exact set of sample the researcher has intended for, where the results could reflect the general view. In addition, surveys are considered to be relatively timesaving and also money saving; a certain
time span and budget are allocated. This is especially true regarding online surveys, where the costs are significantly lower (Denscombe 2007).

As for the disadvantages of surveys, they could touch the level of accuracy and integrity of responses. This means that the fact that the survey could be tailored to a certain sample, then the responses may be compromised. Another disadvantage is that surveys may lack a certain level of detail regarding the answers given to the questions proposed. Also a disadvantage of surveys is that they can simply be ignored; this is especially correct concerning Internet surveys (Denscombe 2007).

Concerning methodology, this research is partially based on descriptive research (other being an in-depth interview), i.e. surveys, where the respondents are asked to answer a series of questions in the form of multiple choices. As for the research variables that are to be tested through the survey, the author is mainly interested in the demand side of the equation represented by the guests of the Palais Hansen Kempinski Vienna – i.e. most of the questions asked throughout the survey will mirror this thesis’ research questions:

- How guests pick a luxury hotel?
- How does branding help provide value and how does it create guest loyalty?

Thus, all of the questions to be included in the survey are to primarily respond to the author’s proposed research question, and secondarily to see whether they are consistent with the literature review that the author has executed. All in all, the aim of the survey is to reflect the viewpoints of the respective Kempinski Palais Hansen guests, in order to cover the demand side of the equation; as the supply side has already been covered in the form of an in-depth interview with the G.M. of Palais Hansen Kempinski Vienna.

### 3.5 Questionnaire Development Process

Please check Appendix 3 for this part of the thesis.

The survey that was passed on by the author of this thesis, mainly comprised of three parts: a short introduction that includes the aim of the survey and the time
span, body of questions, and a message that informs the respondent that the survey has ended and thanks him/her for the time taken to fill the survey.

The short introduction put in the beginning of the survey, first thanks the respondent for allowing the author to conduct the survey. It also contains the objective of the study (assessing the influence of branding on consumer behavior), the fact that the respondent’s anonymity will be kept, and the approximate time taken to complete the survey.

After the short introduction, the respondents of the survey are asked 13 questions that reflect the author’s own research questions, as well as the literature review that was conducted by the researcher. Following the 13 questions are 4 demographic questions (questions 14, 15, 16, and 17) relating to gender, age, nationality, and occupation.

Questions 1 and 2 try to find out how many times the respondent of the survey has stayed at the Palais Hansen Kempinski Vienna. Question 3 tries to find out why the respondent has chosen Palais Hansen Kempinski as a luxury hotel; thus, responding to the research question ‘how do guests pick a luxury hotel.’ Question 4 attempts at assessing how the respondent views the hotel in the marketplace; market-driven and/or market-driver, thus coinciding with Kotler and Pförtsch (2010).

As for question 5, it aims to find out how the respondent was aware of the property and therefore, mirroring the literature review conducted by the author of the thesis. Also, it aims to assess whether the brand Kempinski has created loyal guests for itself through other Kempinski properties or not. Question 6 points out what type of guest loyalty the respondent of the survey holds, hence addressing the demand side of ‘how a brand creates loyalty.’ Question 7 reflects what type of perceptual mapping Palais Hansen Kempinski has in the minds of its own guests; mirroring the literature review, whereas question 8 aims to assess the level of consistency Palais Hansen Kempinski passes throughout its employee touch points. Question 9 aims to assess whether the property has created for itself loyal guests or not, and ultimately addressing the issue of perceived quality (spreading positive WOM or not). Question 10 aims to address the topic of brand quality, hence value; therefore, answering the question ‘how a brand creates value.’ As for question 11, it aims at highlighting
whether branding helped Palais Hansen Kempinski to be amongst the respondent’s consideration list or not; ultimately revealing if branding helps to distinguish the company’s respective name in the marketplace.

Questions 12 and 13 aim to find out the set of associations that the brand is linked with; ultimately forming the anchor to the associations that could be attached to Palais Hansen Kempinski Vienna from the demand side. Finally, questions 14, 15, 16, and 17 serve demographic purposes of gender, age, nationality, and occupation of respondents, respectively.

Ultimately following the body of questions is the concluding sentence where the author conveys her last message to the respondent of the survey. This message includes gratitude for taking time to fill the survey in, and asking the respective respondent whether he/she would like to see the results of the survey via sending an email to the author on a given e-mail address.

The survey of this thesis was made using an online survey software and questionnaire tool:

www.surveymonkey.com

3.6 Data Collection Process for Surveys

In order to collect an adequate amount of survey responses, the author of the survey has decided on two means of data collection:

- The survey to be sent out via e-mail by the Palais Hansen Kempinski G.M., to the hotel’s respective client database (who has recently been to the Vienna property).
- The survey to be collected in person by the author of the thesis, where guests will be asked to fill in the same questionnaire at the Palais Hansen Kempinski Vienna lobby.

Therefore, in order to decide upon a survey-timeline with the hotel’s G.M., a meeting was held between the author and him on February 14, 2014 at the Palais Hansen Kempinski Vienna lobby, where the following agenda was decided:
<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday 23 February 2014</td>
<td>Survey send-out by G.M.</td>
</tr>
<tr>
<td>Thursday 27 February 2014</td>
<td>Survey completion reminder</td>
</tr>
<tr>
<td>Thursday 6 February 2014</td>
<td>Collection survey responses by author</td>
</tr>
<tr>
<td>Sunday 9 March 2014</td>
<td>Survey close-down</td>
</tr>
</tbody>
</table>

On February 23, 2014 at 20:30, an e-mail was sent out by the G.M. of the Palais Hansen Kempinski Vienna to 200 guests who have previously stayed at the hotel (kindly refer to Appendix 4 for the e-mail sent out by the G.M. to the guest database). On the first day that the survey was sent out, 15 responses were completed, as for the second day only 5 responses. On February 27, 2014, the G.M. himself sent out a reminder to the hotel’s respective guest database (please refer to Appendix 5 for the reminder e-mail sent out by the G.M. to the guest database), where 11 more responses were filled and thus, resulting in a total of 31 filled-out questionnaires.

So, on February 6, 2014, the author of the thesis collected responses in person at the Palais Hansen Kempinski Vienna lobby between 10:00 and 15:00, where the guests filled in 20 questionnaires in total via an iPad. A total number of 51 surveys were filled via e-mail send-outs by the G.M. and collected by the author herself; therefore, the survey was successfully closed-down on March 9, 2014.

4 Findings

In order to answer this thesis’ research questions (‘how a luxury brand provides value and how it creates guest loyalty’ and ‘how guests pick a luxury hotel’), from both the supply side and the demand side, this part of the thesis brings the findings from the primary research data collection.
4.1 Findings from the In-depth Interview

The author of the thesis conducted a 40-minute in-depth interview with the General Manager (G.M.) of Palais Hansen Kempinski Vienna, which covered 13 investigative questions regarding the Kempinski’s branding strategy and how it influences respective consumer behavior from the management’s point of view. The G.M. openly responded to the thirteen questions put together by the author:

(Question 1)

The G.M. began describing the Kempinski brand as one of the oldest hotel companies in the world, where the respective Kempinski hotels are part of a collection of individualized hotels. Individualized hotels imply that not a single Kempinski hotel looks like the other in terms of design, as special and unique interior touches are applied differently within different properties. Thus, it could be said that the brand’s focus is on being individualized (unlike chain-hotels, such as the American brands), the brand Kempinski’s aim falls in line with Aaker (1991) and Salver (2009): providing a product that is easily differentiated in the marketplace. Also, Kempinski believes that the delivery of services in individualized properties is aided by the truly European heritage Kempinski proudly possess; as the G.M. delightfully put it ‘the origin of hospitality is European.’ Therefore it could be further added that through its European heritage, the Kempinski brand escalates from being a regular commodity to a valuable-owned treasure as Murphy (1988) has shed the light upon.

(Question 2)

Regarding Kempinski’s mission, vision, and values, the G.M. of Palais Hansen Kempinski Vienna noted that the company is based on five values which help achieve the respective mission and the consequently the vision. Being people oriented, focusing on entrepreneurial experience, having a passion for European luxury, and great traditions are the five core values that the Kempinski brand bases its operations upon. Those values are known to be the ‘Kempinski DNA’, which implies that those values are so deeply embedded with the service delivery and consequently are the assurance to the brand promise. In simpler words, it could be
said that for the Kempinski brand constantly re-enforces the five values within the respective employees, thus, allowing the brand to set targets and action plan through which the brand promise is delivered. This assurance in delivering brand promise is what Olsen et al. (2005) have defined a brand within the hospitality industry context.

(Question 3)

Concerning the element of consistency throughout all guest touch points, the hotel company believes that through extensive employee training and through living the five values, Kempinski DNA, consistency is attainable. In order to correctly pass on the values throughout all customer touch points, those values are broken down to the respective employees to make sure that they truly understand what lies behind them. In this way, once proper comprehension of the values is made clear to the employees, excellent service delivery is guaranteed to the respective guests. This is quite consistent with Kotler and Pförtsch (2010), as they believe that the key to successfully running a brand is through consistency throughout operations. Consistency is also achieved through providing top quality, according to the G.M. Top quality is guaranteed through carefully examining guest feedback in a way that when a certain trend is visible within the feedback, immediate action is required. Taking guest feedback into valuable consideration conforms to Aaker (1991).

(Question 4)

The hotel company, Kempinski, has a vision of acquiring marketplace leadership in all ventures they undertake. This vision is heavily based on the fact that Kempinski is a non-standardized hotel company, i.e. it does not have a set of Standardized Operating Procedures (SOPs) that could apply to all Kempinski properties. To further elaborate, each property would be managed in a way that best suits the existing marketplace; consequently, the Kempinski management would provide the necessary support to strengthen the property’s standpoint. The G.M. has given the example of Kempinski Hotel Mall of the Emirates, in Dubai (UAE). The brand’s vision in that particular property, which is connected to a shopping center, is to become the most successful hotel that is adjoined to a shopping mall in Dubai. Thus, it could be said that the Kempinski hotel company views its marketplace leadership as being
the most successful in delivering services, and to live up to the concept of each individualized hotel. Concerning Palais Hansen Kempinski Vienna, the main competitors according to the G.M. are the luxury hotels Sacher and Imperial, who have acquired market leadership due to their existence in the Viennese marketplace for a long time. In the case of Palais Hansen Kempinski Vienna, the hotel views its marketplace leadership as being leaders in offering a city resort in Vienna, Austria. This is because the hotel’s guests are mainly leisure ones (namely 80%), with the rest being a scatter between groups and incentives, and corporate business guests. Also another aspect that the property aims at being a market-driver at is being an IT advanced hotel. This aim was realized when the hotel was recently voted as ‘Europe’s most IT advanced hotel,’ due to how the property infused iPads throughout all service delivery channels and ultimately making it more comforting and advanced in the marketplace.

(Question 5)

Regarding effective company branding, Kempinski is building the brand on the basis that all partnerships provide greater value to the brand. This means that the hotel company does not only sign contracts in order to maximize their financial returns, they sign contracts in order to maximize the value of the brand Kempinski in allowing it to be more well known, and ultimately towards the guests associating themselves with the respective brand. This has proven to be effective as the hotel company received “The Best Brand Award” in Europe, which means it has been voted by respective guests as the hotel that represents European luxury. So, consistent with Kotler and Pförsch (2010), it seems that the hotel company believes that the respective brand Kempinski is a powerful communication tool that influences consumers’ perceptions.

(Question 6)

Concerning how the hotel company forms its branding strategy in newly established hotels, the Kempinski brand not only follows different strategies in different locations, but also follows the first movers strategy. The first movers strategy indicates going into markets before other hotels. Kempinski followed the first movers strategy in various locations, such as West Africa. The hotel company
believes that such bold moves increase the esteem that the clientele of Kempinski have as a luxury hospitality supplier. In the case of their youngest addition to the group, Palais Hansen Kempinski Vienna, it is evident that the strategy the company followed was more towards contemporary media (online platforms) than traditional ones (newspapers). The Vienna property decided to form its strategy by collaborating with various online bloggers, as the management saw that this strategy would work best in a city like Vienna. According to the G.M. of Palais Hansen Kempinski Vienna, creating an online presence via bloggers and social media outlets (Facebook) is the trend of the future, and ultimately showing the customers how innovative and up-to-date the Kempinski brand is. Therefore, it seems that the hotel group is consistent with Kotler and Pförtsch (2010) in being aware of how important it is to formulate a branding strategy that fits the brand’s marketplace.

(Question 7)

Regarding guest loyalty, for the Kempinski brand creates loyal guests through providing an exceptional service delivery. In the case of Palais Hansen Kempinski Vienna this means that the brand ensures that the guest is happy all throughout his/her experience at the hotel, especially after the experience is over. To elaborate further on the matter, this means that the brand is concerned with the guest feedback and ultimately towards guaranteeing that the guest will return happily once more to the property, as the aim is to deliver an experience that translates into emotions. In addition to providing a superb guest experience, Kempinski provides a loyalty program called ‘GHA Discovery,’ where member guests are offered special deals that can be redeemed at any Kempinski property, or any other GHA Discovery member. The G.M. also commented on the cost of keeping old customers loyal versus the cost of creating new loyal customers: keeping old customers loyal is indeed less costly, as no money is spent on actual marketing and sales, whereas creating new loyal customer is more expensive, as a lot of money is spent on sales and marketing ventures. This ideology seems consistent with Aaker (1991) who stated that it is less expensive to keep old customers loyal in comparison to creating new loyal customers.

As for the type of clientele that Palais Hansen Kempinski Vienna has, the G.M. mentions that they have a broad clientele, i.e. covering all 5 levels of the loyalty
pyramid as mentioned by Aaker (1991). Price sensitive customers exist in price sensitive locations (Hungary), where the guest would switch hotel brands if offered a better deal; whereas committed guests exist in prominent properties, such as Kempinski Adlon in Berlin, where the guest would never switch to any other hotel brand even if the prices were lower. For the case of Palais Hansen Kempinski all types of guests exist as mentioned earlier. Thus, it could be said, that the type of clientele depends on the property itself, and the type of guests it attracts. In the case of Palais Hansen Kempinski Vienna, the G.M. indicates that it has definitely created for itself a loyal customer base, and this is based on the customer feedback that the hotel constantly received, which mainly revolves around that the hotel has a great team. He also noted that the team of the hotel is truly dynamic, world-trained, and always smiling; and this in the opinion of the G.M. is a strong advantage over older existing hotels in the Viennese marketplace. Consistent with Aaker (1991), Palais Hansen Kempinski Vienna finds it rather difficult to place their guests under one category of the pyramid, as it seems that the clientele falls under different categories of Aaker’s (1991) brand loyalty pyramid (Figure 3). When asked whether the Vienna property has created loyal guests, the G.M. assured that it has indeed. He further added that this is due to the world-trained and dynamically trained employees.

(Question 8)

Concerning the type of emotions, linkages, and attributes that Palais Hansen Kempinski Vienna tries to create in its respective consumers’ minds would be an overwhelming experience. The G.M. ultimately aspires that a guest experience transforms from emotions to verbal expressions, which is a frequent case according to him.

(Question 9)

Concerning brand awareness, Kempinski is strongly bases its awareness strategy from being recognized as a company that has individualized properties. From the basis of being an individualized hotel company, the brand assures it is properly recognized through efficient marketing, sales, and public relations expertise and practices within the hotel’s marketplace. The G.M. also added that the Kempinski
brand focuses on flagship properties and not just signing any contract with any hotel owner; in order to benefit the brand itself, as this adds more value and hence more awareness to the brand. Also, the G.M. of Palais Hansen Kempinski Vienna sheds the light on an important matter: through networking and prime service delivery to their respective guests, the brand Kempinski is correctly recognized. To break it down further, the Kempinski brand attempts at creating a relationship with its fellow customers whom in turn become ambassadors to the company and spread positive word of mouth. In addition, the company does not only try to influence its external customers (guests), but also the internal ones (employees). Thus, it could be understood that the brand aims at being recognized properly through internal and external customers, who speak highly of the brand and consequently spread positive word of mouth.

(Question 10)

The G.M. of Palais Hansen Kempinski openly discussed the topic of how the brand creates value, hence quality, to its respective guests. It was stated that the brand ensures the correct perceived quality through internal and external measures. Internal means include training and managerial spot checks of the respective subordinates, as for external ones they include quality assurance checks by outsourced companies who test the actual service experience approximately 3-4 times a year. The internal and external spot-checks that the Kempinski brand performs to maintain their perceived quality is consistent with Aaker (1991). In addition, it could be mentioned that the hotel is very much dependent on Social Media platforms, such as Trip Advisor. Through such platforms and the remarks people leave regarding their stay at the property a certain form of quality is built in the minds of the perspective guests, which is mostly positive. This form of perceived quality, partly achieved through online platforms, provides perspective Palais Hansen Kempinski clientele a certain push towards the brand name, respectively towards the perceived quality. The views of the G.M. of the Palais Hansen Kempinski Vienna regarding perceived quality seem in-line with Aaker (1991).

(Question 11)
Concerning perceptual mapping, the luxury hotel company aims to portray itself in the minds of its consumers as a company that provides high prices and fast service delivery. In the case of Palais Hansen Kempinski Vienna, this aim of perceptual mapping seems valid, according to the G.M.

(Question 12)

Regarding the comprehension of the travel decision-making model, the G.M. of the Palais Hansen Kempinski Vienna believes that effective marketing and branding strategy is truly dependent upon understanding the traveler decision-making process. To simply break it down, the hotel provides services that are needed in the existing marketplace, which is consistent with Aaker (1991). In the case of Palais Hansen Kempinski Vienna, iPads have been infused in service delivery as a response to the needs of the guests. It seemed evident to the Palais Hansen Kempinski Vienna management that the guests of hotel company are constantly moving more and more towards being IT-advanced, hence the iPads.

(Question 13)

When the G.M. was asked about why the respective Palais Hansen Kempinski Vienna guests choose this hotel in particular when visiting Europe, he said that it is due to the concept of individualized hotels, and the European luxury aspect.

4.2 Findings from the Surveys

The author of the thesis designed a survey that covered 13 questions that answer the research questions and the conducted literature review, as well as 4 questions that target the demographics of the hotel’s guests. The survey was completed by 51 Palais Hansen Kempinski guests, either online via the e-mail sent by the G.M. of the hotel, or through the author of the thesis who asked guests on the property to fill in the survey on an iPad directly into the online designed survey on: www.surveymonkey.com/PalaisHansenKempinskiVienna

To begin with the demographics of the respondents (questions 14, 15, 16, and 17), out of 51 of the hotel’s guests, 38 were male and 13 were female, constituting a ratio of 74.5%:25.6% respectively. A majority of the respondents were between 35
and 44 years old (33.3%). Amongst 51 guests, 22 were European nationals, and the rest were distributed between U.S nationals and Middle-Eastern ones. As for the occupation of the 51 guests, a total percentage of 43.1% were in management positions (13 respondents), and business and financial operations (9 respondents).

(Questions 1 and 2)

The respondents were asked two questions regarding how many times they have visited the property. Most of the respondents (44 respondents) were first-time visitors to the Palais Hansen Kempinski Vienna, whereas 5 respondents could be labeled as habitual visitors as they have visited the property more than 3 times.

(Question 3)

The survey asked the respondents to choose one or more criteria to-be-met when choosing a luxury hotel. For the 51 respondents who completed the survey, 78.4% mutually decided that an important criterion to-be-met when choosing a luxury hotel is location. It was a close tie between the criterion of level of service and hotel facilities, 58.8% and 63.0% respectively. Relatively to other criteria that the respondents were asked about, it seems evident that the guests of the Palais Hansen Kempinski Vienna, the price criterion (35.3%) is the least important one when choosing a luxury hotel. The responses regarding question 3 of the survey is as follows:
Concerning the Palais Hansen Kempinski Vienna market leadership in the context of IT-advancement (iPad integration with service delivery), 86.3% of the respondents feel that the hotel is a driver to the marketplace. Amongst the 51 respondents who have answered that question, 13.4% do not see the hotel as a market leader in setting IT-advancement standards.

Regarding how the respondents were aware of the existence of Palais Hansen Kempinski Vienna, the responses were consistent with with Aaker (1991) regarding brand, and consequently property, awareness. A majority of the respondents know of the property prior to their stay is due to staying at another Kempinski hotel before. Namely 58.8% of the guests were aware of the Vienna property due to their stay at other Kempinski hotels, whereas 7.8% of the respondents know of the property as a result of advertisements. The significant percentage of 58.8 that declared that they have gained awareness of Palais Hansen Kempinski Vienna due to staying at another Kempinski property could signify that the brand Kempinski has created loyal guests for itself. Choosing the Vienna property due to previously staying at one of Kempinski’s properties could suggest that the guests are loyal Kempinski guests that choose to stay at the Kempinski brand throughout their travels.
(Question 6)

Concerning guest loyalty, the sample of 51 respondents produced nearly even results with the three levels of loyalty Aaker (1991) introduced in his *Brand Loyalty Pyramid* (Figure 3), namely non-committed guest (27.5%), satisfied and habitual guest (29.4%), and guests who have developed a relationship with the brand (25.5%). The results are visually illustrated in Figure 7:

![Figure 7 Question 6 – Guest loyalty](image)

(Question 7)

Regarding perceptual mapping, basing on the 51 responses, 46 of them consider Palais Hansen Kempinski Vienna to be high priced and fast deliverers of service, which means that the management has attained the goal of the desired perceptual mapping in the minds of the consumers. Surprisingly, being a five-star and luxurious hotel, which is expected to be high-priced, 7.8% of the sample declared that the hotel offers low prices. This could indicate that the hotel is providing a lot of offers and promotions to win over new guests, which resulted in the perception that it is a low-priced and fast-delivery of service luxury hotel.
The respondents were asked about the element of consistency, regarding service delivery, exhibited throughout their experience with Palais Hansen Kempinski Vienna. It is evident from the 51 respondents’ results that the Kempinski management’s aim in delivering consistent services throughout all guest touch points was successful; 92.2% of the respondents answered that service delivery by the respective hotel employees was delivered in a friendly manner, i.e. consistent manner. Amongst 51 respondents, 2.0% found that all employees did not deliver the service in a friendly manner.

Concerning the service experience that the sample has undergone and how it encourages them to speak of the hotel, the respondents were asked to choose one or more responses out of the following choices: choose the brand Kempinski again, spread positive WOM, choose another hotel brand, spread negative WOM. Out of 51 respondents, 90.2% would choose the brand Kempinski again for their next travel experience, where a percentage of 62.8 out of the 90.2% would also spread positive WOM about their experience at the Palais Hansen Kempinski Vienna. The results of the sample’s last service experience at the hotel are illustrated in Figure 8 below:

![Figure 8 Question 9 – Guest experience at Palais Hansen Kempinski Vienna](image-url)
(Question 10)

Regarding the quality of service provided at the Kempinski property in Vienna, an accumulated 96.1% of the 51 respondents evaluated the quality of service as ‘Outstanding’ and ‘Very Good.’ This significant percentage could imply that the Palais Hansen Kempinski is truly aiming at providing a level of experience that allows it compete in the marketplace. This significantly high percentage may imply that the quality assurance that the brand ensures through internal checks (training) and external checks (outsourcing a quality assurance company) seem to be in place, and producing positive results. Thus, it could be said that according to the result, the brand is creating value to its respective customers.

(Question 11)

The respondents were asked whether Palais Hansen Kempinski Vienna was the only hotel on their list or amongst other hotels on their list when choosing a luxury hotel to stay at. 76.5% of the respondents declared that the hotel was in their luxury hotel consideration list, whereas 23.5% declared that it was the only hotel on their list of luxury hotels.

(Question 12)

In order to address the issue of how the hotel is viewed in the marketplace, the respondents were asked to choose one or more characteristics that describe Palais Hansen Kempinski Vienna. The supply side, the G.M. of the hotel, mentioned that market-leadership for the Vienna property is to be a city resort that provides European luxury. According to the results, 9.8% of the 51 respondents viewed Palais Hansen Kempinski Vienna as a city resort whereas 72.6% considered it to be a hotel that provides European luxury. The results of this issue are graphically illustrated in Figure 9:
In order to know what sort of emotions and linkages, and anchor metaphors the guests of the Palais Hansen Kempinski Vienna associate the Vienna property with, the sample of 51 respondents were asked to mention the attributes that remind them of the brand. The aim of this question in the questionnaire was to provide an anchor metaphor as mentioned by Aaker (1991). Out of 51 respondents who completed the survey, 31 of them took the time to answer this question. The most re-occurring characteristics that reminded the 31 respondents of the survey of the hotel were: service with a smile, service-minded, outstanding service, elegant design, luxurious interior, well-lit lobby, exquisite chandeliers, great flower arrangements. Those characteristics and attributes, according to the majority of the respondents who answered this question, are directly associated with Palais Hansen Kempinski Vienna. The anchor metaphor for the Palais Hansen Kempinski is illustrated below in Figure 10:
The anchor metaphor (Figure 10) suggests that the G.M. of Palais Hansen Kempinski Vienna has a team that fulfills the management’s aim: a world-trained team who is always smiling. In addition, being referred to as a hotel with a luxurious interior, a well-lit lobby, and tasteful flower arrangements could address the European luxury, and individuality of hotels, that the Kempinski brand stands for.

5 Conclusion

The aim of this thesis is to evaluate how a guest picks a luxury hotel, henceforward also to answer the research questions proposed by the author of how branding creates guest loyalty and how it creates value. In order to adequately address the respective topics, a literature review was conducted focusing on three main topics: branding, consumer behavior, and the luxury hotel brand Kempinski, and more specifically its Vienna property (Palais Hansen Kempinski Vienna), which served as a case study for the respective research. The author of the thesis’ aim is to provide a balanced representation by examining matters from both, supply side and demand side. Thus, an in-depth interview was carried out with the G.M. of Palais Hansen Kempinski Vienna (representing the supply side of the equation), and a survey questionnaire was designed to capture the demand side of the equation, which was completed by 51 guests of the property.

So at first, the study examined the three main topics it covered (literature review), which was followed by qualitative (in-depth interview) and quantitative
(questionnaires) research in order to get a holistic view, consequently an understanding of matters.

Guest surveys, which are represented by a sample of 51 guests, showed that the majority of the Palais Hansen Kempinski Vienna guests are of 35 to 44 years of age, where most of them are European nationals. According to the sample, the most important characteristics when choosing a luxury hotel are the location, followed by hotel facilities, and level of service. These would be the prime characteristics upon which guests make their decision regarding the hotel they choose to stay in. Thus, answering the author’s research question of how guests pick a luxury hotel.

For the branding aspect, the study found that as a brand, Kempinski stands out in the luxury hospitality industry by branching out as a collection of individualized hotels, and not standardized ones. Thus, agreeing with Salver (2009) and Murphy (2008) in terms of how the concept of branding allows a company to differentiate itself in the marketplace and distinguishes the goods/services offered by the brand from being a regular commodity, respectively. The research also found that the element of consistency that Kotler and Pförtsch (2010) have mentioned is of high importance to the brand. The element of consistency is a distinguished one to the brand as the company is based on five core values, which help achieve the company mission, and in turn the vision. Those values are: people oriented, entrepreneurial performance, being straightforward, passion for European luxury, and great traditions. The brand aims to incorporate those respective values, referred to as the Kempinski DNA, with service delivery and ultimately intending to set targets and consequent action plans to ensure brand promise delivery.

Concerning guest loyalty, the Kempinski brand, hence Palais Hansen Kempinski Vienna believes that via exceptional service delivery, loyal guests are created. Consistent with Aaker (1991), this means that the brand is greatly concerned with the guest experience as a whole: from beginning to end. Consequently it could be said that guest feedback is the backbone of the hotel’s operations. This implies that Kempinski assures that guest’s neutral and/or negative emotions are converted to positive ones, ultimately conforming with Aaker (1991) in guaranteeing that the guest will return to one of the brand’s properties with delight. Findings from the demand side of the equation show that the hotel’s clientele falls closely under
different categories of the Brand Loyalty Pyramid (Figure 3) proposed by Aaker (1991). In the case of Palais Hansen Kempinski Vienna, the highest result was under the category of habitual buyer (29.4%) followed by non-committed guest (27.5%) category. Thus, consistent with Aaker it could be said that a brand’s customers’ loyalty may be an issue of debate, where most brands have a scatter amongst all levels of the pyramid (committed buyer, likes the brand, satisfied buyer, habitual buyer, non-committed guest).

Distinctly portrayed in the survey findings, a majority of the sample that took the time to complete the author’s questionnaire declared that they have become aware of the Palais Hansen Kempinski Vienna due to previously staying at another Kempinski hotel. This piece of information, which serves as how the guests became aware of the Vienna property, could also imply that the brand Kempinski has created loyal guests for itself. Those loyal guests that the Kempinski hotel group has created for itself who chose Palais Hansen Kempinski Vienna could suggest customer brand loyalty. This finding is consistent with what the G.M. has shared throughout the in-depth interview: Palais Hansen Kempinski Vienna for sure has created loyal guests for itself. In addition, according to the findings provided by the sample, a remarkable 90.2% would choose the brand Kempinski again; thus, it could be said that Palais Hansen Kempinski Vienna has provided a luxurious European service that encourages the respective guests to choose the brand Kempinski again; henceforward also answering the question of how a brand creates guest loyalty.

Regarding the quality, value, aspect of operations, the matter was addressed from both internal views and external ones. Consistent with Aaker (1991), service quality is ensured and evaluated via internal spot checks conducted by the heads of departments on their employees, and externally via quality assurance companies who execute checks three to four times a year on the overall service delivery. Concerning brand name awareness, the study has found that the Kempinski brand is consistent with Aaker (1991) in terms of correct brand name recognition (via advertisements, duration of existence in the marketplace, and having worldwide properties). The Palais Hansen Kempinski Vienna management evidently added one more factor to Aaker’s (1991) accurate brand name recognition: internal employees. Throughout the research it was found that the internal hotel guests are highly
valued, thus, agreeing with Salver (2009). The company believes that if all Kempinski employees speak positively of the brand and truly believe in the DNA values, then the brand is correctly and accurately perceived by the respective customers.

Throughout the findings provided by the demand side, the Vienna property awareness was gained primarily due to the guests staying previously at another Kempinski hotel, and secondarily due to Kempinski’s existence in the marketplace for a long time, and positive WOM. Findings from the survey suggest that a remarkable 62.7% of the sample would spread positive WOM about their stay; henceforth linking to the research question of how branding provides value. It could be said that branding provides value to the customer when it is efficiently managed, consequently concurring with Aaker (1991). In the case of Palais Hansen Kempinski Vienna, the brand Kempinski and its respective values (Kempinski DNA) that are incorporated with service delivery indeed provide value; evidence being the noteworthy percentage of the guests who would spread positive WOM of their experience.

In the survey, guests were asked what sort of service is provided throughout the property, concerning prices and rate of delivery. The management’s aim, which falls into the retrospect of being a luxury hotel, is to be a property that provides high prices and fast deliverers of service. This aim was met by a majority of the survey respondents, but surprisingly some of the guests categorized the hotel as low-priced and fast deliverers of service. This unexpected categorization by some of the guests implies that the hotel is presenting its guests with groundbreaking offers and packages, consequently classifying itself in the mind of some guests an inexpensive luxury hotel.

The research shows that for the demand side, Palais Hansen Kempinski Vienna represents European luxury, excellent service quality, and is a hotel of a prime location. For this category, the management’s aim (supply side) is to be recognized as a city resort as well, but it has been evident that it is not seen as such by the demand side.

In order to get a visual representation of what types of characteristics the hotel is associated with in the minds of its respective guests, the Anchor Metaphor proposed
by Aaker (1991) was applied in the study. It was found that the prominent attributes that Palais Hansen Kempinski Vienna is associated with are: service with a smile, well-lit lobby, exquisite chandeliers, tasteful flower arrangements, and luxurious interior.

Throughout the study, the author’s research questions were answered from both sides: demand and supply side, and a holistic take on matters has been achieved. It could be said that according to the findings of the study, there is a significant effect on consumer behavior through branding. Consistent with Randall (2000), the results of the thesis suggest that branding does depend on creating consumer relations that lead to constructive consumer behavior. In addition, consistent with Aaker (1991), during the study it was evident that effective branding lies in providing a good/service that is needed by the customers, which according to Blythe (2013) is the starting point of all marketing, hence branding, activities. Thus, coherently conforming to the International Encyclopedia of Hospitality Management (2010): a brand is to centralize its marketing and branding strategies on the genuine comprehension of the Consumer Decision-making Process (Figure 5) proposed by Reid and Bojanic (2001).

Throughout the study, there were some exhibited limitations such as: the lack of people willing to participate in the survey (31 out of 200 guests from the hotel’s database were willing to take the time to fill in the online questionnaire sent out by the Palais Hansen Kempinski Vienna G.M.). In addition, there were a considerable number of unfinished surveys; not all respondents have taken the time to answer all the questions on the survey. It could be further said that a bigger sample could have created more evident patterns throughout the findings, thus ultimately serving an even better sample for the study. Also, the study was carried out on one Kempinski hotel: Palais Hansen Kempinski Vienna, meaning the results may not be applied on another Kempinski property.

In conclusion, conducting this study highlighted many points for future recommendations for the author, such as executing the same study in another Kempinski property. Carrying out the research on another property of the brand allows patterns from both properties to be cross-examined, and for data trends to be created. It could be that the study would be conducted in a property in the same
region as Palais Hansen Kempinski Vienna, where results would be compared within the region itself. It could also be that the study is executed in a property of a different region, and for results to be compared as well and to crosscheck how properties from different regions handle their branding, and its respective influence on consumer behavior. Another recommendation for future research could be that the same study is carried on another luxury hotel brand, ultimately building a general guideline regarding how a luxury hotel’s branding aspect can create loyal guests, and how it can create value, and consequently highlighting how a guest picks a luxury hotel.
Bibliography


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Appendices

Appendix 1 – Interview Guide

Good afternoon. First of all, I would like to thank you for finding time to meet with me today. My name is Farah Makki and I am a student of MODUL University Vienna who is currently completing the last semester towards attaining the Bachelor of Business Administration (BBA) with emphasis on tourism and hospitality management. I am here today as I am at the stage of completing my Bachelor Thesis entitled “Influence of Branding on Consumer Behavior: Case of Palais Hansen Kempinski.” Hence, I would like to discuss Kempinski’s respective branding strategy with you, specifically in terms of how it creates guest loyalty and how it creates value.

The interview will take approximately one hour. Is it possible that I voice-record the session as this will allow me to better review our conversation and most importantly, because I do not want to leave out any of your precious insights?

☐ Yes, I agree for our session to be taped  ☐ No, I do not agree for our session to be taped

I will also be taking some written notes during the interview.

All responses will be kept confidential – they are only to be shared between MODUL University Vienna and myself. This means that no other party will look over your responses. I can also keep your identity as anonymous, meaning I will refer to you strictly as General Manager (G.M), without mentioning your respective name.

☐ My name can be mentioned during the interview  ☐ I prefer to be referred to as General Manager/G.M
Kindly remember, you do not have to respond to any question you do not want to respond to, and you may end the interview at any time.

Are there any questions about what I have just explained?

Are you willing to participate in this interview? If so, why don’t we start with introducing yourself briefly, your occupation, how long have you been working here for?

1. How does the Kempinski brand stand out from competing alternatives in the luxury hospitality industry?
2. How does Kempinski live up to its respective mission, vision, and values?
3. How does Kempinski assure the delivery of brand promise(s) throughout all consumer touch points?
4. How does Kempinski revolutionize the standard of the brand’s respective marketplace?
5. How has Kempinski benefited from effective branding in terms of speaking to the customer?
6. How does Kempinski form its branding strategy in newly established hotels in relatively different destinations?
7. A) How does Kempinski create loyal customers?
   B) Is it true that it is less expensive to keep old customers loyal than creating new ones?
   C) What is the majority of Kempinski’s clientele – switchers/price sensitive, satisfied/habitual, likes the brand and is satisfied with it, or committed buyers?
8. What kind of emotions, linkages, and attributes does Kempinski aspire to achieve in its respective consumers’ minds?
9. How does Kempinski assure that its respective brand name is recognized correctly? Is it due to:
   - Advertisements
   - Being hoteliers since 1865
   - Having worldwide locations?
10. A) How does Kempinski ensure that it delivers the correct perceived quality to its respective guests?

B) Do you find it correct to be that perceived quality offers a certain push towards the brand name?

11. Where does Kempinski aspire to locate itself in the minds of its respective guests in terms of perceptual mapping?

- High price and fast delivery
- High price and slow delivery
- Low price and slow delivery
- Low price and fast delivery

12. Does Kempinski and its respective branding and marketing departments base their strategy on the genuine comprehension of travel-decision making process?

13. Why do you think Kempinski's guests pick the respective brand name as their luxury hotel of choice?

Is there anything else you would like to add?

I will be analyzing the information that you have kindly provided me with, will be attaching it to my BBA thesis and submitting it in a final version in forthcoming weeks. I will be happy to send you a copy of it at that time, if you are interested.

Yes, I am interested to receive and read your BBA thesis

No, I am not interested to receive and read your BBA thesis

Thank you so much for your precious time.

Probes:

- Can you elaborate further on that topic?
- Anything more?
- Could you go over that again?
- What is your own personal view on that topic?
Appendix 2 – In-depth Interview Transcript

Interviewer: Farah Makki

Interviewee: Markus Lueck – G.M, Palais Hansen Kempinski

Interview Setting: Interview conducted in the lobby of the Palais Hansen Kempinski Vienna, (Schottenring 24 1010)

(Start of Interview)

Interviewer: Are you willing to participate in this interview? If so, why don’t we start with introducing yourself briefly, your occupation, how long have you been working here for?

Interviewee: My name is Markus Lueck, and I am the General Manager at the Palais Hansen Kempinski. I have been in this position since October 2013 but, have been working with Kempinski for the past six years.

Interviewer: So, now I will start with the questions, as this will help me a lot in my research.

(Question 1)

First, I would like to ask you, how does the Kempinski brand stand out from competing alternatives in the luxury hospitality industry?

Interviewee: Well, first of all Kempinski is the oldest hotel company in the world; we were founded in 1897. What differentiates us from the other brands, is that we say we are a truly European company cause we believe that luxury as well as the hospitality industry originates from Europe. One of the main differentiation factors is that we set that every hotel is different; we do not consider ourselves, the company, to be a hotel chain, but a collection of individual hotels. And this obviously differentiates especially from the American brands; the brands are not better nor worse, but are much more standardized, and this is where we want to see ourselves different.
(Question 2)

Interviewer: How does Kempinski live up to its respective mission, vision, and values?

Interviewee: Well, the values are very very important; the values are the Kempinski DNA. We are based on five values, which are: people oriented, entrepreneurial performance, being straightforward, passion for European luxury, and great traditions. These values, even though the company is very old, these values were actually defined only 6-7 years ago when the management board asked themselves, “what does Kempinski stand for?” We interviewed our guests, our internal guests, and also the management board; and then together with the mutual company we came out with exactly these values, which we stand for. I do think the company very much values our DNA, which is very important in order to achieve the mission, and with the mission we achieve the vision. The vision is obviously to be respected leader in hospitality worldwide.

(Question 3)

Interviewer: How does Kempinski assure the delivery of brand promise(s) throughout all consumer touch points?

Well, definitely through training and through constantly living the values. In order to live the values, we need to make this a daily topic, that’s why we have ‘values of the day,’ and then ensure that we speak about the value, and really understand what stands behind it, and then also insuring that every activity and every action that we take is linked to the value. Question is “How do we assure that the brand promise is kept?” Obviously we set targets, then we need to see how far we are in line with the targets, and if we see that we are not in line with the target we then have to work on an action plan to ensure that the brand promise, which is set and agreed upon on a yearly basis.
Interviewer: How does Kempinski revolutionize the standard of the brand’s respective marketplace?

Well, it is clearly our vision to become market leaders in whatever we do. What you need to understand about Kempinski is that we are not a standardized company, which means that if you work at one of our hotels, you do not get a set of SOP’s, which then tell you exactly what to do. What the company says, however, is that we need to be market leaders in whatever we do, and the company gives the necessary support. Nevertheless, how we do it is really up to the management team of every individual property. I will give you an example, if we decide that the best way to serve a plate, according to standards it is from the right, but if we think that to become the market leader in terms of best restaurant or best service, and we think it is best to serve it from the left; we can do it, because this is our belief in quality. I am not saying that I am serving from the left but just to make it simple. This is just to clearly show that we have a lot of flexibility that we are not standardized, and our aim is to clearly become market leader.

I give you one last example, for instance, in Dubai we have the Kempinski Mall of the Emirates; the goal is to become market leader. We all know that in Dubai there are many which are maybe in terms of quality are better, more successful, have higher average rates, etc., however, we want to be the market leader in what we do in Dubai. Meaning, we are a hotel with an adjoining shopping mall, which means we want to become the market leader by being the most successful and the best hotel in conjunction with the shopping mall. This is just to understand how we interpret the market leadership. Market leadership does not always mean being the best hotel, or the most successful hotel overall.

Interviewer: Could you further elaborate on that topic concerning Palais Hansen Kempinski?

Palais Hansen Kempinski if you look at the Viennese market, we have a lot of prestigious hotels: 16 5-Star hotels. In particular there is the hotel Sacher, and there is the hotel Imperial: hotels with a lot of tradition, with a lot of history. Our aim is for
sure to be market leaders, but we know that the market leadership overall belongs to hotel Sacher, and this will not change over the next few years. I mean, we only opened a year ago; even though our building is as old as hotel Sacher, it was first built in 1870, however what hotel Sacher has done over the past 140 years is simply amazing and we cannot just copy that and become better. Nevertheless, we think that we can become market leaders in offering the city resort; our hotel is not too much dependent on corporate business, it is really a leisure hotel to 80% and the remaining 20% is divided between groups and incentives, and as well as a little bit of corporate business. So, we try to offer a unique city resort experience, where we think we have the possibility to become market leader. If we look at the guest feedback these days, guest feedbacks are very important; each guest either gives you a verbal feedback or gives a feedback via social media channels, and there we achieved already after 4 months of operation the number 1 on Trip Advisor. This shows that we are doing our job very well, and also in comparison to the hotel Sacher, the Imperial, and the other 5-Star hotels, we have been voted as number 1. So, there we have partially achieved the market leadership. This changes, however, because if I look at Trip Advisor today, we are not number 1; we are one space behind the Sacher. You see, it is a highly competitive market, which shows that all hotels are doing extremely good job and doing their best to gain or regain their market leadership.

**Interviewer: So, do you believe that in order to become market leaders consistency throughout all customer touch points is the key?**

Of course, consistency is the most important thing. We can only succeed if we ensure 100% quality, that is why it is important to focus on training, it is important to focus on guest feedback: to act and react, and sometimes be proactive as well. When you see that there is a certain pattern in guest feedback, we have to act upon that quicker than you used to do.
(Question 5)

Interviewer: How has Kempinski benefited from effective branding in terms of speaking to the customer?

Well, the brand is very important because the guest associates himself to the brand. Kempinski as a brand, even though we are over 100 years old, the brand has brand awareness and the value of the brand has increased. Especially in the last 8 years, where we really focused on what we do best; we do not just sign contracts with hotel owners just to increase the financial side of the company but also to decide. We have filtered our hotel portfolio in a way that benefits the value of the brand,. In these days I would say 95% of the hotel’s portfolio really fit the Kempinski brand, and help the brand become more well known. On the brand aspect, in 2011, Kempinski won “The Best Brand Award” in Europe, which means that consumers voted for Kempinski for representing the highest value of a luxury brand, which I think is a very nice result of the feedback we get from our guests.

(Question 6)

Interviewer: How does Kempinski form its branding strategy in newly established hotels in relatively different destinations?

If we take Vienna, even though it is a very traditional market, the strategy, which we took here in order to increase brand awareness, was surely different to other destinations. First of all there was a lot of media interest, but we also saw the possibility to actually work on the branding aspect that increases brand awareness by using social media platforms; we have worked a lot with bloggers, etc., as this is the trend of the future. This has not only enabled us to strengthen the brand by being a luxury hospitality management company, but also to showcase that we are innovative that is fun to work with and that is fun to stay at. Another example, before joining the Vienna property, I was in charge of the pre-opening of the Kempinski hotel in West Africa. West Africa is a developing country and market, with a lot of potential, and Kempinski decided already a long time ago as part of our strategy called ‘first movers strategy,’ that we go into markets before others. We then used this as well in terms of branding that we are not only innovative and
creative, as I mentioned beforehand, but also that we are taking risk and that we see potential in markets before other do. This not only raises awareness, but also raises the esteem that the clients have for Kempinski as a hospitality company.

(Question 7)

Interviewer: How does Kempinski create loyal customers?

Loyal guests you always create through exceptional service. Loyalty is being happy with a given service and preferring your service instead of others’ services, and henceforth orders this service in the future. So in the case of Vienna, having a lot of competitors in the market, we ensure that the guest is happy from A-Z, especially in point Z: meaning that when he leaves he says that this is amazing and I am going to come back! Therefore through service quality you can create loyalty. You can also create loyalty through customer benefits, such as loyalty programs. Kempinski has a discovery program called GHA Discovery, a loyalty program of a hotel alliance that we are the founding members of, Global Hotel Alliance, and we try to provide extra benefits to the GHA guests by offering them special deals and local experiences that they can redeem when they visit Kempinski, or any other GHA members.

Interviewer: Is it true that it is less expensive to keep old customers loyal than creating new ones?

Of course, because to get a new customer you need to spend money on marketing and sales, and then the cost to win the customer is very high. But to keep a loyal guest does not cost a lot of money, but costs interaction and time to be in contact with the guest, to offer the guest to book directly through us, not through other channels; this is very important these days. We want the guests to book directly through us, in order to reduce the commission. So, the theory is right, and that is why we do everything possible to ensure that every first-time guest comes back, and this really helps the success of the hotel.

Interviewer: What is the majority of Kempinski’s clientele – switchers/price sensitive, satisfied/habitual, likes the brand and is satisfied with it, or committed buyers?
Well, I think we have a bit of everything; especially when we are talking about a company that operates worldwide. In some markets, it is definitely price sensitivity such as, Hungary. In Hungary, there are very good hotels, and low prices; if the guest receives better rates at Kempinski than Four Seasons, then the guest will go to Kempinski, and vice-versa. Then the committed buys, such as one of Kempinski’s landmark properties: Kempinski Adlon in Berlin. The committed Adlon guest would never go to Ritz Carlton, even if the rate is 59-60 euros less; So, 100% committed and loyal.

All the points you have mentioned are possible: the 35 – 45 year old business men enjoy staying at 5-Star hotel, and are sometimes more difficult to please than other types of guests; if they do not get the proper recognition at the Kempinski, they would go to another hotel. They would just look for attention, as they pride in staying at 5-Star hotels, they are not as easy in terms of loyalty as other guests.

We must all know that at the end of the day nobody is perfect, we cannot have 100% customer satisfaction. I think the young and successful managers are more easily willing to switch than older ones, who know that mistakes can happen.

**Interviewer:** Do you think that at the moment, Palais Hansen Kempinski has created loyal guests for itself?

For sure! Because I think we have a great team- this is one of the reoccurring comments from the guests, that we have a fantastic team: young, dynamic, and world-trained and always smiling. This is a huge advantage that we have towards hotels that have been operating for as long as 40 years, because of seniority. Sometime seniority is good as it brings quality, but it sometimes also means that it is difficult to make changes and to adapt. In today’s world, we need to be able to adapt and flow with the trends.
(Question 8)

Interviewer: What kind of emotions, linkages, and attributes does Kempinski aspire to achieve in its respective consumers’ minds?

Well for sure the emotion that we try to create is attachment that the guests say that the experience they have had here is overwhelming. We try to create experiences that translate to emotions. For instance, last Sunday a guest asked me to sit with me in the lobby to express his emotions concerning the stay; him and his wife were absolutely touched whilst talking about certain experiences here at the Palais Hansen Kempinski. This guest through these emotions, I am sure he will come back; and this is what makes guests loyal as well.

(Question 9)

Interviewer: How does Kempinski assure that its respective brand name is recognized correctly? Is it due advertisements, or being hoteliers since 1897, or having worldwide locations?

Well, we are not present on every continent due to the fact that we are not a standardized company, and we cannot really operate in the North America, as it is looking for standardization. It is through networks, through the guests who come from all parts of the world, who then become ambassadors to the company that spread positive word of mouth. For us, it is very important to have flagship properties; landmark properties. 95% f the people who traveled have heard of the Adlon Kempinski; maybe because of the name Adlon or maybe because of the lucky PR situation that Michael Jackson came to the hotel and held his baby out the window and the baby almost slipped, fortunately nothing happened; this s something which helped the awareness of the company. So, all of those aspects, such as, marketing, sales, P.R, etc. helped us to be recognized as a respected hospitality brand. Last but not least, we see that we have to do a lot of employer branding as well; it is not only about the external guest, it is about the internal guest as well; internal guest being the employee. So, if all 25,000 employees speak positively of the company then definitely this adds value to the brand.
Interviewer: How does Kempinski ensure that it delivers the correct perceived quality to its respective guests?

We do so internally and externally. Externally we work with a quality assurance company, which test the hotel. They come 3-4 times a year to test the actual experience. Internally we do this as well through spot checks, which is the responsibility of the managers and supervisors. Also, it is achieved by employees through training and such.

Interviewer: Do you find it correct to be that perceived quality offers a certain push towards the brand name?

Well, perception is reality as people say. Lets say social media; everybody leaves their comment on Trip Advisor, and this is a perceived quality. Even if the guest is not right, this actually affects the brand, and brand awareness; in most cases positively but in others negatively.

Interviewer: Where does Kempinski aspire to locate itself in the minds of its respective guests in terms of perceptual mapping? High price and fast delivery, or high price and slow delivery, or low price and slow delivery, or low price and fast delivery?

Well, I think every luxury provider would say ‘high price and fast delivery,’ even though it does not work like that. That is the aspiration at least.

Interviewer: Does Kempinski find itself to live up to the aspiration or to this goal of perceptual mapping?

At Palais Hansen Kempinski, yes. Other markets may not live up to their aspirations and expectations.
(Question 12)

Interviewer: Does Kempinski and its respective branding and marketing departments base their strategy on the genuine comprehension of travel decision-making process?

Of course, certainly if we do not do so then we create a product or service which is not needed. There is enough competition that if we do not offer the needed product or service, someone else will. Henceforth, it is very important to learn about guest needs and to listen to them and find out if there are features or potentials, in terms of new service or quality offerings. Lets take Palais Hansen Kempinski as an example, we were just voted as ‘Europe’s most IT advanced hotel.’ Initially when the hotel was developed, the question was asked whether the hotel needs personalized service, does it need all of those IT gadgets- having an iPad in all rooms to order room service, etc. We took the risk and we are happy that we did it. This created a new trend. Most of the new Kempinski hotels will implement iPads to the rooms. It makes the guest service more personalized. Though we are all for interacting with the guest, but we need to understand that not all guests want to interact. For instance, when a guest orders room service and he has finished his meal, he usually has to dial a number for the tray to be picked up. I have always hated that, and the guests hate that as well. So, now they go on their iPads and press one button and their tray is collected. So, it just makes it much more convenient; we have listened to the guests’ needs

(Question 13)

Interviewer: Why do you think Kempinski’s guests pick the respective brand name as their luxury hotel of choice?

Because of their trust in the company, because of their belief that we stand for luxury and that the experience is not standardized. For some of the guests, it is probably the European aspect. Most luxury aspects, as fashion and such, come from Europe; that is why I think why luxury and Kempinski are words that fit very well together.
Interviewer: Is there anything else you would like to add?

No.

Interviewer: Now, an extra question, could you give a brief overview about Palais Hansen Kempinski?

The Palais Hansen Kempinski is one of the flagship properties of the company. We see the Palais Hansen Kempinski in the company’s portfolio as one that will set trends, not only in services and products, but also in development of staff; we see hotels as talent factories. Henceforth, whatever we do is closely monitored and supported, which is important from a branding perspective. Otherwise, the hotel is only one years old now, and we have great aspirations for the future that success of the first year will continue, even with the opening of the Park Hyatt this year or next year in June; we will still have a strong 5-Star hotel market in Vienna.

Interviewer: I will be analyzing the information that you have kindly provided me with, and will be attaching it to my BBA thesis and submitting it in a final version in forthcoming weeks. I will be happy to send you a copy of it at that time, if you are interested.

Yes, I am very interested!

Interviewer: Thank you so much for your precious time, really thank you so much.
Appendix 3 – Palais Hansen Kempinski Vienna Survey

Thank you for taking the time to complete this survey. My name is Farah Makki, and I am conducting this survey as a part of my thesis, which is the last step I need to take for completing my Bachelor of Business Administration (BBA) degree at MODUL University Vienna (www.modul.ac.at). The objective of the survey is to collect information concerning consumer behavior and its linkage to branding in respect to Palais Hansen Kempinski Vienna. The information you are kindly about to provide will remain strictly confidential between the author of the survey and MODUL University Vienna. The survey will take less than 10 minutes to complete; your responses will greatly help me in finalization of my studies.

Many thanks for your time!

Farah Makki

farah@modul.ac.at

1. When you visited Palais Hansen Kempinski Vienna, was it your first time staying there? (Please choose one response)
   a. Yes
   b. No

2. If you have answered yes to the previous question, please disregard the following question: How many times have you stayed at the Palais Hansen Kempinski Vienna in total up-to-date: (Please choose one response)
   a. 2 times
   b. 3 times
   c. More than 3 times

3. Please choose the criteria to-be-met when choosing a luxury hotel: (Please choose one or more response(s))
   a. Location
   b. Price
   c. Level of service (staff responsiveness and staff friendliness)
d. Hotel facilities  
e. European luxury

4. Palais Hansen Kempinski Vienna, being technologically advanced (e.g. integrating iPads with service delivery), allows it to strongly and uniquely standout in the marketplace (Please choose one response) 
   a. Yes  
   b. No

5. How did you become aware of Palais Hansen Kempinski Vienna: (Please choose one response) 
   a. Advertisements  
   b. Existence in marketplace for a long time- Hoteliers since 1897  
   c. I have stayed in another Kempinski hotel before  
   d. Word of mouth – I have heard/read a review about it before  
   e. Other (please specify)  
       ______________________________

6. I consider myself to be a Palais Hansen Kempinski’s: (Please choose one response) 
   a. Committed guest – you always choose the brand Kempinski  
   b. Friend – you have developed a relationship with the brand  
   c. Satisfied and habitual guest – you are satisfied with the brand and have no reason to switch hotels  
   d. Non-committed guest – you will switch hotels if you find better prices or services

7. You consider Palais Hansen Kempinski Vienna to be a luxury hotel that provides: (Please choose one response) 
   a. High prices and fast delivery of service  
   b. High prices and slow delivery of service  
   c. Low prices and fast delivery of service
d. Low prices and slow delivery of service

8. All of the employees at the Palais Hansen Kempinski Vienna delivered the service to me in: (Please choose one or two responses)
   a. Friendly manner
   b. Regular manner
   c. Non-friendly manner
   d. Other- The service delivery was friendly by some employees, and regular/non-friendly by others

9. The previous/current service experience at Palais Hansen Kempinski Vienna, encourages you to: (Please choose one or more responses)
   a. Choose the brand Kempinski again
   b. Spread positive word of mouth
   c. Choose another hotel brand for the next trip
   d. Spread negative word of mouth

10. The service quality at Palais Hansen Kempinski Vienna is: (Please choose one response)
    a. Outstanding
    b. Very good
    c. Neutral
    d. Bad
    e. Very bad

11. When you have planned your trip, Palais Hansen Kempinski Vienna was:
    (Please choose one response)
    a. The only hotel on your list
    b. Amongst your list of hotels to choose from

12. Palais Hansen Kempinski Vienna is or represents: (Please choose one or more response(s))
    a. European luxury
b. Excellent service quality

c. Situated in a prime location

d. A city resort

e. Hospitality leadership

13. Kindly, fill in below the characteristics that remind you of or in your opinion create a linkage to Palais Hansen Kempinski Vienna: (Please fill in one characteristic per row)

a. ____________

b. ____________

c. ____________

d. ____________

14. Gender:

a. Male

b. Female

15. Age:

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75 or older

16. Nationality: ________________

17. Which of the following best describes your current occupation?

- Management
- Business and Financial Operations
- Computer and Mathematical
- Architecture and Engineering
- Life, Physical, and Social Science
- Community and Social Service
- Legal
- Education, Training, and Library
- Arts, Design, Entertainment, Sports and Media
- Healthcare Practitioners and Technical
- Food preparation and Servicing Related
- Sales and Related
- Office and Administrative Support
- Other (please specify)

This is the end of the survey. Thank you so much for your precious time and valuable responses. If you would like to see the results of the survey (included in my BBA thesis), kindly e-mail: farah@modul.ac.at
Dear Guest,

Greetings from the Palais Hansen Kempinski Vienna.

As part of our *Talent Development Strategy* we as General Managers at Kempinski coach a certain number of university graduates through their dissertation-writing process.

In this particular case, I would kindly ask for your assistance for Ms. Farah Makki, who is currently in her final year at the MODUL University Vienna (www.modul.ac.at) and writes her BBA thesis about consumer behavior and its linkage to branding, in respect to Palais Hansen Kempinski Vienna.

In order for Farah to gather a representative amount of data, I agreed to send her questionnaire to 200 guests of ours (random sample). Henceforth, I would be grateful if you could take 5 minutes of your valuable time to fill out the survey:

https://www.surveymonkey.com/s/PalaisHansenKempinskiViennaSurvey

The information is of course kept confidential and your contact details have and will not be disclosed to any third party.

Many thanks for your assistance in helping our future leaders to grow.

We are looking forward to welcoming you soon again at the Palais Hansen Kempinski Vienna.

With kind regards,
Markus Lueck
General Manager

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Appendix 5 – E-mail reminder sent by Palais Hansen Kempinski Vienna
General Manager on February 27, 2014

Dear valued guest,

I am sorry to send yet another e-mail regarding Farah’s Makki's survey. This will for sure be the last one and I do already apologize for bothering you with this.

She just informed me that she only has 30 replies so far. As she requires a minimum of 50 – 75 filled out surveys, I would kindly ask you – if not already done – if you could spare 5 min. The questionnaire is straightforward and easy to fill out:

https://www.surveymonkey.com/s/PalaisHansenKempinskiViennaASurvey

I thank you once again for your assistance in making Farah's bachelor thesis a successful one, and I am looking forward to welcoming you soon again at our Palais Hansen Kempinski Vienna.

With kind regards,
Markus Lueck
General Manager

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