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Impact of Ingredient Branding on the Hotel Brand: Spillover Effect of Branded Amenities

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IMPACT OF INGREDIENT BRANDING ON THE HOTEL BRAND: SPILLOVER EFFECT OF BRANDED AMENITIES

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ABSTRACT

Ingredient branding is a popular marketing strategy, in which a brand uses a different branded product as a component in the main one. Utilizing ingredient branding, a host brand can benefit from the positive evaluation of a component brand that customers are already aware of. Although the hotel industry has applied a substantial number of other brands as internal factors, there has been little awareness or research on ingredient branding. The main purpose of the study was to investigate 1) whether ingredient branding has a positive impact on a hotel brand equity and 2) whether the effect varies for different types of hotels. The study was based on 472 samples collected from an online survey. The study examined the impact of branded amenities on hotel brand equity based on six dimensions: perceived quality, brand image, loyalty, satisfaction, behavior intentions, and perceived value. The study also demonstrated that the spillover effect varies by types of hotels and willingness to pay extra charges induced by branded amenities. The results indicate that branded amenities had significant impacts on all six dimensions of hotel brand equity, and the effects were diverse for different hotel classes. A midscale hotel benefited the most by ingredient branding while an economy hotel had lower effects compared to a midscale hotel despite overall positive impacts. On the contrary, a luxury hotel barely had an advantage of branded amenities, although there were statistical significances on three factors of brand equity (i.e., perceived intention, loyalty, perceived quality). The study provides managerial implications for each type of hotel.

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Chapter 1

Introduction

Hotel management strives to enhance invisible service quality and improve the visible quality of facilities and consumables. The main product of a hotel, the hotel visit, is an intricate composition of services and facilities conceptualized as one whole experience. The offering of branded amenities for hotel guests is aimed towards meeting the customers' needs and desires as one way to increase better product quality. Branded shampoos, waters, coffee set, or even famous restaurants inside a hotel can be considered branded amenities.

In the past, hotels have used their own names to brand amenities. For example, the Marriott and Hyatt tagged their names on the bottles of luxury brand-toiletries; however, they now serve toiletries that only have the brand of the manufacturer (Trejos, 2011). It was thought that putting a hotel name on the amenities might increase brand awareness of a hotel, but only for guests who already recognize and patronize the hotel brand. On the other hand, a hotel takes some advantage by providing amenities with a well-known brand. A hotel could provide high-quality products that have been established in their area and be supplied amenities with lower cost than that of hotel-brand products. Consequently, many hotels eventually decided to provide amenities of well-established brand that guests may love and trust in lieu of generic amenities, which display only a hotel name.

Hotels put ample effort into choosing the right brand for their amenities. Marriott International chose their brand out of 52 options of bath products from around the world (Touryalai, 2014). Comfort Inn and Comfort Suites also tested nearly 30 options of branded toiletries before settling (Trejos, 2015). Branded amenities, including toiletries, play an important role as a crucial element of a hotel product, providing comfortable and quality of stays to the guests. This combination of a hotel brand and amenity-brand could be referred to as *ingredient branding*.

As a special form of branding strategy, ingredient branding has been utilized to strengthen brand power and gain competitive advantages in many industries. By incorporating other branded products, a brand can acquire several benefits: providing positive customer attitude towards an incorporated product (Desai & Keller, 2002), improving brand equity (Norris, 1992; Radighieri, Mariadoss, Gregoire, & Johnson, 2014; Tiwari & Singh, 2012), expanding market share and category (Park, Jun, & Shocker, 1996; Swaminathan, Reddy, & Dommer, 2012), and increasing purchase intention (Kotler & Pfoertsch, 2010) based on newly employed attributes of a partner brand.

With these benefits, ingredient branding has been broadly appreciated as a means of managing a brand, thus firms continue to employ an additional product of different brand as a component to complete their products. Ingredient branding has been used across numerous industries as an effective way to not only compensate for the inherent weakness of a product but to provide various advantages in marketing. However, the effect of ingredient branding in the hospitality industry has been overlooked in terms of branding strategy. Unlike the consumer goods industry, ingredient branding in the hospitality industry tends to be considered as a necessary means to furnish supplies, rather than a brand managing tool.

In the past, hotels began to use branded products for being superior compared to competitors but now it is considered a routine practice (Heo & Hyun, 2015). An in-room amenity tends to be regarded as an object of purchasing management that considers only efficiency between demand and cost, not effects of marketing perspectives. Even though branded amenities are the desired choice over non-branded amenities in hotels (Heo & Hyun, 2015), the role of branded amenities for a hotel brand has not been thoroughly investigated. Past research investigating ingredient branding tends to fall outside the scope of the hospitality industry. For example, past research has shown that customer preference regarding the service sector was positively influenced by the addition of ingredient branding (Helm & Ozergin, 2015); however, it is remotely related to the hotel business. Another study regarding luxury room amenities has suggested that branded amenities serve as a stimulus for willingness to pay (Heo & Hyun, 2015), however the study did not explore branding.

Analyzing the impact of branded amenities in the hotel industry will be useful for building a proper branding strategy for a hotel brand, as many studies have shown success with the application of ingredient branding in other industries. The purpose of this study is to begin to understand the effects of ingredient branding in the hotel industry through branded in-room amenities. The present study generated useful data for hotel marketers regarding branded amenities. Additionally, a further understanding of ingredient branding in the hotel industry will allow for the development of specific guidelines for hotels that seek suitable brand-supplies in terms of brand management.

In an attempt to understand effects of ingredient branding with branded amenities inside the hotel room, these research questions arise:

- What are the emotional impacts of branded amenities on customer perspective towards a hotel brand?
- Does the effect of branded amenities on a hotel brand appear to the same degree in any hotel segment?

Through examining these research questions, the current study aimed to reveal whether branded amenities have a positive impact on a hotel brand. Specifically, this study focused on measuring the effect of ingredient branding through two lenses: branding and revenue. First, in terms of branding, customer-based brand equity was used as a method to measure the effect of ingredient branding to improve a guest's perception towards a hotel brand. The study employed customer-based brand equity as an index to evaluate hotel brands between two conditions of hotels (a hotel that provides branded amenities and a hotel that provides non-branded amenities). Additionally, this study analyzed whether the effect of ingredient branding varies depending on the hotel segments (luxury, midscale, economy hotel) since hotels are divided into various classes based on rating systems like the star rating. Second, the study also tried to determine the influence of branded amenities on a guest's willingness to pay, in order to investigate monetary benefits of ingredient branding. Since imbedded brands for a hotel brand are barely presented to guests before checking-in, willingness to pay "extra" and the amounts were examined.

The remainder of the paper is organized as follows: an overview of previous research regarding ingredient branding and related conceptual backgrounds is presented and hypotheses of this current study are proposed concurrently with the literature. Next, the experimental methodology and results of this study are provided. Finally, discussion based on the key results and implications are proposed.

Chapter 2

Literature Review

Ingredient Branding

Ingredient branding has been widely applied to many industries and regarded as an effective brand managing method. The integration of two disparate brands generates extra value to each brand based on their brand identities through mutual binding. Ingredient branding, represented by "Intel Inside," is commonly found in consumer goods or industrial products (Kotler & Pfoertsch, 2010). For example, a vacuum bag with a Febreze air freshener, or Lay's potato chips with Sriracha are successful outcomes of ingredient branding with two different brands.

As a type of association marketing strategy, ingredient branding is conceptualized as a special form of an association in which a brand incorporates key attributes of another brand as an element (Desai & Keller, 2002). Added value by the partner brand, which holds favorable brand awareness, strengthens competitiveness of the newly associated product. By blending more than one brand for one product, the strategy may be overlapped with co-branding at some point, but it can be explained as a special form of co-branding (Kotler & Pfoertsch, 2010). Defined as the cooperation of two or more brands, co-branding is various relationship to create a unique campaign or a product regardless of the period of association. In contrast to co-branding, ingredient branding is used for completing a single product with support from the partner brand for relatively long period of time. Ingredient branding is also formed from a distinct combination: a host brand, which is a supported brand, and a component brand, a supporting brand.

There are many terms used to describe ingredient branding. First, a host brand refers to a brand that produces and sells the main product, while employing another brand as an element for completing its product (McCarthy & Norris, 1999; Kotler & Pfoertsch, 2010; Swaminathan, Reddy, & Dommer, 2012; Tiwari & Singh, 2012; Radighieri, Mariadoss, Grégorie, & Johnson, 2014). The product with ingredient branding is introduced to the same market category as the host brand (Desai & Keller, 2002). In previous literature, a host brand is also called a heather brand (Park, Jun, & Shocker, 1996; Pfoertsch & Chen, 2011).

A component brand (Kotler & Pfoertsch, 2010) is a brand of a product that is embedded into a host brand, while delivering functional value (Swaminathan et al., 2012). Although the component brand works as an element inside of the host brand, in terms of ingredient branding, the component brand is also considered a complete product in a different market category. For example, Sriracha is an end product that belongs to the sauce category even though it works as a component of Lay's potato chips in the snack category based on the host brand's market category.

A component brand plays a role of supplier for another brand. A component brand is also referred to as an ingredient brand (Desai & Keller, 2002; Kotler & Pfoertsch, 2010; Swaminathan et al., 2012;; Radighieri et al., 2014), and a partner brand (Abbo, 2005; Tiwari & Singh, 2012). In terms of ingredient branding, Intel, a well-known brand for microprocessor chips, is considered one of the most successful cases of a component brand (Kotler & Pfoertsch, 2010). Intel supplies their microprocessor to a host brand, a computer manufacturer, such as Dell and HP. There are also various terms to indicate a product that is associated with two brands, named ingredient branding: an associated product, alliance product, and allied product (Vaidyanathan & Aggarwal, 2000). In the current study, a new product that is made with the ingredient branding strategy is called an alliance product (Vaidyanathan & Aggarwal, 2000). In this study, a hotel brand, such as Sheraton or Hyatt is considered a host brand, and an amenity brand was used as the component brand, such as Aveda, Starbucks, or Samsung. A parent brand indicates both a host brand and a component brand that the original products belong to before the association (Keller & Aaker, 1992).

The basic concept of ingredient branding is replacing the limitations of a host brand's product with the distinct attributes of a component brand (Desai & Keller, 2002). A branded component modifies customers' evaluations of a host brand, based on perceived quality and the brand image of the component brand. Through this strategy, the host brand obtains advantages over its competitors with superior value in the same category (Desai & Keller, 2002; Helm & Ozergin, 2015). Consequently, customers are more willing to choose a branded product with a high-quality component brand and tend to pay more for obtaining new attributes injected from the branded component (Heo & Hyun, 2015; Rodrigue & Biswas, 2004). Although many objects have been studied to investigate the effect of ingredient branding, only limited studies were conducted for the hospitality industry (See Table 1).

A customer's resulting favorable behavior from ingredient branding occurs on account of a positive evaluation of the component brand in a customer's mind, which allows the same direction of evaluation towards the alliance product, as well as the host brand (Desai & Keller, 2002). In addition, a customer's positively perceived attitude and beliefs about the host brand also lead to successful implementation of the alliance product (Ponnam & Balaji, 2015).

Table 1

Targets of Previous Research on Ingredient Branding

Author	Host Brand	Component Brand
Park, Jun, & Shocker (1996)	Cake mix	Chocolate
Simonin & Ruth (1998)	Automobile	Microprocessor chip
McCarthy & Norris (1999)	Peanut butter	Peanut
	Salsa	Tomato
Washburn, Till, & Priluck (2000)	Potato chip	BBQ source
Vaidyanathan & Aggarwal (2000)	Breakfast cereal	Raisins
Desai & Keller (2002)	Laundry detergent	Hand soap scent
Rodrigue & Biswas (2004)	Tortilla chips	Cooking oil / Cheese
Baumgarth (2004)	Car	Consumer electronic
	Cereal	Chocolate
Abbo (2005)	Chocolate cake bar	Chocolate / Nutrition bar
Ashton & Scott (2011)	Hotel	Restaurant
Tasci & Guillet (2011)	Hotel	Restaurant
Lin (2013)	Hotel	Restaurant
Radighieri et al. (2014)	Cookie	Chocolate chips
Ponnam & Balaji (2015)	Pizza	Low fat cheese
	Potato chips	Low sodium salt
Helm & Ozergin (2015)	Marketing and sales consultancy services	Market research services
Moon & Sprott (2016)	Luxury smart watch	Microprocessor

A well-established component brand delivers a positive message to customers; this message then assists to improve brand image and brand awareness of both the host brand and the alliance product (Kotler & Pfoertsch, 2010). Based on this premise, an ingredient branding strategy can have advantageous effects on customers' perceptions of products.

A host brand can also counteract its inherent weaknesses with transferred quality and a customer's perspectives from a component brand (Park et al., 1996). According to the study investigating an alliance product, Slim-Fast cake mix with Godiva chocolate, the host brand (in this case Slim-Fast) has strong attributes, such as low-calorie and diet foods; however, Slim-Fast's taste is often evaluated lower value than other attributes of the product (Park et al., 1996). However, tastes attributes from Godiva, a component brand, provide better evaluation towards customers' perception of the alliance product without losing a host brand's strength, (i.e., Slim Fast's low-calories function).

A successful alliance product also contributes not only to enhance consumer's perception, but also to increase the quality of the host brand. The name of a superior component brand offers credibility to a host brand with a guarantee that the component brand already promised (Kotler & Pfoertsch, 2010). When customers perceive a product with an unknown or generic brand, they can often be unwilling to test an unfamiliar brand without additional information. On the other hand, if the product is provided with a reputable component brand, customers may be assured the quality based on the belief toward the well-known brand. This trust occurs because a relatively well-established component brand represents quality to customers when an alliance product shows insufficient information to evaluate it (Rao, Qu, & Ruekert, 1999). Thus, perceived quality belonging to the component brand becomes ground for the judgment of the host brand,

and this transmitted positive evaluation supports the credibility towards the host brand and alliance product (Rodrigue & Biswas, 2004).

Customers' positive attitudes toward a well-known component brand link to a preferable brand image of a host brand, based on the awareness of the component brand (Kotler & Pfoetsch, 2010). A customer attitude generated by a component brand may also transfer to attitudes towards a host brand (Votola & Unnava, 2006). Vaidyanathan & Aggarwal (2000) conducted an experiment regarding the integration of a private brand (generic grocery brand, such as Kroger) and a national brand (nation-wide food company, such as Sun-Maid). The study showed that even an association between brands with disparate degree of familiarity can have a positive impact on the attitude and quality perception towards the unfamiliar host brand. A customer's attitude towards the generic host brand is impacted by the national brand; therefore, the host brand can easily obtain a positive brand image, market goodwill, and favorable evaluation with less marketing investment (Vaidyanathan & Aggarwal, 2000).

Prior research (Keller & Aaker, 1992) has demonstrated that an alliance with a famous brand enhances brand image with less branding effort and expense by using brand equity of the well-established component brand. Ingredient branding can also be applied when a company attempts to extend its brand line or enter into a new market. For example, a component brand assists a host brand in introducing new attributes into the host brand market (Desai & Keller, 2002). On the other hand, a component brand can broaden its market category to that of a host brand (Park et al., 1996); meanwhile, a host brand can increase market share based on the brand recognition of a component brand and a number of loyal customers (Swaminathan et al., 2012). Desai and Keller (2002) found that a branded component is more useful for both initial expansions and subsequent brand extensions compared to an alliance product with a generic brand. Additionally, conveyed brand equity from a strong component brand inclines customers to have more favorable attitudes towards an unfamiliar product when it is first introduced to a new market (Desai & Keller, 2002; Vaidyanathan & Aggarwal, 2000). In the case of new products, ingredient branding not only lowers market entry-barriers, but also saves in penetration costs when expanding a market (Norris, 1992).

Well-known component brands also contribute to a host brand by increasing instant sales and reducing costs resulted from economies of scale (Vaidyanathan & Aggarwal, 2000). The study determined that a famous national component brand not only benefits a host brand from an increased demand for the new product, but also contributes to a more positive evaluation of the alliance product without diminishing its brand. Attributes attached by a component brand are positively related to purchase intention and willingness to pay a premium based on transferred quality perception (Moon & Sprott, 2016; Rodrigue & Biswas, 2004). For example, a laptop with an Intel microprocessor is deemed to be better quality and have a higher price than the same laptop with a different microprocessor (Kotler & Pfoetsch, 2010). The fact that the host product contains a favorable component brand encourages customers to pay a premium. Research has also shown that the boosted willingness to pay, via the effect of ingredient branding, is greater for customers whose loyalty levels are low, compared to loyal customers (Swaminathan et al., 2012).

The aforementioned benefits of ingredient branding provide competitive differentiation and enhance the value of the host brand (Desai & Keller, 2002). However, despite the many positive effects of ingredient branding, some pitfalls are found. As a customer's positive perception towards parent brands are related to likability of an alliance product, negative perception against the parent brands may lead to unfavorable evaluations and consequently preclude purchases of an alliance product (Helm & Ozergin, 2015; McCarthy & Norris, 1999). Moreover, a well-established brand may be damaged as a result of a circumstance in which a new product with ingredient branding is evaluated with poor quality and dissatisfaction in comparison to the original brand (Norris, 1992; Swaminathan et al., 2012; Votolato & Unnava, 2006). Even when ingredient branding is successfully applied, there could be some risks to fail maintaining the positive relationship. For example, a host brand may lose control over their product due to increased power of the component brand (Norris, 1992). If the component brand is the key source for success of the alliance product, the host brand may desire to keep the relationship. Then, the host brand may be compelled to accept a component brand's demand for higher supplying price for the ingredient product. In addition, unforeseeable problems may threaten an alliance product as well as the host brand because of unexpectedly poor performances by the component brand. In addition, a product supported by ingredient branding may be discontinued due to the withdrawal of the component brand (Desai & Keller, 2002), even if it has favorable evaluations and remarkable financial performance. Furthermore, an alliance product could be negatively impacted by a component brand's interaction or ingredient branding with a competitor of the host brand.

Although these disadvantages may threaten a host brand, these latent drawbacks may be prevented by advanced preparation, such as radical market research, or a detailed contract for the relationship. Previous studies have brought attention to these disadvantages, providing companies with the necessary knowledge to avoid the mentioned negative effects (Norris, 1992; Votolato & Unnava, 2006). Thus, companies are urged to take advantages of ingredient branding while also being cautious of these risks, as the positive effects of ingredient branding can far outweigh the negative. With thorough understanding, many businesses have associated with suitable partners and have taken advantage of ingredient branding.

There are various component brands that have already been applied in the hotel industry including restaurants, retail stores, and varied types of in-room amenities. Evaluation of a hospitality product, such as a hotel and restaurant, is often comprised of both a direct and indirect experience from the customer. In the hotel industry, friendly service and quality facilities tend to connect to a satisfied experience, and consequently result in a purchase and secondary purchases (Shanka & Taylor, 2004). Tangible elements like amenities can be used to evaluate the hotel brand, along with other intangible elements, such as services. Consequently, intangible elements are considered an essential factor as a visible ground for evaluation of a hotel, generating positive attitudes towards the hotel brand (Erdem & Swait, 1998). Unlike the intangible element of service, tangible elements are relatively easy to recognize and effective to deliver physical comfort and convenience to customers.

To summarize, there are both benefits and disadvantages to ingredient branding. However, the predicted shortcomings are not only able to provide a way to compensate, but also the benefits of ingredient branding are superior to their disadvantages. Thus, many companies are actually using this strategy for producing their products and managing their brand. In this context, we can expect the benefits of ingredient branding in the hotel industry with in-depth understanding.

Hotel Amenities

A hotel amenity is defined as a complimentary supply or extra service for a guest without additional charges (Heo & Hyun, 2015). As a tangible feature, branded amenities play a significant role in contributing to a comfortable stay alongside the hospitality of the staff that serves both a functional and emotional role in achieving a favorable experience. For hospitality products, the tangible factor not only plays a significant role in measuring the overall quality but also serves as a basis for judging the service quality of the hotel (Reimer & Kuehn, 2005). A customer's quality perception is positively influenced by tangible elements, and motivates purchase intention accordingly (Kincaid, Baloglue, Mao, & Busser, 2010).

Most in-room amenities are not only necessary items but also considered one of the most frequent items that customers physically contact while staying in the hotel. However, one superior amenity neither immediately convinces a customer to choose a hotel over a competitor, nor becomes a direct method to increase customer retention. This is because a customer is satisfied when both service and facilities as a whole meet their expectations, and their overall satisfaction contributes to their purchase decision (booking decision) for future visits.

Yet, past research has shown that branded amenities could be a valuable tool to encourage a customer's willingness to pay a premium (Heo & Hyunn, 2015). Branded amenities could also contribute to providing functional benefits and emotional contentment based on the perceived perception toward the amenity brands. An amenity in a hotel can be seen as ingredient branding in that it is offered as a different product to the main brand, a hotel. Considering a hotel's point of view, in-room amenities are the most effective means for acquiring the benefits of ingredient branding, because amenities are considered easily changeable elements for a hotel compared to others, such as service or facilities (Heo & Hyun, 2015). Hotels tend to try to provide better brand amenities than their competitors do. However, because there was no specific purpose to use brand product, the effect of branded amenities has not been clearly explored.

Accurate evaluation of a branded amenity's role and influence as an ingredient branding strategy is necessary to optimize effects for practical marketing in the hotel business. Previous research has demonstrated guest willingness to pay a premium price for a set of luxury amenities in a hotel room (Heo & Hyun, 2015). The related study demonstrated that branded amenities add positive monetary value to the evaluation of a host brand. If branded amenities work as a component brand, as the previous study implied, hotels could benefit from the other advantages associated with ingredient branding, besides willingness to pay.

The current study focus on whether branded in-room amenities have an impact on a customer's hotel experience, and how this impact can result in an evaluation of the hotel brand. Although products have different attributes depending on the industry, analyzing previous studies regardless of industry will be helpful to further understand ingredient branding in the hospitality industry. Previous literature review provided a foundation of knowledge for this study. It was found that ingredient branding can successfully integrate new attributes into the host brand. Previous studies also show various instruments and procedures that can successfully measure the effects of ingredient branding.

Spillover Effect

Ingredient branding has been explained with various theoretical models and concepts as a special form of a brand alliance. Information integration theory and attitude accessibility theory could be considered the foundation of ingredient branding, including any type of brand alliance (Kotler & Pfoertsch, 2010). Information integration theory refers to the process of gathering information for evaluating a new alliance. Customers' beliefs and attitudes that are integrated and evaluated from the information generates a new holistic knowledge and attitude toward a new brand (Luczak, Pforzheim, Beuk, & Chandler, 2007; Simonin & Ruth, 1998). Attitude accessibility theory explains the behaviors of customers that they tend to use easily accessible or salient information when judging new sources (Kotler & Pfoertsch, 2010; Luczak et al., 2007;

Young & Fazio, 2012). Based on this theory, a strong brand contributes more to an alliance product regardless of its role. Customers are prone to build their attitudes more upon salient or well-known brands, and their attitudes become the grounds for future evaluations. In order to utilize successful ingredient branding, a hotel brand needs to partner with a component brand that has higher brand value than the hotel.

In terms of feedback effects, customers' attitudes towards both parent brands, host and component brands, are changed resulting from the offering of ingredient branding. As the evaluation of the alliance product shifts to an assessment of original brands, customer's perspective on the original brand also influences the alliance brand (Buil, de Chernatony, & Hem, 2009; Park et al., 1996; Radighieri et al., 2014). Brand alliance, including ingredient branding, has also been explained with signaling theory. In this theory, the component brand sparks an informational cue or signal promoting credibility, favorable attitude, and quality perception. Therefore, the component brand helps customers to recognize or evaluate the host brand more positively (Erdem & Swait, 1998; Helm & Ozergin, 2015).

The spillover effect is a similar concept to the feedback effect. Ingredient branding has been described with the spillover effect by many researchers (Balachander & Ghose, 2003; Baumgarth, 2004; Simonin & Ruth, 1998; Swaminathan et al, 2012; Votolato & Unnava, 2006). The spillover effect can be defined when a customer's attitudes hold for the alliance product overflow from each parent brand (Simonin & Ruth, 1998). By incorporating an independent brand, which belongs to a different market category, companies can increase the brand equity and develop a high-profit product with lower costs based on the fame of the partner brand (Aaker & Keller, 1990). As a consequence of the popularity of this alliance, matching with a proper component brand is considered crucial in order to create a preferable spillover effect.

The spillover effects by an alliance can have two different directions (Balachander & Ghose, 2003). The forward spillover effect explains influence from either one parent brand or both parent brands to the alliance product. On the contrary, the reciprocal spillover effect describes the impact of the alliance product on the parent brands. Ingredient branding has a notable spillover effect, since a customer's attitudes for the alliance product influences their view of each parent brand (Simonin & Ruth, 1998). The spillover effect occurs when information of one brand is used to evaluate another brand in terms of brand alliance (Simonin & Ruth, 1998). As a predictive cue, information from a newly attached component spills over and provides a ground for evaluation of the host brand (Erdem & Swait, 1998; Radighieri et al., 2014). Furthermore, favorable experiences of an alliance product stimulate behavioral spillover effects like a subsequent purchase of the original brands (Swaminathan et al., 2012). Rodrigue and Biswas (2004) found positive spillover effects focusing on consumers' attitudes towards both parent brand by ingredient branding strategy. The study showed that attitudes toward initial parent brands (both a host and component brand) are positively related to an alliance product, specifically to perceived quality, purchase intention, and willingness to pay a premium price.

A negative spillover effect also can be present due to the brand alliance (Radighieri et al., 2012). According to previous research, when ingredient branding fails to create a positive effect, a weak host brand associated with a strong component brand tends to be more responsible for this negative outcome. As the primary brand of the alliance, a host brand is more likely to experience a negative spillover effect, regardless of its strength, due to failed ingredient branding. However, a component brand experiences relatively little impact from the failure. On the other hand, a study by Votolato and Unnava (2006) demonstrated that a negative spillover effect by an alliance product is generated only when both parent brands are equally responsible for the negative information. This is because a partner brand's mistake is unlikely to be accepted as a sole cause of failure (Votolato & Unnava, 2006). Customers tend to wait to evaluate the host brand until they find a direct relationship between the host brand and the error, despite the dissatisfied performance of the partner brand.

Previous studies have tested the optimal conditions for successful association targeting on the relationships between alliance products and the various attributes of the original brands. High compatibility between two parent brands has a positive impact on a customer's evaluation of the associated product (Simonin & Ruth, 1998). According to past research, a well-combined alliance can result in a successful collaboration despite an association with a less favorably evaluated brand (Simonin & Ruth 1998). The prior study demonstrated consumer attitudes towards the alliance product have a significant influence on the both parent brands, while replications of the study found brand fit based on familiarity between parent brands to be more important than customer attitude (Baumgarth, 2004). The strong binding of ingredient branding also has a positive spillover effect on the beliefs and attitudes towards the host brand (Desai & Keller, 2002; Radighieri et al, 2014).

Helm and Ozergin (2015) demonstrated that a favorable evaluation of a component brand affects customers' judgment of the quality of the alliance product, regardless of host brand's quality. An experiment by Abbo (2005) found that perceived quality and initial attitude towards a component brand were related to the positive overall evaluation of the alliance product. The component brand serves a role in the prompt evaluation of the product's quality, while a host brand tends to moderate its maximized influences (Helm & Ozergin, 2015). Similarly, a previous study examined how the performance of a component brand transfers into a host brand's evaluation (Swaminathan et al., 2012). In this study, a strong component brand was found to have a more favorable impact on the host brand's evaluation; however, a weak component brand does not lower the evaluation of the host brand. Consequently, the results of this study suggest that a weak host brand can be beneficial with positive quality perceptions by a strong component brand.

On the other hand, some studies indicate that an impact of ingredient branding is determined by the host brand's quality (Radighieri et al., 2014). An experiment by Helm and Ozergin (2015) identified that service quality of an alliance product is supported by a branded ingredient; however, the perceived quality of the host brand moderates the effect. A strong host brand can have a strong impact on the evaluation of an alliance product, while a component brand related to a service product is not always strongly influenced by a low-quality host brand (Helm & Ozergin, 2015). A related study (Washburn, Till, & Priluck, 2000) explained quality perceptions of the alliance product transfer to the parent brand. Brand alliance with a weak host brand has a more favorable spillover effect than that of an alliance with strong host brand (Helm & Ozergin, 2015) because a weak brand has more room for improvement. However, the strong host brand has no negative effects due to the alliance with weak component brands regardless of the effect (Washburn et al., 2000).

The initially perceived value of parent brands is also an important factor to consider when assessing the success or failure of ingredient branding. The positive spillover effects by brand alliance cannot only depend on the value of a component brand, but depends also on the value of a host brand (Desai & Keller, 2002). The initial attitude of customers towards parent brands acts as a crucial factor in determining the degree of ingredient branding effect on parent brands (Simonin & Ruth, 1998). In the previous study focusing on ingredient branding with luxury host brand, Moon and Sprott (2016) revealed the influence of fit between two parent brands. The similarity acquired from brand image and product category of each parent brands, contributing to a positive perspective of customers, and is also linked to purchase intention. However, the spillover effect is moderated by the customers' perception of brand luxury. The perception of brand luxury may be linked to a customer's perception that stems from the luxury of a host brand. Additionally, customer loyalty is also related to the spillover effect of ingredient branding (Swaminathan et al., 2012). The study found the effect of the alliance has an impact on purchase intention and that the effect was greater to the non-loyal or prior customers than loyal customers of both parent brands.

Successfully evaluated, a branded ingredient has a mutual spillover effect on the brand equity of both parent brands. In addition, the perceived attributes of the host brand determine the effects of ingredient branding (Simonin & Ruth, 1998). The extent of the spillover effect, triggered from ingredient branding, varies most likely depending on a host brand, and the spillover effect may be moderated by elements of brand equity such as customer loyalty, brand awareness, or perceived quality (Helm & Ozergin, 2015; Simonin & Ruth, 1998; Swaminathan et al., 2012).

Applying information from previous research to the hotel industry, employing an ingredient branding strategy as a means of branding management will be useful for hotel brand. Therefore, the present study investigated whether offering branded amenities in a hotel room could be interpreted as ingredient branding, in terms of customer-based brand equity. Thus, the following hypothesis is proposed:

H_1. Branded amenities will have a positive impact on hotel brand equity.

Customer-Based Brand Equity

Ingredient branding has been shown to be an effective way to improve a post-alliance product, a pre-alliance brand, or a parent brand (Desai & Keller, 2002; Swaminathan et al., 2012). Many researchers have found that the effects of ingredient branding may differ based on the various attributes of the initial parent brands. The following are attributes that affect evaluation of ingredient branding: familiarity (Siminin & Ruth, 1998; Tascia & Guilet, 2011; Vaidyanathan & Aggarwal, 2000; Washburn et al., 2000), perceived quality (Abbo, 2005; Helm & Ozergin, 2015), customers' attitude (Simonin & Ruth, 1998), brand equity (Pfoertsch and Chen, 2011; Ponnam & Balaji, 2015; Tiwari & Singh, 2012), brand strength (Radighieri et at., 2014), and willingness to pay a premium price (Heo & Hyun, 2015; Kotler & Pfoertsch, 2010). In the current study, customer-based brand equity was used as an indicator to measure and analyze the impacts of branded amenities. In particular, six dimensions for brand equity were employed: perceived quality, brand image, loyalty, satisfaction, behavioral intention, and perceived value.

Regarded as the outcome of pivotal efforts by the overall business, brand equity signifies the entire value of the brand, including brand name, symbol, slogan, or color concept (Keller, 1993). Brand equity acts as a value and informational trigger that stimulates customers' attitudes when faced with recalling a brand. Defined as a total value of assets and liabilities (Aaker, 1992), brand equity is generally explained with two aspects (Choudhury & Kakati, 2014; Tiwari & Singh, 2012): 1) the customer-based brand equity, or the value of the brand based on customers' cognitions and behaviors towards the brand; and 2) the financial source of the brand as expressed through revenue, cash flow, or stock price (Kim & Kim, 2005; Yoo & Donthu, 2001). This study focused on brand value by customer perspectives. Therefore, this study only employed customer-based brand equity to estimate the changed customer perception toward a hotel brand influenced by ingredient branding. In this work, customer-based brand equity is hereinafter referred to as brand equity.

Brand equity is developed by a customer's perspective stemming from the information the customer has accumulated either directly or indirectly. Keller (1993) refers to brand equity as a divergent effect of brand knowledge on a customer's perception of a firm's performance. A customer's perception is defined by brand knowledge that comprises brand awareness and brand image. The customer perception or behavior links to their beliefs, which subsequently contribute to the positive evaluation of the brand. Brand equity is also described as an incremental value that is attached to the product or brand, and a positive or negative commercial value based on customers' experiences and communication of the brand over time (Tiwari & Singh, 2012; Washburn et al., 2004). In the case of a food product, customers tend to choose products with a high equity brand because quality of the food is more likely assured through a high equity brand (Ponnam & Balaji, 2015). This is because customer perception regarding food brand with high equity provides not only the high quality of the product but also trust. A customer's trust toward a product can be improved based on the brand equity. Brand equity is also considered an appropriate index to measure changeable customer perception that may be affected by time and effort (Prasad & Dev, 2000). Customer perception or behavior toward a brand is flexible, due to marketing activities, a company's performance, or trends (i.e., a result of the flow of time).

In the hotel industry, brand equity works as a cue, holding connotative information to differentiate the brand from competitors, especially when booking a room (Prasad & Dev, 2000). Prasad and Dev (2000) conceptualized that hotel brand equity is a multi-faceted value composed of customer satisfaction, brand preference, loyalty, retention, and financial sources.

Brand equity works as an indicator of the effect of ingredient branding strategy. Previous studies have applied brand equity as a variable to measure the effect of ingredient branding, and the impact has been shown on parent brands or alliance brand (Ponnam & Balaji, 2015; Radighieri et al., 2014; Tiwari & Singh, 2012). In the past research, positive spillover effect on a host brand equity was found as a result of ingredient branding (Ponnam & Balaji, 2015). The positive effect of ingredient branding on host brand equity was also found in the previous research related to a generic brand (i.e., a local grocery brand). A well-known national component brand helps to enhance the quality perception of an alliance product, by associating with a generic brand (Vaidyanathan & Aggarwal, 2000).

Customer-based brand equity has also been studied in the hospitality industry. In an attempt to quantify hotel brand equity, Prasad and Dev (2000) focused on brand awareness and brand performance. Kim and Kim (2005) demonstrated four dimensions of brand equity: brand awareness, brand loyalty, perceived quality, and brand image. The authors found that brand equity had a significantly positive impact on consumer preferences and purchase intention in both luxury hotels and chain restaurants. However, brand awareness was shown to be the least important factor for estimating brand equity. Tascia and Guillet (2011) applied six dimensions, familiarity, image, quality, consumer value, loyalty, in a study of co-branding between a hotel and a restaurant brand. Another study suggested the three-dimensional model for a hotel including brand loyalty, perceived quality, and brand image (Kayaman & Arasli, 2005). In this study, brand awareness dimension was tested, but no significant interrelations were found. This is along the same line of results as the study by Kim and Kim (2005), supporting that brand awareness has low contribution to brand equity. On the contrary, brand awareness and brand value were included for the brand equity model for a destination brand along with the aforementioned three factors (Boo, Busser, & Baloglu, 2009).

In order to optimize the benefits of ingredient branding, it is necessary to measure the effects accurately. As a means of measuring customer-based brand equity, Aaker (1992) initially suggested four dimensions: brand awareness, brand loyalty, perceived quality, and brand association. Keller (1993) also advocated the concept of focusing on brand knowledge constructs with brand awareness and brand image. Later, Aaker (1996) suggested a new model of brand equity based on the initial four dimensions. The new model consists of loyalty based on price premium and satisfaction, perceived quality and leadership, associations and differentiation of perceived value, brand personality, brand awareness, and market behavior (i.e., price and distribution indices). Based on these thoughts, Yoo and Donthu (2001) developed a multi-dimensional consumer-based brand equity scale assessing brand loyalty, perceived quality, and brand awareness / associations. Although brand equity has been studied and used in various industries, there is no absolute scale or consensus to measure brand equity. Thus, appropriate factors of brand equity can be differently measured by each business. In order to measure hotel brand equity, the current study employs six dimensions of brand equity, which consists of perceived quality, brand image, loyalty, satisfaction, behavioral intention, and perceived value. The study refers a previous research that focused on brand equity for a hospitality brand. A study by Kayaman and Arasli (2007) tested four dimensions (i.e., brand awareness, brand loyalty, perceived quality, and brand image); however, brand awareness has no significance for the brand equity model for a hotel. Thus, the study applies only three dimensions from the previous study and other three dimensions, which are satisfaction, behavior intention, and perceived value, that are considered important factors to evaluate a hospitality product (Chiang & Jang, 2006; Gonzalez, Comesana, & Brea, 2007; Ryu, Lee, & Kim, 2012).

Perceived Quality

Perceived quality can be conceptualized as a core brand equity dimension (Aaker, 1996) that links to a customer's perception based on a brand's performance (Kim & Kim, 2005) and the product's overall quality (Aaker, 1992; Yoo & Donthu, 2001). Along with brand awareness, perceived quality plays an important role in a company's performance in both a luxury hotel and a chain restaurant (Kim & Kim, 2005). The study investigating a luxury hotel showed that perceived quality is the most crucial contributor for establishing brand equity over brand awareness and loyalty. In a study regarding spa resorts, highly perceived service quality has effects on increasing the level of satisfaction and behavioral intention (Gonzalez et al., 2007). Another study (Ryu et al., 2012) also found that food quality for a restaurant is a more important factor in perceived value compared to the physical environmental quality. If an amenity is recognized as a functional factor rather than an environmental factor, the quality of an amenity may affect the perceived value for hotel brand.

Perceived quality is a frequently used item for research of ingredient branding. Initial quality of parent brands is positively related to the performance of an alliance product (Abbo, 2005); however, the effect of ingredient branding is more positive on a low quality host brand (Helm & Ozergin, 2015; Washburn et al., 2000). In terms of ingredient branding, perceived quality is an important factor that has effect from the alliance as well as a factor that affect the alliance. Hence, perceived quality is considered a necessary factor for brand equity as a tool for measuring the effect of ingredient branding. The current study anticipates that perceived quality of a hotel that provides branded amenities will be more positively evaluated than a hotel that serves non-branded amenities (i.e., generic brand):

H_{1a}. Branded amenities will have a positive impact on hotel perceived quality.

Brand Image

As a significant factor to measure brand equity, brand image denotes the brand identity based on a firm's performance related to the brand (Keller, 1993). Brand knowledge is stored in the customer's mind as a particular flash image associated with the brand (Keller, 2001; Kotler & Pfoertsch, 2010). Customers generate brand image based on their experience and memory reflected brand knowledge (Keller, 1993).

Brand image is essential for hotel brand equity because it indicates the instant impression of the overall brand for the intangible services product (Kayaman & Arasli, 2007; Kim & Kim, 2005). Past research has shown that brand image has a significant effect on perceived value, customer satisfaction, and retention intention (Ryu et al., 2008; Ryu et al, 2012). Higher levels of brand image should promote positive associations that begin to form the consumer's perception of the quality level (Chiang & Jang, 2006). Brand images serve a significant role in hotel booking as a determinant for stimulating purchase intention. Consequently, enhancing brand image becomes a key task of a hotel. In this context, branded amenities that have already established favorable brand image may affect brand image of a hotel, by presenting visual information. Hence, the present study posits that hotel brand image, as a factor of customer-based brand equity, will be positively improved by providing branded amenities:

H_{1b}. Branded amenities will have a positive impact on hotel brand image.

Brand Loyalty

Brand equity is also estimated by evaluating brand loyalty, defined as “the attachment that a customer has to a brand” (Aaker, 1992). Since brand loyalty is generally built by a customer’s direct experience and resulting evaluation, it is closely relevant to satisfaction, the tendency of purchase, and retention (Yoo & Donthu, 2001; Kayaman & Arasli, 2007). A customer’s brand loyalty is indirectly influenced by customer brand identification through service quality, perceived value, and brand trust, which are supported by brand identification (So, King, Sparks, & Wang, 2013). Past research has shown that if a customer recognizes a hotel brand, the trust the customer feels toward the brand becomes higher, based on overall service, hotel value, and past experience. In other words, brand recognition is necessary for achieving brand loyalty. Based on the brand awareness, other sources, such as quality, value, and trust as a whole works as a determinant for loyalty. Building loyalty in the hospitality industry is a challenge due to the intangibility.

Brand loyalty can be an appropriate indicator for customer perception toward a hotel brand. The higher loyalty a customer has the more he or she is likely to revisit the hotel. Due to the value of loyal customers, making a loyal customer from a customer is a crucial issue for a hotel. In this regard, whether ingredient branding can aid to increase a level of loyalty is meaningful. Hence, the current study hypothesizes that:

H_{1c}. Branded amenities will have a positive impact on hotel brand loyalty.

Customer Satisfaction

Satisfaction refers to an integrated evaluation of the attributes and services in the case of hospitality products as a key indicator of marketing success (Han & Ryu, 2009). Customers experience satisfaction by comparing the actual experience with their expectation of the experience. According to previous study (Ryu et al., 2008), customer perceived value and brand image of a restaurant significantly influenced customer satisfaction. In regards to the hotel industry, satisfaction is a direct determinant for revenue by affecting occupancy rate and average daily rate (ADR) (O'Neill & Mattila, 2004). The previous study assessed three years of data and found that higher guest satisfaction raises revenue, and furthermore, contributes to raising growth rates of revenue. Satisfaction, in particular, is important to the service sector because it acts as an indicator for loyalty based on customer behavior (Aaker, 1996). Satisfaction is considered an appropriate factor to measure changeable brand equity of a hotel. Therefore, the current study suggests that:

H_{1d}. Branded amenities will have a positive impact on hotel customer satisfaction.

Behavioral Intention

Behavioral intention indicates a customer’s response to the brand’s performance, such as a revisit (e.g. repurchase) and word-of-mouth, based on customers’ satisfaction (Han & Ryu, 2009; Ryu et al., 2012). Perceived quality and customer satisfaction are studied as significantly influential variables for behavioral intentions (Gonzalez et al, 2007). In the past, studies have shown that behavioral intention requires various predictors, which are brand image, perceived value, and customer satisfaction (Ryu, Han, & Kim, 2008; Ryu et al, 2012). Behavioral intention, such as revisit or recommendation to others is indirectly affected by brand loyalty, satisfaction and the performance of the brand (Kim & Kim, 2005). As an active customer perception, behavioral intention requires many factors, such as quality, satisfaction, loyalty, perceived and brand image. Behavioral intention tends to be improved after all other factors were positively evaluated. In order to measure the effect of ingredient branding, perceived intention may work as a secondary indicator. Thus, the present study hypothesizes that behavioral intention of a hotel will be positively evaluated:

H_{1e}. Branded amenities will have a positive impact on hotel behavioral intention.

Perceived Value

Perceived value is used as a factor to gauge the success of a brand in a competitive market, indicating whether the brand has good monetary value and whether the brand offers good reasons to buy that outweigh the reasons of competitors. (Aaker, 1996). Customer perceived value is explained comparing the cost of the product to the benefits of the product (Zeithaml, 1988). Perceived value is only measured by customers who consumed the product (Ryu et al, 2012). Additionally, brand value is a relative index that is calculated with perceived quality and price. Perceived value of a brand could be highly evaluated compared to another brand because of price even if the perceived quality of two brand were the same (Aaker, 1996). In the hospitality industry, both product quality and service quality play a role as predictors of perceived value (Chen & Hu, 2010).

In addition, previous studies on restaurants have shown that the physical environment and atmosphere also affect perceived value (Han & Ryu, 2009; Liu & Jang, 2009). Perceived value also serves a role in assessing behavioral intention (Liu & Jang, 2009; Chiang & Jang, 2006) and acts as a direct antecedent in customer satisfaction (Ryu et al., 2012). Although a relatively low price tends to be linked to low quality in customer minds, perceived value is inversely related to product price along with purchased intention (Chiang & Jang, 2006). Perceived value can be related to the monetary value of alliance products. In particular, since willingness to pay extra is an important issue to a hotel, the perception regarding perceived value is important for ingredient branding. Accordingly, the current study hypothesizes that:

H_{1f}. Branded amenities will have a positive impact on hotel perceived value.

All six dimensions for customer-based brand equity for a hotel are closely related each other. From this premise, researchers can investigate the relationship between ingredient branding and the perceived attributes as a whole, while each factor can be assessed as a variable for the ingredient branding effect. Customer-based brand equity is frequently utilized as a criterion for measuring brand value for ingredient branding. The present study investigated the effects of branded amenities on a hotel brand, by employing brand equity as a measure. Brand equity is an appropriate index for measuring the leverage from branded ingredients, as numerous literature examples proved its validity and developed related instruments (Chian & Jang, 2007; Han, Kim, & Hyun, 2011; Kayaman & Arasli, 2007; Kim & Kim, 2005; Ryu et al., 2012; So et al., 2013**;** Tsaur, Lin, & Wu, 2005).

Impacts of ingredient branding on the host brand have been explained with various brand attributes. If previous literature provided support for the benefits of ingredient branding with various customer goods, it can be expected that branded amenities will also have positive impacts in the hotel industry. However, there are gaps in the understanding of hospitality products and consumer goods due to the complicated nature of hospitality product characteristics.

Regarding ingredient branding, a higher equity brand acts as an augmenting cue to evaluate the credibility of the alliance product. Ponnam and Balaji (2015) examined the effect of ingredient branding with both high and low equity brands. The study found that the parent brand with low perceived equity has greater improvement on brand equity compared to the high equity brand (Ponnam & Balaji, 2015). Strength of the parent brand also has a positive impact on consumers' attitudes toward the alliance product as well as each brand (Radighieri et al., 2014).

The study demonstrated that the initial brand equity of parent brands determines the success of the alliance.

In a study regarding service products (i.e., marketing consulting service) (Helm & Ozergin, 2015), a host brand with low quality has a more positive effect of ingredient branding on customer perception toward alliance brand. Additionally, the positive perception due to the alliance product is likely linked to willingness to pay. However, the perception of brand quality is conversely related to the positive effect provided by ingredient branding (Helm & Ozergin, 2015; Ponnam & Baalaji, 2015). High-quality host brands take only intermittent improvement by branded ingredients, while moderate-quality host brands may pursue a competitive position with constant benefits through the assistance of ingredient branding (McCarthy & Norris, 1999). In this respect, the current study hypothesizes that branded amenities will result in different spillover effects based on the customer-based brand equity of the host brand. Based on this premise, the following hypothesis is proposed:

H_2. The impact of branded amenities will be different by hotel class.

Willingness to Pay

Willingness to pay is related to a customer's behavioral intention that links to purchase (Masiero, Heo, & Pan, 2015). It indicates the optimal pricing that a product or service can ask from customers (Masiero et al., 2015). Willingness to pay can be a valuable means to examine the direct impact of ingredient branding and confirm shifted evaluation of the host brand induced by the brand alliance (Heo & Hyun, 2015; Kotler & Pfoertsch, 2010; Pfoertsch & Chen, 2011, Swaminathan et al., 2012). Along with purchase intention, willingness to pay "extra charges" is a direct index to measure the effects of ingredient branding, because customers are more likely to purchase a product when they have favorable attitudes towards the brand (Kotler & Pfoertsch, 2010; Pfoertsch & Chen, 2011). A premium price for an alliance product forces customers to be aware of new offerings and to differentiate the value of the host brand from its competitors (Kotler & Pfoertsch, 2010; Pfoertsch & Chen, 2011).

Spillover effects, stemming from ingredient branding, may be linked to purchase intention due to the transferring of positive perspectives from a component brand to a host brand. Transferred information related quality from a component brand delivers customer quality perception to an alliance product and has indirect impact on improving purchase intention (Helm & Ozergin, 2015). Past research investigating customers' perceptions towards alliance products has shown that an alliance with a branded component is evaluated as a profitable composition because optimal price is achieved due to the component brand, and the alliance product eventually results in increasing revenue (Venkatesh & Mehajan, 1997).

According to the previous study regarding the brand alliance between a restaurant and a hotel (Lin, 2013), a less familiar hotel increased in purchase intention more than a familiar hotel allying with a restaurant. The study also showed that brand fit between the parent brands is related to the process of willingness to pay (Lin, 2013). Another study also showed that a strong alliance between a restaurant and a hotel is positively related to purchase intention (Ashton & Scott, 2011). Perceived fit is represented by compatibility. Fit between two parent brands is a significant factor that can induce a purchase because new value from the alliance is positively evaluated with perceived fit.

Determining the price for a hotel room has been studied with considerable attention and many studies have tried to establish a pricing model. Hedonic pricing theory has been wildly accepted to explain the hotel pricing structure (Chen & Rothschild, 2010). According to this model, the price could be considered as the sum of all the services and all the attributes, such as location, day of week, season, brand name, and star rating (Chen & Rothschild, 2010; Monty & Skidmore, 2003). In this respect, added value (e.g. ingredient branding) can be an element to increase price. Although this pricing model represents an overall value based on a hotel's perceptions, it is limited in expressing guest-centered evaluation towards the hotel (Masiero et al., 2015). For the hotel industry, willingness to pay appears to reflect the value that customers appreciate, based on the type of hotel. However, branded amenities as a tangible source of willingness to pay in a hotel may not lead to immediate purchase intention (e.g., reservation) because information related branded components are unlikely to be showed to customers before checking-in. Unlike a consumer good, whose branded component is presented on its package, a hotel barely use branded in-room amenities as a lure at the moment when they reserve a room. Therefore, measuring willingness to pay "a premium" for the extra value of branded amenities will be more appropriate for the hotel business rather than measuring a purchase decision outcome.

Previous studies found that customers are willing to pay a premium for some attributes of a hotel, such as view, floor, or club access, and the result varied by type of visitor (Masiero et al., 2015). Another study demonstrated green initiatives and sustainable practices attract customers' willingness to pay a premium (Kang, Stein, Heo, & Lee, 2012). These studies showed that the willingness to pay a premium can be a realistic measurement to judge the effectiveness of a marketing activity or optional attributes. Heo and Hyun (2015) found a positive correlation between willingness to pay more and branded amenities of the luxury hotel. The study showed promise that extra revenue may be obtained from additionally attached value. In addition, the results showed that rooms with luxury branded amenities estimated with higher price than rooms with non-luxury branded amenities by customers, and rooms with luxury amenities and the description for amenities were even higher. Therefore, the current study will extend the study by Heo and Hyun (2015) regarding willingness to pay for a hotel room, through assessing the extra value of branded amenities.

In the present study, willingness to pay extra charges was employed to investigate whether branded amenities have a positive impact on a hotel brand as an alternative way of brand equity. Through findings related to willingness to pay, the study aimed to identify the possibility of using ingredient branding as an extra revenue driver and amount guests are willing to pay more. Accordingly, the current study examined willingness to pay more, induced by branded amenities.

In addition, the study also examined whether guests are willing to pay less if they choose not to receive branded amenities. In order to quantify willingness to pay a premium induced by branded amenities, customer intention to pay extra or pay less will be analyzed by utilizing a comparative analysis between three different classes of hotels: luxury, midscale, and economy hotels (Heo & Hyun, 2015).

Chapter 3

Methodology

The study aimed to investigate the effect of ingredient branding on hotel brand equity. On-line surveys were carried out to collect data for testing the proposed hypotheses. This chapter described pretest, sample design, data collection for the survey, and the specific explanation for the questionnaire is discussed.

Pretest

A pretest was conducted to verify the reliability of the scale for six customer-brand equity dimensions for the main study. The subjects for the pretest were collected through an online panel. There were a total of 61 participants, which consisted of 38 for experimental group and 23 for control group. The participants were instructed to evaluate customer-based brand equity of hotels where they stayed last time. One group, an experimental group (N=38), was instructed to participate in the survey with the scenario that they stay a hotel and the hotel provided branded amenities (non-generic) while another group, a control group (N=23), was presented the scenario that they stay a hotel with non-branded amenities (generic brand).

A total of 22 items for six dimensions were tested for measuring brand equity of hotel. Each dimension for brand equity was found to be highly reliable. The Cronbach's alphas for the six items of perceived quality and the four items of brand image were .97 and .98, respectively. The loyalty subscale was composed of three items and the Cronbach alpha was .91. The satisfaction subscale was composed of three items and had a Cronbach alpha of .96. The Cronbach alpha for the three items used to measure the perceived value subscale was .96, and the Cronbach alpha for the behavioral intention subscale was .94. The internal consistency of each scale for the main study was adequate.

Sample Design

The population parameter for this study was hotel guests who stayed in a hotel within the last six months. In order to qualify the sample:

- The respondent had to have an experience staying at any type of hotel that provides amenities.
- The last hotel experience of the respondent should be within the last six months, as the respondent was asked to recall the experience.
- The sample was limited to domestic guests who traveled a domestic trip for the last hotel stay because this study is targeting guests who are familiar with domestic hotel brands and amenity brands.

To test the hypotheses, the respondents were randomly assigned to two groups: the control group and the experimental group. The groups were provided identical questionnaires, but given different scenarios for brand equity instruments. The present study also employed quota sampling in order to examine impacts of ingredient branding on hotel brand equity by hotel segments. Hotels are generally categorized into six types based on the STR chain scale (STR, 2016). However, this study simplified the established chain scales by STR from six to three in order to avoid error by respondents due to complexity. Responses were collected into three categories of hotel based on a hotel the respondent recently stayed. The classes of hotel included:

- Luxury hotel: Luxury, Upper Upscale hotel
- Midscale hotel: Upscale, Upper Midscale hotel
- Economy hotel: Midscale, Economy hotel

To determine the accurate sample size of this study, a sample size calculator was used. The study represents a population of 3,280,000, which is a number of occupied hotel rooms per day in the U.S. According to the STR report, 5 million hotel rooms are available for year-end 2015, and occupancy rate for 2015 is 65.5% (Hotel News Resources, 2016; Statista, 2016). With a 95% confidence level and a 5% confidence interval, the sample size of 385 would be acceptable, and the total sample size 450 were planned (150 per each hotel segment). In the process of collecting the questionnaires, 22 additional responses were added, for a total of 472 respondents (See Table 2). Consequently, the sample was representative of U.S. hotel guests within the last six months and the sample size fell into the confidence level.

Table 2

Actual Respondent Size

	Luxury Hotel	Midscale Hotel	Economy Hotel	n
Control Group	78	79	79	236
Experimental Group	79	79	78	236
n	157	158	157	

Data Collection

The primary data was collected through an online survey and the sample was reached from panel data accumulated by the online survey firm Qualtrics. The web pages connected to the questionnaires were distributed to the respondents via e-mail and performed online. The survey was carried out in October 2016. The recipients were notified of the purpose of the study and signed the informed consent form prior to beginning the questionnaire. Before initiating the main part of the survey, three screening questions were given to qualify whether a respondent was an appropriate target sample. Finished questionnaires were stored automatically to the database. In this study, the sample was voluntary respondents and participated on the condition of anonymity. Additionally, the collected data were coded in order to protect respondents' privacy and to maintain confidentiality.

Questionnaire

The self-administered questionnaire was employed based on the established instruments for measuring customer-based brand equity (Chian & Jang, 2007; Han, Kim, & Hyun, 2011; Kayaman & Arasli, 2007; Kim & Kim, 2005; Ryu, Lee, & Kim, 2012; So, King, Sparks, & Wang, 2013**;** Tsaur, Lin, & Wu, 2005). The questionnaire was designed with two different scenarios for the two groups (the control group and the experimental group).

The questionnaire consisted of four sections (See Appendix A):

- Screening questions
- Customer perceptions regarding in-room amenities
- Evaluation of the hotel brand based on the given scenario
- Demographic profiles

First, screening questions were given prior to starting the main survey. Respondents were asked whether they stayed in a hotel within the last six months and whether the trip, including the hotel experience, was a domestic trip. The survey was terminated when the responses of screening questions did not meet the requirements of the study. Therefore, only respondents who traveled a domestic trip and stayed a hotel within the last six months were able to continue the survey.

The qualified respondents were instructed to indicate which type of hotel they stayed in the last time, to classify hotel group. The respondents selected the type of hotel out of three options: luxury hotel, midscale hotel, and economy hotel. Specific names of the hotels were presented for respondents to provide a frame of reference. The quota for hotel type was set to 150 (75 per each group: experimental group and control group), but the actual number of responses collected was 22 greater than planned (See Table 2).

The first section of the survey examined the customer perspective towards in-room amenities. This section was adopted and modified from the study by Heo and Hyun (2015). Respondents were given a list of ten in-room amenities and asked to rate importance of each amenity using a seven-point Likert scale, anchored from 1 (*Not at all important*) to 7 (*Extremely important*).The lists of the amenities were composed of bedding (e.g. mattress, pillow, sheet, etc.), cell-phone appliances (e.g. phone charger, phone docks, etc.), coffee set and machine, cologne / perfume, hair appliances (e.g. dryer, irons, etc.), minibar (e.g. beverages, snacks, etc.), music appliances (e.g. speaker, radio, etc.), stationery (e.g. pens, note pad, etc.), television, and toiletries (e.g. hair products, soap, bath products, etc.). Respondents were asked what amenities were provided during their last stay. This question was employed for understanding the popular amenities hotels provide. Followed questions asked whether the respondent was able to remember a brand name of an amenity. Remained questions in this section asked what items respondents are willing to receive if they can be provided branded amenities and criteria for evaluating in-room amenities.

The second section was employed to examine the evaluation of customer-based brand equity of a hotel. The purpose of this section is to measure attributes of the host brand, the hotel brand, and to estimate the effects of ingredient branding. Prior to being presented the main questions, subjects were provided a scenario for this section. The control group and the experimental group received an identical questionnaire for this section, but the scenario for each group was different.

- The control group was instructed with the description for the alliance with non-branded amenities (generic brand or private brand):

This section contains questions about the last hotel you stayed in. Please answer the following questions assuming that you experienced the following situation. You have entered your room after checking in. Room conditions such as furniture and amenities are the same as your last stay. However, all the provided amenities (e.g. bath products, coffee, minibar, or bedding products) are non-branded (or generic).

- The experimental group was instructed with the description for the alliance with branded amenities (non-generic brand):

This section contains questions about the last hotel you stayed in. Please answer the following questions assuming that you experienced the following situation. You have entered your room after checking in. Room conditions such as furniture and amenities are the same as your last stay. However, all the provided amenities (e.g. bath products, coffee, minibar, or bedding products) are branded (non-generic).

A total of 22 items were applied for the evaluation of the hotel brand equity. Questions measuring brand equity consisted of six factors: perceived quality, brand image, brand loyalty, customer satisfaction, behavior intention, and customer perceived value. This section also contained questions that aimed to identify willingness to pay more induced from branded amenities (Heo & Hyun, 2015). Respondents were also asked about their willingness to pay less if they received a set of non-branded amenities instead of branded amenities. For respondents who indicated intentions of extra payment, further questions were presented, such as the amount they were willing to pay more or less.

Demographic information was collected in the last section. It included purpose of the hotel visit, frequency of visiting a hotel, gender, age, marital status, education level, ethnicity, and annual household income during the past 12 months.

Measures and Scales

The spillover effect on hotel brand equity by branded amenities was tested by comparing means using a multivariate analysis of variance (MANOVA) test. In order to analyze the output, the results displayed F statistic, associated p-value, and mean differences, which is calculated by subtracting the data of the control group (evaluation of hotel brand equity with non-branded or generic brand amenities) from the data of the experimental group (evaluation of hotel brand equity with branded or non-generic amenities) (Radighieri, Mariadoss, Gregoire, & Johnson, 2014).

Seven-point Likert scales were used to measure the extent of the respondent's notion related to customer-brand based equity. The scale was composed of 22 items, with a scale ranging from 1 (*strongly disagree / not at all important*) to 7 (*strongly agree / extremely important*). The questions regarding in-room amenities were given with multiple choice from given lists and seven-point Likert scales. Dichotomous choice and nominal scales were also used.

Respondents' profile

A total 472 responses were collected from 1,409 after unqualified responses that did not meet the sample qualification and respondents who had answering speeds faster than 30% of the median length of answering time were excluded. Ultimately, a total number of 472 responses, with 236 responses for the experimental group and control group, were included and used for the study. Table 3 presents the demographic information of the respondents.

Table 3

Demographic Profile of Respondents (N=472)

	n	%		n	%
Purpose of Travel			Gender		
Business	40	8.5	Female	322	68.2
Leisure	392	83.1	Male	150	31.8
Business and Leisure	40	8.5			
Age			Frequency of Hotel Stay		
Under 21 years old	190	40.3	Less than 3 times	205	43.4
21 ~ 30 years old	173	36.7	3~ 5 times	179	37.9
31 ~ 40 years old	93	19.7	6 ~ 8 times	50	10.6
41 ~ 50 years old	16	3.4	More than 8 times	38	8.1
Marital Status			Ethnicity		
Single	266	56.4	African American	41	8.7
Married	12	2.5	Asian	21	4.4
Separated	46	9.7	Caucasian	380	80.5
Widowed	15	3.2	Latino	26	5.5
Divorced	133	28.2	Others	4	.8
Household Income			Education		
Less than $25,000	74	15.7	Less than high school	7	1.5
$25,000 to $34,999	68	14.4	High school or equivalent	120	25.4
$35,000 to $49,999	83	17.6	Some college	145	30.7
$50,000 to $74,999	104	22.0	College graduate	148	31.4
$75,000 to $99,999	65	13.8	More than college graduate	52	11.0
$100,000 to $149,999	56	11.9			
$150,000 or more	22	4.7			

Chapter 4

Data Analysis and Results

Hypotheses stated that branded amenities would have a positive impact on customer-based brand equity of a hotel brand. In order to find out the effect of branded amenities, the six dimensions with 22 items were used to measure the brand equity. Cronbach's coefficient alphas were performed to test reliabilities of brand equity scales, simultaneously for entire response and separately for each group. Table 4 displays the reliability coefficients for all factors of brand equity. The Cronbach's Alphas for the six dimensions tested on total responses ranged from .90 to .97, which indicates items for each dimension have high internal consistency. Similarly, items of each brand equity scale for the experimental group are highly correlated (Cronbach's Alpha for all scales > .92). Reliability test for control group shows high value of alphas for all dimensions (ranged from .88 to .97). Thus, all items for six dimensions of brand equity were found to be highly reliable as a whole and separately (See Table 4).

Table 4

Reliabilities for Six Dimensions of Customer-Based Brand Equity

Scales	n	Cronbach's Alpha		
		Total	Experimental Group	Control Group
Perceived Quality	6	.97	.96	.97
Brand Image	4	.97	.95	.97
Loyalty	3	.90	.92	.88
Satisfaction	3	.95	.94	.96
Behavioral Intention	3	.96	.96	.96
Perceived Value	3	.95	.94	.95

Effects of Branded Amenities

H_1 was tested on six dimensions simultaneously utilizing a multivariate analysis of variance (MANOVA) test. The initial MANOVA was performed to reveal any differences in means of hotel brand equity between the two groups (control group: provided non-branded amenities; experimental group: provided branded amenities). The results found a significant difference in a hotel brand equity depending on whether guests were provided branded amenities (F (6, 465) = 7.54, $p < .001$, Hotelling's Trace = .097, $\eta^2 = .089$). Since brand equity evaluated by the experimental group was significantly greater than that of the control group, the result indicated that branded amenities has a positive impact on hotel brand equity, thus, H_1 was supported.

In an attempt to test sub-hypotheses, which focused on the effects of branded amenities on each dimension of brand equity, further analyses were performed and are presented in Table 5. The means of all six dimensions of brand equity were significantly different between the control and the experimental group. A mean of perceived quality for the experimental group (5.80) was greater than that of control group (5.13), indicating significant difference. The result showed that providing branded amenities had a positive impact on the evaluation of the perceived quality (F (1,470) = 36.36, $p < .0001$, partial $\eta^2 = .072$), thus H_{1a} was supported. H_{1b} stated that branded amenities have a positive impact on brand image. H_{1b} was supported by that the brand image has .68 of a mean difference between two groups and showed significance (F (1,470) = 34.39, $p < .0001$, partial $\eta^2 = .068$). The effect of branded amenities was found on loyalty as hypothesized in H_{1c}. A mean difference for loyalty between two group was .70 (control group: 4.93, experimental group: 5.63) and significant (F (1,470) = 29.41, $p < .0001$, partial $\eta^2 = .058$). The results indicated impacts on both behavioral intention (F (1,470) = 33.397,

$p < .0001$, partial $\eta^2 = .066$) and Satisfaction (F (1,470) = 25.12, $p < .0001$, partial $\eta^2 = .051$) were significant (H_{1d}, H_{1e}). Although H_{1f} was supported by the result that branded amenities have a positive impact on perceived value, it had the least effect among six dimensions by branded amenities (F (1,470) = 19.726, $p < .0001$, partial $\eta^2 = .040$).

Table 5

The Effect of Branded Amenities on Hotel Brand Equity

Equity Scales	Group		Mean Difference	F	Sig.	Partial η^2
	Control Mean[a]	Experimental Mean[b]				
Perceived Quality (H_{1a})	5.13	5.80	0.67	36.36	.000	.07
Brand Image (H_{1b})	5.19	5.87	0.68	34.39	.000	.07
Loyalty (H_{1c})	4.93	5.63	0.70	29.41	.000	.06
Satisfaction (H_{1d})	5.13	5.76	0.64	25.12	.000	.05
Behavioral intention (H_{1e})	5.04	5.80	0.76	33.40	.000	.07
Perceived Value (H_{1f})	5.14	5.69	0.55	19.73	.000	.04

Note. [a] Evaluation of a hotel brand equity with non-branded (generic) amenities (n = 236). [b] Evaluation of a hotel brand equity with branded (non-generic) amenities (n = 236).

H_2 posited that the effects by branded amenities on customer-based brand equity of a hotel brand would differ by the hotel classes (luxury, midscale, and economy). In order to test H_2, a 3 (hotel segments) × 2 (control group vs. experimental group) multivariate analysis of variance was used to assess differences between the six dimensions of hotel brand equity. Each independent variable, the group (F (6, 461) = 7.844, $p < .001$, partial $\eta^2 = .093$) and hotel class (F (12,920) = 2.699, $p = .001$, partial $\eta^2 = .034$) had significant impacts on brand equity;

however, the interaction between group and hotel class was non-significant (F (12,920) = .886, p =.561).

Since there was no interaction between the two variables, it was concluded that the control and experimental groups behaved similarly across hotel segments. Therefore, H_2 was tested by examining the effects of ingredient branding for different hotel classes. A series of MANOVAs were separately used to investigate the most beneficial hotel segment. Three separate tests were performed to assess the impact of branded amenities by hotel classes. As indicated in Table 6, the midscale hotel has the most significant impact by branded amenities (p < .001), and the economy hotel also showed a significant difference (p < .05). On the contrary, no significant effect was found on luxury hotel brand equity (p = .376). Table 6 shows the effects of branded amenities on three different hotel segments.

Table 6

The Effect of Branded Amenities by Hotel Class

	N	F	Sig.	Partial η^2
Luxury Hotel	157	1.08	.376	.04
Midscale Hotel	158	6.43	$.000^{***}$	.20
Economy Hotel	157	2.83	$.012^{*}$	.10

Note. * p < .05. *** p < .001.

The results of MANOVAs also revealed impacts on six dimensions of brand equity. Although, for luxury hotel, perceived quality (F (1, 155) = 4.233, p = .041, Partial η^2 = .027), loyalty (F (1, 155) = 4.566, p = .034, Partial η^2 = .029), and behavioral intention (F (1, 155) = 5.084, p = .026, Partial η^2 = .032) showed a significant difference between the control group and experimental group, branded amenities had little impact on luxury hotel brand equity as a whole

(See Table 7). The midscale hotel has the greatest effect by branded amenities among three categories of hotel. The effects of all six dimensions of brand equity for the midscale hotel were significant ($p < .001$) and the effect size were significantly higher than other two hotel classes. A mean of the experimental group for behavior intention is greater than a mean of the control group, and the mean difference was the greatest for the midscale hotel (1.04), while mean difference for the luxury hotel was .51 and .72 for the economy hotel (See Table 7). The midscale hotel has greater mean differences on all other dimensions compared to other hotel segments (1.03 for loyalty, .98 for perceived quality, .93 for brand image, .91 for satisfaction, and .74 for perceived value). The impact of branded amenities for economy hotel brand equity was also significant on all six dimensions ($p < 0.5$), even though the effect sizes were less than that of the midscale hotel.

Dimensions of brand equity that were affected by branded amenities were also different for each hotel segment. For the midscale hotel, the effect was shown most significantly in perceived quality (F (1, 156) = 34.70, $p < .001$, Partial $\eta^2 = .18$) and loyalty (F (1, 156) = 30.14, $p < .001$, Partial $\eta^2 = .16$), with behavioral intention (F (1, 156) = 26.30, $p < .001$, Partial $\eta^2 = .14$) following those. For the economy hotel, the highest level of effect was found on brand image (F (1, 155) = 12.055, $p = .001$, Partial $\eta^2 = .072$), followed by perceived quality factor (F (1, 155) = 9.337, $p = .003$, Partial $\eta^2 = .057$) and the behavior intention factor (F (1, 155) = 8.619, $p = .004$, Partial $\eta^2 = .053$), and lastly by perceived value (F (1, 155) = 4.333, $p = .0039$, Partial $\eta^2 = .027$.

These results suggest that ingredient branding has a different impact on hotel brand equity across hotel segments. The difference of the effect size per each dimension of brand equity by hotel segments can be seen in Figures (See Appendix B).

Table 7

Detailed Effect of Branded Amenities

Scales	Hotel Classes	Group: Control Mean[a]	Group: Experimental Mean[b]	Mean Difference	*F*	Sig.	partial η^2
Perceived Quality	Luxury Hotel	5.53	5.93	0.40	4.23	.041*	.03
	Midscale Hotel	5.04	6.02	0.98	34.70	.000***	.18
	Economy Hotel	4.82	5.43	0.60	9.34	.003*	.06
Brand Image	Luxury Hotel	5.63	6.01	0.38	3.65	.058	.02
	Midscale Hotel	5.10	6.03	0.93	26.05	.000***	.14
	Economy Hotel	4.84	5.56	0.72	12.06	.001*	.07
Loyalty	Luxury Hotel	5.29	5.79	0.49	4.57	.034*	.03
	Midscale Hotel	4.80	5.83	1.03	30.14	.000***	.16
	Economy Hotel	4.70	5.28	0.57	5.57	.019*	.04
Satisfaction	Luxury Hotel	5.47	5.90	0.42	3.46	.065	.02
	Midscale Hotel	5.04	5.95	0.91	21.96	.000***	.12
	Economy Hotel	4.87	5.44	0.57	6.17	.014*	.04
Behavioral intention	Luxury Hotel	5.39	5.91	0.51	5.08	.026*	.03
	Midscale Hotel	4.94	5.97	1.04	26.30	.000***	.14
	Economy Hotel	4.79	5.50	0.72	8.62	.004*	.05
Perceived Value	Luxury Hotel	5.35	5.78	0.43	3.59	.060	.02
	Midscale Hotel	5.08	5.82	0.74	16.03	.000**	.09
	Economy Hotel	5.00	5.47	0.47	4.33	.039*	.03

Note. [a] Evaluation of a hotel brand equity with non-branded (generic) amenities. [b] Evaluation of a hotel brand equity with branded (non-generic) amenities. * $p < .05$. *** $p < .001$.

Customer Perception Regarding Amenities

The results supported the proposed hypothesis: branded amenities play significant role in evaluating customer-based brand equity. In an attempt to understand customer perception toward in-room amenities, the current study constructed additional questions related to in-room amenities and willingness to pay induced by branded amenities.

Among the battery of items, a television (M = 6.30, SD = 1.08) was considered the most important in-room amenities and beddings (M = 6.29, SD = 1.12), such as mattress, pillow, and sheet, had the second highest mean with meager difference. Toiletries, (i.e., shampoo, conditioner, soap, and bath products, etc.; M = 5.78, SD = 1.42), cell-phone appliances, such as phone charger and phone docks (M = 4.63, SD = 1.92), and a coffee set and machine (M = 4.58, SD = 2.07) were selected as the next five most chosen items. A hair appliance (M = 4.50, SD = 2.05) and stationeries (M = 4. 01, SD = 1.20) were assessed as medium-important amenities, and cologne and perfume (M = 2.87, SD = 2.08) recorded the least important item (See Table 8).

The top priority amenities were also tested using ANOVA with gender, hotel class, and purpose of travel, separately to find out if there were differences between demographic groups. As indicated in Table 5, the luxury hotel guests (M = 5.25, SD = 1.84) considered a hair appliance to be more important than the guests of other hotel classes (M = 4.58, SD = 2.03 for Midscale; M = 3.66, SD = 1.6 for Economy hotel), F (2,469) = 26.21, p < .001. The importance of other amenities also significantly varied by hotel classes (p < .05), except for bedding and television (p > .05).

Table 8

The List of Top Priority Amenities

Amenities	Total	Gender		Hotel Class			Purpose of Travel		
		Female	Male	Luxury hotel	Midscale hotel	Economy hotel	Business	Leisure	Business and Leisure
Television	6.30	6.37	6.15	6.34	6.23	6.33	6.13	6.29	6.55
Bedding (e.g. mattress, pillow, sheet, etc.)	6.29	6.39	6.07	6.34	6.28	6.24	6.28	6.27	6.45
Toiletries (e.g. hair products, soap, bath products, etc.)	5.78	5.78	5.77	5.96	5.87	5.50	5.78	5.75	6.08
Cell-phone appliance (e.g. phone charger, docks, etc.)	4.63	4.58	4.72	5.06	4.62	4.20	5.03	4.52	5.28
Coffee set and machine	4.58	4.66	4.41	4.97	4.79	3.97	4.80	4.53	4.80
Hair appliance (e.g. dryer, irons, etc.)	4.50	4.61	4.27	5.25	4.58	3.66	4.60	4.46	4.80
Stationery (e.g. pens, note, etc.)	4.01	3.86	4.33	4.52	4.13	3.38	4.58	3.88	4.78
Music appliance (e.g. speaker, radio, etc.)	3.81	3.67	4.13	4.64	3.82	2.98	4.68	3.64	4.63
Minibar (e.g. beverages, snacks, etc.)	3.68	3.61	3.83	4.51	3.76	2.78	4.20	3.57	4.30
Cologne / Perfume	2.87	2.79	3.05	3.42	2.96	2.23	3.35	2.77	3.40

In the analysis by gender, female guests (*M* = 6.39, *SD* = 1.02) evaluated bedding as a more important amenity than did male guests (*M* = 6.07, *SD* = 1.28; *F* (1,470 = 8.053, *p* = .005). Television was assessed the most important amenity by male guests (*M* = 6.15, *SD* = 1.19) and ranked as second for female, but female guests (*M* = 6.37, *SD* = 1.03) considered it more important than male guests did (*F* (1,470 = 4.115, *p* = .043).

A customer's preference of amenities also varied by purpose of travel. The results found that customer evaluation by travel purpose differs significantly on three items: cellphone appliance (*M* = 5.03 for business, *M* = 4.52 for leisure, and *M* = 5.28 for business and leisure guests; *F* (2,469) = 3.80, *p* = .023), minibar (*M* = 4.20 for business, *M* = 3.57 for leisure, and *M* = 4.30 for business and leisure guests; *F* (2,469) = 3.44, *p* = .033), and music appliance (*M* = 4.68 for business, *M* = 3.64 for leisure, and *M* = 4.63 for business and leisure guests; *F* (2,469) = 8.03, *p* < .001).

Along with the top 10 priority amenities, the current status of the branded amenities that a hotel provides and a customer's notions regarding the brand of the amenities were examined. Table 9 indicates amenities that respondents were provided and whether they could recall the brand name of the amenities. Additionally, respondents reported which branded amenities were desired for a future stay. A list of amenities that guests were provided at their last trip (Table 9) was similar to the list of top priority amenities (See Table 8); however, there was a discrepancy between the amenities that guests remembered the brand name and that guests preferred receiving with branded products. Although it was determined that customers felt that toiletries were the third most important in-room amenities, only 25.6% of respondents were able to remember the name of brand and 251 (53.2%) respondents reported that toiletries were the most preferable amenities if they could receive branded amenities.

Table 9

The List of Preferable Branded Amenities

	In Previous Experiences				In Future Experience	
	Provided[a]		Remember the Brand name[b]		Prefer Branded Amenities[c]	
	n	%	n	%	n	%
Toiletries	453	96.0	121	25.6	251	53.2
Bedding	447	94.7	86	18.2	222	47.0
Television	462	97.9	136	28.8	202	42.8
Coffee set and machine	413	87.5	105	22.2	197	41.7
Minibar	192	40.7	71	15.0	133	28.2
Cell-phone appliance	226	47.9	58	12.3	120	25.4
Hair Appliance	374	79.2	68	14.4	90	19.1
Cologne / Perfume	91	19.3	32	6.8	78	16.5
Music Appliance	219	46.4	62	13.1	75	15.9
Stationary	340	72.0	86	18.2	44	9.3

Note. N = 472. [a] Items a respondents were provided with during the last hotel stay. [b] Items a respondent can recall the brand name of the amenity. [c] Items a respondent prefers to receive with a branded product.

Similarly, 47% of respondents wanted branded bedding products, but only 18.2% of respondents recalled the brand name. Overall, the number of respondents who remembered the brand name of the amenities was relatively lower than respondents who reported a preference for branded amenities. The results also showed what factor is most considerable when a customer evaluates in-room amenities. Cleanliness and quality were regarded as extremely important factors, convenience and brand came next, and brand came up next as criteria for evaluation of amenities (See Table 10).

Table 10

Criteria for Evaluating Amenities

	n	%
Brand	102	21.61
Cleanliness	382	80.93
Convenience	199	42.16
Design	41	8.69
Quality	378	80.08
Quantity (volume)	71	15.04
Variety (kinds)	77	16.31
Others	5	1.06

Note. N=472.

Willingness to Pay More / Less

Since willingness to pay more is directly related to an increase in instant sales, hotel operators have sought ways to stimulate a customer's willingness to pay extra charges. According to past research, a well-fitted alliance product using ingredient branding has a higher purchase intention (Moon & Sprott, 2016). On the basis of this notion, the present study focused more on the possible extra revenue influenced by branded amenities rather than the integrated value for a hotel, including branded amenities. The current study examined whether customers were willing to pay more if they could upgrade amenities with branded products and whether they would pay less if they could be provided amenities with non-branded products.

A total of 44.9% of the respondents were willing to pay more for branded amenities, and 76.1% of respondents would pay less for non-branded amenities (See Table 11). The difference in willingness to pay more and willingness to pay less among three hotel classes was also investigated. The type of hotel had a significant effect on willingness to pay more for branded amenities, $F(2, 469) = 8.614$, $p < .001$. Specifically, 56.1% of the luxury hotel guests were willing to pay more for upgrading their amenities with well-known brands, while 33.1% of guests that stayed at the economy hotel were willing to pay more. Willingness to pay less instead of receiving branded amenities was also significantly different by hotel class, $F(2, 469) = 5.085$, $p = .007$. In contrary of the results from willingness to pay more, 82.2 % of economy hotel guests would pay less and 67.5% of luxury hotel guests would also pay less rather than being provided branded amenities.

Table 11
Willingness to Pay More / Less

	Total (N = 472)		Luxury Hotel (n = 157)		Midscale Hotel (n = 158)		Economy Hotel (n =157)	
	n	%	n	%	n	%	n	%
Pay More[a]	212	44.9	88	56.1	72	45.6	52	33.1
Pay Less[b]	359	76.1	106	67.5	124	78.5	129	82.2

Note. [a] Willingness to pay more for a set of branded amenities. [b] Willingness to pay less for receiving non-branded amenities instead of branded amenities.

In an attempt to understand the degree of willingness to pay more for branded amenities and willingness to pay less for non-branded amenities, this study constructed further questions that asked how much more or less respondents were willing to pay (Tables 12 and 13). Among the 212 respondents who were willing to pay more for branded amenities, 30.7% of the respondents were willing to pay 6-10% more, a respondent group who reported 11 – 15% and 1-

5% followed. The respondents willing to pay less was similar to willingness to pay more. Respondents who would pay 6-10% less were the largest at 30.9%, while 12% of the respondents would pay 20% less.

In addition, hotel class had a significant impact on willingness to pay more (F (2, 209) = 5.504, p = .005), but not in willingness to pay less (F (2, 356) = .108, p = .897). Similarly, the results of the effect of gender showed significant differences in willingness to pay more (F (1, 210) = 10. 895, p = .001), but not in willingness to pay less (F (1, 210) = 3.509, p = .062). 29.5% of a luxury hotel guests were willing to pay 10 – 15% more for branded amenities and 26.1% of the guests said 6 – 10% pay more, while a midscale and economy hotel's guests would pay 6 – 10% more (36.1% and 30.8% of their guests, relatively) (See Table 12).

Table 12
Degree of Willingness to Pay More

	Total (n = 212)		Luxury Hotel (n = 88)		Midscale Hotel (n = 72)		Economy Hotel (n =52)	
	n	%	n	%	n	%	n	%
1-5%	56	26.4	18	20.5	22	30.6	16	30.8
6-10%	65	30.7	23	26.1	26	36.1	16	30.8
11-15%	59	27.8	26	29.5	18	25.0	15	28.8
16-20%	25	11.8	15	17.0	6	8.3	4	7.7
More than 20%	7	3.3	6	6.8	0	0.0	1	1.9

Unlike the results of willingness to pay more for branded amenities, the results of willingness to pay less showed that all three classes of hotel guests chose the option to pay 6 –

10% less as the most frequent choice (Luxury hotel (n=106): 27.4%, Midscale hotel (n = 124): 37.1%, Economy hotel (n=129): 27.9%) (See Table 13).

Table 13
Degree of Willingness to Pay Less

	Total (n = 359)		Luxury Hotel (n = 106)		Midscale Hotel (n = 124)		Economy Hotel (n =129)	
	n	%	n	%	n	%	n	%
1-5%	78	21.7	24	22.6	26	21.0	28	21.7
6-10%	111	30.9	29	27.4	46	37.1	36	27.9
11-15%	78	21.7	28	26.4	18	14.5	32	24.8
16-20%	49	13.6	15	14.2	18	14.5	16	12.4
More than 20%	43	12.0	10	9.4	16	12.9	17	13.2

Chapter 5

Discussion and Implications

Discussion

Ingredient Branding for Hotel Brand

The results of this study provide evidence that ingredient branding is an effective strategy for brand management in the hotel industry. By employing in-room amenities, the study found a significant spillover effect on hotel brands. The key finding is that branded amenities, as hotel components, had a positive impact on customer-based brand equity, and the effect on all six dimensions of brand equity was significant. The findings also indicate the impact of ingredient branding was observed differently over the three types of hotels. Both a midscale and economy hotel had significantly positive impacts on hotel brand equity by branded amenities while a luxury hotel received little effect. Additionally, the results revealed that branded amenities have the potential to seek extra revenue by stimulating a customer's willingness to pay a premium. A customer's general notion regarding in-room amenities was also uncovered.

The results clearly demonstrated that ingredient branding with in-room amenities has a positive impact on increasing overall customer-based brand equity of a hotel brand, supporting H_1. This finding reinforces the idea that branded amenities work as a cue to deliver positive information to customers and influences the evaluation process of the end product, a hotel in this case (Brady, Bourdeau, & Heskel, 2005). Attached to the host brand, the positive information spilled over from branded amenities used as a premise for customer perception, toward the hotel.

The findings also show the spillover effect was significant for all six dimensions to measure brand equity; however, the effect size of each factor was different. Perceived quality was found to be the most beneficial factor of brand equity among the six. It indicated the quality of the amenity brand used to fulfill the customer quality perspective toward a hotel brand. This result is related to past research that quality perceptions regarding a host brand are positively influenced by the presence of ingredient branding in service products (Helm & Ozergin, 2015). Amenities are considered a functional element that assures a guest's comfort in their room, where most time is spent. Amenities with a well-known brand that has already achieved a high level of quality easily promotes positive evaluation compared to non-branded amenities, which tend to be more critically judged by a direct experience. This is because generic brands without brand awareness serve only a fundamental function, whereas well-established brands also deliver emotional value that the brand has built over time. Therefore, positively evaluated quality perceptions toward the branded amenities tend to perform the functional role in the hotel brand. Similarly, brand image and behavior intention have the benefits of a spillover effect from branded amenities. The fact that in-room amenities are comprised of branded products influences the customer's evaluation of the hotel brand, providing increased value that is attached to the component brand.

On the other hand, perceived value has the lowest amount of benefit among the six brand equity dimensions, even though a branded ingredient was shown to be statistically significant on enhancing the perceived value of a hotel brand. Since questions of perceived value were related to monetary values and relative values, it is judged with more rigorous criteria and the effect seems to be more passive than other factors. Despite the statistical significance, the reason why perceived value was evaluated lower than other factors is corroborated with a previous research (Ryu, Lee, & Kim, 2012). Past research has shown that customers' quality perception, which is gathered from various elements of the product, plays a significant role as a predictor in assessing brand image and perceived value, and the brand image also influences the perceived value. For better customer perceived value, well-evaluated brand image and quality should be in the forefront. In other words, it is only when the brand amenity evaluation positively affects both the quality and the image of the hotel that it can provide the positive effect to the perceived value. In this context, the effects of branded amenities on hotel equity also influence the relationship between the factors of brand equity.

Results indicate that the spillover effect is different by hotel class, which supported H_2. The results revealed that classified hotel segments (i.e., luxury hotel, a midscale hotel, and an economy hotel) show significantly different effects by utilizing branded amenities. Interestingly, however, this experiment targeting the hospitality industry showed a slightly different result from previous studies that mainly tested consumer products. According to previous research in ingredient branding, the lower the brand equity a host brand has, the more positive effect the alliance product acquires (Helm & Ozergin, 2015; Washburn, Till, & Priluck, 2000). In the results of the present study, however, the midscale hotel received a greater positive effect of the ingredient branding than did the economy hotel. In terms of initial brand equity without the alliance with ingredient branding, the economy hotel had the lowest evaluation and the luxury hotel was evaluated the highest.

When emphasizing only the relationship between a luxury and midscale hotel, it can be seen that the initial brand equity of a host brand is negatively related to the effect of ingredient branding. This is because the perceived brand equity of a midscale hotel induced by branded amenities was more positive than that of a luxury hotel, despite the lower initial brand equity. It could be suggested that the determinant of ingredient branding may be initial brand equity of a host brand. However, when focusing on a midscale and economy hotel, the results disagree with the previous concept showing that the evaluated brand equity of a midscale hotel by branded amenities was stronger compared to an economy hotel, which has lower initial brand equity.

This finding allows us to have some interpretations of the results. It may suggest a limit to the spillover effect as an extrinsic factor in the hotel industry. The intrinsic attributes of a hotel may be involved in the process of delivering the positive or negative effect of ingredient branding. Additionally, amenities may not be an appropriate tool for enjoying the benefits of ingredient branding for some hotel segments. Hospitality products, such as a hotel stay, generally have different characteristics from consumer goods because hotels include intangibility, which are services and the attitudes of staff (Kayaman & Arasli, 2007). Due to complicated attributes, a hotel brand has a greater number of factors for evaluating brand equity. In other words, each factor of brand equity may have less share for a hospitality product compared to a consumer product, which consists of only visible elements. In the hotel industry, improving brand equity by one tangible factor could be more difficult if each factor contributes less brand equity due to intangible contributors. In addition, the contribution by branded amenities may not be noticeable if other elements do not support the improvement together. For example, if low initial brand equity of economy hotel was caused by negative attributes of the hotel, branded amenities as an extrinsic element hardly overcome all inherent disadvantages. On the other hand, brand equity of midscale hotel can be more positively evaluated by augmented value if the initial moderate brand equity was based on mediocre (but not negative) attributes. As a consequence, initially perceived brand equity of an economy hotel might restrict the effect of branded amenities beyond the finite line that was decided by negative factors of the economy hotel.

Another reason related discrepancy between results and that of previous research, the study suggest, can be the priority of the target element, which is a component brand (Helm &

Ozergin, 2015; Washburn, et al., 2000). One of the crucial considerations for ingredient branding strategies is that the branded ingredient must be the key element that performs an important role in the product (Kotler & Pfoertsch, 2010). On the other hand, the role of amenities is hard to be seen as a core component in evaluating hotel brand equity. However, there is no congruence about a key element for a hotel product. This is because the most important component of a hotel is not identical for everyone, depending on the guest or hotel operator, and moreover not all elements of a hotel can be changed with brand products. For example, service provided by employees during a stay in a hotel are irreplaceable with branded services. Facilities, such as a business center or pool also hard to be supplied with a product. In this context, amenities are suitable for applying ingredient branding strategy, yet the effect may be limited than the case of consumer products. Based on the notions, the unique result of this study showes that the spillover effect for an economy hotel was lower than that of midscale hotels, although initial brand equity of economy hotel was evaluated lower.

Unlike a midscale and economy hotel, a luxury hotel had little benefit in terms of brand equity from branded amenities. As previous research states, a highly evaluated host brand had minimal benefit from ingredient branding since there is no room to grow in a customer' mind (Ponnam et al., 2015). In this respect, the impact of branded amenities is limited for a luxury hotel, because most space for brand evaluation would be occupied with higher levels of other elements, such as services, facilities, and atmosphere. In other words, luxury hotel customers do not diminish their evaluation in brand equity due to their high trust in the host brand even if they are provided with non-branded amenities. Similarly, the finding of the present study that the midscale hotel had the greatest benefit from ingredient branding can be seen that the average level of brand equity of midscale hotel provides relatively flexible emotional spaces for better evaluation. Another interesting finding was that the most effective brand equity dimension by ingredient branding was not identical depending on the type of hotel. This finding suggests that the benefits from a component brand fill different parts of brand equity by a hotel class.

When the impact of branded amenities in a midscale hotel was measured, it was found that the perceived quality was the most effective factor. This was the same result as with the initial experiment of general brand equity without hotel classification. However, a luxury hotel had the greatest difference in behavioral intention while economy hotel benefited in brand image the most. The findings showed that ingredient branding can be applied with different purpose by hotel segments based on its specific benefits.

In-Room Amenities

The results of the current study showed customers' general perception regarding in-room amenities, by presenting three aspects related to in-room amenities. It indicates which amenities customers were provided, which amenity they considered the most important, and which branded amenities they would prefer to receive. We found that there were some discrepancies between the amenities customers appreciated and the items hotels provided. For example, guests considered cellphone appliances as the fourth most important item among ten items, but only 47.9% of guests were provided the item (i.e., the seventh most commonly provided item among ten).

The present study also indicated whether respondents were able to recall the brand name of the amenities they provided during the stay. If we assumed that respondents who do not remember the brand name were provided non-branded amenities, the results can be comparable to the lists of amenities that guests were willing to receive with brand goods. The rationale of the assumption is that most amenities hotels practically use have names; however, the name can be generic brand or brand with meager awareness. If guests are not able to aware of the brand, the effect of the amenities will be the same with non-branded amenities. Based on that, we found differences in numbers between branded amenities guests were provided and branded amenities they desired to receive.

For example, 53% of respondents desired to receive branded toiletries on their next trip although toiletries were ranked as the third most important item among 10 amenities and only 30% of respondents were provided branded toiletries (i.e. 30% of respondents could remember the name of the toiletries). This is clearly seen in bedding as well. Bedding was considered a substantial amenity along with television, and 47% of respondents mentioned they would like to receive branded bedding. However, only 18.2% of respondents were provided branded bedding. This finding shows that the gap between actual distribution status of branded amenities and customer preference regarding branded amenities. These results also suggest that the expected effect of some branded ingredients, such as bedding and toiletries, may be greater than other amenities when a hotel meets a customer's needs in consideration of these priorities.

The results showed that minibars were ranked second from the bottom and considered to not be an important amenity; however, a greater number of respondents reported that they would prefer a branded minibar in the future. Guests graded the importance of a minibar relatively lower because a use of a minibar often requires extra charges. While most amenities are provided as complimentary, a minibar is recognized as an option to spend more money. Price-sensitive amenities may be perceived as useless items that can be replaceable at a cheaper price outside the hotel. For this reason, the importance of the brand (non-generic) could be even more important for a minibar. If customers do not recognize or do not prefer the brand of drinks and snacks filled in the minibar, it will not be considered important, nor will it drive the purchase impulse.

However, if a branded and preferred product is provided in the mini bar, it may stimulate the purchase intention.

Interestingly in the case of a stationery, the number of customers who were aware of the brand name was larger than the number of customers who preferred branded stationery. Only 9.3% of customers wanted to receive branded stationery, while 18.2% of guests were provided branded stationery. The results clearly indicate that supply of branded stationery in hotel room exceeded the demands of customers. Considering the priority of stationery, excessive supply may be an unproductive activity in terms of brand equity. Since customers valued stationery with low necessity, the effect of branded stationery as an ingredient branding strategy may be inevitably low with high costs. This is the same as what was shown for music appliances. Although the percentage of customers who reported wanting branded music appliances is slightly higher than the percentage of customers who were provided music appliances, supply ratio compared to demand is relatively higher when compared to other amenities

For hotels, additionally added value, such as luxury amenities, is positively related to willingness to pay a premium (Heo & Hyun, 2015). The previous study showed that the monetary value of the room could be increased by luxury brand amenities and demonstrated that some luxury amenities could be a trigger for upgrading with additional charges (Heo & Hyun, 2015). Along a similar vein, the current study provided experimental support that branded amenities can be used for pursuing extra revenue. The findings suggest the additional usage of branded amenities as an immediate revenue driver through upgrading a set of amenities. A total of 44.9% of respondents were willing to pay more for branded amenities for all hotel segments. Specifically, 56.1% were willing to pay more at a luxury hotel, and 45.6% at a midscale hotel.

This result suggests that a hotel can utilize a set of branded amenities as an optional method for promoting the revenue. In particular, a luxury hotel has a great opportunity to increase sales.

The results from the present study also showed another opportunity for a hotel, based on the findings related to the willingness to pay less. A total of 76.1% of respondents were willing to pay less for non-branded amenities as an alternative of branded amenities. In fact, 82% of economy hotel guests reported that they would be willing to pay less to receive non-brand amenities. The study also presented how much customers were willing to pay more for branded amenities and willing to pay less for non-brand amenities. Consequently, the results of willingness to pay more suggest potential to earn extra revenue while results of willingness to pay less provide to ground for a discount strategy by hotel segments based on customer perception regarding amenities.

As previously discussed, the circumstances of ingredient branding for a hospitality and consumer product are different. A branded ingredient of a consumer product, such as a laptop with an Intel microprocessor, can be perceptible by customers and is usually presented on the package. However, a branded ingredient of a hotel, such as the television and toiletries, are neither seen before a guest enters a room nor used for advertising. Therefore, ingredient branding for a hotel is only applicable to seek advantages based on customer's experience. In other words, the ingredient branding advantage tends to only occur after a guest checks in. For these reasons, the findings of the study suggest two benefits of ingredient branding for a hotel, enhancing brand equity and boosting revenue.

Implications

Branded amenities are items that are used frequently in the hotel industry, regardless of the purposes that they achieve. Findings related to the effect of ingredient branding can provide a practical tip to hotel managers and operators who consider whether the hotel should use branded or non-branded amenities. To a hotel operator who is concerned about the improvement of customer-based brand equity, this study provides a basis to choose the best strategy.

The current study aimed to increase the overall understanding of hotel amenities, how branded amenities can increase the brand value of a hotel, and how this effect can vary according to hotel classification. Findings of the study demonstrated the impact that ingredient branding can have on the hospitality industry. Although many methods are used for evaluating a hotel brand, such as needing to improve service or replace hardware, these plans are more difficult and time consuming than changing amenities. Replacing hardware requires a large amount of costs, as well as long periods of construction. Improvements of service, one of the main elements for the hospitality industry, requires long-term employee training.

In contrast, amenities can be used as an easy trigger to improve brand equity instantly, because in-room amenities, such as toiletries and beddings are relatively easy to apply due to the simplicity of changes and the low costs. In addition, the results of the current study suggest rationales for appropriate ingredient branding strategy depending on each hotel segment, by showing specific effects for hotel classes.

Although more detailed research is needed to investigate the reasons why each dimension of brand equity is differentiated by branded amenities, the results of this study indicate particular categories of branded equity that can easily be improved through offering branded amenities. The results will also allow hotels to gauge the specific portion of brand equity that needs to be improved in ways other than ingredient branding. The study also provided customer perspectives regarding extra purchase intention due to branded amenity and the monetary volume of the intention, indicating a basis for establishing an overall strategy using amenities for each hotel segment.

Although three factors of brand equity (behavioral intention, loyalty, and perceived quality) were markedly improved by branded amenities in a luxury hotel, overall spillover effect on a luxury hotel was not significant due to highly evaluated brand value. The finding indicates that a luxury hotel may have the same level of benefits with providing generic brand amenities. In terms of in-room amenities, it is more effective for a luxury hotel to maintain the quality, cleanliness, and convenience of amenities rather than its brand, because the brand of amenities does not provide distinct benefit.

The criteria by which guests judge amenities may be more crucial than the benefit of the brand. Based on that, it may be more advantageous for a luxury hotel to utilize ingredient branding as a means to increase revenues, rather than as a tool to improve brand equity. This is because non-brand amenities do not diminish brand equity of a luxury hotel and that the guests have relatively high purchase intention for upgraded amenities with branded products.

To a midscale and economy hotel, branded amenities can be employed as an easily applicable method to improve the brand equity. However, priority between costs for applying the new amenities and its expected benefits should be taken into account. If costs do not meet the budget, especially for an economy hotel, ingredient branding can be also used for boosting sales. In addition, given that an economy hotel’s guests are price-sensitive, a hotel may be able to attempt a marketing strategy to increase the number of customers by offering discounts instead of providing non-branded amenities.

In terms of brand equity, a midscale hotel is the most effective target of ingredient branding among three hotel classes. The brand equity was the most significantly improved;

however, the willingness to pay more was not as effective as the luxury hotel. Among midscale hotel guests, 36.1% of respondents were willing to pay 5 - 10% more, and 30.6% reported that they would pay 1-5% more, while 37.1% of respondents were willing to pay 5-10% less to not receive branded amenities, which was higher than the economy hotel guests (See Table 9 and 10). In this context, the midscale hotel customers are sensitive to the price, but for that reason, the value of the branded amenity is considered to be even higher. From the results of the current study, a midscale hotel seemed to benefit the most from using ingredient branding as a means of maintaining branding rather than as a source of additional revenue.

Limitations

The findings of the current study provided an integrated understanding regarding ingredient branding for in-room amenities and the effect on brand equity in a hotel setting. However, this study only focused on a hotel brand as a host brand and three classifications of hotels. As shown in the results, initial brand equity of a host brand is critical; however, the initial brand equity of a component brand also has impacts on the success of an alliance product (Abbo, 2005). Therefore, more detailed information regarding the effect of ingredient branding can be obtained by employing diversified component brands, which are amenity brands with various brand equity.

Additionally, a study with an existing brand for both a host and a component brand may offer additional insight for application of the ingredient branding strategy (Moon & Sprott, 2016). By using real brand names, a study can examine the effect of the relationship on the alliance of the two brands, a hotel and amenity brand. This is in line with previous research, which fits between the host and component brand influence regarding benefits of ingredient branding (Ashton & Scott, 2011; Baumgarth, 2004; Moon & Sprott, 2016). It may be ambiguous when an experimental virtual brand is used for the study regarding fit between parent brand, a host brand and a component brand.

Utilizing ingredient branding may also have a negative effect. The present study only demonstrated the positive effects on brand equity, although past research has shown that ingredient branding may have negative effects (Votolato & Unnava, 2006). The positive results of the current study may be attributed to that the target component was toiletry or target of benefit was brand equity. A hotel may have different relationships with other branded ingredients, such as a well-known restaurant, spa, or retail store. In particular, negative spillover effects caused by a component brand may occur. For example, the alliance could damage the hotel brand, such as if a chain restaurant that was allied in a hotel as a branded component became an issue due to poor hygiene. In this context, investigating negative effects by harmful information from a component brand will suggest useful implications to the hotel operators.

Finally, moderating variables may exist for the spillover effect by ingredient branding (Simonin & Ruth, 1998). Identifying the factors that control the positive effects of branded amenities on hotel brand equity will be rewarding for managerial implication. Consequently, using various component brands and employing moderating variables for ingredient branding in the hospitality industry would be informative to understand the integrated relationship.

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Appendix A

Questionnaire

[Screening Questions]

(Question 1 ~ 4) Please think of the last trip you took:

1. Have you stayed in a hotel within the last six (6) months?

   ☐ Yes ☐ No

2. Was this trip?

   ☐ International trip ☐ Domestic trip ☐ Both international and domestic trip

3. What type of hotel did you stay at during your last hotel stay?

☐ Luxury Hotel	(e.g. Conrad, Four Seasons, Grand Hyatt, InterContinental, JW Marriott, Mandarin Oriental, Par Hyatt, Ritz-Carton, Sofitel, Trump Hotel Collection, W hotel, Waldorf Astoria, Autograph Collection, Embassy Suites, Hilton, Hyatt, Kimpton, Marriott, Omni, Sheraton, Westin, Wyndham, etc.)
☐ Midscale Hotel	(e.g. aloft Hotel, Best Western premium, Courtyard, Crowne Plaza, Hilton Garden Inn, Hyatt place, Novotel, Residence Inn, Comfort Inn, Doubletree, Drury Inn, Hampton Inn, Holiday Inn, Ramada Plaza, Wyndam Garden Hotel, etc.)
☐ Economy Hotel	(e.g. Best Western, La Quinta Inn, Ramada, Days Inn, Motel 6, Red Roof Inn, Super 8, etc.)

4. How satisfied were you with your last hotel stay?

	1	2	3	4	5	6	7	
Extremely dissatisfied	☐	☐	☐	☐	☐	☐	☐	Extremely satisfied

***[Section 2. Amenities*]** **(Heo & Hyun, 2015)**

5. Please rate how important the following amenities in a hotel room are to you:

Amenities	**Not at all Important**						**Extremely Important**
	1	2	3	4	5	6	7
Bedding (e.g. mattress, pillow, sheet, etc.)	☐	☐	☐	☐	☐	☐	☐
Cell-phone appliances (e.g. phone charger, phone docks, etc.)	☐	☐	☐	☐	☐	☐	☐
Coffee set and machine	☐	☐	☐	☐	☐	☐	☐
Cologne / Perfume	☐	☐	☐	☐	☐	☐	☐
Hair appliances (e.g. dryer, irons, etc.)	☐	☐	☐	☐	☐	☐	☐
Minibar (e.g. beverages, snacks, etc.)	☐	☐	☐	☐	☐	☐	☐
Music appliances (e.g. speaker, radio, etc.)	☐	☐	☐	☐	☐	☐	☐
Stationery (e.g. pens, note, etc.)	☐	☐	☐	☐	☐	☐	☐
Television	☐	☐	☐	☐	☐	☐	☐
Toiletries (e.g. hair products, soap, bath products, etc.)	☐	☐	☐	☐	☐	☐	☐

6. Please check the amenities that you were provided with during your last hotel stay. If possible, check if you can recall the brand name of the amenity.

Amenities	**Provided**	**Able to remember the brand name**	**Not able to remember the brand name**
Bedding (e.g. mattress, pillow, sheet, etc.)	☐	☐	☐
Cell-phone appliances (e.g. phone charger, phone docks, etc.)	☐	☐	☐
Coffee set and machine	☐	☐	☐
Cologne / Perfume	☐	☐	☐

Hair appliances (e.g. dryer, irons, etc.)	☐	☐	☐
Minibar (e.g. beverages, snacks, etc.)	☐	☐	☐
Music appliances (e.g. speaker, radio, etc.)	☐	☐	☐
Stationery (e.g. pens, note, etc.)	☐	☐	☐
Television	☐	☐	☐
Toiletries (e.g. hair products, soap, bath products, etc.)	☐	☐	☐

7. If you had the opportunity to select in-room amenities, which of the following would you prefer to have branded? (e.g. Bulgari, Starbucks, Samsung, or Evian)? Select all that apply.

Amenities	**Prefer branded amenities**
Bedding (e.g. mattress, pillow, sheet, etc.)	☐
Cell-phone appliances (e.g. phone charger, phone docks, etc.)	☐
Coffee set and machine	☐
Cologne / Perfume	☐
Hair appliances (e.g. dryer, irons, etc.)	☐
Minibar (e.g. beverages, snacks, etc.)	☐
Music appliances (e.g. speaker, radio, etc.)	☐
Stationery (e.g. pens, note, etc.)	☐
Television	☐
Toiletries (e.g. hair products, soap, bath products, etc.)	☐

8. What are the most important elements when you evaluate amenities? Choose your top three.

☐ Brand ☐ Cleanliness ☐ Convenience ☐Design

☐ Quality ☐ Quantity (volume) ☐ Variety (kinds) ☐Others

[Section 2. Evaluation of a hotel brand]

<u>Description for the control group</u><u>: a hotel with non-branded (generic) amenities</u>

(Question 9~ 23) *This section contains questions about the last hotel you stayed in. Please answer the following questions assuming that you experienced the following situation.*

You have entered your room after checking in. Room conditions such as furniture and amenities are the same as your last stay. However, all the provided amenities (e.g. bath products, coffee, minibar, or bedding products) are ***non-branded (or generic).***

<u>Description for the experimental group</u><u>: a hotel with branded (non-generic) amenities</u>

(Question 9 ~ 23) *This section contains questions about the last hotel you stayed in. Please answer the following questions assuming that you experienced the following situation.*

You have entered your room after checking in. Room conditions such as furniture and amenities are the same as your last stay. However, all the provided amenities (e.g. bath products, coffee, minibar, or bedding products) are ***branded (non-generic)****.*

Perceived quality scale (Chiang & Jang, 2006):

9. Based on the scenario, my overall expected quality of this hotel **ROOM** would be:

	1	2	3	4	5	6	7	
Poor	☐	☐	☐	☐	☐	☐	☐	Excellent

	1	2	3	4	5	6	7	
Very low	☐	☐	☐	☐	☐	☐	☐	Very high

	1	2	3	4	5	6	7	
Inferior	☐	☐	☐	☐	☐	☐	☐	Superior

10. Based on the scenario, my overall expected quality of this **HOTEL** would be:

	1	2	3	4	5	6	7	
Poor	☐	☐	☐	☐	☐	☐	☐	Excellent

	1	2	3	4	5	6	7	
Very low	☐	☐	☐	☐	☐	☐	☐	Very high

	1	2	3	4	5	6	7	
Inferior	☐	☐	☐	☐	☐	☐	☐	Superior

Brand image scale (Chiang & Jang, 2006):

11. Based on the scenario, my overall image of this **HOTEL** would be:

	1	2	3	4	5	6	7	
Unfavorable	☐	☐	☐	☐	☐	☐	☐	Favorable

	1	2	3	4	5	6	7	
Unattractive	☐	☐	☐	☐	☐	☐	☐	Attractive

	1	2	3	4	5	6	7	
Poor reputation	☐	☐	☐	☐	☐	☐	☐	Good reputation

	1	2	3	4	5	6	7	
Negative	☐	☐	☐	☐	☐	☐	☐	Positive

Brand loyalty scale (Kayaman & Arasli, 2007; Kim & Kim, 2005; So, King, Sparks & Wang, 2013; Tsaur, Lin & Wu, 2005):

12. Given the scenario, I would use this hotel as my first choice compared to other hotel brands.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

13. Given the scenario, I would recommend this hotel to others.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

14. Given the scenario, I would not switch to another hotel.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Customer Satisfaction scale: (Han, Kim & Hyun, 2011; Ryu, Lee & Kim, 2012)

15. Given the scenario, I would be very satisfied with my overall experience at this hotel.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

16. Given the scenario, overall, this hotel would put me in a good mood.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

17. Given the scenario, overall, I would be happy with my decision to stay at this hotel.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Behavioral Intention scale: (Ryu el al., 2012)

18. Given the scenario, I would say positive things about this hotel to others.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

19. Given the scenario, I would encourage others to visit this hotel.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

20. Given the scenario, I would consider revisiting this hotel in the future.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Customer perceived value scales: (Ryu et al., 2012)

21. Given the scenario, this hotel would offer good value for the price.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

22. Given the scenario, this hotel experience would be worth the money.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

23. Given the scenario, this hotel would provide me great value as compared to others.

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Willingness to pay:

24. If you could receive a set of BRANDED amenities, would you be willing to pay more?

☒ Yes *(skip to Q25)* ☐ No *(skip to Q26)*

25. *[This question will be given only to respondents who mark 'Yes' on the Q24.]* If yes, how much more would you be willing to pay?

1% ~ 5%	6% ~ 10%	11% ~ 15%	16% ~ 20%	More than 20%
☐	☐	☐	☐	☐

26. If you could receive a set of NON-BRANDED amenities, would you be willing to pay less?

☒ Yes *(skip to Q27)* ☐ No *(skip to Q28)*

27. *[This question will be given only to respondents who mark 'Yes' on the Q26.]* If yes, how much less would you be willing to pay?

1% ~ 5%	6% ~ 10%	11% ~ 15%	16% ~ 20%	More than 20%
☐	☐	☐	☐	☐

[Section 3] Demographic

28. What was the purpose of your visit?

☐ Business
☐ Leisure
☐ Business and leisure

29. How many times have you stayed at a hotel during the past 12 months?

☐ Less than 3 times
☐ 3~ 5 times
☐ 6 ~ 8 times
☐ More than 8 times

30. What is your gender?

☐Female ☐ Male

31. What is your age?

Under 21 years old	21 ~ 30 years old	31 ~ 40 years old	41 ~ 50 years old	51 ~ 60 years old	61 years or older
☐	☐	☐	☐	☐	☐

32. What is your marital Status?

☐ Single (never married)
☐ Married
☐ Separated
☐ Widowed
☐ Divorced

33. What is the highest level of education you have completed?

☐ Less than high school
☐ High school or equivalent
☐ Some college
☐ College graduate
☐ More than college graduate

34. What is your ethnicity?

- ☐ African American or Black
- ☐ Asian or Pacific Islanders
- ☐ Caucasian or White
- ☐ Latino or Hispanic
- ☐ Others

35. What was your total household income before taxes during the past 12 months?

- ☐ Less than $25,000
- ☐ $25,000 to $34,999
- ☐ $35,000 to $49,999
- ☐ $50,000 to $74,999
- ☐ $75,000 to $99,999
- ☐ $100,000 to $149,999
- ☐ $150,000 or more

Appendix B

The Effects of Branded Amenities on Six Dimensions of Brand Equity