

BRANDING BOUTIQUE HOTELS:
MANAGEMENT AND EMPLOYEES' PERSPECTIVES

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Boutique hotels have become increasingly popular due to excess supply of homogenous chains and changing consumer expectations. The industry faces challenges of shifting away from traditional branding to adopting innovative customer-driven strategies that respond to tomorrow's boutique hotel guests' demands. Branding opportunities for boutique hotels are under-explored. To date, no research has specifically explored the phenomenon of internal and external branding within the boutique hotel sector. The objectives of the qualitative portion of this study are: (a) to understand how boutique hotels position their brands internally through exploring the three variables (communication, consistency, and core values) that drive successful brands and (b) to gain deeper knowledge of managements' perception about employees' importance in the boutique hotel sector. The quantitative section aims to (a) investigate boutique hotel employees' attitudinal and behavioral support towards their particular hotel, (b) to test the predictive powers of the following variables on employees' brand promise delivery: internal branding prerequisites, attitudes, behavior, and authenticity; and (c) to determine whether demographics or hotel type have an impact on the variables.

A mixed methodology approach was used: in-depth interviews were conducted with General Managers (GMs) and electronic and survey papers were administered to

chain-affiliated and independent boutique hotel employees at all levels. Descriptive statistics, independent-tests, one-way Analysis of Variance (ANOVA), and several multiple regression analysis were used to obtain results. Qualitative results offered best practice examples and valuable information about branding boutique hotels. Results of the quantitative part indicated significant relationships among the internal branding variables.

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CHAPTER I

INTRODUCTION

Brands have become an important factor in today's society and are crucial intangible value creators often contributing a large proportion to the corporate value of firms (Guzman, 2008). Additional beneficial functions of brand management include: gaining competitive advantages (O' Neil & Matilla, 2004), narrowing the gap between brand's image and corporate reputation (de Chernatony, 1999), and ensuring consistency between organization's vision and all stakeholders' (Berthon, Ewing, & Napoli, 2008). Simultaneously, a brand also provides advantages to consumers including risk reductions, increasing convenience, and establishing emotional benefits. During the last three decades the concept of brand management has been a well-established key component of business, and specifically marketing in the product industry (Davis, 2007). Nevertheless, as de Chernatony et al., (2003), O' Neill and Matilla (2009) and Strauss (2004) describe, the paradigm shift towards branding in the service industry as a whole only emerged relatively recently.

Kotler (1988) argues that brand management is one of the "critical factors in mature industries" (p. 217) and Lewis and Chambers (1989) stress that "in the mature stage, the product [brand] [...] must always go on the offensive" (pp. 323-324). Given the fact that the service industry is currently at a mature stage (Emerson, 1979, 1990; Parsa & Khan, 1991 as cited in Laroche & Parsa, 2000, p. 218), an enhanced understanding of brand management is highly important for hospitality marketers

(Laroche & Parsa, 2000). This is particularly relevant because, during the market maturity stage of a brand lifecycle, hospitality companies choose the options of brand extensions or new brand introductions (Laroche & Parsa, 2000). The hospitality industry is behind the manufacturing industry in terms of branding (Morisson, 2002) and can significantly benefit from brand management (Fassnacht, 2004; Lambertz & Meffert, 2002). Davis (2007) explains that the absence of branding is “noteworthy and worthy of further investigation” (p. 7).

Although the service sector constitutes a large and steadily increasing share of the global economy (Lovelock et al., 2004), only six out of twenty service brands (e.g. McDonalds, Disney) were successfully named in Interbrand’s (2012) ranking of the best global brands, while the remaining thirteen were product brands (e.g. Apple, Samsung). This lack of attention is also reflected in academic circles, particularly in hospitality marketing research (Line & Runyan, 2011; Oh, Kim, & Shin, 2004; Yoo, Lee, & Bai, 2010).

Despite the fact that “hospitality companies prefer to develop and manage multiple brands for growth purposes” (Laroche & Parsa, 2000, p. 199) brand management related literature is relatively limited and least understood in the hospitality industry (King, 2010; King, So, & Grace, 2013; Palmada & Speed, 2006; Salver, 2005). Studies indicate that branding does not receive equivalent research attention in hospitality marketing as it does in product marketing (Oh et al., 2004). Between the years of 2002 and 2003, out of 223 marketing related articles that were published in the four “major” hospitality journals (e.g. Cornell Hospitality Quarterly, International Journal of

Hospitality Management), only two articles addressed branding and brand extensions in the hospitality industry (Oh et al., 2004). It is indicated that “branding fell short of the industry needs” (Oh et al., 2004, p. 440) and that it is a “critical issue demanding increased research investment” (Oh et al., 2004, p. 438). These results were supported by a more recent review of published hospitality marketing research that took place between 2008 and 2010 (Line & Runyan, 2011). From 274 relevant articles on hospitality marketing, 47 articles focused on internal marketing, 35 placed a particular emphasize on employee behavior (e.g. satisfaction), 11 addressed branding and brand extensions, and 7 focused on employee training and empowerment (Line & Runyan, 2011). The analysis shows that there is a “shift away from the management/planning//strategy domain [e.g. CRM/loyalty literature (-6.7%)] in favor of topics such as internal marketing (+14.1%)” (Line & Runyan, 2011, p. 479). The authors suggest that branding contributions in hospitality research “would enhance the interdisciplinary relationship between hospitality marketing and the broader disciplines to which it is related” (Line & Runyan, 2011, p. 485). A thorough analysis of hospitality marketing research over the past ten years (2000-2009) signifies that of 570 marketing focused articles, 25 were on the topic of branding (Yo et al., 2010). Branding subjects “received constant interest” (Yo et al., 2010, p. 521) and are expected to increase “steadily in future research” (p. 529).

As hospitality research indicates, recent hospitality branding literature has taken an internal standpoint with increased attention given to employees. Internally positioning the brand in a manner that simultaneously enhances the external branding efforts requires strong strategies that drive the brand through a truly cross-functional approach. This

specifically means that internal branding (IB) strategies should not only be developed by marketing teams, but rather through the cooperation of human resources with marketing. Internal branding is referred to as a concept of being employee focused. Bergstrom, Blumenthal, and Crothers (2002) identified that IB accentuates on three aspects, namely: “communicating the brand effectively to the employees; convincing them of its relevance and worth; and successfully linking every job in the organization to delivery of the brand essence” (p. 135). On the other hand, external branding efforts are defined as those that impact the external experiences customers, employees, and other stakeholders have with the brand (DeFilippo & Pearl, 2012; Miles, 2005). Especially in the hospitality industry there is all too often solely a focus on external stakeholders’ perceptions and thus an external brand building approach is chosen for sales, marketing, and public relation efforts (de Chernatony & Segal-Horn, 2001). Through globalization, hotels had to emphasize more on creating distinct hotel experiences. Boutique hotels’ individuality aspect can only be reflected to customers through hotel employees. Consequently, there is a need to distinguish between external and internal branding efforts since employees are those that deliver the brand experience to the customers and if customers “see a gap between what [organizations] tout and what [they] deliver, the mixed messages can have an adverse effect on the entire brand” (Pasternak, 2010, p. 2).

Due to the fact that internal branding is concerned with the corporate brand (de Chernatony, Drury & Segal-Horn, 2003; Lintmeier, 2005) and the managements’ efforts to create a strong internal brand, corporate branding is believed to be closely related to the concept of internal branding. Specifically, the link between these two concepts

becomes vivid through Burmann and Zeplin's (2005) explanation that internal branding from an organizational/ behavioral view, "deals with how organizational members actually perceive the organization and the corporate brand" (as cited in Glynn & Woodside, 2009, p. 390). To put in simple words, corporate branding is a fundamental concept to give employees' creativity a meaning. Corporate and internal branding go hand in hand as employees carry the attitudes and behaviors out based on what the corporate brand expects them to do. Corporate branding can symbolize the root of the tree, while employee attitudes and behavior would then represent the tree. Thus it can be argued that corporate brand is what the employees' internal brand is based on.

Corporate branding adds value to a company by leveraging the intangible assets (i.e. employees), facilitating the realization of long-term visions and enabling companies to secure a unique position in the competitive marketplace (Kotler & Pföertsch, 2006).

Although several studies have directed their attention to internal branding (e.g. King, 2009; Punjarisi et al., 2008, 2009; Riely & de Chernatony, 2001), only a small number of research efforts have focused on both stakeholders (i.e., management and employees) in evaluating the branding process. Managements' perspectives seem to dominate most research, while the employees' views are largely ignored. Even fewer studies have explored the interrelatedness of corporate and internal branding (Foster, Punjarisi, & Cheng, 2010; Papasolomou & Vrontis, 2006). Punjarisi, Wilson, and Evanschitzky (2008, 2009, 2009, 2010) appear to be the only researchers who have examined internal branding from both the employees' and management perspectives and they did so in a Thai hotel setting. Thus, it becomes critical to investigate how internal

organizational members (i.e. managers and employees) understand and “enact corporate brand values, beliefs, and behaviors” (Glynn & Woodside, 2009, p. 390).

Boutique Hotels

Boutique hotels have become increasingly popular in recent years and more and more large international chains have started to focus on the boutique hotel market (Horner & Swarbrooke, 2004). Since the 21st century, the hospitality industry as a whole has produced an excess supply of homogenous chain hotels as a result of the creation of standardized services that are delivered on a worldwide scale (Anhar, 2001; Law, 2002). To comply with specific standards and meet consumer expectations, owners and managers purposely replicated tangible elements such as design, style, and layout of the properties (Aharoni & Nachum, 2000). Declining profits, diminishing demand, and the confusion consumers encountered when attempting to comprehend and evaluate the large number of accommodation options available, created the need for hotels to differentiate themselves through developing new brands and initiating unique brand extensions. This undoubtedly directly contributed to the creation and popularity of boutique hotels. Boutique brands are considered to be the “biggest innovation in the lodging business” (Klara, 2011).

Uniqueness, personalized service, authenticity, aesthetic elements of surprise and enhanced customer experiences differentiate the boutique hotel sector from other hotels in the market place (Adner, et al., 2003; Clarke & Chen, 2007; Henderson, 2011; McIntosh & Siggs, 2005). This sector is increasingly even more competitive, with the large traditional hotel chains entering the market and redefining what boutique hotels

stand for. Despite the intensifying competition among the hotels and the progressively growing number of boutique properties on the market (IbisWorld, 2010), the hotel industry is still lagging behind the consumer goods sector in regards to branding, and specifically internal branding (Kimpakorn & Tocquer, 2007; Punjarisi & Wilson, 2007).

Boutique hotel-related literature mainly consists of the following areas: a definition of the phenomenon in general (Adner et al., 2003), history, development, scope and growth (Aggett, 2007; Henderson, 2011; Rogerson, 2010) and its aesthetics and characteristics (Lim & Endean, 2009). Branding opportunities for boutique hotels are under-explored. To date, no research has specifically explored the phenomenon of internal and external branding within the boutique hotel sector. Practitioners argue that the effective branding of boutique hotels is extremely important due to the exclusivity that such premises provide to their guests. Given the rising popularity of the boutique hotel concept, this is an important area for further analysis, both in practice and theory.

This research builds on previous studies (de Chernatony & Segal-Horn, 2001; King, 2009; Punjarisi et al., 2008, 2009) that highlighted the importance of corporate branding and investigated internal branding that specifically focused on employees in the hospitality industry. The objectives of the qualitative portion of this study are: (a) to understand how boutique hotels position their brands internally through exploring the three variables (communication, consistency, and core values) that drive successful brands and (b) to gain deeper knowledge on managements' perception about employees' importance in the boutique hotel sector. The quantitative section aims to (a) investigate boutique hotel employees' attitudinal and behavioral support towards their particular

hotel, (b) to test the predictive powers of the following variables on employees' brand promise delivery: internal branding prerequisites, attitudes, behavior, and authenticity; and (c) to determine whether demographics or hotel type have an impact on the variables.

A better understanding of the branding process of boutique hotels from both managerial and employees' perspectives are important. The practical relevance of this research is especially applicable to future chain and independent hotel managers who are interested in developing boutique brands. The results will help them better position the brand internally and externally as well as improve the brand promise delivery to customers through enhanced employee education and support. Additionally, from a managerial perspective, the results will provide managers with further knowledge of the employees' perceptions. Suggestions on how to improve knowledge dissemination to, and communication with, the employees' with the aim of maximizing employee potential through support and education will help boutique hotel managers to meet their objectives. Through employee brand supportive attitudes and behavior, the boutique hotels will deliver the brand promise and ultimately create a higher brand value. Simultaneously, this research is also valuable for researchers from a theoretical perspective as there is no research on boutique hotel branding available.

CHAPTER II

REVIEW OF LITERATURE

The literature review is divided into three sections. The first section presents a summary of the boutique hotel industry along with a general overview of its characteristics, development, challenges and the role of chain hotels. The next section provides theoretical background on branding, the unique characteristics of service brands and introduces corporate and internal branding strategies with particular emphasis being placed on employees. In this section, the concept of corporate branding, its relationship to brand positioning and the three driving forces of corporate branding (values, communication, consistency) will be discussed. The final literature section covers internal branding by examining employees' attitudes and brand supportive behavior in delivering the brand promise. Its theoretical underpinnings and implications will be explored in detail.

The Boutique Hotel Industry – Definition and Characteristics

The Boutique and Lifestyle Lodging Association (BLLA) states that 22 different types of lodging properties make up the boutique industry. They define a boutique hotel as a hotel property that features “intimate, usually luxurious or quirky, and upscale hotel environments for a very particular clientele” (BLLA, n.d.). Smith Travel Research [STR] (2013) defines boutique hotels as properties that have “200 or less rooms and public spaces that offer unique, contemporary and distinctive design” and provide an avant-garde feeling through style and luxuriousness (para. 4). Boutique brands usually

concentrate on the luxury, upper-upscale and upscale-chain categories with an estimated room rate (ADR) of \$175 or higher (Smith Travel Research, n.d.).

Previous research reveals that a substantial discrepancy exists among practitioners as well as between researchers in terms of the conceptualization of a meaningful definition of the term boutique hotel. Furthermore, different terms are used synonymously for boutique hotels such as: lifestyle, designer and theme hotels (Kiradjan, 2012). With the aim to better understand the abstract nature of boutique hotels, it is critical to review different definitions and to explore the typical characteristics of a boutique entity. Mintel (2011) explains that the industry “suffers from a lack of clarity and definition” (para.7) mainly because each boutique hotel is unique. However, there are attributes and key characteristics that help to support vague definitions. Former researchers mainly focused on the physical attributes of boutique hotels such as their small size (Teo et. al., 1998; Agget, 2007; Henderson, 2011). Additionally, Rowe (2003) adds the physical location component, should reflect the theme and the history of the region.

More recent definitions emphasize both the qualitative and the quantitative factors that a boutique hotel generally embodies. Commonly mentioned characteristics of boutique hotels that differentiate the boutique hotel sector from other lodging properties include authenticity, innovation, customer-oriented experiences, unique designs and culturally rich environments, intimate environments and locations, customized service, independent attitudes and individualistic clientele (Aggett, 2007; McIntosh & Siggs, 2005; Rogerson, 2010; Lim & Edean, 2009; Victorino, Verma, Plaschka, & Dev, 2005).

PricewaterhouseCoopers (2005) identified the characteristics of a boutique hotel in terms of the small scale (Agget, 2007; Henderson, 2011), customized service, personality and style of the owners, designers, or entrepreneurs, technological utilities, and the unique design. These are in accordance with the characteristics described by McIntosh and Siggs (2005) who also identify quality standard and value creation. Adner et al. (2003) believe that a hotel has to be relatively small in terms of the number of rooms in order to offer intimacy and exclusivity to its guests. There seems to be an acceptance of the notion that boutique hotels are experiential and personal in nature (BLLA, 2012; Chang & Teo, 2008; McIntosh & Siggs, 2005; Yuan, 2009;).

Historical Overview and Evolution of Boutique Hotels

Many experts credit the innovation of the boutique hotel concept to Ian Schrager, who opened The Morgan's Hotel in Midtown New York in December 1998 (Adner et al., 2003). Another frequently mentioned pioneer of boutique hotels is Anoushka Hempel, who created London's Blake's Hotel. Up to the 1990s, mainstream standard full-service hotels that were, large in size and did not provide guests with any "surprises" were assuredly the preferred hotel concepts due to their potential to generate profits and standardize the customer experience. Most of the international hotel developments that took place between the 1970s and 1980s followed the "box hotel" (Adner, 2003) model, was based on the core concepts of homogeny and uniformity of services (Freund de Klumbis & Munsters, 2005). Following this mass-market model, hotels aimed to provide predictable and identical services across all properties. This strategy is clearly echoed in the Holiday Inn's former advertisement statement, which declared: "The best surprise is

no surprise” (Rutles et al. 2011, p. 28). However, changing markets, particularly due to segmentation and product differentiation, drew consumer’s attention towards niche products and services. The fundamental counter-movement (Rogerson, 2010) of the consumers was one significant attribute that reshaped the industry and attracted more industry players into this segment who had the intention of benefiting from focused marketing strategies. According to Teo and Chang (2009), the boutique sector gained even more attention due to the rest of the industry being “characterized by identically designed transnational hotel companies, commoditized attractions and rigid travel practices” (p. 83). Kwun (2012) also adds that the rise of the baby boomer generation, which was typified by individuals that had differing lifestyles, and increasing numbers of dual-income families, contributed to the “explosion of new hotels” (p.1).

Today the boutique hotel industry is considered to be one of the highest performing growth segments within the international hotel industry (Freund de Klumbis & Munsters 2005; Lim & Endean 2009; McKinnon 2008).

Bowers (2010) suggests that the boutique concept appeals to all types of consumers, from baby boomers to the millennial generation. Olga (2011) distinguishes a typical boutique hotel guest as someone who is aged between 20 and 50 years old. PricewaterhouseCoopers (2007) point out that younger guests in particular have an orientation for this type of accommodation. Adner et al. (2003) associate a high socio-economic status with boutique guests, while a more recent study indicated that boutique hotels emerged as a result of the need to cater to guests that have mid-to upper-income averages (Olga, 2011) who did not desire to stay in large and impersonal hotels (Chuah et

al., 1998). Horwath the Hotel, Tourism, and Leisure (2011) Consulting Group defined the target market as “well-traveled leisure and business guests who have experienced the gamut of hotels and do not mind paying a bit more or staying a bit off the beaten track to escape the traditional hotel setting and mainstream crowds” (p.1).

Boutique Hotel Sector in the USA and the Role of Chain Hotels

Along with the United Kingdom, the USA is considered to be one of the “original heartlands” (Aggett, 2007) of these contemporary niche properties. During the early stages, when the boutique concept was still growing mainly led by independent hotels, the large chain hotels saw this type of offering as an “oddball replete with challenges” (Bowers, 2010). Specifically, managers of major chain hotels believed that boutique hotels were “too small to be truly profitable, too expensive to build, and would not be able to compete effectively with a chain marketing clout” (Marx, n.d., para. 6). Most of the chains still emphasized the “follow the leader” strategy rather than demonstrating effort to create new and unique hotel brands. Barry Sternlicht, the founder, chairman and CEO of Starwood Capital Group, was the first chain-affiliated manager to realize that it was unfeasible to ignore the boutique idea and he discovered the potential of combining a boutique concept with a large hotel company. The first W Hotel, which is a lifestyle hotel, was created and soon others in the industry were anxious to “co-habitat successfully boutique hotels with a hard brand” (Marx, n.d., para. 8). Today almost all large brand-oriented hotel organizations, including Hyatt Hotels Corp, IGH, Starwood Hotels & Resorts Worldwide, Marriott International and Wyndham, have launched their own boutique brands. Some of the boutique brands that have been generated by major

chains include: Aloft, Andaz, Ascend, Dream, Edition, Elements, Hotel Indigio and W Hotels (Kwun, 2012; STR, 2013).

The involvement of chains is best reflected in the most recent industry numbers, which show that between 2009 and 2013 the number of US properties that were classified as boutique rose from 600 to about 813, indicating an increase of 35.5% on previous years. Other property types only rose by 3.5% during these years. Today, the boutique sector is dominated by chain-affiliated brands and this has been made possible by the fact that consumers trust brands and are therefore more willing to pay for a reputable service.

Present-day, boutique hotel's revenue per available room (RevPAR) is projected to grow between 8% and 12% throughout 2013 (Watkins, 2013). Between 2008 and 2009 more than 100 boutique brands were added together with 15,000 rooms (STR, 2010). In 2009 alone, more than 8000 rooms were added and supply increased by 12%. Of those newly constructed hotels, 95% were chain affiliated (STR, 2010). The recent results of the boutique performance trends are "impressive" according to STR (2013), especially, considering the economically challenging times. Bower (2010) states that double-digit growth is continuing to take place. Unquestionably, even though the economic and financial crises also affected the boutique sector with occupancy falling from 71.2% to 63.2% between 2007 and 2009, the monthly occupancy is rising by 8%, with an increase of 21.4% in demand since 2010. In the same year, 4000 chain-affiliated boutique hotel rooms were under construction, with the majority of these being in the upscale and upper-midscale segments (STR, 2010). It is forecasted that the supply growth will further slowdown (Smith, 2011; Bowers, 2010). Smith (2011) refers to this

slowdown in supply as an “optimistic aspect” allowing existing hotel companies in the market to experience increasing occupancy levels and higher revenues from increasing ADR. Research on the “Trends in the Hospitality Industry,” by PKF Hospitality Research [PKF-HR] (2011), analyzed the performance of boutique hotels between 2000 and 2006 and predicted that these hotels will continue to demonstrate strong performance premiums.

Brands

Brands have long been recognized as a powerful force in marketing (Aaker 1996; Stobart, 1994). The large variety of products and services, along with constantly increasing advertising and media initiatives, make building strong brands necessary for the survival of companies. In a competitive market environment, characterized by an overload of choices, and the power of choice that belongs to the consumer, a brand clearly positioned in the minds of all the stakeholders can create a distinct competitive advantage (Knapps, 2001). Another benefit of branding includes the ability to differentiate the product or service globally by establishing emotional bonds among participants (Daye, 2006; Kapferer, 1997). Moreover, a strong brand increases the believability of a corporate image and “provides strong [brand] signals to secure the introduction of brand extensions” (Michell, King, & Reast, 2001, p. 417).

While some authors have argued that the concept of branding can be traced back to the origins of the industrial revolution in the mid 1700s, others believe that, although this might have influenced branding and advertising, the modern practice of creating powerful brands actually only became an important factor with the marketing of livestock

as recently as the 1980s (Sheth & Parvatiyar, 1995). Some of the most often-mentioned key drivers for the emergence of brands include saturated markets, replaceable products and services, a growing economy, mass media dominance, the World Wide Web, and the knowledge society. Holt (2006) identified three fundamental reasons for the shift toward branding: (1) rationalization of global supply chains, (2) the postmodern economy, and (3) the expansion of multinational companies. Brands are recognized as intangible value creators that allow companies to sell products and services at premium prices (de Chernatony & McDonald, 1992; Salzer-Mörling & Strannegrad, 2002). Silverstein (2005) from Boston Consulting explained that, in the luxury segment, brands can achieve a 20-200% price premium, compared with average goods (as cited in Colyer, 2005). Consequently, brands are considered to be valuable assets of companies due to their potentially significant contribution to profits (Fueller & von Hippel, 2008). Given this background, it becomes extremely important to gain a better understanding of how brands are valued among the stakeholders of a company, not only by focusing on consumers but also by considering employees' interest and awareness regarding a brand.

Service Brand vs. Product Brand

To better understand why employees play a significant role in the service industry, it becomes essential to take a closer look at the unique characteristics that shape the nature of services. There is heated debate in the literature as to whether branding for services differs from branding for consumer goods. Levitt (1972), Wyckham, Fitzroy and Mandry (1975), and Shostack (1977) argued that the distinction between goods and services was questionable and suggested that services do not have exclusive

characteristics. In contrast, Shostack (1977) and Gummesson (1978) emphasized that, “Applying marketing principles developed for physical goods to services would not only be wrong, but also imposes a strait jacket on the development of new theory” (as cited in de Chernatony & Riley, 1999, p. 184).

de Chernatony and Dall’ Olmo Riley (1999) explained that, at the conceptual level, common branding principles are the same for products and services. At this level, a brand is developed and functional and emotional values are created. Once this level has been achieved, the operational level is where differences in terms of emphasis given to specific elements in the branding process become distinct. More recent literature has revealed acceptance of the academic viewpoint that services have unique characteristics, distinguishing them from consumer products. The intrinsic characteristics of services include four unique features – intangibility, inseparability of production and consumption, heterogeneity, and perishability – making it necessary to adjust branding techniques (Bateson, 1995; Frochot & Hughes, 2000; Turley & Moore, 1995; Zeithaml, Parasuraman & Berry, 1985). These distinguishing characteristics are important and need to be considered carefully for appropriate branding and marketing strategies. Because hotels are part of the service industry, these features also shape the nature of hotel products (Lockyer, 2010). While the benefit of buying a product is reflected in its physical characteristics, the benefits of buying a service depend only on the nature of the performance.

The first feature, service intangibility, refers to the lack of physical characteristics; specifically, the service cannot be seen, touched, smelled, heard, or felt

prior to purchase. While the benefit of buying a product is reflected in its physical characteristics, the benefits of buying a service depend only on the nature of the performance (Gilmore, 2003). A hotel guest cannot experience the tangible outcome of a purchase in advance. Although services cannot be considered as completely intangible, due to the physical evidence of the service, such as the design and architecture of a hotel, the core aspect of the service lies in the intangible dimension, which is central to service delivery (Kandampully, Mok & Sparks, 2001). Due to its intangibility, customer service has to be achieved through fulfilling and going beyond the expectations of the brand promise (de Chernatony & Segal-Horn, 2001). de Chernatony and Segal-Horn highlighted the importance of the company as a brand and the need to embody a corporate identity with functional and emotional values.

The inseparability of production and consumption describes how a service cannot be produced in a separate place and then sold and consumed in another place. Hospitality services are first sold and then produced and consumed simultaneously, in the same place. This requires the presence of the consumer and the service provider during production and consumption. Delivery of the service brand and the customer experience relies entirely on the customer's interface with the service provider, often referred to as the 'service encounter' (Bowen, Chase & Cummings, 1990). As a result, the service staff's ability to control the quality and consistency of a particular service becomes harder. Staff members' attitudes and motivations are considered the determinants of the entire service encounter.

Along with intangibility, another aspect of the hospitality industry often focused on is the heterogeneity of services and its impact on the standard and quality of the overall service delivered (de Chernatony & Segal-Horn, 2001). This is because services rely heavily on the function of human performance; services are delivered by people to people. Consequently, each service encounter is not only unique but also influences the entire service experience of the consumer. Moreover, there are many external factors that can impact the service. For example, a service provided by an employee in a hotel not only varies by day, time, or customer but one must also be aware that the mood, attitude, and behavior of an employee can have a tremendous impact on the entire service experience of the consumer (Barrington & Olsen, 1987; Mei et al., 1999). To reduce heterogeneity in service delivery, Kunde (2000) stressed the importance of recruiting staff members whose values align with the brand. Lovelock, Vandermerwe and Lewis (1999) suggested frequent training.

Recruitment and training of employees are especially important activities within the boutique hotel sector because only through the staff can customers receive a superior level of personal service. It is important to note that, in traditional hotels, managers attempt to minimize heterogeneous services for a better service quality; this said, some authors have argued that heterogeneity in service delivery in boutique hotels emphasizes the “extraordinary” nature of these hotels (Drayton & Rodwell, 2001).

The fourth characteristic is the perishability of services. Unlike products, services cannot be stored for future use. This also means that a poor quality service cannot be returned, claimed, or resold (Fridgen, 1996). Due to the short shelf life of services, any

service that is not consumed at time of production is a loss for the company, from a management perspective.

Thus, it becomes evident that three of the unique characteristics of services are related to the commitment and understanding of employees towards the brand and its values. Consequently, it is important to place considerable emphasis on employees in the process of service branding.

The previously discussed differences among products and services clearly have an impact on the branding approaches as well. While product brands revolve around the product itself, for service companies it is inevitable to pay attention to “how the brand is reflected in the way the service is provided and the way the staff interact with the brand” (Designcouncil, 2014). White (2012) explains that in service branding for the customers “the person who represents the brand is the brand” (para. 3). He therefore, adds that in service-based companies the firm has to emphasize to a greater extent on their internal employees as compared to product-based organizations (White, 2012).

Croston (2007) points out four key differences that must be considered in terms of brand development and management of products and services, namely (1) mass market and target market, (2) differentiation and relevance, (3) share and revenue, and (4) internal and external focus. According to Croston (2007), it is very challenging for service firms to claim categorical differentiation as most service companies offer identical services. Thus, it becomes crucial for service companies to create a unique market position through focusing on relevance particularly pertaining to customer needs and wants and matching those with the values of the firm. Therefore, in order to become

successful, it is highly suggested for service firms to be extremely customer-centric. This will enable the service brand to deliver the relevant and desired brand experience, and simultaneously develop a “genuine and distinct [brand] in the minds” of the customers (Croston, 2007). In terms of internal and external focus, Croston (2007) points out on the intangible element of the delivered service and critically suggests, “not to underestimate the internal components of brand development” (para. 5). This point is particularly important especially in the hotel industry, since “speaking in one voice is far more important for service firms who rely on direct, one-to-one interaction with clients” (para.5).

Shift from Classical Branding to Corporate Branding

Classical Branding

The American Marketing Association [AMA] (1960) described a brand as a “name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition” (p. 404). Similarly, Kotler’s (2000) view of a brand also focused on physical aspects, such as a name or a symbol, and was concerned mainly with an external perspective: the consumer’s sense of what a brand stands for. Although Keller (2008) agreed with the technically correct definition of the AMA, he stated that the value creation of brands, along with the relationships that are built, are not thereby accounted for. Indeed, he described a brand as “[...] something that has actually created a certain amount of awareness, reputation, prominence [...] in the marketplace” (Keller, 2008, p. 2). For Kapferer (1992), “A brand is not a product. It is a product’s essence, its meaning

and its direction and it defines its identity in time and space” (p. 4). Another definition is that a brand can be seen as, “The promise of the bundle of attributes that someone buys,” [...] “the attributes that make up the brand may be real or illusionary, rational or emotional, tangible or invisible” (Amber & Styles, 1996, p. 10).

When brands are more emotionally driven, a salient factor is the delivery of the brand promise (Gobé, 2001 as cited in Guzmán, 2013). According to Gobé (2001), the emotional factors of brands create a critical difference for consumers. He argued that people are interested in emotional experiences. This is because emotionally-driven brands embrace three distinct values: a corporate culture that focuses on people, within the company and outside stakeholders; a prominent communication style and philosophy; and an “emotional hook” that draws individuals to the brand promise (as cited in Guzmán, 2013).

A more comprehensive nature for brands is mediated by Barlow and Stewart’s (2004) definition. They viewed brands as “much more than names or logos,” and saw them as “living entities complete with personalities,” and “a way of doing business” (p.17). Stern (2006) stated simply that branding, “Deals with the process of making a product meaningful” (as cited in Karlsson, 2006, p. 5).

From the above definitions and as Kapferer (2004) also states, there continue to be disagreements and differing perspectives in the literature on the meaning of a brand. It is important to mention that relatively recent literature on creating brands emphasizes viewing the brand not simply externally, by means of customer orientation, but also advocates that it is essential to be more internally oriented. The need to highlight a brand

internally – by incorporating and focusing on employees in the branding process – is known as internal branding and will be discussed later.

Corporate Branding

“Corporate branding” is often referred to as the “second wave of branding” because it not only concentrates on society and consumption but also focuses on the corporate level in managing brand-related behavior, internally and externally (Einwiller & Will, 2002; Van Riel, 2001). In contrast to the classical branding literature, corporate branding has been argued to involve a more holistic perspective on brand management (Karlsson, 2006).

Corporate branding requires companies to share their corporate culture and values with their employees. Foster, Khanyapuss, Punjarisi, and Cheng (2012) defined corporate branding as, “The systematic planned management of behavior, communication, and symbolism to attain a favorable and positive reputation with target audiences of an organization” (p. 402). In this definition, ‘behavior’ refers to the employee behaviors in delivering the brand promise of the corporate brand to the customers. According to Ind (1997), corporate brands not only focus on the name and logo of a company but also on the history, values, reputation, and staff.

To external stakeholders, a company’s true values are only reflected through their staff. Thus, a high-quality staff, who project company values, is essential and creates a better reputation (Schreiber, 2003). For Knox and Bickerton (2003), a corporate brand is, “The visual, verbal, and behavioral expression of an organization’s unique business model” (p. 1013). Positioning, core values (Ackerman, 1998; Burghausen & Fan, 2002;

Gregory & Wiechamann, 1999; Wilson, 1997), consistency (Burghausen & Fan, 2002), and communication (Balmer, 1995; Burghausen & Fan, 2002) are often considered to be related themes of corporate branding.

Harris and de Chernatony's (2001) definition of a corporate brand indicates the need for all members of an organization to behave in a consistent way and in accordance with the brand identity. Balmer (2001) similarly explained that a corporate brand is, "A vehicle for those characteristics of the corporate identity that the senior management decides to communicate actively towards internal and external stakeholders" (p. 281). This definition suggests that Balmer (2001) refers to the brand's unique attributes as the 'characteristics' that set the brand apart from the competition. Moreover, senior management can only convey these characteristics through effectively positioning the brand internally and externally, which requires companies to define a clear image of the corporate brand (Meierer, 2011). Although corporate branding and corporate identity are closely related concepts, researchers still provide evidence of their distinct natures (Schoreder & Salzer-Morling, 2006), and some have argued that a corporate brand is an 'extract' of brand identity (Meierer, 2011, p. 5). For Foster et al., (2012), the corporate brand promise, which focuses on delivering the brand promise to all stakeholders, is derived from an understanding of the corporate identity and the culture of the organization. Thus, the function of the corporate identity is to present what the corporate brand stands for (Foster et al., 2012).

Research has emphasized that corporate branding is a "highly important" topic among leading companies (Einwiller & Will, 2012, p. 102). It is further noted that the

significance of corporate branding has increased within the past 3-4 years and “the rise in importance is expected to continue in the future” (Einwiller & Will, 2012, p. 102).

Additionally, because corporate branding is dominated by service brands, and particularly the hospitality industry, it is important to study this concept (Aaker & Joachimsthaler, 2000; Berry, 2000; de Chernatony, 2001; Khan, 2006; King, 1988).

The following sections will go into more depth as to how corporate branding strategies can enable service companies to achieve a clear competitive position, as well as the role of managers in corporate branding, and will also review the relationships between corporate branding, brand values, communication, and consistency.

Manager’s Role in Corporate Branding

The Hotel Institute (2012) stated that for a hotel to be recognized as a symbol of ‘quality and excellence’ in the minds of consumers, consistency in the attitudes and training provided by managers to staff members is vital. de Chernatony and Segal-Horn (2001) also remarked that a company must educate employees to ensure that their values concur with the desired organizational culture. Know (2004) also argued that it was the manager’s role, as a business leader, to be in charge of defining and transforming the company’s brand and its values.

According to the research of Hatch and Schulz (2001), a successful and strong corporate brand accentuates the alignment and the consistency of three components: (1) strategic vision – top management’s strategic goals for the future, (2) organizational culture – the internal values, beliefs, and assumptions of the company, as communicated to the employees, and how employees feel about these components, and (3) corporate

image: the perceptions external stakeholders have about the company. The authors proposed that management use the Vision-Culture-Image (VCI) alignment model to ensure coherence among these variables. Their results are important for this research because they also emphasized that effective corporate branding is realizable only if the entire organization is involved. They further argued that communication among management, external stakeholders, and employees, along with respect for company values from all sides are two important factors that make a corporate brand successful. The VCI method highlights the significant role managers play in promoting internalization of the brand by “shaping frames, norms, and values” for employees to follow, to develop a strong corporate brand.

Despite management having a pivotal role in the successful establishment of corporate branding, studies show that uncertainties exist among managers in the context of branding. Olsen, Chung, Graf, Lee, and Madanoglu (2004), in their research, which focused on how hotel industry executives and academics define and view brands, found that there was a lack of a consistent definition of the term “brand” and an understanding of the “brand concept.” Similarly, King et al. (2011) conducted in-depth interviews with senior hotel professionals to explore whether actual industry priorities were aligned with the foci of hospitality research. Results indicated discrepancies between the literature and industry realities, and the authors remarked that there was a need to better understand industry issues from a manager’s viewpoint. It is evident that there is a need to gain a deeper systematic overview of the management perspective in terms of behavioral and attitudinal attributes towards a successful brand vision and brand values (de Chernatony

& McEnnaly, 1998). Thus, boutique hotel professionals were chosen as the first group for this research.

In reviewing past literature on corporate branding and specifically directing attention to internalizing the brand, it appears that multiple studies draw on the importance and interrelatedness of the following themes: positioning (de Chernatony, 2012; de Chernatony & Segal-Horn, 2001; McDonald & de Chernatony, 2001), good internal and external corporate communication (Aaker; 1996; Cleaver, 1999; Papasolomou & Vrontis, 2006; Sagar et al., 2010; Sharma & Kamalanabhan, 2012), consistency (Gilmore; 2003; Kimpakorn & Tocquire, 2010; McDonald & de Chernatony, 2001; Siegel 1994), and values (Aaker, 1996; de Chernatony & Segal-Horn, 2001; Kotler, 2002). Consequently, in-depth interview questions in the qualitative section were created based on these themes.

Positioning

According to Kotler (2005), “Positioning is the act of designing the company’s offering and image so that it occupies a meaningful and distinctive competitive position in the target customer’s mind” (p. 56). This highlights that, for a company to be successful in today’s ever-evolving market environment, there is a need to create a clear and positive position in the consumer’s mind. Several researchers have emphasized that one strategic focus of corporate branding is the competitive positioning of a company in the marketplace (Hatch & Schulz, 2003; Kwun, 2012). Studies from Brown and Dacin (1997), Ind (1997), and Balmer (2001) empirically demonstrated that a strong corporate

brand positively influenced the positioning of new products and product extensions, customer attractiveness, and employee motivation.

Other contemporary researchers have also stressed the importance of not only considering positioning in the mind (Ries & Trout, 1985) of the consumer but that firms must also consider their employees. Hatch and Schulz (2000), who view the brand as a 'corporate catalyst', stated that there is a significant need to value and involve employees in the brand positioning process by ensuring that they represent the brand externally to stakeholders in a way that reflects the brand's distinct identity.

Keller (1999), along with Harris and de Chernatony (2001), asserted that the pivotal role of positioning is not only external but also internal. By positioning a brand internally, they refer to the "manner by which the brand positioning is explained and communicated internally to the employees" (Keller, 1999, p. 43). Keller (1999) first introduced the concept of "brand mantras," which he defined as "short 3-5 word phrases that capture the irrefutable essence or spirit of the brand positioning" (Keller, 1999, p. 43). He believed that mantras should be developed concurrently with brand positioning. The crucial aspect of such mantras is that they should be developed incorporating input from employees and marketing staff. This empowers the employees and enables them to contribute to the "brand's destiny" (Keller, 1999, p. 48). This view is also supported by Tosti and Stolz (2001) who believed that employees can only "live the brand" if they helped to create it in the first place. de Chernatony (2012) also stated that brand mantras can guide staff behavior and "help staff appreciate their role in reinforcing the functional capabilities" (p. 280).

In his recent book chapter “Enabling staff to appreciate the brand positioning” de Chernatony (2012) also adopted Keller’s (1999) mantras. He expanded slightly on Keller’s approach as he argued that, because individuals think differently, adjustments will help a team arrive at a brand mantra more quickly. He suggested that the descriptive modifier be called the ‘target market’ and the emotional modifier, the ‘primary emotional value’.

Finally, de Chernatony and Segal-Horn (2000; 2001) drew on the unique characteristics of services and proposed a service branding model from management’s perspective. They elaborated on the need to examine service characteristics to develop a successful service brand. The researchers conducted in-depth interviews with 28 consultants representing a range of service firms. Their results indicated that successful positioning was “more likely when everyone internally believes in their brand’s values” (de Chernatony & Segal-Horn, 2001).

Corporate Communication

Corporate communication is regarded as a comprehensive type of communication that “encompasses marketing communications, organizational communications, and management communications” (Van Riel & Fomburn, 2007, p. 22) and focuses on fulfilling organizational objectives. Corporate communication is not limited to a focus on external image improvements; one key aspect of corporate communication also involves a focus on “Internally directed activities [...] to stimulate all employees to work together and support the company’s overall objectives, rather than merely focusing on their functional tasks” (Van Riel & Fomburn, 2007, p. 23). It expresses the need for a

company to use all types of media and communication tools to project the features, attributes, and emotional aspects of their service to consumers. At the same time, corporate communications is also the “vehicle” for delivering the brand’s identity and personality to external stakeholders (Keller, 1993; Sagar et al., 2010).

Past research has shown that employees are a vital medium for communicating the corporate identity to external stakeholders (Wheeler, Richey, & Sablynski, 2006). Along with Hatch and Schulz (2001), many researchers have emphasized the need to “reach inside a corporation” to better communicate its organizational values. Through communication and training, along with a variety of other effective management tools, a company is able to better manage that employees’ projection of the attractiveness and distinctive nature of the brand to the public.

de Chernatony and Segal-Horn’s (2001) study results indicate that service consultants identified consistent communication as one of the critical success factors of a service company. In the hotel industry, communication is regarded as one of the most vital functions because enhanced communication between employees, customers and other departments, is important for creating a hospitable image (Bardi, 2011) and delivering the service. Particularly in boutique hotels, in which a personalized hospitality experience is promised to the guests, employees have the task of consistently communicating the unique attributes of the boutique property, regardless of a consumer’s point of contact with the brand.

According to van Riel (1997), there has “never been a greater need” for effective and clear corporate communications among all stakeholders. Notwithstanding this,

Schulz and Kitchen (2004) argued that managers commonly fail to communicate effectively with the “very people who hold the key to their corporate future” (p. 348).

Gronsted (2000) explained powerfully that, “Communicating the vision with words alone will lead management down the path of slogans and exhortations. [...] It is management’s actions that determine if a vision becomes a force of corporate unity or a source of employee criticism” (cited in Kitchen & Schulz, 2001, p. 12). This highlights that management has the responsibility to communicate clearly and effectively in a way that will “resonate positively with internal and external stakeholders” (Kitchen & Schulz, 2001, p. 67).

In the hospitality industry, employees’ interpersonal interactions with customers are one of the most vital aspects for success. Thus, it is vital that “employees reinforce brand positioning” (Schaber, 2012), and execute the branding message appropriately. In particular, chain-affiliated boutique hotels need to communicate the unique positioning of their brand, so that their brand can occupy an exclusive position in the competitive marketplace.

Consistency

Interrelated with the theme of communication, which requires consistency, consistency itself, as an important aspect of corporate brand management, has been widely acknowledged in theory and practice as a core element for successful brands (Olins, 1995). Dewi (2012) defined consistent service quality as “The ability to provide the same good level of quality in services delivered to customers each and every time they come [...]” (p.1). According to Schulz et al. (1993), the benefits of consistency in a

company include the avoidance of contradictions, increased of company recognition, and higher levels of familiarity and appreciation. In terms of branding, consistency throughout all levels of the company is key to brand identity and brand image; it ensures that customers experience the brand consistently across all channels. The study by de Chernatony and Segal-Horn (2001) with service consultants also emphasized that consistency in delivering a service is regarded as one of the fundamental components for success among service firms. The authors point out that, “Consistency in service brands comes from well-designed service delivery processes that coordinate a total service experience across all points of contact” (de Chernatony and Segal-Horn 2001, pp. 661-662).

An IBM Global Business Services (2013) executive report about the future of the hotel industry stressed that consistency in terms of service provision “stand[s] out as relevant and defining for hotels over the next 10 years” (IBM, 2013, p. 4) and can trigger profitable growth. The research conducted by IBM (2013) found that, 89% of hotel guests’ valued consistency during their visit and less than half of the guests indicated that they actually saw consistency across hotels of the same brand. The personalized service that boutique hotel guests look for can only be realized if management places emphasis on consistently training and retaining employees. IBM (2013) indicated, “Being unique every time requires simplification and training, along with a measure of trial and error” (p. 20).

Rush (2008) stated that the best experiences provided to hotel guests are those that can be delivered consistently. The unexpected ‘wow’ moments delivered by employees to guests, must become a routine for employees (Rush, 2008).

Especially in the hospitality industry, characterized by high staff turnover rates (Kusluvan, 2003), employee performance fluctuates on a daily basis. The “skills and willingness to do a good job” (p.19) are particularly essential for perceived service quality. In the boutique hotel sector, lower employee turnover rates are critical to overall success (Kurgun et al., 2011). Boutique hotel managers seek to have long-term employees, due to the intimate relationships between employees and guests. Consequently, management’s role in supporting and training employees to deliver the brand promise consistently is especially important for boutique hotels.

Core Values

A brand’s core values are the essence of a company and are identified as the “guiding light of the brand-building process” (Urde, 2003, p. 1019), internally and externally. Core values have an influence on all decisions and organizational levels of a company. It has been suggested that core values must be “built into the [service], expressed in behavior, and reflect the feel of communication” (Urde, 2003, p. 1019). Core values unify the organizational mission, vision, and values (Urde, 2003, p. 1020). The organization’s mission and vision are based on its core values (Stephens, 2006). Moreover, core values are essential for continuity and consistency and guide brand positioning (Urde, 2003). Similarly, Hatch and Schultz (2003) argued that positioning was not enough, and proposed that, “A corporate brand cannot be merely deduced from a

desired market position or brand image, but must be grounded in the core company values” (p. 1051).

Because core values are identified as the “backbone” of the brand and, along with mission and vision, express what the brand stands for (Kavaratzkis & Ashworth, 2005), it is vital that all key stakeholders have a shared understanding of these values. Vallaster and de Chernatony (2005), pointed out that in the service industry, a shared understanding of brand core values is required among employees because this enhances their brand-supportive behavior (cited in Chong, 2007). The perceptions of the internal stakeholders (i.e. employees) need to be consistent with the values and meanings of the brand. Only in this way will the employees be able to act as a “bridge” between the brand promise and actual delivery of the brand experience. Schutz et al. (1993) articulated that a corporate brand becomes more powerful if all stakeholders perceive the same or similar values to be important (cited in Kitchen & Schulz, 2001).

Well-known chains that have boutique brands, such as InterContinental Hotels Group (IHG), Starwood Hotels & Resorts Worldwide, Hilton Worldwide and Marriot International, define themselves through their core values and integrate their employees into these enduring core values. One of Marriot’s four core values, “putting people first,” stresses fair treatment and respect for employees. InterContinental Hotels Group emphasizes in their “winning ways” concept the employees’ engagement in building common core values. Starwood Hotels call their values “promises” and indicate that these ensure a common understanding throughout the company, guide every member of the organization, and emphasize what is expected from one another.

Hotel Branding

Even though the prevalence of brands and brand building has been an extensively studied concept particularly in the marketing of the fast moving consumer goods industry (FMCG) (Aaker, 1991, 2002; Keller 1993, 2003), it has only gained growing attention in the service sector (Berry 2000; de Chernatony et al., 2003; Strauss, 2004; Gathungu, 2010). Considerable numbers of studies have focused on the financial sector (de Chernatony & Cottam, 2006; Papasolomou & Vrontis, 2006) and the healthcare industry (Gapp & Merrilees, 2006); but only limited studies discuss branding with a focus on internal processes in the hospitality industry. Khan (2006) avers that corporate branding with an internal focus has become extremely popular within the hospitality industry and states, “the concept of a brand has become synonymous with the word hotel” (p. 73). Daun and Klinger (2006) support this statement as they explain that the hotel sector has recognized the need to build “strong favorable brands” (as cited in Punjarisi et al., 2009, p. 565). Likewise Forgacs (2009) stresses that branding in the hotel sector turned out to be a “dominant trend [...] on a global scale” (p.1). In King, Funk, and Wilkins’s (2010) exploratory study with hotel managers, brand management was identified, along with human resource management and technology, as a central theme of focus in the hotel sector. In particular, brand differentiation and brand promise delivery through employees were, among other aspects such as loyalty and competitive advantage, recognized as the most essential brand management concerns in the exceptionally competitive hotel market (King et al., 2010).

Internal Branding

Internal branding, “Describes the activities undertaken by an organization to ensure that the brand promise reflecting the espoused brand values that set customers’ expectations is enacted and delivered by employees” (Punjarisi & Wilson, 2011, p. 1523). Internal branding is an integrated strategy that is concerned with how the brand is understood and believed in by the employees. As an important discipline in today’s marketplace, successful branding requires collaboration between marketing, management, and human resources (Gapp & Merrilees, 2006; Speak, 2009). It also ensures that a company focuses on its organizational vision, mission, and values (Argenti, 2007; Jyothi, 2011; Tukiainen, 2001). The aim of this concept is to develop engaged employees who “live the brand” (Ind, 2001; Mitchell, 2002; Pringle & Gordon, 2001). Internal branding consists of three core elements (Mahnert & Torres, 2007). The first is concerned with the committed employee’s responsibility to reflect brand values to customers. The second emphasizes realization of the brand promise and the need to communicate this internally and externally. Applying internal branding to all organizational levels, with the aspiration of aligning management and staff behavior and values, is also called “multi-direction,” (Mahnert & Torres, 2007, p. 55) the third core element.

Benefits of internal branding include creating powerful corporate brands (King & Grace, 2008), gaining a competitive advantage over competitors by building a strong company image (Burmann, Zeplin & Riley, 2009) through the people (Jacobs, 20003), and improving credibility and brand reputation while increasing brand equity

(Strategicom, 2012). Furthermore, internal branding strategies are particularly useful in significantly reinforcing employees' attitudinal (i.e. commitment, loyalty, identification) (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002; Papasolomou, & Vrontis, 2006; Punjarisi & Wilson, 2007) and behavioral outcomes, (Punjarisi & Wilson, 2007) which inevitably enhance consistent brand delivery to external stakeholders (M'zungu, Merrilees, & Miller, 2010). Internal branding enables a company to build a positive work environment which "involves information-sharing and prevents costly turnovers," thus leading to increased productivity (Strategicom, 2012) and the development of powerful employee word-of-mouth promotion of the brand (King, 2010).

Link between Corporate Branding and Internal Branding

Corporate brand management aims at balancing an external orientation with an internal orientation (Foster, Khanyapuss, Punjarisi, & Cheng, 2012; Mitchell, 2002). The success of corporate brand positioning depends primarily on employees' brand-supportive behavior and their ability to understand and deliver the brand promise to external stakeholders (Ahmed & Rafiq, 2003). Similarly, Drake et al. (2005) and Goster et al. (2012) claimed that internal branding "fulfills the corporate brand promise." This has "given rise to internal branding" in the corporate branding literature (Foster et al., 2012, p. 401) and has also captured the interest of practitioners (Stamler, 2001). The corporate brand promise can only be realized if internal branding activities are present (Foster et al., 2003). According to Foster et al. (2003) this specifically means that "internal branding support[s] the corporate brand-building initiatives" (p. 401).

Promised customer experiences can only be realized when corporate branding is integrated with internal branding (Foster, 2010). In a recent study, Foster et al. (2010), found a strong relationship between internal branding and corporate branding. Schmitt (2010) pointed out the practical relevance by stating that until 2000, companies focused only on their external image projection and intensive customer-centric strategies; recently, however, they have realized that “to create the right impression on the outside, [companies] also need to have the right impressions on the inside” (as cited in Davey, 2010, p.1).

Employees’ Role in Internal Branding

de Chernatony and Segal Horn (2001) view employees as ‘brand ambassadors’ and support the idea that it is insufficient for employees to just understand and help deliver the brand promise. The authors advocate that staff need to adopt a proactive approach toward the brand promise. A close alignment between an organization and its employees ensures that employees deliver the functional (*what* is delivered) and the emotional (*how* it is delivered) brand values (de Chernatony, 2002).

The employees’ central role has been clearly demonstrated by researchers in the literature. Ind (1998) argued that, “employees have the potential to make or break the corporate brand” (p. 324). Schulz (1997) indicated that the most powerful brands are not those promoted through advertising but through the strength of the human spirit. Sartain (2005) made it clear that, “The company that overlooks its internal brand significantly reduces the potential impact of its external brand” (p. 89). This view was also supported by McDonald et al. (2001) and de Chernatony, and Segal-Horn (2003) by their argument

that the key success factor of a brand is a ‘bottom up’ or ‘upside down organization pyramid’ approach that focused on the employee-consumer interaction. It has become a common belief in the service industry, and particularly in the hospitality industry (Hartline et al., 2000), that employees are the ‘foundation of a brand’ and ‘the added value that comes with a hotel experience’ (Doorn & McCaskey, 2003).

Internal Branding Relevance in the Hotel Industry

To assess the relevance and importance of internal branding for boutique hotels, it is essential to consider its significance in the service sector. Service brand intangibility (Berry, 2000), inseparability (Papazolomou & Vrontis, 2006), and the fact that “people’s impressions of brands are more strongly influenced by staff they interact with” (de Chernatony 2001, p. 5), have all caused the service industry to adopt the new paradigm of internal branding (Stamler, 2001).

In the hotel industry, The Ritz-Carlton Hotels & Resorts, a chain of 28 luxury hotels, is well-known for the emphasis it places on employees (Boone, 2000; Buss 2002). The chain has recognized the importance of an informed, valued, and thoroughly trained workforce, committed to delivering the brand promise. This is also reflected in their motto, which states that, “We are ladies and gentlemen serving ladies and gentlemen” (Ritz-Carlton). This statement emphasizes treating employees like consumers and not only viewing consumers as ‘king.’ Schmitt (2010) indicated that if hotels, such as the Ritz-Carlton strive to deliver a high brand promise, then it is critical to reflect this brand promise at every customer-contact point, whether it is through the voice in the call center, the receptionist, or the housekeeping-staff. For employees to understand how to treat

guests like ‘ladies and gentlemen’, upper management needs to treat employees in the desired way, and support them in becoming specialized and qualified to meet customer needs.

Ritz-Carlton also started to offer branding workshops and recognition programs for positive employee brand behaviors. The company encourages non-managerial employees to take part in their “Back to Basics: Ritz-Carlton Style” (The Ritz-Carlton Hotel Company, 2013) workshop that elaborates on important elements employees need to know to deliver excellent customer service. The workshop also highlights the crucial role every employee plays in the success of the company and finally draws the attention of employees to a realization of the impact they have on the brand on a daily basis. If internal branding has a significant meaning in the hotel sector, especially within the boutique hotel segment, in which employees “think things thorough [...] with a sense of priority, attention to detail, practically, [...] and efficiency” (Harrison, n.d.) and are more likely to make an effort to maintain their promised brand experience (Punjarisi & Wilson, 2010), internal branding must play a pivotal role.

The personalized experience sought by boutique hotel guests can only be delivered if time is spent listening to and understanding to consumers and building engaging relationships with them (McCoy, 2013). Boutique hotel employees are required to anticipate and know beforehand the guests’ needs and service requirements rather than just respond when guests inquire about them. To comply with increasingly demanding expectations, employees need to be trained to know what, when, and how the guests want their experience to be delivered and this “Makes a big gap between a good service and a

great service [...] and a boutique must have a great service,” according to Vidisdottir (2010, p. 2). While in conventional accommodations, many employees work for minimum-wages, boutique hotel managers must hire experienced hotel employees with exceptional customer service abilities (Dubois, 2010). According to Mackie (2010), Vice President of Marketing at Boutique Cape Cod Resort Hotel, it is inevitable that management pays boutique hotel employees more, “Based on the level of service [the boutique hotel] is asking them to provide.” He further indicated that the employees are what the brand is about and, to deliver the desired experience, emphasis needs to be placed on training employees. The statement that, in particular, boutique hotels need to provide “excellent service” does not indicate that other hotel types are not required to deliver such service quality. Rather, it is that while Marriott guests expect “competent, dynamic, and cultivated” employees, boutique hotel customers may also seek a competent staff that communicates different brand values, such as authenticity and independence. Hence, although guest quality expectations may not differ among hotels, guests of boutique hotels do anticipate a different brand-oriented employee performance in terms of the employees’ knowledge and understanding of the brand.

The role of internal branding in today’s boutique hotel industry is further highlighted through Marcus Evans Internal Branding & Employee Engagement conferences. At the 18th annual Internal Branding Conference, Rintelen (2006) from W Hotels, Corporate Director of Operations, shared several reasons why the company focuses especially on internal branding. The boutique W brand, from Starwood Hotels, is well-known within the industry for the emphasis they place on internal branding. To

keep the brand promise, which is a “wow” customer service experience worldwide, requires them to ensure that their “talent” [employees] not only understand the brand promise but operationally executes it through their skills and resources. Rintelen (2010) further elaborates that their spontaneous signature, “whatever and whenever,” can only be realized and maintained through the brand’s “rigorous process of recruiting, hiring, training and standards development,” which is especially critical across the company’s growing brand portfolio.

Similarly the Morgan’s Hotel Group educates its employees through their ‘onboarding’ video, which highlights the employees’ importance in the company, using phrases such as “you’re among the few” and “celebrating originality.” Flannery (2012) from the Morgan’s Hotel Group explained during the BLLA (2012) conference that “The way you sell your hotel should be the same as how you introduce it to employees [...]; the brand’s core values need to apply across everything you do” (para. 9).

Despite the growing interest of practitioners in the internal branding concept within the boutique hotel industry, there has been no reported research that explores internal branding processes specifically addressing boutique hotels. Because it has been shown that internal branding is vital for boutique hotels, due to the need to make a point of their difference (Salas, 2013), it is indispensable to focus on a balanced perspective of branding and also to research boutique hotel brands employees’ viewpoints to provide valuable information for ongoing research and practice.

Past Research on Internal Branding

Communication

Patla and Pandit (2010) focused on the banking sector, due to its highly employee-centric philosophy (Patla & Pandit, 2010, p. 118) in the service industry. They examined the internal branding practices of a multinational bank in India from an employee's perspective. Results of their empirical study revealed that bank employees felt that internal branding was the job of top management and the marketing department. While employee recognition and rewards were mentioned to be the most common methods used in internal branding, the critical component of effective communication was perceived to be lacking. Indeed, 25% of the employees lacked knowledge or clarity regarding the bank's communication of the corporate vision and mission. While 70% of the respondents clearly understood their contribution to the overall success of the bank, a large proportion (thirty percent) of respondents gave only 'neutral response'. Some of these results are consistent with Sylvester's (2011) study in which he drew attention to recent research by European leaders, which found that "68% of employees did not understand their company's vision." Patla and Pandit's (2010) study involved a small sample consisting of employees of one bank in India. Other stakeholders, such as managers, who are facilitators and are regarded as the leaders of internal branding, were not included in the study. Nevertheless, the results call attention to the need for enabling employees to know the brand vision and mission as well as their contribution to its success through effective internal communication programs.

Particularly in boutique hotels, where the employees have the task of delivering unique promised experiences to customers and bringing the vision of the brand to life, the critical elements of the company brand (vision, mission, values) need to be clear and to be practiced by the employees. Current research in hotel branding stresses that employees need to know these elements but is lacking in empirically assessments of whether employees actually understand their company's vision and mission and, more importantly, whether employees are aware of the value of their work in building the success of the brand.

Brand Knowledge Dissemination and Brand Supportive Behavior

King's (2009) research on internal brand management (IBM) is one of the few reports that empirically investigated IBM from employees' viewpoints in the tourism and hospitality industry. The relationships of four IBM constructs - knowledge dissemination, role clarity, brand commitment, and brand-supportive behavior - were investigated closely and validated. Furthermore, King (2009) considered different employee hierarchical positions as to how employee position influenced each construct.

Brand knowledge dissemination is recognized as being "Key to employees being able to deliver the brand promise." Brand knowledge affects individual behavior and brand-related decisions. In King's (2009) study, it was the "Context with which the external brand identity is made relevant to the employees" (p. 519). Within this knowledge construct, King (2009) also measured the communication of information, such

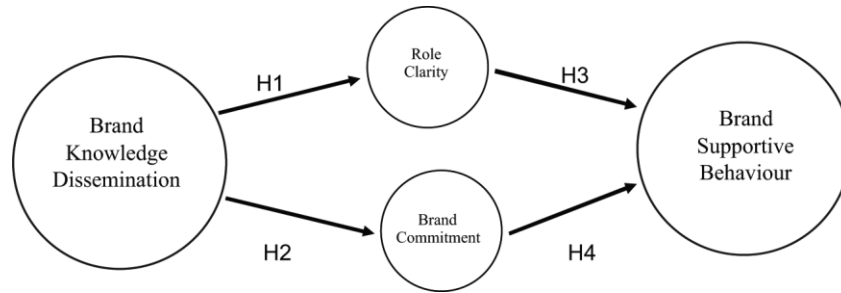


Figure 1. King's (2009) framework of the effect of brand knowledge dissemination

as service offerings and information regarding customer needs, wants, and benefits.

While role clarity refers to the level of clarity individual employees gain through guidance and direction from upper management, brand commitment is described as the “psychological attachment” and feelings of belonging, that are important factors for overall success (Hunt, 1994 as cited in King, 2009). Brand-supportive behavior is described as the “extra role.” This refers to employees’ behavior that goes beyond formal requirements and is still consistent with brand values.

The results indicate significant positive effects of all three constructs on brand-supportive behavior (King, 2009). Brand knowledge dissemination was an enabler of employee commitment and role clarity, which positively influenced brand-supportive behavior (King, 2009). The path from role clarity to brand-supportive behavior was not significantly different between managers and front-line employees. However, dissimilarities existed in the path of brand knowledge dissemination to role clarity, which was stronger among managers, while brand commitment toward brand-supportive

behavior was dominant among front-line employees. Managers only showed brand-supportive behavior if they were truly committed to the brand (King, 2009).

Lack of demonstration of brand supportive-behavior from management at any time is clearly a constraint on internal branding. This is because managers play leading roles and have the responsibility to educate front-line staff. Employees and management are equally important in a company. In the hospitality industry it is paramount that employees “go beyond the formal role requirements” (Feng, 2006, p. 19) by demonstrating superior brand-supportive behavior. A focus on management has been demonstrated to increase operational efficiency and to result in increased levels of customer satisfaction (Walz & Niehoff, 2000). Management’s commitment and brand-supportive behavior is a prerequisite for desired employee performance, particularly within the hotel industry in which service excellence is primarily “attributed to employees that demonstrate discretionary effort in the service encounter” (Harris et al., 2003 as cited in King, 2009, p. 521).

The relevance of King’s (2009) research to the current study is due to its empirical nature, investigating attitudes and behaviors as well as demonstrating the interdependence of employees and managers in the hospitality and tourism sector. Notwithstanding this, the researcher looked only at attitudes and behaviors and ignored whether those constructs enhanced or supported the delivery of the brand promise to the customers. Additionally, communication aspects were only measured within the knowledge construct. Due to the nature of boutique hotels, in which communication has an extraordinary and discrete function, it is insufficient for the purpose of this research to

combine knowledge and communication into one construct. In this study, it is argued that the communication aspect should be measured as an independent construct.

Along with King's (2009) study, research conducted by Punjarisi, Wilson and Evanschitzky (2008, 2009a, 2009b, 2010) makes up the quantitative portion of this research. Punjarisi et al. (2009) built a body of research by specifically concentrating on internal branding in the hotel industry and providing critical insights. These studies were apparently the first conducted in a hotel setting and the only contribution in the literature to internal branding in the hotel industry, calling attention to the lack of research in this area.

Brand Supporting Attitudes and Brand Supporting Behavior

In one of the earlier studies, the influences of internal branding on employee brand promise delivery (Punjarisi et al., 2008) was examined. A qualitative approach was used in which the authors explored the perceptions of 30 customer-interface employees in six hotels in Thailand. Subsequent to the qualitative portion, the researchers conducted a quantitative survey with 680 customer-interface employees of five major hotels. Figure 2 indicates the theoretical framework of the internal branding process.

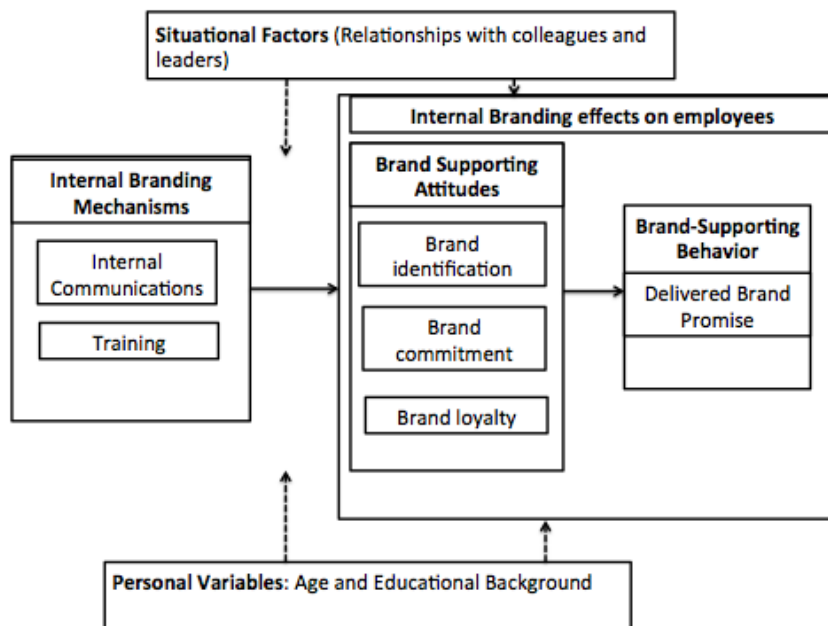


Figure 2. Punjarisi et al.'s (2008) proposed framework based on internal branding process

Internal communication techniques and tools, HR practices, and training programs have been identified as key mechanisms for internal branding. Results demonstrate that, if these mechanisms are performed correctly, internal branding can lead to positive outcomes in terms of attitudinal and behavioral effects. Brand-supportive attitudes are brand identification, brand commitment, and brand loyalty. Brand identification has been shown to increase employee pride and sense of belonging towards the hotel (Punjarisi et al., 2008). Brand commitment was identified with an increased emotional attachment to the hotel and brand loyalty is reflected in the employees' intentions to stay at the hotel, due to enhanced knowledge, skills, and capabilities as a result of internal branding. Brand-supportive behavior and delivered brand promise were

positively influenced by the three brand-supportive attitudes. For example, committed and loyal employees “exerted an effort to follow the brand standards and deliver the brand promise” (Punjarisi et al., 2008, p. 418).

This preliminary research of Punjarisi et al. (2008) is extremely valuable for the purpose of this study for several reasons: (1) the study was carried out in a hotel setting, (2) employee attitudes and behaviors were explored, and (3) the researchers provided evidence that internal branding did strengthen employee relationships with the hotel brand and had an impact on the delivery of the brand promise. Constraints of the study for this research include the underestimation of employee brand knowledge, which has appeared previously in King’s (2009) research, and has been identified as another key component of internal branding. For boutique hotels, it is inevitable that not only managers but also employees are required to have a high level of brand knowledge to represent the brand’s uniqueness and authenticity to hotel customers. Only customer facing employees were included in the study, which has been indicated by several researchers as a limitation for successful internal branding (de Chernatony & Segal Horn, 2001). Finally, the framework assumes that brand-supportive behavior ensures the actual delivery of the brand promise.

Brand Supporting Attitudes and Brand Performance

In later studies (Punjarisi & Wilson, 2009; Punjarisi, Wilson, & Evanschitzky, 2009), researchers empirically examined how internal branding is an enabler for employee brand-supportive behaviors and how internal branding influenced employee brand promise delivery. Building on the first qualitative research, it was assumed that

when employees were “committed to the brand values inherent in the brand promise” they would also be inclined to “perform and deliver the brand in a way that lives up to customers’ brand expectations” (Punjarisi et al., 2008, p. 422). Punjarisi et al., (2009) empirically investigated the distinct relationships among the constructs. In total, 699 customer-interface employees from five hotels in Thailand were surveyed. The modified and further developed conceptual framework of the research is presented in Figure 3.

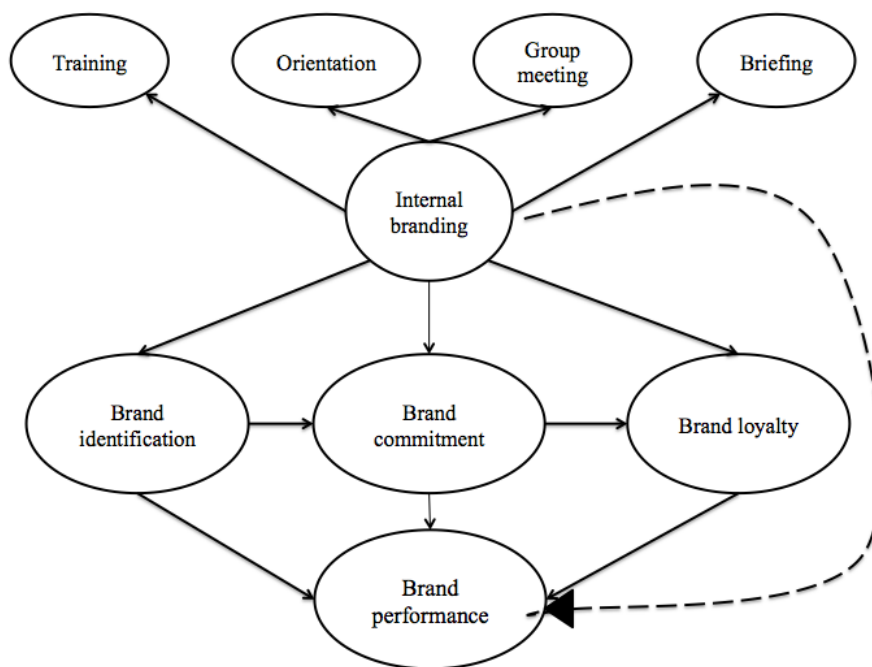


Figure 3. Punjarisi et al.’s (2009) proposed framework of internal branding

Internal branding is defined as the “internal communication techniques and training programs to educate employees about the brand promise” (Punjarisi et al., 2009, p. 567) and encompasses training, orientation, group meetings and briefing.

Brand-supporting attitudes are brand identification (sense of belonging), brand commitment (emotional attachment), and brand loyalty (willingness to remain in the hotel), and are identical to previous research. Newly added was the “brand performance” construct, defined as the “extent to which an employee performs his/her role in brand promise delivery, based on brand standards in which the brand values are embedded” (Punjarisi et al., 2009, p. 567). The results provide evidence that internal branding has a positive impact on the three attitudinal constructs (identification, loyalty, commitment) and also positively influences employee supportive behavior in delivering the brand promise (Punjarisi et al., 2009). Brand identification proved to drive employee brand commitment because employees who were able to identify themselves with the brand were more emotionally attached to the brand. Additionally, brand commitment was positively related to brand loyalty, suggesting that emotionally attached employees are more willing to continue working at the hotel. Partial mediating effects were found regarding the relationship between employee attitudes (loyalty, commitment, and identification) and brand performance (delivery of the brand promise). While loyalty and identification exerted mediating effects and showed a significant relationship as to which employees performed delivery of the brand promise, there was no significant relationship between brand commitment and brand performance (delivery of the actual brand promise).

The presented frameworks of Punjarisi, Wilson, and Evanschitzky (2008, 2009) are extremely relevant and applicable within the context of this research. The authors provided empirical evidence that internal branding was a driver for employee brand

attitudes and behaviors. Their research was conducted within the hotel sector in Thailand; therefore, partially adapting and reaffirming their framework specifically to boutique hotel employees is logical and necessary, given the unique role of employees in the boutique hotel industry.

As discussed earlier, differentiated and personalized services and products provided by boutique hotels distinguish these hotels from other types of accommodation. The small room numbers and proportionally high ratio of employees allow customers to experience flexible, tailor-made services, and individual, guest-specific needs are met. Jacobs and Chase (2008) stated that boutique hotels provide higher degrees of service quality than traditional hotels as a result of the intense levels of interaction between employees and customers. Boutique hotel employees are not only required to work for the customers but also to work with them. Thus, it is inevitable for boutique hotel management to ensure that the employees are proactive and that employees support the promised personalized service throughout the entire customer experience. The behavior and attitude of employees critically influence the customer's overall experience and the perceived level of service quality (Greasley, 2009).

Lack of skilled employees, and deployment of those who are not able to provide customized service through supportive attitudes and behaviors, are indicators for a failed boutique hotel brand. Thus, it becomes especially central for this research to partially adapt Punjarisi et al.'s (2009) internal branding concept, already tested with hotel employees, and to apply it to employees of boutique hotels.

Authenticity

In addition to the high employee-customer interaction, boutique hotels are also characterized by their authenticity (Chang, 1997, 2010; McIntosh & Siggs, 2005; Henderson, 2005). According to de Chernatony (2010), authenticity is highly dependent on individual employees in a service sector. Whether it is Marriott's Autograph Collection boutique properties that emphasize "authentic dishes [...] in the hotel's Sweet Olive Restaurant," the Edition hotels' "authenticity that reflects the best location," or Starwood Hotels and Resorts Aloft and Element hotels that want "their travelers to collect a world authentic and enriching experience," the authenticity characteristic is inherent in boutique hotels. The Morgans Hotel Group even identifies itself as "fun and authentic" and highlights its devotion to an "authentic iconic design." Consequently, another important construct for this research that has to be added to the proposed framework of internal branding is the concept of authenticity.

After the economic and financial crisis of 2008, customers appear to be in need of authenticity (Flatters & Willmot, 2009). According to Fisher-Buttlinger and Vallaster (2008), "A brand is seen to be authentic when diverse stakeholder groups truly experience what they are promised," (as cited in Eggers, O'Dwyer, Kraus, Vallaster & Guldenberg, 2012, p. 1) and authenticity is recognized as "one of the cornerstones of contemporary marketing" (Brown et al., 2003, p. 21). For Grant (1999), "Authenticity is the benchmark, against which all brands are now judged," (p. 98) and Beverland (2005), identified authentic brands as "Worthy of acceptance [...] and conforming to an original" (p.15). Authenticity enables brands to gain competitive advantages (Dean & Sharon,

2007) and shapes part of their unique brand identity (Aaker, 1996; Kapferer, 2001; Keller, 1993).

Nevertheless, only a limited amount of research has focused on how brands create authenticity (Fine, 2003; Jones et al., 2005 in Beverland, 2005). Beverland (2005) conducted a qualitative study in which he explored how luxury wine marketers created and maintained images of authenticity. His insights about the luxury wine market are also relevant in the context of boutique hotels.

Beverland (2005) has attempted to identify the complex nature of authenticity; on the one hand, it requires the entity to “remain true to an authentic core” but on the other hand, it also requires it to be “relevant” and up-to-date. Boutique hotels focus exactly on this; they seek to remain true to their cultural heritage and yet, at the same time, to offer the latest technology to their guests (Chan, 2012; Cullen, 2013). Similar to luxury wineries, it is believed that boutique hotels also “embrace basic marketing techniques [...] such as relationship building” while at the same time they “distance themselves from images of industrial product and commerce” (Beverland, 2005, p. 1004). Comparable with luxury wineries, boutique hotels appear to be “at odds with current market requirements” (Beverland, 2005, p. 1005). Thus it becomes interesting to study authenticity in the context of boutique hotel branding.

Egger's et al., (2012), explored brand authenticity, from a CEO perspective, as a driver for small and medium enterprise (SME) growth. The conceptual framework (see Figure 4) illustrates the relationships among brand authenticity (brand consistency, brand customer orientation and brand congruency), SME brand trust, and SME growth.

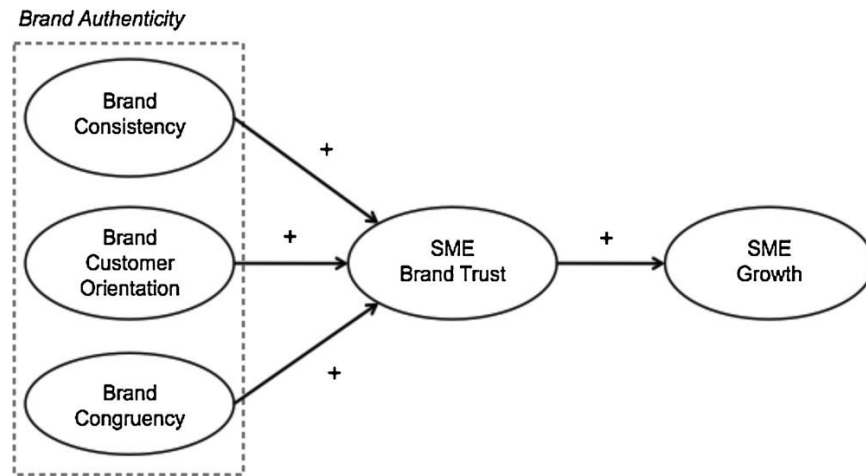


Figure 4. Eggert et al.'s (2012) hypothesized structural model

Based on past literature, the authors operationalized authenticity as a combination of three elements: brand consistency, brand customer orientation, and brand congruency. Brand consistency is the alignment of the brand promise with its corporate values and ensures that “stakeholders experience the brand at all brand contact points” (p. 2). Brand customer orientation focuses on satisfying the needs of customers by “generating and sustaining a shared sense of brand meaning that provides superior value” (p. 2). The authors suggest that, if companies are able to deliver individualized benefits as promised, customers and company stakeholders perceive the brands as authentic. The third factor, brand congruency, is similar to Punjarisi’s et al. (2009) “brand commitment” element, because it emphasizes the congruence of employee values with brand values. While brand congruency underlines employee commitment to brand values, brand commitment measures employee emotional attachment and its impact on brand promise delivery.

Theoretical Underpinnings

There are several vital theoretical underpinnings to support the internal branding concept and methodological framework of this study. Employees' attitudes and actions are increasingly considered critical for the success of any service brand (de Chernatony & Riley, 1997). Particularly in the context of service brands such as hotels, employees' attitudes and behavior play a pivotal role in not only delivering the brand promise to customers but also positively influencing customer perceptions (Berry & Lampo, 2004; Olins, 1995).

Some variables used in this study draw upon the Social Learning Theory of Bandura (1977) which emphasizes upon the belief that managerial role model acting "can shape organizational identity" (Hodges & Baker, 2014, p.7) and has a great significance in terms of managerial training and development provided. According to this behavioral learning theory individual employees can "learn, retain, and reproduce behaviors" through observations (Bandura, 1977 as cited in Hodges & Baker, 2014, p. 7). Burmann and Zeplin (2005) suggest that the observations can be considered the informal part of the socialization process during which employees gain a deeper understanding and appreciation of brand related norms and values. The learning theory is thus central to the learning process of employees who observe their managers as "role models" and ultimately this contributes to organizational behavior. There are three commonly mentioned ways in which knowledge is transferred in the social learning theory: (1) demonstrating behavior, (2) describing behavior, and (3) symbolical use of real or fiction characters (Hodges & Baker, 2014). It is a commonly known fact that employees are

likely to imitate and copy the behavior of their superiors due to managements high status within the organization along with their extensive experience. This theory enables a deeper understanding of managerial behavior and how managers guide their boutique hotel employees' brand supportive attitudes and behavior that promote the brand building process successfully. This theory was used to support the development of a portion of the qualitative questions as well as aided in explaining the variables measured in the quantitative section too.

The quantitative portion draws upon two main theories: the Social Identity Theory (SIT) (Ashforth & Mael, 1989), the Organizational Identification Theory, and the Balance Theory (Homburg & Stock, 2005). According to Ashforth and Mael (1989), SIT originates from the group identification notion (Tolman, 1943) and is defined as an individual's sense of identification based on group memberships (Tajfel & Turner, 1979) (in this case, it is brand identification). It has been proven that group memberships provide individuals with a sense of social identification and a sense of belonging (Hogg & Vaughan, 2002). Thus, individuals do not only increase their self-esteem and pride but also aim to enhance their self-image through group belonging. The core assumptions of SIT include that a person does not only have one "level of self" but rather through different social contexts several "social identities." An employee's individual social identity is shaped through various factors such as from the organization itself and work group or department (Ashforth & Mael, 1989). In terms of identifying oneself with the organizational behavior, employees often are in search for "meaning, connectedness, empowerment, and immortality" (Denhard, 1987, Katz & Kahn, 1978 as cited in

Ashforth & Mael, 1989). A variety of factors contribute to individuals' tendency to identify themselves with the group, which are: distinctiveness, prestige of the group, salience of the out-group(s) (Chatman, Bell, & Staw, 1986; Turner, 1981), and competition within in-group identification. Employees tend to choose and support those organizations that are consistent with their identities and embody those. Employees' identification is also said to "engender internalization of, and adherence to, group values and norms and homogeneity in attitudes and behavior" (Asforth & Mael, 1989). Higher identification of an employee with a brand also increases their perception of the brand being distinctive and unique (Tajfel & Turner, 1986). Van Dick (2001) also expressed that when employees' values are aligned with those of the brand, an employees' intention to stay with the organization (i.e. brand loyalty) will increase. Specifically, in the context of this study the social group employees' identify themselves with is the corporate service brand (i.e. boutique hotel). Since internal branding emphasizes on an aligning employees values with those of the brand, it strongly supports the notion that "internal branding is instrumental in enhancing employees' sense of belonging to the brand" (Rousseau, 1998 as cited in Punjarisi & Evanschitzky, 2009, p. 564).

Researchers argue that Organizational Identification Theory (OIT) is a "specific form" of social identification (Ashforth & Mael, 1989; Elsbach & Kramer, 1996; Puusa & Tolvonen, 2006; Scott & Lane, 2000). Hatch and Schultz (2000) define organizational identity "as the object of commitment and a sense of belonging, [...] that [provides] a cognitive and emotional foundations on which organizational members build meaningful relationships" (as cited in Puusa & Tolyanen, 2006, p. 30).

Specifically, some suggest that understanding organizational identification in terms of SIT is considered a shared identity (Asforth & Mael, 1989). Kelman (1961) defines organizational identification as “involvement based on a desire for affiliation” (p. 493). Thus, when employees identify themselves with the organization they base their attitudinal and behavioral decisions in accordance with the strategic interests of the organization (Littlejohn & Foss, 2009) and are ambitious to “maintain consistency between the organization’s and their own goals” (Punjarisi & Evanschitzky, 2009, p. 564). Punjarisi and Wilson’s (2007) study found that when there is a shared understanding of the brand among all members of the organization, employees’ positive brand commitment is enhanced.

The third important theoretical underpinning of this research is based upon the Balance Theory (Heider, 1958; Homburg & Stock, 2005). The goal of the balance theory is to understand and maintain consistency among the relationship individuals develop with others (e.g. other person) and with their environment (e.g. object, organization). Specifically this consistency theory highlights the idea of balancing attitudes and behaviors (i.e. inner balance) (Zajonic, 1960). Heider (1958) argued that individuals are eager to preserve consistency among a variety of linked attributes with the aim to avoid tension and have a balanced relationship. Wayne et al. (1997) propose that when employees seek to balance their relationships, they “exhibit attitudes and behaviors they believe to be reflective of the contribution by the organization” (as cited in King, 2012, p.474). Thus, it can be argued that employees are willing to enhance their brand supportive attitudes and behaviors in order to rebalance the system. The balance theory

is also closely linked to the notion of relationship orientation, specifically the relational exchange between an organization and employee (Aselage & Eisenberger, 2003) but also between an employee and the customers. Since employees' interactions with customers and more importantly with their organization are critical to the concept of internal branding, the balance theory can be used to argue the need to balance employee and management brand perceptions. Furthermore, since internal branding is argued to influence employees' brand supportive attitudes and behavior, the balance theory can possibly guide as a strategic development tool for organizations and individual employees that aim for consistency in relationships. For a shared understanding of brand values through employee-brand alignment as well as customer-brand relationships along with customer-employee relationships such as fulfilling the promise at every service encounter (Zeithaml, Berry, & Parasuraman, 1993), it is necessary for all members of the triadic relation (i.e. organization, employee, customer) to aim balanced interpersonal relations.

Theoretical Framework

The framework for the second part of this study builds upon and expands former research conducted in the field of internal branding from a firm's perspective. Past internal branding models and studies from which this framework is partially adapted (Eggers et al., 2012; King 2009; Punjarisi et al., 2008,2009) have been discussed in the literature. Figure 5 represents the conceptual framework of this study, which is unique and adapted to fit into the context of boutique hotels. It is distinct in terms of including additional measures, 'brand knowledge' (King, 2009) and 'brand authenticity' (Eggers et

al., 2012), to capture the unique aspects of boutique hotels. It expands on King's (2009) research by exploring the influence brand-supportive behavior has on promise delivery and explores, for the first time, the role of brand authenticity with regard to internal branding in boutique hotels.

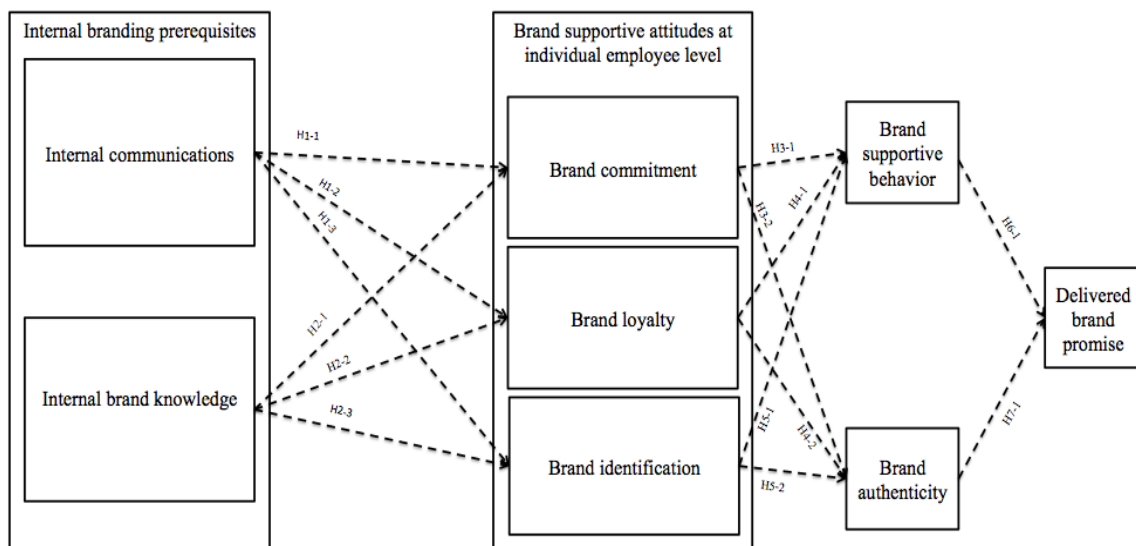


Figure 5. Framework of hypotheses to be tested in this study

Moreover, unlike Punjarisi et al.'s (2009) study, this research will not solely focus on front-line employees and allow, "the rest of the personnel go their own way" (Papazolomou & Vrontis, 2006, p. 44). Since management has to ensure that every individual, regardless of whether they are customer-contact employees, need to "know that [their] roles impact the level of service delivered to customers" (Papazolomou &

Vrontis, 2006, p. 45). This study seeks to expand on this by incorporating all employee levels in the study.

Prerequisites: Internal Communications and Internal Brand Knowledge

Many researchers have identified that effective internal communication (Ind, 1998) is at the core of internal branding, while more recent studies have also provided evidence that brand-related knowledge (King, 2009; Hua et al., 2009; Baum, 2008) is required for successful internal branding. Nevertheless, most researchers combine these two key factors without emphasizing enough their distinct independent influences on the internal branding process.

Consistent and effective communication with employees facilitates internal branding initiatives, builds employee pride and achievement (Sharma & Kamalanabhan, 2009), and creates strong corporate brand images among employees (Herstein et al., 2006). Internal communication is required because it encourages and inspires employees to support the brand vision (Malmelin & Hakala, 2009). It further helps to align employee behavior with corporate values (de Chernatony & Segal-Horn, 2003) and enables the brand to differentiate itself (de Chernatony, 2001). Argenti (2007) and Tukiainen (2001) indicated that, through internal communication, management communicates brand value statements (i.e. mission and vision) with the aim of influencing employee attitudes. Thus, internal communication can be viewed as a prerequisite for employee brand-supportive attitudes and behaviors. Past research also validates the idea that communicating the brand's vision leads to an increase in employee commitment and loyalty (Harris, 1997; Reichers, 1986; Stum, 1998) as well as employee

identification (Bartels, 2006; Berger, 2008; Punjarisi et al., 2008, 2009, 2010), while failure to communicate a company's expectations leads to lower levels of commitment and loyalty (Mathieu & Zajac, 1990). Punjarisi and Wilson (2009) provided evidence that internal communication had a statistically significant impact on employees' brand supportive-behavior.

Another vital internal branding prerequisite, especially in the hospitality and tourism industry, is knowledge sharing (King, 2009; Miles & Mangold, 2004). Brand knowledge enables employees to satisfy customer expectations (King, 2009; Matilla & O'Neill, 2003; Oh 1999) and impacts employee behavior and brand-related decisions (Burman & Zeplin, 2006; Keller, 1998; Vallaster & de Chernatony, 2005). Brand knowledge is the "key to employees being able to deliver the brand promise" (King, 2009, p. 519). A positive effect of brand knowledge dissemination on employee attitudes towards the brand, measured as expressed commitment, was found to be significant (King & Grace, 2008). Past studies indicated that adequate information provision and explanation have significant, positive effects on employee loyalty (Greenberg, 1994; Konosvsky & Cropanzano, 1991). This background leads to the following hypotheses:

H1-1: Internal brand communication is positively related to brand commitment.

H1-2: Internal brand communication is positively related to brand loyalty.

H1-3: Internal brand communication is positively related to brand identification.

H2-1: Internal brand knowledge is positively related to brand commitment.

H2-2: Internal brand knowledge is positively related to brand loyalty.

H2-3: Internal brand knowledge is positively related to brand identification.

Brand Supportive Attitudes

Brand commitment (Burmam & Zeplin, 2005), brand loyalty (de Chernatony, Argabright & Khan 1999; Farnfield, 1999; Papasolomou & Vrontis, 2006, Steers, 1977; Thomson, Asif & Sargeant, 2000), and brand identification (Punjarisi et al., 2008, 2009), are recognized as employee brand-supporting attitudes (Punjarisi et al., 2008, 2009). Research findings have revealed that synergies exist between these three attitudinal components (Chen & Zhao, 2010; Kimpakorn & Tocquer, 2010; Memon & Kolachi, 2012; Punjarisi et al., 2008, 2009) and that their impact on brand-supportive behavior is favorable (Papasolomou & Vrontis, 2006; Punjarisi et al. 2008, 2009; Saari & Judge, 2004). Long-term, stable, brand-supportive behavior can only be assured if “an enduring attitude drives the behavior” (Reychav & Weisberg, 2009; Stock & Hoyer, 2005 as cited in King, Fung So & Grace, 2013, p.173). Kimpakorn and Tocquer (2010) contended that service brand image formation relied on employee attitudes and behaviors. King et al., (2013) provided statistical evidence that employee’s customer-oriented attitude directly influenced their customer-oriented behavior.

Brand Commitment

Committed employees have feelings of ownership of the brand (Karsan, 2012) and exert extra efforts in reaching company goals (organizational commitment theory (Burmam & Zeplin, 2005), and inherit the company’s values and objectives (Mihalic, 2008). Not only are customer experiences improved through committed employees but “interaction with colleagues facilitates a work environment, which supports brand-supporting behaviors” (King & Grace, 2008; Wallace, de Chernatony, Buil, 2012, p.

165). Past research has inconsistent results with regard to the relationships between employee brand commitment and employees' brand performance (Punjarisi et al., 2009). This study seeks to retest this by exploring whether employee brand commitment within specifically boutique hotels positively influences brand promise delivery. Based on this, a specific hypothesis is proposed.

H3-1: Brand commitment is positively related to brand-supportive behavior.

Brand Loyalty

Employee brand loyalty (willingness to remain with the brand) (Punjarisi et al., 2009) toward the brand helps achieve greater business efficiency and enhances company efforts in projecting the desired brand image to outside stakeholders (Meyer & Allen, 1997). A distinction needs to be made between employee loyalty and employee brand loyalty. Brand-loyal employees are those that are loyal specifically to the certain brand and that live the brand's mission and core principles. When employees believe in the brand they represent to their customers, they are able to "successfully shift customers from a purely transaction mindset to a relationship mindset" (Littleperspectives, 2013, para. 5). Thus it can be argued that loyal employees can turn into brand loyal ambassadors when they "take a lot of pride and commitment in exceeding customer expectations and helping the brand grow and prosper" (Durkin, 2010, para. 9). Bachhaus and Tikoo (2004) use the term employer brand loyalty and define it as the "commitment the employees make to their employer [brand]" (p. 509). Specifically the researchers claim that such loyalty towards the employer or brand in this case "can be conceptualized as being shaped by behavioral element[s] that relate to organizational culture and an

attitudinal element that relates to organizational identity” (p.508). Thus employee brand loyalty can be argued to be much more connected with employees becoming loyal to the culture and identity of a particular brand. It also reduces recruitment and training expenditures (Punjarisi et al., 2009) and employee turnover, which is an ongoing challenge, especially in the hospitality industry. In terms of employee loyalty, Gonring (2008) identified a positive relationship between employee loyalty and engagement. Higher employee loyalty increased the employees’ support in delivering the promised customer experience (Heaton & Guzzo, 2000). The following hypothesis is to be tested.

H4-1: Brand loyalty is positively related to brand-supportive behavior.

Brand Identification

Brand identification reflects an employee’s sense of belonging to the company (Punjarisi et al., 2009). According to Choo and Park (2009), “A more solid and consistent branding platform can be built by engaging employees deeply in the identification process” (p. 2). Devasagayam et al. (2010) and Punjarisi et al. (2008, 2009) found a positive relationship between employee identification and brand-supportive behavior. High employee identification enhanced employee support in positively portraying the company to external stakeholders (Chen & Zhao, 2010).

Consequently, it is evident that exhibiting brand-supportive attitudes is a crucial antecedent of brand-supportive behavior and, ultimately brand promise delivery that corresponds with customer satisfaction (Papasolomou & Vrontis, 2006). A specific hypothesis is proposed.

H4-1: Brand identification is positively related to brand-supportive behavior.

Brand Supportive Behavior

Employee brand-supportive behavior is the “extra role” (Burmman, Zeplin & Riley, 2009; King, 2009) or “non-prescribed employee behavior” (King, 2009, p. 521) corresponding to the brand values for which the employee exceeds formal role requirements. While this extra role behavior has a similar meaning to Organizational Citizenship Behavior (OCB), van Dyne, Cummings, and McLean (1995) argue that OCB is the “larger framework of extra-role behavior (ERB) (as cited in Organ, Podsakoff, & MacKenzie, 2006, p. 33). Furthermore, OCB inherits a wider range of dimensions that are not included in ERB such as in-role behavior (Vey & Campbell, 2009). Nevertheless, extra efforts of employees can be in the form of organizational citizenship behavior. According to King (2009), especially in the hospitality industry, exceeding formal role behavior is critical for the entire success of the organization because it increases operational efficiency, customer satisfaction, and perceived quality (Walz & Niehoff, 2000). Encompassing such brand-supportive behavior drives the willingness of employees to deliver and fulfill the brand promise (Kerekes & Nador, 2002). Internal branding and employee behavioral literature is limited with regard to providing sufficient empirical findings, as opposed to outlining prevailing assumptions, which suggest that brand-supportive behavior, in fact drives employees to deliver the brand promise. Nevertheless, several studies have found that employees’ brand-supportive extra -role behavior (Podsakoff, Mackenzie, Paine, & Bachrach, 2000) had a beneficial influence on their companies’ overall performance (Bell & Menguc, 2002; Podsakoff & MacKenzie, 1994). Vallaster and de Chernatony (2004) noted the necessity to align employee

behavior with the brand promise communicated to customers. According to Boone (2000), and Free (1999), “Internal branding aims at its utmost to induce employees’ behavioral changes to support the delivery of the brand promise,” (as cited in Punjarisi et al., 2009, p. 565) and consistent corporate brand-supportive behavior by employees, “will immerse customers in the brand” (Balmer, Mukherjee, Greyser & Jenster, 2006, p. 776). Consequently, more research is required to understand the positive relationship between willingness to exert additional effort and employees’ brand promise delivery. This leads to the following hypothesis.

H6-1: Brand-supportive behavior is positively related to the delivered brand promise.

Brand Authenticity

Authentic brands have been defined as those that “are built from the inside out” (Faust & Householder, 2009, p. 47) and are perceived as real and honest. Following the Egger et al., (2012) study, this research adapts their operationalized authenticity construct, consisting of three elements: brand consistency, customer orientation, and brand congruency. Brand authenticity is an important construct in this study, especially because it is a key success factor for boutique hotels; practice highlights that brand authenticity must be maintained among boutique brands (BLLA, 2012). There has been little attention in academic research thus far on conceptualizing brand authenticity from a firm’s perspective (Eggers et al., 2012) and no literature exists on how employees’ brand-supportive attitudes can positively contribute to delivering an authentic brand promise. However, at the same time, researchers argue that “peoples’ [employees’] attitudes and

actions define the authenticity of any brand” (Incentive Research Foundation, 2012), and when employees’ attitudes and values align with those of the brand, it is more likely to genuinely deliver authentic brand experiences (de Chernatony, 2013). Thus, this study hypothesizes that brand-supportive attitudes do not only positively influence brand-supportive behavior but also that “harnessing the organization’s values and competencies [through supportive attitudes can in] a unified process” (de Chernatony, 2013, p. 823) support the delivery of an authentic experience to customers. It is critical to determine whether and how employees deliver the brand authenticity promised by the hotels. Based on this, the following hypotheses are proposed.

H3-2: Brand commitment is positively related to brand authenticity.

H4-2: Brand loyalty is positively related to brand authenticity.

H4-2: Brand identification is positively related to authenticity.

H6-2: Brand authenticity is positively related to the delivered brand promise.

Delivered Brand Promise

The outcome of the internal branding process is employee delivery of the brand promise to customers (Punjarisi et al., 2009). This is the most important stage in the process as it translates the brand’s promise into meaningful actions (William, 2012) and makes a company successful. The previous steps (i.e. knowledge, internal communication) focused on how management involves and supports employees in reaching the expected outcome [promise delivery]. Delivery of the brand promise relies on employees’ “expertise to determine the best approach to reach the outcome” (Crutchfield Souter/ Ritz-Carlton Senior Director of Quality as cited in William, 2012,

para. 10). Punjarisi et al. (2009) found that internal branding prerequisites, along with employee attitudes and behaviors, had a statistically significant impact on employees' delivery of the brand promise. Employees' attitudes and behaviors determine how the brand is delivered and experienced by customers (VIM Group, 2012). Some researchers refer to brand promise delivery as "brand performance" and identify this construct as "The extent to which employees consider themselves delivering on the brand promise based on the brand standards" (Punjarisi et al., 2009, p. 567). To reduce confusion, in this study, the construct is called the 'delivered brand promise.' Following this definition of brand promise delivery, which involves 'brand standards' (i.e. quality assurance), is appropriate in the context of this research because, although a hotel represents a unique boutique brand, it also has to comply with the corporate brand standards of the chains.

Rationale for Current Study

Despite the growing importance of branding in the hospitality industry, only limited research has been conducted focusing specifically on the hotel industry. The absence of boutique hotel branding studies is considered a gap in literature that should be filled. To date, little attention has been directed toward internal branding strategies of boutique hotels from the management and employee perspectives. There is a need to better understand the branding process of boutique hotels by investigating this from both stakeholder perspectives (i.e., management and employees). While past research has provided valuable information about corporate and internal branding from a managerial perspective, employee viewpoints did not receive equivalent research attention. This study seeks to close the research gap by exploring managers' and employees'

perspectives on corporate and internal branding practices in the US boutique hotel industry.

CHAPTER III

METHODOLOGY

An understanding of the branding process of boutique hotels from both groups' perspectives is important, as it will help future chain and independent hotel managers position their brand in an effective manner internally and externally. By providing management with more knowledge about the employees' attitudes and behavior, enhanced employee education and support will maximize employee potential and overall brand value.

A mixed methodology approach was used to validate data: in-depth interviews were used to gain valuable information from the management's perspective, while electronic and paper surveys were administered to chain-affiliated and independent boutique hotel employees at all levels.

This chapter starts with a discussion of the use of human subjects and outlines the details of data collection procedures: sample selection, instrument design, and data analysis techniques. The reliability of each scale is also discussed.

Human Subject Review

The researcher involved in this study has completed the human subjects training and has submitted a proposal to the Human Subjects Committee at Kent State University (KSU). The KSU Institutional Review Board (IRB) has reviewed the proposed methodology and data collection materials by assessing the risks and benefits to the participants in the research. The committee has approved that the research is adequate to all participants (Appendix B).

Sample Selection

The sample for this research comprised of chain-affiliated boutique properties as well as independent boutique hotel managers and employees in the U.S and Europe. The participating U.S. hotels were selected based on Smith Travel Research [STR] classification of a boutique hotel. According to STR (2013), there are currently approximately 813 properties in the U.S. categorized as boutique. Of those 813 boutique hotels 332 (40.8%) boutiques are chain affiliated. STR (2013) classifies a boutique hotel as luxury, upper upscale with an estimated room rate (ADR) of \$175 or higher, and having typically fewer than 200 rooms. A second in-depth research was conducted to find out the contact information of boutique properties in Europe.

The qualitative section of this study involved face-to-face and phone interviews with managers in the USA and Europe. Qualitative research interviews were thought appropriate for the purpose of getting rich, detailed information on opinions about the topic and forming personal relationships with the respondents (McNamara, 1999). Semi-structured one-on-one interviews were carried out with boutique hotel managers with the aim to gain deeper understanding of the topic (DiCicco-Bloom & Crabtree, 2006). An interview guide was prepared to assist the researcher in the specific topics to be covered as well as support in conducting more efficient interviews by being more focused on the research objective. With semi-structured interviews the “interviewee has a great deal of leeway in how to reply” (Bryamn, 2004, p. 314) “allowing room to pursue topics of particular interest” (Leidner, 1993 as cited in Brymann, 2004, p. 314).

Open-ended interview questions were prepared based on brand-related literature. The interviews began by asking more general questions such as how they define a boutique hotel, while further specific questions were asked towards the middle of the interview in order to pursue deeper understanding and explanations.

To initiate a sample, random sampling technique within the set of boutique properties in the USA and Europe was conducted. According to Bertaux (1981), the sample size of any qualitative research should not be below fifteen interviews. Morse (1994) explained that the minimum sample size should be six and Guest, Bunce, and Johnson (2005) propose twelve interviews to reach saturation. The sample size of this research was twenty. Boutique hotel managers were contacted asking for their voluntary participation in the study and thereupon scheduling a face-to-face or phone interview depending on manager preference, with the researcher. As standard research protocol, the researcher addressed the terms of confidentiality and volunteer participation to all interviewees. Also information pertaining to interview length was provided and the researchers asked all interviewees about their approval to audiotape the interview. On average, most interviews lasted between 25 to 30 minutes each, which is in accordance with DiCicco-Bloom and Crabtree's (2006) suggested time of 30 minutes for semi-structured interviews.

While most of the interviews took place on the phone, in several metropolitan areas for boutique hotels such as New York City, Atlanta, Las Vegas, and Luxembourg, interviews were conducted in person. For convenience reasons, it was also feasible to carry out in person interviews with several managers of boutique hotels in the Cleveland

area. All interviews were audiotaped and later on transcribed and analyzed for qualitative themes. According to Golafshani (2003), in qualitative research quality is “related to generalizability of the result and thereby to the testing and increasing the validity or trustworthiness of the research (p. 503). Denzin (1978) also explains that to achieve validity and reliability in qualitative research “the researcher [...] [should] eliminate bias and increase [his/her] truthfulness” (as cited in Golafshani, 2003, p. 604). These statements highlight that in qualitative research to address validity, usually the researchers emphasize on quality, rigor and trustworthiness and when focusing on validity the emphasis is on dependability (Davis & Dodd, 2002; Lincoln & Guba, 1985; Seale, 1999; Stenbacka, 2001).

For the quantitative section, all US boutique hotels ($n = 1,300$) and 300 boutique properties in Europe were contacted via mail. Furthermore, 26 boutique hotels were visited personally and 75 surveys were distributed. Depending on the amount of surveys management accepted, between two to five surveys were handed out to each boutique hotel. 41 paper surveys were completed and returned to the researcher. Additionally, a total of 64 GM's responded to the email and indicate their willingness to participate in the research by forwarding the survey link to their employees. The questionnaires sent were not limited to those hotels the researcher had contacted for in-depth interviews. Additional properties were contacted via e-mail asking for the permission to survey their employees. Furthermore, the number of participants were also based on Harris's (1985) suggestion that “the number of participants should exceed the number of predictors by at least 50” (as cited in VanVoorhis & Morgan, 2001, p. 140). Hence surveys were

distributed to 1,300 boutique hotel properties. This was primarily done in efforts to increase the sample size of the survey population. Furthermore, to encourage participation, interested employees were offered to enter their email address at the end of the survey with a chance to win a \$25.00 VISA card. Determining the survey participants built upon the methodology proposed by Punjaisri & Wilson (2010) and King (2009); the surveys were distributed across a broad range of boutique hotel employees not limited to those in customer-contact positions. In the first e-mail, the researcher also asked the management team for the permission to survey staff members. As a follow up, the managers were contacted by phone call. With the cooperation of the hotels' management and depending on what method the managers and employees preferred, either a link to the online survey was sent via email or the researcher brought paper copies of the survey to the hotel on the interview date. Anonymity of all responses were assured during the conversations as well as a written guide about how to fill out the survey included information on voluntary participation and anonymity of all responses. Moreover, employees were asked to share copies of the survey with their co-workers so that employees from other shifts had the opportunity to participate.

The researcher handed out 75 surveys to 27 hotels in person in the following cities: Las Vegas ($n = 5$), Atlanta ($n = 4$), New York ($n = 15$), Cleveland ($n = 1$), Kent ($n = 1$), and Luxembourg ($n = 1$). The researcher was in town for approximately five days each and the surveys were distributed in the mornings. Participating employees were asked if it was possible to pick up the completed surveys in the evening of the same day or the next day. In the Cleveland and Kent area 8 surveys were handed out to students

currently working in boutique hotels, all surveys were returned. One boutique hotel in Kent also agreed to participate and an additional three surveys were returned from seven surveys that were handed out.

Development of Survey Instruments

The present study consists of both qualitative and quantitative components. Steps for the development of survey questions and instruments are discussed as follows:

Qualitative Component: Expert Interview Questions

Past literature recommends qualitative interview data for revealing many perspectives, gaining additional insights on participant attitudes (Gordon & Langmaid, 1988; Kendall 2008), and expanding on concepts due to the richness of information. Moreover, a number of brand related studies have widely adopted the qualitative approach through in-depth interviews (de Chernatony & Riley 1997, 1998; Grace & O'Cass 2002; King & Grace, 2007). The in-depth interview questions are based on several past research studies about the components and dimensions for successful external and internal corporate positioning (Aaker, 1996; Kotler, 2002; Lewis, 1982; Sagar, Singh & Agrawal's, 2006). The identified themes in literature were the following: positioning, brand communication (Aaker, 1996; Balmer, 1995; Burghausen & Fan, 2002; Sagar et al., 2006), consistency (Burghausen & Fan, 2002), and core values (Ackerman, 1998; Burghausen & Fan, 2002; Gregory & Wiechamann, 1999; Wilson, 1997). These themes were also supported by results of an exploratory study in which the most frequently mentioned themes concomitant with successful brands were focused positioning, consistency, values and among others communication and therefore,

contributed to be the basis for the qualitative section of this study (de Chernatony & Segal-Horn, 2001). The themes mentioned above were modified to fit into the context of this research linked to employees.

The interview began with general opening questions such as how the managers would define a brand and whether they perceived that services are different to products (de Chernatony & Riley, 1998; de Chernatony & Segal-Horn, 2001). The final topics chosen were (a) positioning, (b) internal communication, (c) consistency, and (d) core values. Each topic had two to four questions and validity was ensured by having native speakers and experts review the interview questions prior to the interviews to ensure clarity. The following are the RQ's for the qualitative proportion.

RQ1: What are management's perceptions of different strategies of branding a chain and independently owned boutique hotels?

RQ2: What is management's standpoint on brand development and management?

RQ3: What is management's opinion on the role of communications in regards to their employees?

RQ4: What are management's perceptions on their brand's core values?

RQ5: What are management's views on the significance of employee brand supporting behavior?

Quantitative Component: Survey Instrument Design

In the quantitative research section, data were obtained from boutique hotel employees. This phase involved a mixed mode strategy (Kaplowitz, Handlock & Levine, 2004) using electronic and paper surveys to increase the response rate and provide staff

members with the option to choose the preferred method. The fundamental constructs were adopted from past literature related to internal branding (e.g. Baumgarth & Schmidt, 2010; King, 2010; Punjaisri & Wilson, 2010) and authenticity (Eggert et al., 2012). The self-administered questionnaire consisted of four parts (eight constructs): Part I was identified as the prerequisites for internal branding and consist of two constructs (i.e. internal communications, and brand knowledge). Part II focused on measuring the attitudes and contains three constructs (i.e. commitment, loyalty, and identification). Following the measurement of the attitudes, employee behavior was measured by the brand supportive behavior construct and brand authenticity was measured as a separate construct. The final construct examined the actual delivered brand promise. The questionnaire used a five-point Likert scale (i.e., 1= strongly disagree, 5= strongly agree) as it has been identified to be the most common way of measuring individual attitudes (Malhotra & Birks, 2000; Wilson, 2006).

Internal Branding Prerequisites

Internal communication was not a distinct construct in previous research. Five scale statements were partially adapted and combined from King's (2009) and Baumgarth and Schmidt's (2010) studies. Examples of question items are: "The hotel communicates the brand promise to me" and "I know how to behave myself so as to present the brand to customers positively."

The internal consistency coefficient of this scale was 0.84 (King, 2009) and internal reliability coefficient was confirmed (Baumgarth & Schmidt, 2010).

For brand knowledge four items were adapted from Baumgarth and Schmidt (2010) and modified to fit the hotel sector. The internal reliability coefficient for this construct is confirmed (Baumgarth & Schmidt, 2010). Examples of the question items are: “I am well informed about the values represented by the brand” and “I understand how our guests can benefit from our brand.”

Brand Supporting Attitudes

The entire construct of brand supporting attitudes (commitment, loyalty, identification) was adapted from Punjarisi, Wilson, and Evanschitzky’s (2009) study. Although all three variables from Punjarisi et al. (2009) were adapted not all measurement scales within each construct were taken. The researcher felt that some of the statements were not directly related to the brand and thus they were left out. Furthermore, since Baumgarth and Schmidt (2009) also had the “commitment” construct some of their measurement items were blended in with those taken from Punjarisi et al. (2009).

The Internal brand commitment scale (IBC) was partially adapted from Punjarisi et al.’s (2009) study and Baumgarth and Schmidt (2010). Four items were adapted from Baumgarth and Schmidt (2010) and two from Punjarisi et al. (2009). The internal consistency coefficient of this scale was 0.90 (Baumgarth & Schmidt, 2010) and goodness-of-fit statistics is confirmed: GFI is 0.927, CFI is 0.941, RMSEA is 0.047. Examples of the items are: “I am committed to delivering the brand promise to our hotel guests” and “I feel emotionally attached to this hotel”

Both the Internal brand loyalty (IBL) and internal brand identification (IBI) were adapted from Punjarisi et al. (2009). The IBL consisted of two items and the sample item is “I will be happy to spend the rest of my career in this hotel chain.” The IBI scale consisted of five items and examples of the items are: “My sense of pride towards the hotel brand is reinforced by the brand-related messages” and “I view the success of the brand as my own success.” Goodness-of-fit statistics is confirmed: GFI is 0.927, CFI is 0.941, RMSEA is 0.047.

Brand Supportive Behavior

To measure brand supportive behavior the entire construct with five items was adapted from King’s (2009) study. The internal consistency coefficient of this scale was 0.90 (King, 2009). Example question items are: “I take responsibility for tasks outside own area if necessary.” And “I’m always interested to learn about the brand and what it means for my role.”

Authenticity

The authenticity construct was partially adapted from Eggers et al. (2012). Brand authenticity was conceptualized as consisting of three factors: brand consistency, customer orientation, and congruency. The internal consistency coefficient of each scale was: .74 (brand consistency), .80 (brand customer orientation), and 0.73 (brand congruency). Not all items of each scale were included and items were combined into one construct rather than three individual factors. Example questions were: “We always adjust our actions according to the wishes of our customers and other stakeholders” and

“Our promise to customers is in accordance with the company’s vision and company strategy.”

Delivered Brand Promise

To empirically measure the relationship of the attitudes and brand supportive behavior the final construct “delivering the brand promise” tests if and how much the attitudes and behavior of the employees support in delivering the brand promise. The complete construct consisting of four items of Punjarisi et al. (2009) was included. Goodness-of-fit statistics is confirmed: GFI is 0.927, CFI is 0.941, RMSEA is 0.047. Examples of questions are: “The quality level of my services meets the brand standards of the hotel” and “I effectively fulfill the promise that the brand has with customers.”

Data Analysis

Qualitative data was recorded and later on transcribed. Thematic analysis was conducted to identify themes and patterns. Themes emerged were used to answer the first two research objectives pertaining to (a) understanding how boutique hotels position their brand internally through exploring variables that drive successful brands, and (b) gaining deeper knowledge on managements’ perceptions about employees’ importance in the boutique hotel sector. Data was summarized using frequencies, looking particularly at the number of managers mentioning the themes. Over the period of two months, it was possible to study four respondent groups, namely: General Managers from independent and chain-affiliated boutique hotels in the USA along with General managers from independent and chain-affiliated boutique hotels from Europe.

The SPSS (Statistical Package for the Social Sciences) version was employed to analyze the quantitative data collected to answer the objectives of the study. The relevance and importance of the internal branding process among boutique hotels was assessed. Specifically, the quantitative section aimed to investigate boutique hotel employees' attitudinal and behavioral support towards their particular hotel and how this affected the delivered brand promise. Several methods of data analysis were performed in this study to test the hypotheses. First, descriptive statistics were used to summarize demographic characteristics and all constructs. Secondly, two independent t-tests for gender and hotel type differences were conducted to examine variable differences. Thirdly, a couple of one-way Analysis of Variance (ANOVA) were performed to test variable differences among employees' educational levels and departments. Fourth, a series of simple linear regression and one multiple regression analysis were used to test the proposed relationships among the variables.

CHAPTER IV

QUALITATIVE RESULTS

The main goals of this research was to gain a better understanding the managerial perspective in branding a boutique hotel and specifically the employee-brand relationship as well as success factors necessary for boutique hotel branding. The first part of the results section was collected through in-depth interviews with 20-boutique hotel GMs. A qualitative approach was considered appropriate as it “allows the interviewees a degree of freedom to explain their thoughts and to highlight particular interest and expertise that they felt they had” (Humphrey & Lee, 2004, p. 340).

Over the period of two months, it was possible to study four respondent groups, namely: GMs from independent and chain-affiliated boutique hotels in the USA along with GMs from independent and chain-affiliated boutique hotels from Europe. By far the majority of the interviewees were male (n = 16) and the properties room size ranged between 24 and 174 guest rooms.

Of major significance were questions that focused on boutique hotel branding, advantages and challenges in maintaining a boutique hotel, and employees’ role in the branding process. A set of questions also aimed at gaining insights into core values and the authenticity aspect of boutique hotels. Based on the analysis of the literature review, the interview questions were attributed to six main categories. Consequently, the following research questions were generated.

RQ1: What are management’s perceptions of different strategies of branding a chain and independently owned boutique hotel?

RQ2: What is management's standpoint on brand development and management?

RQ3: What is management's opinion on the role of communications in regards to their employees?

RQ4: What are management's perceptions on their brand's core values?

RQ5: What are management's views on the significance of employee brand supporting behavior?

Boutique Hotel Branding

The rationale for addressing the first RQ is that by gaining a deeper understanding of the different perspectives top managers have in regards to their boutique brand, potential implications in terms of their branding strategies can be better interpreted. Furthermore, it was sought important due to the limited literature to find out how management interprets the concept of their brand relative to the existing literature about boutique hotels. Additionally, due to the superficial distinction in literature of a boutique brand, the answers provided by the managers could possibly contribute to a more differentiated explanation of this term. This RQ also sought to address the different strategies by independent and chain-affiliated boutique hotels. The reasoning behind is due to the surge in popularity of boutique hotel chains. While on one hand the boutique hotel concept with its uniqueness and personalized service seems in contradiction to large hotel chains, on the other hand one must acknowledge that after chain hotels joined the boutique concept, the entire boutique hotel phenomenon appears to have emerged to a distinctive economic level in the hotel industry. Thus it becomes necessary to compare

and contrast these two types of boutique hotels and find out if variations exist in terms of their branding approaches.

Specifically, six questions were followed to address this research objective. The first question asked participants to provide three keywords/phrases that would represent their brand. This question aimed to find out if there are specific terms used to characterize a particular boutique hotel and if possible keywords are embedded in all participating hotels that define themselves as boutique. Regardless of the fact that the majority ($n = 12$) of the respondents were from independently owned hotels, both groups (i.e. independent and chain-affiliated) highlighted the identical keywords that represented their brand. GMs most commonly reported the following keywords in terms of how their brand is represented: unique service/ world-class guest experience ($n = 20$, 100%), personalized service ($n = 13$, 65%), décor ($n = 6$, 30%), boutique ($n = 6$, 30%), upscale/luxurious ($n = 4$, 20%), innovative ($n = 4$, 20%), and modern ($n = 4$, 20%). Phrases that were mentioned between one and three times were: sassy, intuitive, convenience, caring and local.

These results are in accordance with literature data. It seems that boutique hotel GMs focus more on intangible rather than tangible aspects. This result is consistent with findings of previous research (Aggett, 2007; Erkutlu & Chafra, 2006; McIntosh & Siggs, 2005). It was not surprising that unique service was mentioned most frequently, since boutique hotels in comparison to traditional chains have a higher staff to guest ratio and thus the ability to provide personalized service (Erkutlu et al., 2005; Lim et al., 2009). Consequently, as the literature suggests that by offering a unique service, staff and guests

build relationships, and simultaneously a more homely environment is achieved (Aggett, 2007; McIntosh et al., 2005). Along with the emotional connection that lies under the unique service, another reason why all GMs might have described their brand through the unique service keyword could be the highly advanced amenities that are offered in the luxury and upscale price range of the hotels. As Adner et al. (2003) point out almost all boutique hotels offer high tech amenities including high-speed Internet access, cordless phones, CD players as well as music and book libraries. In the newsletter of the Zora Boutique Hotel Budapest, management takes it a step further and states that “boutique hotels are not limited to the live music and entertainment programs [...], but the fact is that a boutique hotel on its own existence is a natural form of entertainment by a trendy restaurant, a popular bar, the lobby, form and design, decoration and the spectacular views (Zora, 2012, p. 48).

The second question within this theme asked the GMs about what makes their hotel a boutique brand. According to the manager’s perceptions the following themes make a hotel a boutique brand: (a) size ($n = 20$, 100%), (b) individuality/ personalized service ($n = 11$, 55%), (c) décor/ design/ atmosphere ($n = 8$, 40%), (d) location ($n = 4$, 20%), and (e) historic building ($n = 4$, 20%). It can be seen that the major indicators of how the GMs described their brand constitute of intangible value contributors of the brand – suggesting that branded and independent hotels both focus on the intangible asset value (IAV).

Predictably all 20 GMs mentioned the word “size” or “small” repeatedly. This was an interesting finding as although the room sizes of the properties ranged from 24 to

174, all GMs thought that their hotel was small in size. While the majority of the privately owned hotels had less than 100 rooms, the participated chain-affiliated boutique hotels had over 100 rooms. This finding is in accordance with Lim and Edean's (2009) research results in which they found that each manager had a contrasting perception of how many rooms a boutique hotel should have. In their study, the managers' responses ranged from 40 to 120 rooms, which is also similar to the current study results. Past literature affirms that boutique hotels generally have less than 100 rooms (Aggett, 2007; Callan & Fearon, 1997; Freund de Klumbis, 2005; Teo et al., 1998), while there are also boutique properties with over 100 rooms (Nobles, 2006; Onstott, 2006). The dissensions about the maximum number of rooms a hotel could have, to be still considered boutique is an ongoing debate in the hospitality industry. BLLA (2012) states that the "boutique hotel segment covers a wide spectrum of property types" [...] and that "while once considered the ideal size, 200 rooms is too large for some people and too small for others." According to Kornota (2012), boutique "seems to be associated with size" (Kornota, 2012, p. 1). It seems that the smaller size enables boutiques to provide customized services while at the same time allow them to maintain their revenue goal. Consequently, this is what sets boutique hotels apart from the traditional hotels in the sector. There is clearly evidence in literature, that size in relation to boutique hotels is one of the most mentioned characteristics that makes these properties unique and is also a valuable feature to boutique hotel guests (Callan & Fearon, 1997; Lim & Edean, 2009; Nobles & Thompson, 2001; Rowe 2003).

The results of this study in terms of the design and décor aspect of a boutique brand are consistent with HVS's (2011) boutique hotels segment report in which the authors accentuate that boutique hotel guests are "becoming more aware of design, expect a higher level of service, and are increasingly seeking an experience instead of a commoditized product" (p. 2). Similarly, in another study, managers indicated that while there is not particularly a "limit" to the number of rooms a boutique hotel should have, much more emphasize is placed on the furnishing and individuality of each room (Lim & Edean, 2009).

Furthermore, the results suggest that type and year of building are important features of boutique hotels as 47% of the GMs mentioned "location" and "historic building" in combination when answering this question. This is consistent with past literature, which suggests, "such buildings typically provide character and are of the experience that boutique hotels provide" (Lim & Edean, 2009, p. 45). One of the limited researches conducted in terms of the geography of boutique hotels was by Lim and Edean (2009) who discovered in their study that "the majority of boutique hotels are located in urban or city center locations" (p. 44). Many researchers agree upon the fact that boutique hotels are generally located in town or city center locations (Aggett, 2007; Lim & Edean, 2009; Providence Hospitality, 2006; RAC, 2006), though some also support the idea that most of the boutique hotels can be found in suburban areas, small town or rural locations (Callan & Fearon, 1997; Caterer Search, 2005; McIntosh & Siggs, 2005). Similarly, Aggett's (2007) study results revealed that 20% of the guests favored a unique building followed by 17.1% indicating that they prefer unique pieces of furniture.

Van Hartesvelt (2006) described that boutique hotels are “housed in older, unique structures that have been converted from another use” (p. 36). A past study that focused on the boutique hotel sector in Singapore revealed that the attractiveness of heritage buildings and locations are key (Henderson, 2011).

The findings of this research did agree with past literature that a distinctive location is considered a unique characteristic of boutique hotels (e.g., Aggett, 2007; Henderson 2011; Caterer Search, 2005; Rogerson, 2010). It was expected that more GMs would mention the hotels location as a feature that makes their boutique hotel unique. However, in accordance with Lim’s and Endeans (2009) study results, the majority of the interviewees did consider that the central concept of a boutique hotel is a combination of being located in a prestigious area, the unique architecture of the buildings, the service quality provided along with upscale facilities.

Eight GMs in this research used the terms “individuality” and “personal” inextricably. It is not surprising that individuality and personalized service have been mentioned that often as both of them are important features that characterize a boutique establishment (Aggett, 2007; McIntosh & Siggs, 2005). Some literature even suggests that a “good personal service” is a requirement of a boutique hotel (Callan & Fearon, 1997; McIntosh & Siggs, 2005). Consistent with the findings of this study, PricewaterhouseCoopers (2005) identified personal service, individuality, design, and style among others as being the main features of a boutique hotel.

The third question was concerned with the differentiating factors of boutique hotels. Similarly to the previous question, location was a recurrent theme during the GM

interviews, as five participants (25%) perceived that their location makes them a unique boutique hotel. Apart from the location aspect, the responses were unique to each property, thus a grouping of themes was not possible. Some of the mentioned excerpts that substantiate this are the following: the style, room arrangement, personal attention, modern decoration, diversity, individuality and teaching hotel that is used as a laboratory for students and employees giving them a clinical experience.

Another interesting comment was made by a chain-affiliated GM, who indicated that the uniqueness of their brand is that “all properties celebrate the neighborhood they are in.” He further justified this point: “So if you go to the Andaz on Wall street and then the one on Fifth Avenue, you would think that these two properties are the same concepts and would be very similar. But they couldn’t be more different in design, feel and offerings. All hotels reflect the destination and neighborhoods. That’s the unique quality of our brand. We have different designers for each hotel, and each hotel has different offerings. They are really meant to create a sense of place with each and every Andaz we have created. This is a core cornerstone to the brand. “Celebrating the neighborhood” is probably the biggest component of how an Andaz operates.

In contrast to the previous comment, in the past several hospitality literatures criticized these to be “typically associated with standardized business hotels and scrutinized for providing consistency at the risk of being impersonal at each location and property” (HVS, 2011, p. 3). However, nowadays it is a widely accepted fact that chains have also been able to tap into the boutique hotel segment. Chains were able to differentiate themselves through authenticity and individuality conforming to the location

of the property (HVS, 2011). It appears that the GMs perceptions of what makes a boutique hotel unique are in accordance with the Boutique Hotels & Resorts International. In order to qualify for the Boutique Hotels International trademarked symbol a boutique property has to provide its guests an original design, style and service (Merrit, 2006) and the properties are “personal, intimate, and [...] let a guest live out the life they dream of at home” (Merrit, 2006, p. 1).

The fourth question in this category asked all GMs about their perceptions of the biggest differences between a chain-affiliated boutique hotel and an independent one. The majority of the GMs ($n = 16$, 80%), regardless of being from an independent or chain-affiliated hotel, unanimously agreed that independent hotels have more freedom and independency. Others themes mentioned encompassed marketing related efforts and issues ($n = 3$, 15%), personalized service ($n = 3$, 15%), and consistency ($n = 2$, 10%).

The fifth question asked independent boutique hotel GMs about their perceived advantages over chain-affiliated boutique hotels. This question aimed to shed more light and provide valuable information to the still ongoing debate in literature whether it is better to be affiliated with a known brand or stay independent (Bailey & Ball, 2006; Lomanno, 2010). Since this question was partially linked to the first one, many participants gave responses that were congruent with the themes mentioned during the first question. Thus these two questions will be discussed inextricably.

Based on the answers provided by the GMs in terms of the biggest differences it becomes apparent that particularly independent boutique hotel managers view the offered high service quality and individualized service provided as advantages over chain hotels.

Selected summary responses in terms of their perceived advantages are provided in the subsequent Table 1.

Table 1. *Selected Responses from Independent Boutique Hotel GMs for Their Perceived Advantages over Chain Boutique Hotels*

Themes	Selected responses	Frequency	Percentage (%)
Delivered individualized service / size and flexibility	<ul style="list-style-type: none"> With independent boutique hotels, management can “design their own standard procedures and define their own brand. 	12	60
Marketing and brand recognition	<ul style="list-style-type: none"> It is mainly speed and development from a marketing and customer point of view that is a superior factor. We have the possibility to adapt new technologies in a more cost effective way. 	10	50
Customer service	<ul style="list-style-type: none"> Independent boutique hotels are a higher caliber and our hotel doesn’t do things in mass or cut any corners when offering the desired level of service and experience to our guests. 	5	25

Supporting the findings reported here in terms of the perceived advantages independent boutique hotels have over chains, many articles have highlighted that small independent hotels have the benefit of “being able to switch tracks quickly if something isn’t working unlike large chains that must abide by the rules of the corporation (Sanghi, 2013). This clearly depicts that the freedom aspect, which is often associated with

independent boutique hotels retaining their individuality and not following brand standards are clear advantages over their chain competitors. According to HVS (2011), an advantage of independent boutique hotels is that owners and managers are not required to comply with brand standards, specifically with respect to the required minimum room size and F&E standards imposed by most branded chain hotels. Fields (2003) cited that “one of the great competitive advantages of independent hotels is the service aspect.” Similarly, former head of Barclays Plc’s hospitality and leisure finance team (2010) also emphasized on the fact that independent boutique owner-operators most of the time “provide a guest experience that is second to none” (as cited in Brandt & Kenna, 2010, p. 1). Thus, the importance of service and flexibility is not only underscored by this study’s results but also previous literature on boutique hotels.

In accordance with the findings of this study, flexibility, personalized service and independency have been credited to independent boutique hotels by a variety of industry practitioners (Harkham, 2013; Mayock, 2011; Mayring, 2013; Pollack, 2013). According to 21c Museum Hotels president Craig Greenberg (2013), the most beneficial advantage of an independent boutique hotel is “the ability to run a hotel without the constraints of brand standards (p.1). Even Kip Vreeland (2013) vice president of Marriott Hotels boutique Autograph Collection acknowledges, “one of the rewards of being independent is the flexibility. [...], that can include everything from design, colors, and room sizes to certain amenities” (p.1). In a recent conference for independent boutique-style hotels from LWH Hotels (a collection of independent hotels and resorts from 23 countries worldwide), Efrem Harkham LWH Hotels founder and chairman enunciated that

“travelers want to feel like their hotel is able to take personal care of their needs, and independent hotels have the flexibility to provide that special service many corporately owned hotels may not have” (as cited in Pollack, 2013; p. 1). During that conference 50 percent of the independent hoteliers indicated that the main differentiation aspect between an independent-and a larger corporately owned hotel is the individualized service and the attention to detail (LWH Hotels Conference, 2013). In addition, several researchers mentioned that boutique hotels have a higher staff to guest ratio and thus the ability to provide personalized service (Erkutlu et al., 2005; Lim et al., 2009).

The sixth question within this category asked all GMs (independent and chain-affiliated) about the challenges of building and maintaining a boutique brand. Eight main themes emerged from the responses: (a) high level of service and cleanliness ($n = 6$, 30%), (b) competition with the chain hotels ($n = 6$, 30%), (c) financing and evaluating risk ($n = 4$, 20%), (d) detail orientation ($n = 4$, 20%), (e) employee training ($n = 3$, 15%), and (f) embracing change ($n = 1$, 5%). Interesting in the results was that regardless of being affiliated with a chain or being independent, all GMs seemed to perceive similar challenges in building and maintaining their boutique operations. Though it is worth mentioning that it seems financing is more an issue to independently owned hotels than chains.

As expected most GMs mentioned that it was a challenge for them to keep up the level of service in their boutique properties. Particularly independent boutique hotels might regard the high service levels as a greater challenge since they are lacking a large operator’s recruitment and training programs (Milroy, 2013). Milliard (2004), indicates

that “top-notch customer service is what makes or breaks” a boutique hotel (p. 2).

Mohsin, Hussain, and Khan (2011) investigated the importance of service quality in luxury hotels and found that service quality still remains to be a challenge for luxury hotels. It has been cited numerous times in business and hospitality related literature that there is a positive link between service quality and business profit and that service quality reflects the organizations image (Baker & Crompton, 2000; Batest et al., 2003; Mogins & Ryan, 2005; Mohsin, 2003; Zeithaml & Bitner, 2000). Even though Mohsin’s et al. (2011) studied the perceptions of guests, their results coincided with the results of this study as cleanliness of the hotel was indicated to be an important consideration for guests staying at luxury hotels.

Milroy (2013) also points out that financing boutique hotels without the “backing of a brand” presents a challenge to owners. Independent properties do not follow a “cookie-cutter plan” and thus design elements should already be introduced in the planning stages to avoid even higher costs in the preceding stages (Milroy, 2013). Similarly, Marx (2012) expresses that the “hot topic at every hotel conference over the last year has been financing” (Marx, 2012, p. 1). Some boutique hotel specialists believe that if independent boutique hotel operators choose the “right location, the right market, and have good barriers to entry” (p.1), their risk “isn’t any greater than a branded property” (Kruele, 2012 as cited in Higley, 2012, p. 1). Boutique hotel experts also expressed that it can be a challenging task to market independent boutique hotels due to financial - and other resource restrictions (Anhar, 2001). Fields (2007) also argues that independent hotels have limited marketing resources, primarily because they are “established as a

percentage of revenue” (Anhar, 2001, p. 1). Hence, it is strongly recommended for these types of establishments to ensure that implemented strategies are efficient and yield a high return on investment (ROI) (Anhar, 2001).

Training and retaining boutique hotel employees was another topic highlighted by few interviewees. Although training generally is an important aspect for all hotels due to the constant challenge of high turnover rates, especially in the boutique hotel sector with a high ratio of employees for tailor-made services, associates become key for the hotels success. These findings suggest that managers emphasize deeply in training and educating employees in order for them to provide the personalized service (Erkutlu et al., 2005; Lim et al., 2009). In conformity with the current study’s results, Renton (N/A) advocates that a top priority for boutique hotel managers should be the training and retaining of hotel associates who in return will be “great personal ambassadors” for the properties. Since boutique hotels are smaller in size than traditional chain hotels, managers can create closer relationships with their employees, ensure well training and give more feedback. At the same time, a properly trained staff attentive to guests’ needs and expectations will also be amenable to share essential customer feedback with management (Millard, 2004; Renton, N/A).

In conformance with the results, Milroy (2013) identifies that the absence of national and international reservation systems and marketing campaigns for independent boutique properties are further challenges independent operators are faced with. Not surprisingly independent boutique hotel GMs repeatedly mentioned challenges with brand recognition concurrently with their limited rewards programs. It became

indisputable through the results that all participating GMs of independent boutique properties experience the same disadvantages regardless of their location (i.e. USA vs. Europe). Independent boutique hotels obstacles with marketing reflect earlier research conducted by Bunchua and Chakpitak (2011). The researchers found that marketing issues in terms of communicating the message to the target audience and maintaining premium prices with online agents are the most common problems associated with independent boutique hotels (Buncha & Chakpitak, 2011). Moreover, Stacy T. Martin (2010), the GM of the Ellis on Peachtree, also explained that a disadvantage to being independent is that “it takes longer to create awareness [...] we don’t have other locales that can speak to our story. We have to do it all ourselves” (p. 2). Buhalis and Main (1997) identified “insufficient management and marketing skills and expertise’ [as well as] inadequate bargaining power within the distribution channel” (p. 276) as problematic areas of SME’s (small-medium sized) hotels. Morrison (1998) also named limited marketing and a lack of financial resources as being concerns for independent hotels.

Two other studies found similar findings concerning independent boutique hotels challenge of brand recognition. According to Hoverson, Kokaz, and Munfall (2010), independent boutique hotels have the challenge of brand awareness and distribution “in an increasingly competitive business where even the large hotel chains are creating lifestyle brands” (p.1). Specifically, their research results depict that lifestyle hotels have a need to become members of affiliations to improve their “brand recognition, international reach, incremental bookings and specialized marketing” (Hoverson et al., 2010, p. 1). Similarly, O’ Neill and Xiao (2006), studied the role of brand affiliation in

the hotel market value and found that brands add to hotel value. The most visible effects of branding on hotel values were in the midmarket and upscale hotel segments (O' Neill & Xiao, 2006). Recent articles on independent boutique hotels have also mentioned the struggle in terms of size and indicated that operators are restricted by their physical size of the properties (Balekjian & Sarheim, 2011; Verret, 2002).

The sixth and last question within this category aimed to provide valuable information in regards to factors associated with successful boutique hotel brands. The most often mentioned themes by GMs of both independent and chain-affiliated boutique properties were (a) knowing the target audience ($n = 8$, 40%), (b) personalized customer service ($n = 7$, 35%), (c) employees/personnel emphasis ($n = 6$, 30%), and (d) detail orientation and emphasis on location and community ($n = 2$, 10%). It becomes apparent that participants regarded a variety of differing aspects as a likely component of success. While some valued their employees as a key to success, others emphasized more on knowing the customers and providing excellence service.

The results provided by the participants of this study are in accordance with past academic as well as practice related research. Swig (1998) mentioned that that the “basic mantra” of developing a successful boutique hotel lies in answering the question if there is “a niche and can it be filled” (p.1). He states that the success of a boutique hotel comes down to the following three key points: (a) defining the hotels purpose and niche, (b) developing a quality product targeted to serve the customers, and (c) conveying a message to the target segment (Swig, 1998; p. 3). Lutz (2007) also identifies that a boutique hotels success among others lies in “determining [the] market and client base”

(p.1). The researcher further states that only once the niche is found, boutique hotel managers should focus on the “unique features, level and quality of service, or something as small as a custom scent in every room” (p. 1).

The employees’ central role in the success of a hotel has been clearly demonstrated by the results of this study and is concordantly with past literature. Especially in the hospitality industry it has become a common belief that employees are the ‘foundation of a brand’ and ‘the added value that comes with a hotel experience’ (Doorn & McCaskey, 2003; Hartline et al., 2000). Sartain (2005) made it clear: “the company that overlooks its internal brand significantly reduces the potential impact of its external brand” (p. 89). Results of Ottenbacher, Gnoth, and Jones’s (2006) study indicate that empowerment, training, employee commitment, and marketing synergies were success components of hotels. Especially in the boutique hotel sector, lower employee turnover rates are critical to overall success (Kurgun et al., 2011). Boutique hotel managers seek to have long-term employees, due to the intimate relationships between employees and guests and this is reflected in the answers of the participants.

Another important point that was emphasized by two GMs was uniqueness and detail orientation. Both participants mentioned the focus on customers and delivering a unique experience as a function of success. Particularly for boutique hotels that distinguish themselves from traditional facilities through their detail and service orientation, this result was not surprising. However, the number of GMs focusing on these topics was limited. There are many citations throughout the hospitality literature that emphasize on boutique hotels promising a unique experience (BLM, 2011; Fields,

2007; HVS, 2011). According to an article by BLLA (2010), boutique hotel owners and operators should even include delivery of a unique and personalized experience in the management agreement contract which usually only focuses on legalistic subjects. Specifically, BLLA recommends that owners as well as operators should “acknowledge that the hotel must distinguish itself by the level of personalized service and individualized care provided to guest at all service levels, and that the hiring, training and supervision of all staff must be driven to a level of quality reflective of the boutique experience“ (p.1). BLLA (2011) proposes that these attitudes and patterns of behavior should be in the agreement contract and institutionalized. From an academic perspective, McIntosh and Siggs (2005) also found that five key experiential dimensions critical to the success of boutique hotels are a unique character, personalized, homely, quality, and valued added. The success factors found in McIntosh and Sigg’s (2005) research, were also accentuated by the participants of this study. While some GMs put more emphasis on the customer service, quality provided and uniqueness, others highlighted the central stage of their employees in the success of the boutique property.

It is generally accepted in literature that the physical location of boutique hotels is in culturally rich environments (Aggett 2007; Lim & Edean, 2009; McIntosh & Siggs, 2005; Rowe, 2003) and serves as a fundamental part for customers wishing to experience the authentic culture and region (Lynch & MacWhanell, 2000; Stringer, 1981). However, there is little research highlighting the importance of the local communities for boutique hotel clientele. McIntosh’s (2007) results are in accordance with the answer provided by one GM who indicated the significance of close ties to the local community and the area.

His research results have posited that the “provision of local knowledge” is a vital factor influencing the accommodation choice of boutique hotel guests (McIntosh, 2007).

People who choose to stay in special accommodations such as boutique hotels “want to actually know about the local community” (McIntosh, 2007, p. 78). Though it is worth mentioning that the topics related to local communities and detail orientation are particularly noteworthy, they have not been reported in prior research pertaining to boutique hotel.

Tangible and Intangible Assets and Brand Loyalty

Research question two was addressed especially because of the given rise in management of intangible assets and resources. While the tangible assets (i.e. hotel building) are unquestionably regarded as crucial components in brand building and management, it was important to gain better knowledge if intangible assets’ (i.e. employees) importance has grown more vital also for the boutique hotel sector. This was exceptionally important to find out, as associates’ peculiarity has been mentioned several times in the existing literature. Furthermore, management was also asked about their beliefs on building brand loyalty for service products. Research indicates that especially in the hospitality industry, intangible value creators such as people (employees) are a significant proportion of a company’s value (O’Neill & Mattila, 2010). Consequently, it was regarded as adequate to ask management about their perceptions of tangible and intangible value creators of their boutique hotels.

The first question in this category asked participants about their opinions on which is more important in brand development and management: people or product. 15

out of 20 employees (75%) consistently agreed that people are more important than the product itself. The following themes emerged from the responses of the GMs in terms of their perceptions on the importance of people and product: (a) employees are more important than product ($n = 15$, 75%), (b) product emphasis ($n = 3$, 15%), and (c) neutral (equal importance of employees and product ($n = 2$, 10%).

The results of this section are to a great part in accordance with previous literature, as the interview answers capture the significance people (employees and customers) play in the hotel industry and specifically among boutique hotels (de Chernatony & Segal-Horn, 2001; Hatch & Schulz, 2000; Kandampully, Mok & Sparks, 2001; Kotler & Pföertsch, 2006). While generally all GMs agreed that people are more important, there were differences in the amount of emphasis placed. Nevertheless, the results suggest that boutique hotel GMs (independent and chain-affiliated) value and recognize not only the importance of their guests but also their employees.

Past literature about the service industry and particularly on hotel management highlighted the critical role the employees have on the entire guest experience and the success of a hotel brand. A close alignment between an organization and its employees ensures that employees deliver the functional (*what* is delivered) and the emotional (*how* it is delivered) brand values (de Chernatony, 2002).

Although the design and architecture of a boutique hotel are significant, the core aspect of the service lies in the intangible dimension, which is central to the service delivery (Kandampully, Mok, & Sparks, 2001). Employees are especially important within the boutique hotel sector because only through the staff can customers receive a

superior level of personal service, thus it was expected that the majority of respondents would highlight this aspect. Penge (2013) agreed that people are of utmost importance in the boutique hotel sector by stating that “the fundamental success of any business in the service industry is its people; therefore, it is critical that the hospitality industry attracts and selects the right people with the right skills for the job.” He further explained that attracting the right people especially in boutique hotels could be the “difference between success and failure” (p.1).

It is still noteworthy that three GMs particularly those of chain-affiliated boutique properties thought that the product was more essential. This aspect had not been acknowledged from past literature that focused on brand development especially with an emphasis on boutique hotels.

The second question asked if participants believed that it was possible to build brand loyalty for service products. All 20 GMs (100%) exclaimed that it is absolutely possible to build brand loyalty for service products.

Despite the fact that independent boutique hotels can not offer the same loyalty programs as their chain-affiliated competitors, all GMs agreed that building brand loyalty is definitely possible in the service industry and in particular among boutique hotel guests. In accordance with the excessive amount of literature on creating brand loyal customers, most of the GMs ($n = 16$, 80%) highlighted the “experiential nature” provided to guests as a factor for creating loyalty (Henrie, 2009). The majority of the past studies on brand loyalty emphasized on the customers perspective specifically investigating marketing concepts that serve as loyalty antecedents such as service quality (Bloemer et

al., 1999; Kandampully et al., 2011), perceived value (Chen & Hu, 2009; Ryu et al., 2008) and brand trust (Chaudhurri & Holbrook, 2001; Han & Jeong, 2013). Similarly, So, King, Sparks, and Wangs (2013) study results reveal that even though customers identify themselves with a particular hotel brand, their brand loyalty depends on the positive evaluation of factors relating to service experience. This particular aspect is consistent with the findings of this study. The guests are loyal not to the hotel but to their “experiences and evaluation” of the hotels. Some would say today’s consumers actually are more loyal to online comments posted on hotels or third party websites (e.g. Tripadvisor) and online intermediaries than to the hotels themselves (Starkov, 2003).

A recent research conducted by Deloitte (2013) on brand loyalty in the hospitality industry contradicts with the responses shared by the GMs in this study. According to the Deloitte’s (2013), survey results of 4,000 hotel guests, only 8% indicated to be completely loyal to the same hotel brand. Though the Deloitte’s (2013) report also identified that even though hotel guests are more price focused than brand oriented, brand loyalty is a greater factor for luxury hotel travelers who may “develop a preference based on past experience with a certain luxury hotel brand. [...] When a luxury hotel goes out of its way to create a unique experience that is hard to find elsewhere, it creates a stronger bond with their guests” (p.1). Guest relationships, constantly improving guest experiences, and engaging the consumer are essential for creating hotel loyalty (Deloitte, 2013).

It was interesting to hear most of the chain-affiliated boutique GMs talked about their rewards and points program whereas independent boutique GMs emphasized on the

experiential nature and service in close connection to successful service recovery. The fact that independent-boutique properties cannot offer as many loyalty rewards programs and coupons due to their limited expenditures available on marketing was also highlighted in the current study. However, it does not seem to be a major concern for GMs of independently owned boutique hotels since nowadays the influential nature of the service and amenities is what creates brand loyalty (Deloitte, 2013).

Overall, it was interesting to hear from all boutique operating GMs regardless of working for a branded or independent property and irrespective of the hotel's location (i.e. Europe vs. USA) that customer loyalty is absolutely achievable for service products and that there is a central need to enhance customer loyalty in the boutique hotel sector.

Communication

Research question three focused on corporate communication with the aim to find out if the unique communication strategies that management emphasizes to have with their customers is also reflected in their communication with their employees. It was interesting to find out if the value that is perceived by employees is also communicated in a different way. Rich communication in the context of brand management is fundamental for building a brand internally through employees. To answer this research objective, the GMs were asked three questions.

The first question asked the participants about how the hotel communicates its brand values to the employees. The most commonly cited approaches were through meetings ($n = 6$, 30%) and training ($n = 6$, 30%). Two themes that were mentioned less

frequently were leading by example ($n = 4$, 20%) and providing examples through communication ($n = 4$, 20%).

According to past literature, communication of brand values is particularly crucial in service industries such as the hotel sector, given the fact that hotel experiences are intangible (Zeithaml & Bitner, 1996). Several researchers have posited that corporate communications plays an exceptional role in the creation and development of brand relationships with stakeholders such as employees (Simoës, Dibb & Disk, 2005). In accordance with the results of this study, researchers emphasize on constant employee meetings and trainings to reinforce brand strengthening employee behavior (de Chernatony & Segal-Horn, 2005). Simoës et al. (2005) express that communication influences how a brand is perceived. The researchers further add, “an integrated communications process, which is guided by the firm’s overall business philosophy and mission, minimizes the likelihood of contradictory messages (Simoës et al., 2005, p. 623). de Chernatony and Segal-Horn (2005) also stress that it is critical for service brands to reinforce brand values through communication to employees. This is because, employees are the ones representing the “corporate persona and enacting the values in their interactions with consumers” (de Chernatony & Segal-Horn, 2005, p. 660). The results of this study indicate that overall GMs communicate the brand value via verbal and non-verbal (e.g. written/drawing/ leading by example) formats. Brand values can be as simple as properly cleaning a guestroom to incorporating a systematic process for identifying or implementing the best practices.

Especially for boutique hotel GMs, it was expected that a larger portion of them would focus on leading by example and practical sessions rather than knowledge training and just passing on knowledge. Given the fact that individuals remember half or less of what is being told to them if it is not reinforced several times, GMs cannot expect their employees to deliver the promised guest experience by fulfilling and exceeding all expectations. Although some pointed out that they provide their employees written materials about their values, even viewer talked about engaging them in the learning process. Equipping employees for success necessitates managers to support the learning process by demonstration and constant participation.

The second question within this theme asked GMs about key messages that are communicated to their employees. This question is closely related to the previous one, as the first asks how communication takes place while the second question aims at identifying the key messages that are communicated. Both questions emphasize on the importance of communication with employees in the development and maintenance of a successful boutique hotel brand. While all GMs provided in depth answers to the “how” question, less participants elaborated on the key messages which is reflected in the limited answers for this question. All of the interviewees ($n = 20$) considered communicating the significance of the guest experience to their associates as a key message. Irrespective of belonging to a chain or being an independently operated boutique hotel, the GMs provided similar answers.

Supporting claims made in the literature, all GMs regardless of the property type (i.e. independent vs. chain) they manage, appeared to focus their attention on providing

high quality services and products to their guests. It becomes apparent that GMs recognize the prominence of providing excellent training and constant meetings to effectively brand their boutique hotels through open communications to their employees. However, it was surprising to hear that when asked about the key messages communicated to the employees, most of the GMs (90%) solely focused on the guest experience rather than the employee experience and reinforced the message of providing excellent guest service no matter what. Only two participants indicated that the key messages to their associates actually concentrated on the employees' well-being and further reinforced employees' attitudinal (i.e. commitment, loyalty, identification) and behavioral outcomes by showing team support.

Literature on branding provides evidence that internal branding strategies are particularly useful to strengthen employees' attitudinal and supportive behavior towards the brand and enable the company to align management and staff behavior and values (Argenti, 2007; Jyothi, 2011; Mahnert & Torres, 2007; Tukiainen, 2001). Particularly in boutique hotels, where the employees have the task of delivering unique promised experiences to customers and bringing the vision of the brand to life, the critical elements of the company brand (vision, mission, values) need to be clear and to be 'lived' by the employees. Thus it was expected that more GMs would communicate praise and encouragement as part of the key messages to the employees.

The third and final question for corporate communications asked managers how they ensure their employees fully understand the nature of the brand. Employees are the key to customer service success and powerful advocates to what the brand stands for

(Buckingham, 2007). Thus, it was regarded as vital to delve into more depth about the approaches undertaken by GMs to ensure their associates understand the nature of the brand. The results suggest that the following themes were critical elements for GMs in terms of ensuring their employees understanding of the brand: (a) evaluations /observations and measurements ($n = 9$, 45%), (b) hiring process ($n = 4$, 20%), and (c) communication and coaching ($n = 3$, 15%). The majority of the GMs indicated that they have regular evaluations, conduct observations, and utilize professional scales to ensure if their employees completely understand the brand. Some were rather general (e.g. 90 days evaluation, through our own management team and observations, sit together and talk). Others were more specific (e.g., annual reviews and “catch people doing the right things”). Some participants mentioned the hiring process as a way to ensure their prospective employees have an in-depth understanding of the brand itself and its requirements. For three GMs, communication and coaching were the fundamental activities to enable employees understand the brand.

From the findings one can postulate that all GMs that participated in this research accept the validity of the argument that corporate communications among and between employees at all levels is a prerequisite for delivering excellent service. Wytt (1997) in his research found that firms that had identified communication skills as their core competence “had a 24% greater shareholder return than those companies who did not regard communication as a core competence” (as cited in Thomson et al., 1988, p. 822).

While some GMs prefer more standardized measurement tools, others rely heavily on the hiring process as well as their communication and coaching skills to

ensure employees fully internalize the brand. Chong's (2007) study showed that internal communication and training "should be treated as the first frontier in the battle for the customer" (p. 201). As internal communication along with training enhances employees possibility to turn into "walking embodiments" (p. 201) of the corporations core values as well as provides opportunities for delivering the desired brand promise (Chong, 2007).

Yet it also becomes apparent that only a handful of GMs adopt communication approaches with a strong prominence given to employee participation. Past literature on branding stresses the importance of organization communication and ensuring that employees understand and embrace the brand and its strategy as it helps "reinforce appropriate behavior" (Thomson, Chernatony, Arganbright & Khan, 1999, p. 821). Managers have the task to give employees the required information in order for them to act as brand "ambassadors" for their brands (Harris & de Chernatony, 2001; Hemsley, 1998; Mistry, 1998; Wilson, 1998).

Brand and Employees' Values

The rationale for addressing RQ4 was to explore management standpoints on what defines and supports their hotel brand. Boutique hotels can only differentiate themselves from the rest of the hotel industry through their core values. In this context special attention was paid to the role of the employees. A better understanding of the core values will contribute to richer information about the brands' core values alignment with their branding concept. Furthermore, it will also help in determining if the message management markets to the external audiences are in alignment with their internal branding efforts.

The first question asked the participants about their brand's core values. Two major themes arose: (a) delivering excellent service to guests at all times ($n = 20$, 100%) and (b) acknowledgment of employees as being part of the core values ($n = 17$, 100%). All GMs talked about providing their guests the upmost service experience and surprisingly also 17 of them mentioned their employees as being a fundamental part of their core values.

The second question was targeted at ascertaining employees' values are aligned with the values of the brand. The major topics reported for this question were character/personality (50%), living the brand and being part of a family (20%), and open door policy (10%).

Consistent with the findings of this study, a shared understanding of a company's core values is been credited as a fundamental part of success in past literature (de Chernatony & Segal-Horn, 2001; Kavaratzkis & Ashworth, 2005; Urde, 2003). Earlier research has identified core values as the "backbone" of the brand and stressed on the importance of integrating employees into these enduring values (Urde, 2003). According to Urde (2003) core values must be "built into the [service], expressed in the behavior, and reflect the feel of communication" (p. 1019). Also in accordance with the most often mentioned topic of hiring, Dessler's (1999) research found that "many firms [hire] the right kind of people in the first place to be able to "[put] the company's people-first values into practice" (p. 65).

Particularly in the hotel sector in which employees are in constant contact with the guests, it is essential for managers to understand that the brand values are

communicated through employees' interactions with different stakeholders. de Chernatony and Harris (2001) explain that "it is crucial to look inside the organization to consider how employees' values and behavior can be aligned with a brand's desired values" (p. 442) to not undermine the credibility of promised guest experiences. Thus, whether it is through the recruiting process or the exceptional care provided to employees, managers need to ensure that employees internalize the brand values and are committed to enacting those values (Amber & Barrow, 1996; Barrett, 1998; de Chernatony, Arganbright, & Khan, 1999).

Employees' Brand Supportive Behavior

Research question five was to explore management's perspective on employees' brand supporting behavior. Three questions were prepared to meet this objective.

The first question asked GMs if they perceived their employees' behavior as a crucial component for branding their boutique hotel. Hotel executives play a vital role in supporting their employees become brand ambassadors. However, to date there are still limited cognitions about how executives can promote and support the brand internally through their employees (Esch & Vallaster, 2005). The emerging four major themes are: (a) personalized service ($n = 6$, 30%), (b) employee recognition ($n = 6$, 30%), (c) specific employee characteristics ($n = 3$, 15%), and service culture ($n = 1$, 5%).

Particularly two answers to this question revealed interesting findings that have not been anticipated or identified in previous literature. For example, one interviewee captured the essence of having a service culture around the place and even mentioned that a storybook was created for all employees to read. Another GM of an independent

property interestingly said that the uniqueness of their employees' behavior is "respecting the distance with the guest, but being accessible at all times." This is an interesting point since boutique hotels usually brand themselves as providing a personalized service and having close connections with its guests (Sell, 2013).

Supporting the findings reported here, many researchers highlight the significance of adopting a service brand orientation to guide employees' attitudes and behavior as this enhances a positive employee customer orientation (Burmah & Zeplin, 2005; King & Grace, 2008; King et al., 2013; Punjarisi & Wilson, 2007). It has been widely discussed that for organizations to be able to deliver the promised superior service experience and ensure satisfied customers, managers need to put effort into employee brand-building behaviors (Zeithaml et al., 1993). Henkel, Tomczak, Heitmann, and Hermann (2007) found that employees' branding behavior is driven through employee empowerment as well as formal and informal management techniques. Similarly, Cheung et al., (2009) also communicate that one of the most critical determinants of a high level service quality offered to customers is through supportive employee behavior. According to Interbrand (2005), hotel managers must implement employee-focused education, which highlights employees' critical role in the company's success and helps them express the "company's brand and values through their behavior" (p. 1). A research conducted by Deloitte Consulting Limited Liability Partnership (DCLLP, 2008) found that 41% of customers are more loyal towards a specific brand because of employees' supporting attitude and behavior and 70% of customer perception is formed through customers relationships with employees (DCLLP, 2008). Research conducted

specifically in the hotel industry discovered that “almost 72% of the employees are less passionate to represent their organization’s brand,” (Fitzgerald, 2004 as cited Shaari, Salleh & Hussin, 2012, p. 337) which reflects in their relatively high turnover rates (Alan, Radzi, Hemdi & Othman, 2010). Thus, the importance for particularly boutique hotel management to recognize that employees need continuous support to ‘live the brand’ is inescapable.

The second question within the theme of employee behavior asked the participants about how they empower their employees to fulfill the brand promise. While all participated GMs ($n = 20$) believe that employees should be empowered to make any decision on their own to enhance guest experience, some GMs expressed more freedom in the actions of their employees particularly in the service recovery phase and others emphasized the necessity to still follow rules and guidelines provided by management from chain hotels.

The insightful statements by the participants highlight the importance of empowering employees and thus enhancing their service recovery performance without waiting for permission to resolve the issue. The GMs in this study clearly understand that staff needs to be recognized for their work and management needs to provide assistance when necessary. In accordance with the results of this study, researchers highlight that employee empowerment is a success predictor (Ottenbacher, Shaw & Lockwood, 2008). For employees to be able to deliver the brand promise and truly accommodate the customers’ needs (Camp, 1996; Cleaver, 1999; Hardaker & Fill, 2005; Wilson et al., 2008), companies need to empower employees to make decisions and "take action in a

large number of potential problematic situations" (Grönroos, 2000, p. 346). There is a clear difference between meeting expectations and creating an experience, employees can better create the "show-time moments" for the customers if they are empowered and "treat the hotel as their very own" (Milliard, 2004, p. 3). Most of the time hotel employees are extremely focused on their job duties and this can become a challenge to create those 'extra little things' to make customers happy.

Therefore, along with empowerment, management should help employees see the bigger picture, they should allow employees to get engaged and relate to the customer with the aim to elevate the experience. A study by Gallop shows that 70% of the employees are either disengaged (52%) or actively disengaged (18%) (Forbes, 2013) and only 41% of employees "felt that they know what their company stands for and what makes its brand different from its competitors' brands" (Forbes, 2013, p. 2). Thus, a few internal recognition award programs are in place to encourage empowerment, recognize employees for excellence, and enable them to nominate one another. Incentive programs are needed and it has been proved positively to influence the quality of employees' service performance.

Consequently, to solve problems like these managers should constantly emphasize on the value and impact of everyone in the organization. Confusion, lack of accountability, and fear of conflict have been cited as 'enemies of excellence' (King, 2013). Thus particularly in boutique hotels, all managers should not only empower their staff but also share with them that every interaction is an opportunity to create a memorable experience.

The final question within the theme of employee behavior asked the participants about how their employees reflect the authenticity of the brand in their behavior. Brand authenticity is an important construct in this study, especially because it is a key success factor for boutique hotels or a practice highlights that brand authenticity must be maintained among boutique brands (BLLA, 2012). While employees' personality, pride, and knowledge, are regarded as aspects of behavior that highlight the brand's authenticity. Two GMs take it a step further and refer to their employees as being the brand itself.

Some of the GMs again mentioned their annual reviews and training that enables their associates to reflect an authentic brand. Two GMs talked about the hotel's hiring process and another participant expressed that his employees know exactly what is expected so they can produce on a regular level what the hotel is looking for. A participant of an independent operation emphasized on making people feel comfortable and being authentic as a manager. He explained that "If you are acting like you are the 'big shot' because you are the owner or GM does not work. You need to be at the front line with the employees so they feel like you are authentic. They should see you also doing check-in and out, coffee, help people etc. Get your hands dirty as the GM/owner. It is all about being hands on."

In conformity with the information provided by the participants of this study, literature highlights that authenticity is highly dependent on individual employees in a service sector (de Chernatony, 2005). Similarly, other researchers argue that, "peoples' [employees'] attitudes and actions define the authenticity of any brand" (Incentive

Research Foundation, 2012). Since boutique hotels differentiate themselves from other hotels in the market place due to their authenticity (Adner et al., 2003; Clarke & Chen, 2007; Henderson, 2011; McIntosh & Siggs, 2005), it is essential for managers to know if and how their employees deliver the authentic nature of the brand during their customer interactions. According to Millard (2013), two key elements for boutique hotel guests are “being authentic and service-oriented” (p.1) and Wilson (2013) expresses that “the most important element in building culture is authenticity” (p.1).

Quantitative Part Results

The quantitative part of this study was designed to assess the relevance and importance of the internal branding process among boutique hotels. Specifically, the quantitative section aimed to investigate boutique hotel employees’ attitudinal and behavioral support towards their particular hotel and how this affected the delivered brand promise. Each of the eight variables (i.e. internal communications, brand knowledge, brand commitment, brand loyalty, brand identification, brand supportive behavior, brand authenticity, delivered brand promise) was examined through a survey administered to boutique hotel employees’ in Europe and the USA. The questionnaire was distributed both, by hand and online. A web survey was sent to 1,300 boutique properties in the USA, 300 surveys were sent to Europe (Germany, Luxembourg, Turkey) and 25 hotels were visited personally. Paper surveys were distributed in the following cities: Atlanta, Cleveland, Kent, Las Vegas, Luxembourg, and New York City. Of the 1,600 surveys distributed online, and 75 handed out personally, 174 surveys were

returned. 131 of which were useable, resulting in a response rate of 7.8%. The 43 surveys were removed from further analysis due to invalid responses.

Demographic Characteristics

40.2 % ($n = 70$) of the participants in this study were male and 35.1 % ($n = 61$) were female. Nearly 25% ($n = 41$) of the participants were between the ages of 21-25 and the second largest age group of 26-30 accounted for 12.6% ($n = 21$). Over half of the participating hotels represented independent boutique hotels ($n = 82$) and the remaining 37.5% ($n = 49$) were brand-affiliated boutique hotels. 87.8% represented US boutique hotels ($n = 115$), 6.9% ($n = 9$) were from Turkey, and 5.3 % ($n = 7$) of the participants from European boutique hotels. Over a quarter of the respondents (26.4%) worked at the front desk and 21.8% marked the 'others' section indicating to be working in departments such as the following: administrative, operations management, revenue management, concierge and executive office. Housekeeping, accounting, and purchasing departments were the least represented divisions with 2.9%, 2.3%, and .6% respectively. All participants were assured the anonymity of their responses. The demographic characteristics of the participants are presented in Table 2.

Descriptive Statistics

Descriptive statistics for all constructs were obtained. To evaluate the internal consistency of the scales used in the current study, Cronbach alpha reliability coefficient (α) were acquired for each scale. Reliability estimates ranged from .84 to .93 and were thus above the critical value of .70 with the expectation of internal brand loyalty (.56)

Table 2. *Demographic Characteristics of Hotel Employees*

Characteristic	Frequency (N = 131)	Percentage	Mean	SD
Hotel type				
Independent boutique hotel	82	47.1	1.37	.49
Chain branded boutique hotel	49	28.2		
Hotel size (number of rooms)				
1-9	0	0.0		
10-50	21	16.0		
51-100	41	31.3		
101-150	33	25.2		
151-200	9	6.9		
201-250	7	5.3		
251-300	6	4.6		
301-350	4	3.0		
351- 400	1	0.08		
Over 400	9	6.9		
Number of participants by country				
Turkey	9	6.9		
Europe (Germany, Spain, Malta & Luxembourg)	7	5.3		
USA	115	87.8		
Gender				
Male	70		1.47	.50
Female	61			
Age				
Less than 20	7	4.2		
21-25	41	24.6		
26-30	21	12.6		
31-35	15	9		
36-40	11	6.6		
41-45	5	3		
46-50	14	8.4		
51-55	8	4.8		
56-60	5	3		
Over 61	4	2.4		

Table 2 Continued.

Education				
High School (HS)	19	10.9		
Associate Degree	22	12.6		
Certificate	5	2.9	3.48	1.5
Bachelor (Bach.)	57	32.8		
Graduate degree	18	10.3		
Others	10	5.7		
Current position in the boutique hotel				
Front Office	46	26.4		
Housekeeping	5	2.9		
Sales/Marketing	22	12.6		
Food and Beverage	15	8.6	3.97	2.9
Purchasing	1	0.6		
Accounting	4	2.3		
Others	38	21.8		
Number of years working in the current boutique hotel				
1-5	102	58.6		
6-10	13	7.5		
11-15	11	6.3	1.39	.83
16-20	4	2.3		
21 and more	1	0.6		
Number of years working in the lodging industry				
Under 1	6	3.5		
1-5	59	35.4		
6-10	22	13.2		
11-15	18	10.8		
16-20	7	4.2		
21 and more	19	11.4		
Number of years worked in boutique hotels				
Under 1	42	24.1		
1-5	83	49.8		
6-10	5	3.0		
Over 10	1	0.6		

which is slightly below the acceptable value specified by Nunally (1967). This can be due to the limited number of items in this scale. This scale was the only one compromising of two items. According to Cortina (1993), and Crocker and Algina (2008), the Alpha coefficient depends on the length of a test; consequently, higher alpha values are generally attained with longer scales. The scales used in this research can be regarded as reliable since values above the cut-off value ($\alpha \geq .70$) are generally considered sufficient for research purposes (Nunnally, 1978 as cited in Cortina, 1993). Table 3 illustrates the descriptive statistics (i.e., reliability, means, standard deviations) of all measured constructs.

Table 3. *Summary Descriptive Statistics of Eight Variables among Boutique Hotel Employees*

Measurement	Reliability coefficient (α)	Mean	SD
Internal communications	.94	4.36	4.12
Internal brand knowledge	.91	4.46	2.84
Brand commitment	.91	4.35	4.65
Brand loyalty	.57	3.55	1.82
Brand identification			
Brand supportive behavior	.80	4.44	2.22
Brand authenticity	.89	4.29	4.57
Delivered brand promise	.84	4.51	2.28

Independent Samples *t*-Tests

Independent t-tests were performed to determine if differences existed between gender (i.e. male and female) and hotel type (i.e. independent and chain-affiliated boutique hotel) on the eight variables: internal brand communication, brand knowledge, brand commitment, brand loyalty, brand identification, brand supportive behavior, brand

authenticity and delivered brand promise. First, Levene's Test was utilized to examine the homogeneity of variances. For the first variable 'gender', Levene's Test for Equality of Variances was examined and the assumption was satisfied ($p > .05$). The independent t-tests indicated that there are no statistically significant differences between male and female employees on the eight DV's. These results suggest that gender differences do not have an effect on brand supportive attitudes, behaviors, and ultimately the delivered brand promise in a hotel setting. Specifically, the results suggest that both male and female employees' perception of the brand and their perceived influence on the delivered brand promise is consistent.

A second t-test was conducted to reflect whether the eight variables (internal communications, internal brand knowledge, brand commitment, brand loyalty, brand identification, brand supportive behavior, brand authenticity, delivered brand promise) differed among the two hotel types (independent boutique hotel, chain-affiliated boutique hotel). Levene's Test for Equality of Variances was examined and the assumption of equal variances was satisfied ($p > .05$) for each variable. There were no statistically significant differences found for the variables with the exception of brand supportive behavior ($p = .030$).

A statistically significant difference was found among the hotel employees of independent and chain-affiliated boutique hotels on the DV (brand supportive behavior) ($t = 2.192$, $df = 118$, $p = .030$). Results indicated that independent boutique hotel employees ($M = 4.5274$, $SD = .48869$) showed greater brand supportive behavior than chain-affiliated boutique hotel employees ($M = 4.3032$, $SD = .62757$). This result could

possibly suggest that management at independent boutique hotels require higher brand supportive behavior from their employees. It could also possibly indicate that at independent boutique hotels employees have more intensive motivation.

Mean comparisons on brand supportive behavior between independent and chain-affiliated boutique hotels can be seen in Table 4. All means were above 4.0, meaning that employees agreed with the individual items of the brand supportive behavior construct. It does become apparent that this construct seemed to be of more importance for independent boutique hotel employees, as they scored higher means for each individual item. The two items that were ranked differently by independent ($M = 4.56$) and chain-affiliated boutique hotel ($M = 4.30$) employees in terms of brand supportive behavior was “I regularly recommend our hotel to family and friends” and the second item that was again ranked higher by independent boutique hotels ($M = 4.51$) than chain properties ($M = 4.38$) was “I am always interested to learn about the brand and what it means to my role.”

Table 4. *Hotel Type Comparisons on Brand Supportive Behavior*

Items	Independent boutique hotel		Chain-affiliated boutique hotel	
	Mean	Rank	Mean	Rank
I pass on my knowledge of the brand to new employees.	4.64	1	4.51	1
I regularly recommend our hotel to family and friends.	4.56	2	4.30	3
I am always interested to learn about the brand and what is means for my role.	4.51	3	4.38	2
I consider the impact of the brand before communicating or taking action.	4.40	4	4.02	4

ANOVA

A variety of ANOVA's were conducted to test whether these variables varied among educational levels and departments. One-way analysis of variance (ANOVA) was computed to examine the variances among different educational levels. To examine the homogeneity of variances, Levene's test was utilized. The Levene test was not significant for internal communications ($p = .394$), brand knowledge ($p = .115$), brand commitment ($p = .566$), brand identification ($p = .679$), brand supportive behavior ($p = .228$), and brand authenticity ($p = .449$), which indicates homogeneity of variances. However, the Levene test was significant for brand loyalty ($p = .042$) and delivered brand promise ($p = .118$), indicating that the assumption is violated. The results of ANOVA displayed no statistically significant differences among the educational levels on all variables with the exception of brand loyalty, $F(5, 115) = 2.388, p = .042, p < .05$.

Consequently for further data analysis, the Tukey HSD post-hoc test was performed to determine which groups in the sample differed. However, no statistically significant differences were found. The significant difference found with ANOVA but not with the post-hoc test could be due to the greater sensitivity of ANOVA as compared to the pairwise comparison test. This suggests that the differences of the pairs of means are likely due to chance and not due to the IV manipulation. Thus, this suggests that an employees' education level does not influence the individuals' perception of a particular brand. Table 5 delineates the summary of the ANOVA analysis.

Table 5. *ANOVA Results of Education Level Differences on Eight Variables of Independent and Chain-Affiliated Boutique Hotel Employees*

<i>Measure</i>	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Internal communications					
Between groups	5	88.559	17.712	1.046	.394
Within groups	121	2049.630	16.939		
Total	126	2138.189			
Internal brand knowledge					
Between groups	5	70.880	14.176	1.813	.115
Within groups	118	922.507	7.818		
Total	123	993.387			
Brand commitment					
Between groups	5	85.101	17.020	.780	.566
Within groups	116	2531.268	21.821		
Total	121	2616.369			
Brand loyalty					
Between groups	5	37.588	7.518	2.388	.042
Within groups	115	362.015	3.148		
Total	120	399.603			
Brand identification					
Between groups	5	35.392	7.078	.627	.679
Within groups	114	1286.575	11.286		
Total	119	1321.967			
Brand supportive behavior					
Between groups	5	34.129	6.826	1.405	.228
Within groups	114	553.862	4.858		
Total	119	587.992			
Brand authenticity					
Between groups	5	100.232	20.046	.954	.449
Within groups	113	2373.231	21.002		
Total	118	2473.462			
Delivered brand promise					
Between groups	5	45.295	9.059	1.802	.118
Within groups	113	568.168	5.028		
Total	118	613.462			

One-way analysis of variance (ANOVA) was performed to examine the variances among different departments. Levene's Test of Equality of Error Variances was utilized to generate statistics to test the assumption of Homogeneity of Variance for the individual variables. Of the eight dependent variables, internal communications was the only one in violation ($p = .049$) ($p < .05$). The between-groups differences for brand identification, $F(6, 113) = 2.124$, $p < .05$, brand supportive behavior, $F(6, 113) = 2.759$, $p < .05$, and delivered brand promise, $F(6, 112) = 2.534$, $p < .05$ were statistically significant, whereas those for the remaining variables were not significantly different. Further post-hoc tests (e.g. Tukey HSD) could not be conducted for the departments due to the fact that there were less than two cases. The results suggest that employees' position at a boutique hotel does influence their perception of the brand and specifically their identification with the brand, their brand supportive behavior, and ultimately also the delivered brand promise. Precisely, this implies that there must be a difference in perceptions of for example a front desk employee and a hotel employee working in a higher position. Table 6 displays this ANOVA summary.

Simple Linear Regression Analysis

A series of Simple Linear Regression (SLR) analyses were computed to determine the predictive power between the variables. There are four principal assumptions, which rationalize the use of linear regression models for prediction purposes: (a) linear relationship between the independent and dependent variables, (b) independence, (c) homoscedasticity, and (d) normal distribution of the variables which were met by the data.

Table 6. *ANOVA Results of Different Departmental Levels on Eight Variables of Independent and Chain-affiliated Boutique Hotel Employees*

<i>Measure</i>	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Internal communications					
Between groups	6	165.755	27.626	1.681	.131
Within groups	120	1972.434	16.437		
Total	126	2138.189			
Internal brand knowledge					
Between groups	6	97.588	16.265	2.124	.056
Within groups	120	895.799	7.656		
Total	126	993.387			
Brand commitment					
Between groups	6	214.428	35.738	1.711	.125
Within groups	115	2401.941	20.886		
Total	121	2616.369			
Brand loyalty					
Between groups	6	24.195	4.032	1.225	.229
Within groups	114	375.409	3.293		
Total	120	399.603			
Brand identification					
Between groups	6	178.430	29.738	2.939	.011
Within groups	113	1143.537	10.120		
Total	119	1321.967			
Brand supportive behavior					
Between groups	6	75.139	12.523	2.759	.015
Within groups	113	512.853	4.539		
Total	119	587.992			
Brand authenticity					
Between groups	6	183.252	30.542	1.494	.187
Within groups	112	2290.210	20.448		
Total	118	2473.462			
Delivered brand promise					
Between groups	6	73.319	12.220	2.534	.024
Within groups	112	540.143	4.823		
Total	118	613.462			

A number of linear regressions were conducted to test if internal communications had a significant impact on brand commitment (H1-1), loyalty (H1-2), and identification (H1-3).

H1-1: Internal brand communications is positively related to brand commitment

H1-2: Internal brand communications is positively related to brand loyalty

H1-3: Internal brand communications is positively related to brand identification

The first linear regression was run to find out if internal communications had a significant impact on brand commitment. Brand commitment had a mean value of 30.47 ($SD = 4.65$) and the predictor value, which is internal communications, had a mean score of 21.91 ($SD = 3.86$). It was found that brand communications explained a significant amount of variance in brand commitment. The ANOVA tests supports the statistical significance of the results [$F(1,120) = 106.447, p < .001$]. For the coefficient of determination (i.e., R^2), it was found that 47% of the variance in brand commitment is explained by internal communications. According to Cohen's (1988) guidelines, this is considered a large effect. The identified equation for this relationship is as follows:

$Y (\text{brand commitment}) = 12.396 + 0.825X (\text{internal communications})$. Therefore, the findings do support H1-1: Internal brand communications is positively related to brand commitment. A summary of the regression is presented in Table 7.

Table 7. *Simple Linear Regression Analysis Summary for Internal Communications Predicting Brand Commitment*

	B	SE	Beta	Sig.
Constant	12.396	1.778		.00
Internal Communications	.825	.080	.686	.00

The aim of the second linear regression was to find if internal communications had a significant impact on brand loyalty. Brand loyalty had a mean score of 7.10 ($SD = 1.824$). The predictor variable internal communications had a mean value of 22.02 ($SD = 3.69$). Internal communications provided a positive statistically significant explanation of variance in brand loyalty, [$F(1,119) = 15.473, p < .001$]. For the coefficient of determination (i.e., R^2), it was found that 11.5% of the variance in brand loyalty is explained by internal communications. The effect size is .339 that according to Cohen (1988) represents a medium effect size. The regression equation is as follows: $Y(\text{brand loyalty}) = 3.421 + .167X(\text{internal communications})$. Thus, H1-2: Internal brand communications is positively related to brand loyalty is supported. A summary of this simple linear regression is shown in Table 8.

Table 8. *Summary of Simple Linear Regression Analysis for the Prediction of Internal Communications on Brand Loyalty*

	B	SE	Beta	Sig.
Constant	3.421	.950		.00
Internal Communications	.167	.043	.339	.00

For the third hypothesis a linear regression was run to find out if internal brand communications had a significant impact on brand identification. Brand identification had a mean score of 21.31 ($SD = 3.33$) and the predictor variable internal communications had a mean score of 22.04 ($SD = 3.70$). The ANOVA test supports the statistical significance [$F(1,118) = 50.165, p < 0.001$]. For the coefficient of determination (i.e., R^2), it was found that 29.8% of the variance in brand identification is explained by internal brand communications. The regression equation is as follows: $Y(\text{brand identification}) = 10.498 + .491X(\text{internal brand communications})$. Thus, the results support H1-3: Internal brand communications is positively related to brand identification. A summary of the simple linear regression is illustrated in Table 9.

Table 9. *Summary of Simple Linear Regression Analysis for the Prediction of Internal Brand Communications on Brand Identification*

	B	SE	Beta	Sig.
Constant	10.498	1.549		.00
Internal Communications	.491	.069	.546	.00

A number of linear regressions were conducted to test if internal brand knowledge had a significant impact on brand commitment (H2-1), loyalty (H2-2), and identification (H2-3).

H2-1: Internal brand knowledge is positively related to brand commitment

H2-2: Internal brand knowledge is positively related to brand loyalty

H2-3: Internal brand knowledge is positively related to brand identification

The fourth linear regression was run to find out if internal brand knowledge had a significant impact on brand commitment. Brand commitment had a mean score of 30.46 ($SD = 4.65$) and the predictor variable internal brand knowledge had a mean score of 17.88 ($SD = 2.08$). The ANOVA test supports the statistical significance [$F(1,120) = 173.913, p < 0.001$]. For the coefficient of determination (i.e., R^2), it was found that 59.2% of the variance in brand commitment is explained by internal brand knowledge. The regression equation is as follows: $Y(\text{brand commitment}) = 2.235 + .271X(\text{internal brand knowledge})$. The effect size is .769, which according to Cohen (1988), is a large effect size. Thus, the results support H2-2: Internal brand knowledge is positively related to brand commitment. A summary of the simple linear regression is presented in Table 10.

Table 10. *Summary of Simple Linear Regression Analysis for the Prediction of Internal Brand Knowledge on Brand Commitment*

	B	SE	Beta	Sig.
Constant	7.688	1.748		.00
Internal Brand Knowledge	1.274	.097	.769	.00

The fifth linear regression was run to find out if internal brand knowledge had a significant impact on brand loyalty. Brand loyalty had a mean score of 7.10 ($SD = 1.82$) and the predictor variable internal brand knowledge had a mean score of 17.97 ($SD = 2.63$). The ANOVA test supports the statistical significance [$F(1,119) = 21.583, p < 0.001$]. For the coefficient of determination (i.e., R^2), it was found that 15.4% of the

variance in brand loyalty is explained by internal brand knowledge. The regression equation is as follows: $Y (\text{brand loyalty}) = 7.688 + 1.274X (\text{internal brand knowledge})$. The effect size is .392, which according to Cohen (1988) is a medium effect size. Thus, the results support H2-1: Internal brand knowledge is positively related to brand loyalty. A summary of the simple linear regression is presented in Table 11.

Table 11. *Summary of Simple Linear Regression Analysis for the Prediction of Internal Brand Knowledge on Brand Loyalty*

	B	SE	Beta	Sig.
Constant	2.235	1.060		.00
Internal brand knowledge	.271	.058	.392	.00

The sixth linear regression was run to find out if internal brand knowledge had a significant impact on brand identification. Brand knowledge had a mean value of 21.31 ($SD = 3.33$) and the predictor value, which is internal brand knowledge, had a mean score of 18.00 ($SD = 2.62$). It was found that internal brand knowledge explained a significant amount of variance in brand identification. The ANOVA tests supports the statistical significance of the results [$F (1,118) = 66.167, p < .001$]. For the coefficient of determination (i.e., R^2), it was found that 35.9% of the variance in brand identification is explained by internal brand knowledge. The effect size is .599 According to Cohen's (1988) guidelines, this is considered a large effect. The identified equation for this relationship is as follows: $Y (\text{brand identification}) = 7.603 + 0.762X (\text{internal brand knowledge})$. Therefore, the findings do support H2-3: Internal brand knowledge is positively related to brand loyalty. A summary of the regression is offered in Table 12.

Table 10. *Summary Linear Regression Analysis for the Prediction of Internal Brand Knowledge on Brand Identification*

	B	SE	Beta	Sig.
Constant	7.603	1.704		.00
Internal Brand Knowledge	.762	.094	.599	.00

A series of linear regressions were conducted to test if brand commitment had a significant impact on brand-supportive behavior (H3-1), and brand authenticity (H3-2).

H3-1: Brand commitment is positively related to brand supportive behavior

H3-2: Brand commitment is positively related to brand authenticity

The seventh linear regression was computed to examine if brand commitment had a significant impact on brand supportive behavior. Brand supportive behavior had a mean value of 17.75 ($SD = 2.22$) and the predictor value, which is brand commitment, had a mean score of 30.64 ($SD = 4.45$). It was found that brand commitment explained a significant amount of variance in brand supportive behavior. The ANOVA test supports the statistical significance of this result [$F(1,118) = 114.860, p < .001$]. For the coefficient of determination (i.e., R^2), it was found that 49.3% of the variance in brand supportive behavior is explained by brand commitment. The effect size is .702.

According to Cohen's (1988) guidelines, this is considered a large effect. The identified equation for this relationship is as follows: Y (brand supportive behavior) = $7.020 + .350X$ (brand commitment). Therefore, the findings do support H3-1: Brand commitment is positively related to brand supportive behavior. A summary of the regression is offered in Table 13.

Table 13. *Summary of Simple Linear Regression Analysis for the Prediction of Brand Commitment on Brand Supportive Behavior*

	B	SE	Beta	Sig.
Constant	7.020	1.012		.00
Brand Commitment	.350	.033	.702	.00

The aim of the eight linear regression was to find if brand commitment had a significant impact on brand authenticity. Brand authenticity had a mean value of 34.36 ($SD = 4.57$). For the predictor value brand commitment, the mean score was 30.60 ($SD = 4.45$). Brand commitment provided a positive statistically significant explanation of variance in brand authenticity, [$F(1, 117) = 151.074, p < .001$]. For the coefficient of determination (R^2), it was found that 56.4% of the variance in brand authenticity is explained by brand commitment. The regression equation is as follows: Y (brand authenticity) = $10.752 + .771X$ (brand commitment). Therefore, the findings do support H3-2: Brand commitment is positively related to brand authenticity. A summary of the regression is offered in Table 14.

A number of linear regressions were conducted to test if brand loyalty had a significant impact on brand-supportive behavior (H4-1), and brand authenticity (H4-2).

Table 14. *Summary of Simple Linear Regression Analysis for the Prediction of Brand Commitment on Brand Authenticity*

	B	SE	Beta	Sig.
Constant	10.752	1.941		.00
Brand Commitment	.771	.063	.751	.00

H4-1: Brand loyalty is positively related to brand supportive behavior

H4-2: Brand loyalty is positively related to brand authenticity

The ninth linear regression was computed to examine if brand loyalty had a significant impact on brand supportive behavior. Brand supportive behavior had a mean value of 17.75 ($SD = 2.22$) and the predictor value, which is brand loyalty, had a mean score of 7.12 ($SD = 1.82$). It was found that brand loyalty explained a significant amount of variance in brand supportive behavior. The ANOVA test supports the statistical significance of this result [$F(1,118) = 33.488, p < .001$]. For the coefficient of determination (i.e., R^2), it was found that 22.1% of the variance in brand supportive behavior is explained by brand loyalty. The effect size is .470. According to Cohen's (1988) guidelines, this is considered a large effect. The identified equation for this relationship is as follows: $Y(\text{brand supportive behavior}) = 13.672 + .574X(\text{brand loyalty})$. Therefore, the findings do support H4-2: Brand loyalty is positively related to brand supportive behavior. A summary of the regression is offered in Table 15.

The tenth linear regression was computed to examine if brand loyalty had a significant impact on brand authenticity. Brand authenticity had a mean value of 34.36 ($SD = 4.57$) and the predictor value, which is brand loyalty, had a mean score of 7.11 ($SD = 1.82$). It was found that brand loyalty explained a significant amount of variance in brand authenticity. The ANOVA test supports the statistical significance of this result [$F(1,117) = 33.496, p < .001$]. For the coefficient of determination (i.e., R^2), it was found

Table 15. *Summary of Simple Linear Regression Analysis for the Prediction of Brand Loyalty on Brand Supportive Behavior*

	B	SE	Beta	Sig.
Constant	13.672	.729		.00
Brand Loyalty	.574	.099	.470	.00

that 22.3% of the variance in brand loyalty is explained by brand authenticity. The effect size is .470. According to Cohen's (1988) guidelines, this is considered a large effect.

The identified equation for this relationship is as follows: Y (brand authenticity) = 25.952 + .1182 X (brand loyalty). Therefore, the findings do support H4-2: Brand loyalty is positively related to brand authenticity. A summary of the regression is offered in Table 16.

Table 16. *Summary of Simple Linear Regression Analysis for the Prediction of Brand Loyalty on Brand Authenticity*

	B	SE	Beta	Sig.
Constant	25.952	1.500		.00
Brand Loyalty	1.182	.204	.472	.00

A few linear regressions were conducted to test if brand identification had a significant impact on brand-supportive behavior (H5-1), and brand authenticity (H5-2).

H5-1: Brand identification is positively related to brand supportive behavior

H5-2: Brand identification is positively related to brand authenticity

The eleventh linear regression was run to find out if brand identification had a significant impact on brand supportive behavior. Brand supportive behavior had a mean value of 17.75 ($SD = 2.22$) and the predictor value, which is brand identification, had a

mean score of 21.31 ($SD = 3.33$). It was found that brand identification explained a significant amount of variance in brand supportive behavior. The ANOVA tests supports the statistical significance of the results [$F(1,120) = 155.93, p < .001$]. For the coefficient of determination (i.e., R^2), it was found that 56.9% of the variance in brand supportive behavior is explained by brand identification. According to Cohen's (1988) guidelines, this is considered a large effect. The identified equation for this relationship is as follows: $Y(\text{brand supportive behavior}) = 7.032 + 0.503X(\text{brand identification})$. Therefore, the findings do support H5-1: Brand identification is positively related to brand supportive behavior. A summary of the regression is presented in Table 17.

Table 17. *Simple Linear Regression Analysis Summary for Brand Identification Predicting Brand Supportive Behavior*

	B	SE	Beta	Sig.
Constant	7.032	.869		.00
Brand Identification	.503	.040	.754	.00

A simple linear regression analysis was conducted to determine if brand authenticity could be predicted from brand identification. Brand authenticity had a mean value of 34.36 ($SD = 4.57$) and the predictor value, which is brand identification, had a mean score of 21.28 ($SD = 3.32$). The results of the simple linear regression suggest that a significant proportion of the total variation in brand authenticity is predicted by brand identification. The ANOVA tests supports the statistical significance of the results [$F(1,117) = 150.609, p < .001$]. Multiple R^2 indicates that 56.3% of the variation in brand authenticity was predicted by brand identification. According to Cohen (1988) this

suggests a large effect. The identified equation for this relationship is as follows: Y (brand authenticity) = $12.402 + 1.032X$ (brand identification). Therefore, the findings do support H5-2: Brand identification is positively related to brand authenticity. A summary of the regression is presented in Table 18.

Table 18. *Simple Linear Regression Analysis Summary for Brand Identification Predicting Brand Authenticity*

	B	SE	Beta	Sig.
Constant	12.402	1.810		.00
Brand Identification	1.032	.084	.750	.00

H6-1: Brand supportive behavior is positively related to Delivered Brand Promise

A simple linear regression analysis was conducted to determine if delivered brand promise could be predicted from brand supportive behavior. Delivered brand promise had a mean value of 18.06 ($SD = 2.28$) and the predictor value, which is brand supportive behavior, had a mean score of 17.76 ($SD = 2.23$). The results of the simple linear regression suggest that a significant proportion of the total variation in delivered brand promise is predicted by brand supportive behavior. The ANOVA tests supports the statistical significance of the results [$F(1,117) = 103.129, p < .001$]. Multiple R^2 indicates that 46.8% of the variation in delivered brand promise was predicted by brand supportive behavior. According to Cohen (1988) this suggests a large effect. The identified equation for this relationship is as follows: Y (delivered brand promise) = $5.641 + .699X$ (brand supportive behavior). Therefore, the findings do support H6-1:

Brand supportive behavior is positively related delivered brand promise. A summary of the regression is presented in Table 19.

Table 19. *Simple Linear Regression Analysis Summary for Brand Supportive Behavior Predicting Delivered Brand Promise*

	B	SE	Beta	Sig.
Constant	6.641	1.233		.00
Brand Supportive Behavior	.699	.069	.684	.00

H7-1: Brand authenticity is positively related to Delivered Brand Promise

A simple linear regression analysis was conducted to determine if delivered brand promise could be predicted from brand authenticity. Delivered brand promise had a mean value of 18.06 ($SD = 2.28$) and the predictor value, which is brand authenticity, had a mean score of 34.36 ($SD = 4.57$). The results of the simple linear regression suggest that a significant proportion of the total variation in delivered brand promise is predicted by brand authenticity. The ANOVA tests supports the statistical significance of the results [$F(1,117) = 113.874, p < .001$]. Multiple R^2 indicates that 49.3% of the variation in delivered brand promise was predicted by brand authenticity. According to Cohen (1988) this suggests a large effect. The identified equation for this relationship is as follows: $Y(\text{delivered brand promise}) = 6.049 + .350X(\text{brand authenticity})$. Therefore, the findings do support H6-2: Brand authenticity is positively related delivered brand promise. A summary of the regression is presented in Table 20.

Table 11. *Simple Linear Regression Analysis Summary for Brand Authenticity predicting Delivered Brand Promise*

	B	SE	Beta	Sig.
Constant	6.049	1.136		.00
Brand Authenticity	.350	.033	.702	.00

For summary purposes, the coefficients of determination among variables are shown in Figure 6.

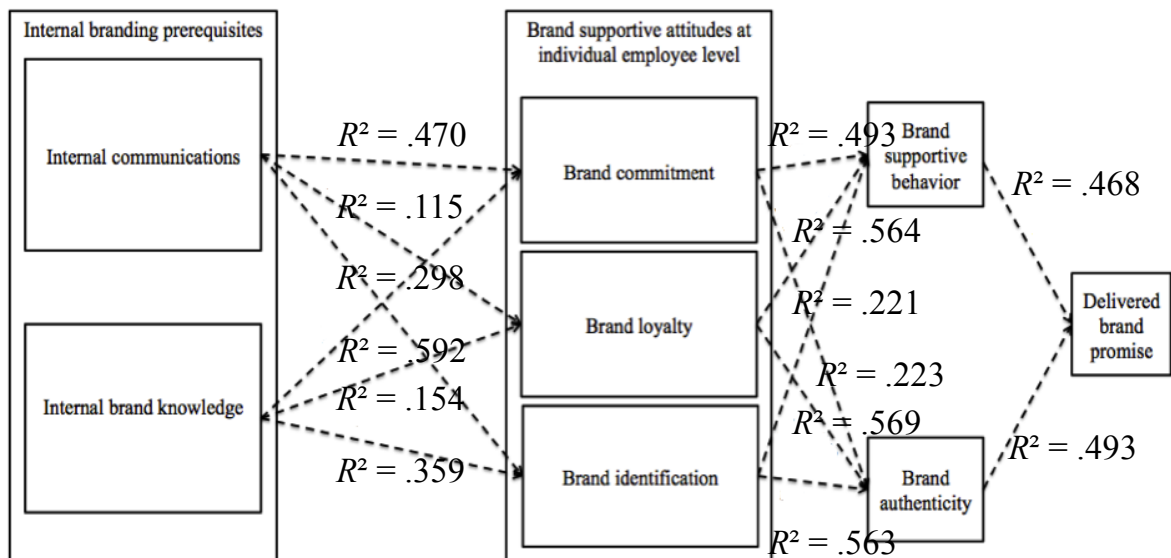


Figure 6. Coefficients of determination among each variable

Multiple Regression Analysis

H8: Internal brand prerequisites, brand attitudes, brand supportive behavior, and brand authenticity are positively related to delivered brand promise

For the final hypothesis a multiple regression analysis was run. The purpose of this multiple regression was to evaluate how well delivered brand promise can be predicted from a combination of the seven normally distributed predictor variables (internal brand communications, internal brand knowledge, brand commitment, brand loyalty, brand identification, brand supportive behavior, brand authenticity). Three main assumptions of multiple regression namely (a) linear dependent variable, (b) normally distributed errors, and (c) constant variances of residuals were met.

The results of the multiple regression suggest that a significant proportion of the total variation in delivered brand promise was predicted by the seven variables, $F(7,111) = 20.544, p < .001$. The R^2 was .56. This indicates that 56.4% of the variance in delivered brand promise can be predicted from the combination of the seven variables. According to Cohen (1988), this is a large effect. The regression equation is as follows: $Y(\text{delivered brand promise}) = 3.669 + .364X_1(\text{brand supportive behavior}) + .207X_2(\text{brand authenticity})$. These results suggest that all variables influence delivered brand promise, however, Internal communications, internal brand knowledge, brand commitment, brand loyalty and brand identification do not contribute enough to predict delivered brand promise. A closer look at the correlation matrix signifies that multicollinearity is not a concern in this analysis. A tolerance value close to 1 indicates that the other predictors do not explain the variance in the variable. In this research there

are no serious problems as no tolerance values are close to 0. Most variables have a tolerance of > 0.3 . This indicates that there are no high inter-correlations among the set of predictor variables; thus, no overlapping or similar information are measured.

Table 21. *The Predictors of Delivered Brand Promise*

	B	SE	Beta (β)	Sig.
Constant	3.669	1.245		.004
Internal brand communications	.029	.055	.048	.595
Internal brand knowledge	.007	.089	.008	.939
Brand commitment	.042	.071	.082	.556
Brand loyalty	.042	.094	.033	.660
Brand identification	-.071	.084	-.104	.339
Brand supportive behavior	.364	.112	.357	.001
Brand authenticity	.207	.054	.415	.000

CHAPTER V

QUANTITATIVE PART DISCUSSION

The quantitative portion of this study attempted to assess the relevance and importance of the internal branding process of boutique hotels. This part aimed to expand on the limited existing knowledge of boutique hotel brands' employees' viewpoints to provide valuable information for ongoing research and practice. Specifically, five research objectives were formulated. The first research objective (RO1) was to examine if internal branding prerequisites influence brand supportive attitudes. The second research objective (RO2) was to investigate if brand supportive attitudes have influence on brand supportive behavior. The third research objective (RO3) aimed to examine if brand supportive attitudes influence brand authenticity. The fourth research objective (RO4) was to examine if employee's brand supportive attitudes, behavior, and authenticity lead to enhanced delivery of the brand promise. The final research objective (RO5) was to investigate if demographic characteristics and background information influence brand related variables (i.e., prerequisites, brand attitudes, brand supportive behavior, and brand authenticity).

The results of this study can aid managers of hotels, and specifically boutique properties to further develop an organizational culture based on employee participation, involvement, teamwork as well as a collaborative setting for improved delivery of the brand promise. Furthermore, management can utilize these results to reinforce and facilitate employees' understanding of their significant value towards the organization.

Internal Communications and Brand Supportive Attitudes

The results of RO1 depict that internal branding prerequisites (i.e. internal communications, brand knowledge) have a significant positive impact on brand supportive attitudes (commitment, loyalty, identification) of employees working in boutique hotels. Both internal communications and brand knowledge have a significant influence on boutique hotel employees' brand commitment. Likewise, brand knowledge has the most positive effect on employees' brand commitment. It was interesting to see that both: knowledge and communications had the least significance effect on employees' loyalty towards the particular boutique hotel. The results of the data analysis provide support that internal brand communications has a statistically significant and positive impact on brand commitment (H1-1), brand loyalty (H1-2), and brand identification (H1-3) which are defined as brand supportive attitudes in this research. Internal brand communications has the strongest effect on brand commitment and the least positive relationship with brand loyalty. This is in accordance with the empirical results of Punjarisi et al., (2009) study. In accordance with the results of this research, several scholars had also found that effective internal communications enhances employees' attitudes and helps them internalize the brand values (Chong, 2007; de Chernatony & Segal-Horn, 2003; Grof, 2001; Punjarisi et al., 2009). There is substantial evidence confirming the effects of internal communications on brand commitment and loyalty (Asif & Sargeant, 2000; Steer, 1977; Thomson et al., 1999). While it seems that internal communications predictive power on brand identification has been neglected in general, nevertheless, there is evidence in literature that brand identification is influenced by

corporate communications (Curras-Perez et al., 2009; Kuenzel & Halliday, 2009).

Dissimilar to the results of this study, a research conducted with hotel employees found that internal branding (i.e. briefings, group meetings, training, orientation) had the most impact on brand identification (Punjarsi et al., 2007, 2009), while this study's results show that commitment was the primary attitude influenced by communications.

Groups are a major influencing factor in forming a person's identity (Aaker, 2000; Auty & Elliott, 2001; Bodnar & Balmer, 2013; del Rio et al., 2001; Kim et al., 2001; Kuenzel & Halliday, 2008; McEwen, 2005; Rodhain, 2006; Wertime, 2002). Since brands are said to be "important identification symbols" (Bodnar & Balmer, 2013, p. 68), it becomes essential for boutique hotel managers to develop two-way communications with employees. GMs must share their brand information, philosophy, and brand standards on a high level at a regular basis in order to inspire their employees to be more engaged and advance their willingness to identify themselves with the brand. Engendering employees' sense of "oneness" (i.e. brand identification) through constant communications enables organizations to differentiate themselves from others (Bergstrom et al., 2002; de Chernatony, 2001), which is a critical factor for the boutique hotel business.

The present study also provides evidence that internal communications can be regarded as an antecedent for committed and loyal workforces. The results indicate that internal communications explains a high level of employee's commitment towards their hotel's brand. A number of valuable researches have been conducted and proved the positive relationship between internal communications and employee brand commitment

(Burmamann & Zeplin, 2005; de Chernatony et al., 2006; Punjarisi et al., 2009; Punjarisi & Wilson, 2007). A meta-analysis uncovered that associates demonstrate more commitment towards a company if the brand's information are communicated to them in an efficient manner (Postmes et al., 2001). A study conducted with luxury hotels identified that hotels can differentiate themselves through high employee commitment towards the brand (Kimpakorn & Tocquer, 2007). This underlines that effective communication enables employees to understand the brand and connect with it. Thus, if an employee connects with the hotel's vision, values, and more importantly lives the brand by embracing the brand's culture and personality, the individual becomes attached to the brand on an emotional level. Employees who are able to identify themselves with a brand become more committed towards the brand (Aaker, 2002; Ellis, 2000; Odin et al., 2001; Skogland & Siguaw, 2004; Thomson et al., 2005; Warrington & Shim, 2000). According to Meyer and Allen's (1991), three-component model of commitment, there are three different levels of commitment an employee has towards an organization, namely: affective commitment (i.e. affection towards the job), continuance commitment (i.e. fear of loss), and normative commitment (sense of obligation to stay) (Meyer & Allen, 1991). The high level of commitment boutique hotel employees indicated in the results of this study can most likely be characterized as "affective commitment" which is demonstrated in their sense of pride towards the hotel and expresses their emotional attachment to the brand. The participants of this study felt deeply connected to their hotel, which was reflected in their feelings of influence and ownership.

In accordance with the results of this study, another research provided evidence

that internal communications did increase employees' loyalty towards the organization (Papazolomou & Vrontis, 2006). Boutique hotel managers that communicate their organizations' culture, vision, and values to their employees enable their employees to become more committed, identify themselves with the brand, and increase their loyalty towards the hotel. The two items that received the highest mean scores in the internal communications construct were "I know how to behave myself so as to present our brand to guests positively" ($M = 4.65$) and "The hotel communicates its brand promise well to me" ($M = 4.32$). While the item "the hotel communicates the importance of my role in the brand promise to me" ($M = 4.25$) received the lowest mean score. This clearly suggests that hotel managers are encouraged to provide employees with more incentives to highlight their significant role in the delivery of the brand promise.

Moreover, as it is also evident from the results of the qualitative part, boutique hotels are defined as being small in size and GMs of these hotels should take advantage of the small size and should be able to constantly and quickly communicate their associates' value in the hotel. Lorraine (1995) also points out that large companies are faced with much weaker internal communications practices as compared to smaller operations. The primary reasons for this are described in terms of less access to information about the services offered due to job specialization and functional segregation. Thus boutique hotels can benefit from their size and adopt more effective internal communication practices.

In addition, hotel GMs are encouraged to constantly communicate guest comments from sites such as Tripadvisor to their associates in order to increase their

motivation and understanding of their important role in the brand promise (Kimpakron & Tocquer, 2007). Associates are more likely to communicate the brand values to customers and attain organizational objectives, if management better recognizes staff for their contributions and communicate this to the associates (Kanter, 2013). For boutique hotels service culture represents a vital aspect for continuous success, thus the appropriate attitude expected by management must be clearly communicated within the organization.

One possible explanation as to why internal communications had the least predictive power on brand loyalty (i.e. intention to stay) could be explained due to the ongoing challenge of high turnover rates in the hospitality industry (Antoncic & Hisrich, 2004; Kusluvan, 2003; Meyer & Allen 1997). Moreover, especially in the highly competitive hotel sector, gaining international experience enables employees to attain higher positions in their career thus again linked to the topic of high-turnover rates, employees of boutique hotels might have intentions to further boost their career credentials by gaining experience and new skill sets in other properties. Thus, even high level of corporate communications does not guarantee a loyal workforce. Other external factors that are related to human resources practices such as salary, working hours, relocation, benefits, and professional development also influence the loyalty of an employee and consequently internal communications cannot be regarded as a sole predictor for high employee loyalty and internal communications should not be used isolated as a tool to minimize staff attrition.

Internal Brand Knowledge and Brand Supportive Attitudes

The results for the second part of RO1 indicated that internal brand knowledge has a statistically significant positive impact on employees' brand supportive attitudes: commitment (H2-1), loyalty (H2-2), and identification (H2-3). Internal brand knowledge had the highest predictive power on employee commitment and the least on employees' loyalty. There is evidence in literature that brand-related knowledge is required for successful internal branding (Baum, 2008; King, 2009; Hua et al., 2009). According to King and Grace (2009), brand knowledge is more tacit in nature than for example standard job procedures, as it requires extra efforts from the employees' to identify and comprehend. Thus due to its complexity, it necessitates the organization to give consideration to the transferability of such knowledge (King & Grace, 2009). Brand knowledge also influences an employees' perceived role clarity of the job duties (King & Grace, 2009). The item that received the highest mean score in the internal brand knowledge construct was "I understand how our guests can benefit from our brand" ($M = 4.49$). This proposes that managers clearly share the required knowledge to employees in areas related to guests. However, two items, namely "I am aware of the goals we try to achieve through the brand" ($M = 4.44$) and "I know which attributes of our brand differentiate us from our competitors" ($M = 4.44$), received comparatively lower mean scores. The first statement pertaining to the understanding of the goals trying to be achieved in the hotel, suggests that employees of the boutique hotels could be better educated in terms of their roles in the delivery of the brand experience. Jackson and Schuler (1985) have claimed that jobs that require a lot of interactions have higher levels

of role ambiguity among the employees than jobs with clearly defined tasks. Especially frontline employees at hotels have to deal daily with a lot of uncertainty arising from unexpected situations during their interactions with the customers. Employees of hotels can rarely stick to the set rules and regulations if they want to make the guest experience excellent (Mukherjee & Malhotra, 2006). Consequently, the lower mean scores do indicate that often employees of boutique hotels may face uncertainties in terms of their role in the hotel which also influences their understanding and knowledge of the goals that are trying to be achieved. This result can also be linked to self-efficiency, which is defined as the “personal estimation of one’s capacity in performing a certain task” (Xiong & King, 2013, p. 7). In order for hotel employees to have higher confidence and role clarity, managers must share considerable amount of brand knowledge with them.

According to Miles and Mangold (2004) and King (2009), knowledge sharing is a vital internal branding prerequisite in the hospitality industry. Congruently to the results of this research, King and Grace (2008) also found a statistically significant and positive effect of brand knowledge dissemination on employee attitudes towards the brand, measured as expressed commitment. Similarly, Shaari, Salleh, and Hussin’s (2012) empirical research results on brand knowledge and commitment in the hotel industry of Malaysia revealed that brand knowledge had a significant positive relationship with brand commitment. On the contrary, another finding suggested that employees’ brand knowledge does not significantly influence employees’ brand commitment and consequently brand supportive behavior (Kimpakron & Tocquer, 2009).

The results depict that brand knowledge has a significant impact on employees' brand identification. This result is in accordance with Algesheimer, Dholakia & Hermann's (2005) study that provided evidence that individuals with higher brand knowledge experienced higher levels of brand identification. Drawing on the social identity theory (SIT), which states that an individual does not only have a "personal self," but also several "social identities" (Tajfel & Turner, 1979) that derive from membership of social groups, helps to further explain various organizational employee behavior. Through identifying oneself with different social groups, one partially forms his/her self-concept, which affects attitudes and behaviors. Hotel employees are members of several groups that shape their identification. Whether it is the organization in this case the hotel brand itself, the department the employee works in, teams, professional groups or informal groups (Paulsen, 2003). Managers must be aware of the fact that boutique hotel employees might identify themselves either with the brand itself or it is also possible that they feel a strong sense of belonging towards their department. An employee's organizational based attitudes, feelings, and behaviors are partially shaped by these memberships (Haslam, 2001; Hogg & Terry, 2000). Past researchers have proven that employees with stronger brand and organizational identification tend to reflect this sense of belonging greater in their behavior and also act more in accordance with the organization's goals and interest (Dutton, Dukerich, & Haquail, 1994; Mael & Ashforth, 1992). Through the qualitative interviews with the boutique hotel GMs it became clear that their first priority is to ensure employees act in accordance with the hotels goals and interest, which is delivering an exceptional services to guests. Thus, in accordance with

the literature this shows that employees that identify themselves stronger with a particular company are more likely to act in the interest of the company. This also means that employees that have high levels of identification with a particular brand or group are more likely to incorporate the brand's identity attributes in their own self-concepts.

A recent study conducted with hotel employees argued that in hotels where employee identification is higher, the social skill gap (i.e. interpersonal interaction, self-management, service orientation) is smaller (Hurrell & Scholarios, 2013). Boutique hotel GMs should place special emphasis on the selection and recruitment processes of new potential employees, as well as constant training and induction with existing employees to ensure a person-brand fit and consequently higher employee identification (Hurrell & Scholarios, 2013).

Even though employee loyalty did not seem to be affected by knowledge much compared to the other two attitude variables, past studies do indicate that adequate information provision and explanation have significant, positive effects on employee loyalty (Greenberg, 1994; Konosvsky & Cropanzano, 1991). Possible explanations as to why the predictive power of knowledge is lowest on loyalty could again be described in terms of the high turnover rate for the hotel industry, which is said to be around 60% (Alan, Radzi, Hemdi, & Othman, 2010).

Thus knowledge is not only required for employees to perform the expected –role behaviors towards the guests. Management needs to also recognize that employees need to be more knowledgeable in order to develop their “behavioral belief that they can perform well in delivering the brand” (Xiong & King, 2013, p. 8).

Brand Supportive Attitudes and Brand Supportive Behavior

The results of RO2 revealed that boutique hotel employees' brand supportive attitudes significantly influence their brand supportive behavior. The findings of this study are consistent with those of other researchers who found that attitudinal components have a favorable impact on brand-supportive behavior (Papazolomu & Vrontis, 2006; Punjarisi et al. 2008, 2009; Saari & Judge, 2004). King et al., (2013) provided statistical evidence that employee's customer-oriented attitude directly influenced their customer-oriented behavior. It has to be noted that among the three employee attitudes, identification had the highest predictive power on brand supportive behavior, whereas employees' brand loyalty towards a brand seemed to be the least influencing factor for brand supportive behavior. One possible explanation could be because people that identify themselves with a brand are more committed to the brand and this is regarded by some as the highest degree of brand loyalty (Aaker, 2002; Ellis, 2000; Odin et al., 2001; Skogland & Siguaw, 2004; Thomson et al., 2005 Warrington & Shim, 2000). Thus, even though this research did not in particular examine the interrelationships among the attitude variables it is reasonable to conclude that this might be the reason for identification having the biggest impact. Similarly, Devasagayam (2010) and Punjarisi (2008, 2009) found a positive relationship between employee identification and brand-supportive behavior. High employee identification enhanced employee support in positively portraying the company to external stakeholders (Chen & Zhao, 2010). In this research brand identification has been defined as the sense of belonging to a brand, while brand loyalty referred to the employees' willingness to

remain in the hotel, and brand commitment was denoted as the emotional attachment. The results suggest that a weak link may exist between employees' loyalty and brand-supportive behavior. This finding was expected and suggests that while employees' may certainly be loyal to their particular boutique hotel, meaning that they have long-term intentions to stay with the brand, they do not necessarily need to be ambitious enough to go beyond normal job duties. Specifically, employees' that demonstrate loyalty, however, less brand-supportive behavior could be those that are comfortable stagnating at their current position for the rest of their careers. This does not mean that those employees do not believe in the brand message or do not perform really well in their role. However, it rather suggests that those employees would like to keep doing what they have been doing and are happy with their role without demonstrating any voluntary behavior. Such associates are those that possibly do not see a need to further grow and improve. In the context of boutique hotel employees, possible examples could include that the associate would refuse to go beyond his/her regular schedule and in general show low willingness to 'go the extra mile' (i.e., supportive behavior). Therefore, it is safe to say that particularly in boutique hotels in which high levels of service quality are guaranteed and operational efficiency is a success factor, employees are almost required to demonstrate extra-role behaviors (Gett & Getty, 2003 as cited in Khalid et al., 2009).

While brand loyalty had a significantly lower predictive power on brand-supportive behavior, brand identification and commitment, both had significantly influence on brand-supportive behavior. This finding corroborates the findings of Punjarisi et al., (2007, 2009) whose results showed that brand loyalty had the least impact

on employee performance compared to brand identification and brand commitment.

Brand commitment and identification also showed closer significance values to each other in terms of their effect on brand-supportive behavior, though identification had greater power in predicting behavior than commitment (i.e. $R^2 = .493$, $R^2 = .569$).

Devasagayam et al. (2010) and Punjarisi et al. (2008, 2009) found a positive relationship between employee identification and brand-supportive behavior. High employee identification enhanced employee support in positively portraying the company to external stakeholders (Chen & Zhao, 2010).

According to Knippenberg and Sleenbos (2006), the central difference between these two is the relationship between the individual and organization. Specifically, the researchers suggest that “identification reflects psychological oneness, [whereas] commitment reflects a relationship between separate psychological entities (p. 571). The notion that brand commitment refers to a relationship in which the organization and individual are separate entities are also highlighted in the responses of the employees. In terms of brand commitment the statements “I am proud to tell others that I work for the hotel that owns this brand” ($M = 4.55$) and “I am very committed to delivering the brand promise to our hotel guests ($M = 4.57$) received the highest mean scores. On the contrary, brand identification in which the employee includes the organization in his/her self-conception, had the highest mean scores for the following two statements “When someone praises this brand, it feels like a personal compliment” ($M = 4.44$) and “I view the success of the brand as my own success” ($M = 4.27$). This suggests that employees’ psychological oneness with the boutique hotel lead them to exert even more brand-

supportive behaviors, but at the same time brand identification seems to be a more challenging attitude to influence from management's standpoint. While GMs can increase an employees' commitment by making the job atmosphere pleasant, more enjoyable, demonstrating that the employee is being valued as a member of the organization as well as through rewards systems and increasing job satisfaction, it is much harder for management to affect employees' identification by such interventions (Knippenberg & Sleeds, 2006; Mathieu & Zajac, 1990; Meyer & Allen, 1997; Rhoades & Eisenberger, 2002). Applying the perceived organizational support (POS) theory by Eisenberger (1986) might further suggest actions to take in order to promote higher brand commitment. The POS concept is concerned with the perception "of the extent to which the organization values the employee's contributions and cares about the employee's well-being (Knippenberg & Sleeds, 2006) and has a positive relationship with affective commitment (Rhoades & Eisenberger, 2002 in Knippenberg & Sleeds, 2000). Thus, if managers show they care and value their commitment, employees are more likely to exert brand-supportive behavior and demonstrate their active interest in the brand. Boutique hotel GMs should fulfill the employees' needs for approval, esteem, and affiliation. Simply stated, managers have to value their employees contributions as increasing the perceived organization support will enhance employees' commitment as well as extra-role performance (Mullen, Kroustalis, Meade, & Surface, 2006).

The only statistically significant difference among hotel employees of independent and chain-affiliated boutique hotels was found in their brand supportive behavior. Employees of independent boutique hotels had a greater brand supportive

behavior than the associates of chain-affiliated boutique properties. Brand supportive behavior is described as the “extra role,” specifically it is the employees’ behavior that goes beyond formal requirements and is still consistent with the brand values (Morhart, Herzog & Tomczak, 2009). Possibly due to the smaller size of independent boutique hotels, the employees of these properties feel more as a family (Roth, 2013). Curran supports the view that small sized organizations encourage social interactions and relations among members more, as according to him “small firms do offer more varied work roles and greater opportunities for close face to face relations in a flexible social setting with less bureaucracy of the larger enterprises” (cited by Roberts et al, 1992, p. 242 in Wilkinson, Dundon & Grugulis, 2007, p. 1787).

The deeper interconnection among the employees of the independent property could possibly explain the reasoning that these associates are more willing to carry the extra-role behavior over to the customer experience. It is also possible that independent boutique hotel management require higher levels of brand supportive behavior from their associates. This was especially reflected during the interviews with the independent boutique hotel GMs that placed enormous emphasis on employee empowerment. GMs need to empower frontline associates and butlers to do anything they need to do, to be able to fix the problems and whether the decisions are right or wrong, management needs to support the employees so they are not afraid of making decisions (personal communication, 2014). Finally, more employee-management interactions could allow managers of independent boutique hotels to relate better to their employees and recognize them more for their hard work, which in turn influences the employees brand supportive

behavior. Leader-Member Exchange Theory (LMEX) can be used to explain the relationship between supervisors and their employees (Ma & Qu, 2011). The basic idea behind this theory is that if leaders develop high-quality relationships with their employees, positive outcomes such as increased service quality, performance and enhanced customer satisfaction can be realized (Fisk & Friesen, 2012; Kacmar & Borchgrevink, 2007; Ma & Qu, 2011). Especially in the hotel industry, service employees' emotional labor may influence their attitudes and behaviors during customer interactions (Fisk & Firesen, 2010; Lam & Chen, 2012). It has been proven that if hotel managers try to better understand the needs of their associates, provide guidance and support, negative employee emotions can be eliminated which lead to higher job satisfaction, higher service quality and reduced employee turnover (Lam & Chen, 2012).

Brand Supportive Attitudes and Brand Authenticity

Results of research objective three identified that employees' brand supportive attitudes have a positive impact on their brand's authenticity perception and behavior. While there is currently no literature on how employees' brand supportive attitudes can positively contribute to authenticity, several researchers did conduct studies involving the authenticity construct from the customer's perspective (Blackshaw, 2008; Beverland, Lindgreen, & Vink, 2008; Ozsomer & Altaras, 2008). Ross's (2010) research found authenticity influencing attitudes and not like in the current research how brand supportive attitudes can positively influence employees' brand authenticity. Ross's (2010) construct of authenticity focused on authenticity attributes while this research focused on employees' perception of authenticity and their brand authentic behavior, both

of which were positively related to brand supportive attitudes. This suggests that the relationship between authenticity and attitudes can be viewed as a bi-directional one, as there is evidence for both impacting one another. The positive relationship between these two variables possibly indicates that employees that have brand supportive attitudes do actually comprehend the brand values and embrace those values and attributes rather than memorizing them (King, So, & Grace, 2013). As a consequence the employees automatically perceive their brand as being authentic and deliver authentic behavior and thus the quality of employee-customer relationships is enhanced.

The brand authenticity construct of this study mainly measured the employees' perception of whether or not they perceive their brand as being authentic through statements such as "We are perceived as real." The construct did also include statements such as "We always adjust our actions according to the wishes of our guests and other stakeholders" and "Our promise to guests is in accordance with the company's vision and company strategy," indicating that employees' brand authentic behavior was measured. Brand supportive attitudes in this study consisted of commitment, loyalty, and identification. The quantitative results provide evidence that highly committed employees are more likely to reflect the brand's authenticity in their interactions with the guests. The high predictive power of commitment on authenticity could possibly be because committed employees usually go beyond their prescribed role duties and bring their own ideas, initiatives, and are not afraid of taking risks. The results suggest that when employees' attitudes are aligned with those of the brand, the employees are more likely to perceive their brand as authentic and demonstrate authentic behavior. Similarly,

to the behavior construct, an employee's loyalty influenced the brand authenticity the least. The results of RO3 demonstrate that employees' supportive attitudes, especially a committed workforce that identifies themselves with the brand are genuinely able to deliver authentic brand experiences. Research also indicates that people who are able to identify their own core values and are committed to living and working in accordance to those values live more authentically than others (Podmoroff, 2012).

Within the authenticity construct, the statement that received the highest mean score was "Our promise to guests follows our values" ($M = 4.46$) and the statement with the lowest mean score was "We are perceived as real" ($M = 4.27$). The first statement depicts that employees aim to foster authentic connections with their customers with the aid of the brand's core values. Nevertheless, the employees do not completely perceive that their brand is perceived as being real. This perception gap might create a disconnection between the boutique hotel's brand promise and the service behaviors' of the employees. The statement "We always adjust our actions according to the wishes of our guests and other stakeholders" ($M = 4.22$) received one of the lower mean scores as well. This implies that employees' brand authentic behavior can still be improved through supportive management. Imprinting employees' with defined brand values, actions, and practices may strengthen authenticity behavior. It must also be rooted in the brand attitudes and behaviors of employees and managers. Employees' brand authentic behavior can only be fostered, if managers boost their own brand authenticity.

Especially boutique hotels, that emphasize on the aspects of being unique, authentic and incomparable to another experience, employees of these brands do not

entirely perceive their hotel brand the same way. This result should worry boutique hotel managers because their hotel employees were not completely aware of what aspects make their brand different from competitors. Managers cannot expect employees to deliver the well-defined brand promise to customers as employees' perceptions of the brand prevents them from embodying the brand promise at all times. Furthermore, some of the characteristics of authentic people are being their true selves and not trying to fit in, relaxed, as well as giving others the feeling they may be their "real selves" (Laurenz, 2013; Podmoroff, 2012). Especially in the boutique hotel industry, guests of such hotels are also more likely to be themselves and act like that, since employees and the brand reflect authenticity.

Past research concludes that there are three forms of authenticity: indexical, iconic, and existential authenticity (Grayson & Martinec, 2004; Macneil & Mak, 2007). Indexical authenticity is a type of authenticity that is real and not a copy from someone or something else, it is referred to as "the real thing" (Grayson & Martinec, 2004, p. 298). While iconic authenticity is still regarded as being truly authentic, it is rather a reproduction of an object or person. Existential authenticity is defined as authenticity of the experience (Wang, 1999). Consumer's desire to consume products and experiences in order to experience existential authenticity (Ozsomer & Itaras, 2008).

Furthermore, researchers commonly interpret attitudes in terms of three components, namely: affective, behavioral, and cognitive (Ostrom, 1969). Particularly important for this study is how attitudes affect an individual's behavior, which is in this case the employees' authentic behavior. The behavioral or conative component of

attitude is defined as “the way the attitude influences how [a person] act[s] and behave[s] (McLeaod, 2009). Also according to Shamir and Eilam (2005), authenticity is “the reflection of one’s inner values and beliefs in one’s behavior” (as cited in Khan, 2010, p. 167). The results of this study provide evidence that employees’ brand supportive attitudes have a favorable influence on their brand authentic behavior. Boutique hotel employees’ feelings of authenticity might be improved if GMs acknowledge their associates strengths more often (Seligman et al., 2005 as cited in Cable & Gino, 2012).

The qualitative insights of the GMs do provide evidence that boutique hotels focus on attributes such as quality commitments, consistency, and relationship to place in order to emphasize on their authentic nature (personal communication, 2014). Boutique brands want to come across as being authentic and want to deliver this not only through the facility, but also through ambiance, level of service, and food (personal communication, 2014). Only if GMs are passionate, focused, and detail oriented they can build a boutique brand and deliver the brand promise (personal communication, 2014). Whether it is that managers view their employees’ as being the authentic brand, the landscape or the aesthetics in the exterior that need to be part of an authentic experience for customers, authenticity must be included.

Brand Supportive Behavior, Brand Authenticity and Delivered Brand Promise

The results of RO4 provide evidence that internal branding prerequisites, brand supportive attitudes, brand supportive behavior, and authenticity have a predictive power for brand promise delivery. Brand supportive behavior and authenticity are the two items that influence the brand promise delivery the most. This finding is partially in agreement with those of Punjarisi's (2009) study. It is interesting to note that brand authenticity among all other variables had the strongest predictive power on the brand promise delivery, even more than brand supportive behavior. This result suggests that the new business imperative is authenticity (Richardson, 2013) especially in the hotel industry (Hospitalitynet, 2013). Studies show that "authenticity of experiences has overtaken quality as the prevailing purchasing criterion" (Gilmore & Pine II, 2012, p. 7).

Nevertheless, while authenticity seems to be a center of attention in tourism for a long time (Knudsen, & Waade, 2010; Sim, 2007; Taylor, 2001; Wang, 1999), there is up to date very limited knowledge about the role authenticity plays in the hotel industry. There are several possible explanations as to why brand authenticity positively contributes to a brand promise delivery. Firstly, the brand authenticity construct consisted of three factors: brand consistency, brand customer orientation, and brand congruency. The results indicate that the employees' attitudes are congruent with their brand authenticity and their attitudes towards providing authentic service to hotel guests have a positive impact not only on their customer orientation behavior but also on their brand promise delivery. The brand promise of a company is not only there to provide a basis for customer expectations but also a basis for employees and management expectations.

Thus, if employees and their supervisors are legitimate and remain true to themselves, and when they perceive their brand as authentic, their authentic behavior is also reflected during the delivery of an authentic compelling experience to guests. When boutique hotel employees remain true to themselves, they can also stay true to the promises made to the guests and naturally deliver an authentic brand promise. Yamashita and Spataro (2004) explain that authenticity ensures that “there is no gap between the purpose of the company and its actions, no gap between what it aspires to be and how it acts everyday” (p. 151). Thus, managing the power of an authentic brand enables hotel employees and managers to consistently deliver the service promises such as “wow” experiences in boutique hotels. The results of this study provide hotel GMs especially those working for boutique properties the opportunity to better understand, manage, and excel their brand through integrating the authenticity aspect into their brand building concept.

In terms of brand supportive behavior’s influence on the delivery of the brand promise, it becomes apparent that employees’ brand-supportive extra role behavior has a beneficial influence on boutique hotels’ overall brand promise delivery. When employees demonstrate brand supportive behavior, which can often times be facilitated through management inducements, it positively affects the brand promise delivery. This is because employees encompassing such brand-supportive behavior have increased willingness to deliver and fulfill the brand promise (Kerekes & Nador, 2002). Consistent brand behavior can be regarded as the internal force that positively contributes to the external focus, which is the delivery of the brand promise. Sartain and Schumann (2006) depict that the key to delivering a brand promise is the on-brand behavior of employees at

every service encounter. To create a personal experience for guests and to put the guest into the center of attention “employees are encouraged to be genuine and authentic in actions and behavior.” Boutique hotels are all about consistently providing a personal and comfortable guest experience, thus if employees go beyond what is expected of them, they can provide the experience promised to guests. Various authors even claim that customers only experience the brand “when employees deliver the characteristics the brand promises” and the characteristics are defined as the employee behavior that supports the brand promise (Sartain & Schumann, 2006, p. 36).

The delivered brand promise construct is the most important stage in the process as it translates the brand’s promise into meaningful actions and makes a company successful (William, 2012). The quantitative results depict that within this construct, the statement “I can successfully fulfill responsibilities specified in my job description” ($M = 4.59$) received the highest mean score. This suggests that employees are aware of their job descriptions and there is no ambiguity as to what is expected from upper level management. Moreover, this result was expected as brand supportive behavior is concerned with employees going out of their usual way in order to provide customers the experience they cannot get elsewhere. Since brand supportive behavior’s influence on the delivered brand promise is high, the result suggests that employees who already show their extra role actions do obviously also successfully fulfill the responsibilities specified in their job descriptions. The influence of authenticity also results a high score within the delivered brand promise construct, as it suggests that employees that demonstrate authentic behavior and have positive perceptions of their brand being authentic, have

high self-efficacy and thus believe in their own ability to achieve the goal of fulfilling their job duties.

However, it was unexpected that the statement “I effectively fulfill the promise that the brand has to its guests” ($M = 4.50$) was ranked third. Even though the mean is still high, it is comparatively lower than the other items. This statement depicts that although feeling authentic and being committed, employees might still perceive the need for further support and attention from their supervisors, which is required for employees to feel and act empowerment. The employees could have the perception that they do not have the tools and authority to effectively fulfill the brand promise. Moreover, this finding could be due to boutique hotel employees not entirely understanding the promise of the brand and therefore also not perceiving that they are delivering the experience promised.

Especially in boutique hotels in which reflecting an authentic behavior and having the perception of an authentic brand is key for success, it might be that employees that show authentic behavior do not necessarily need to follow the standard sets of the brand to deliver on an excellent guest experience. This suggests that rather than following rules and standards, employees of boutique hotels specifically focus on being authentic and unique and thus do not find it crucial to always handle guest specific wishes with sticking to strict brand standards. The low mean score for this particular item might thus highlight again the power authenticity has on the brand promise delivery.

Thus, in terms of brand supportive behavior, and brand authenticity, an effective authentic branding strategy “translates brand attributes into behaviors that individuals can

understand and relate” (Ryan, 2012). By carefully planning and executing such a branding strategy that focuses on the authenticity aspect as well, GM can expect that their employees’ can better translate the brand promise into actions and deliver it to the guests, which results in a pleasant brand experience for all stakeholders.

Managerial Implications

The significant findings of this study contribute to a better understanding of the boutique hotel concept for academics and practitioners in the hotel industry. Particularly by incorporating larger chain companies as well as small independent boutique hotel owner’s views, the results can aid both hotel type managers in terms of their future strategies. Furthermore, this study provides GMs valuable information on how to be a unique boutique property. Specifically, the results suggest that management needs to start from the inside with its employees in order to create a unique successful boutique hotel. This study also provides independent boutique hotel owners the option to consider the possibility of either remaining independent or pursuing an affiliation in the future.

This research was the first attempt to understand managers together with employees’ perspectives of branding. Specifically, valuable empirical results were obtained about employees’ role in the branding process in boutique hotels. One of the main general recommendations for boutique hotel managers is to focus their marketing efforts more on the brand itself rather than the product. Nurturing the brand facilitates managers to pay more attention to their employees. It is further believed that hospitality organizations and in particular boutique hotel managers can benefit from the results as they can (a) learn the best practices derived from other managers’ standpoints, (b) gain a

deeper understanding and appreciation of their employees perceptions regarding the brand, and (c) reinforce brand supportive attitudes and behaviors of their employees that ultimately affect the delivery of the brand promise.

Firstly, this study provides evidence that managers of boutique hotels are aware of the internal branding concept and many have highlighted employees' role in the brand building process to achieve greater congruency between the brand and associates. The qualitative results also indicate that managers of boutique hotels place enormous amount of emphasis on constant communications with employees along with training and hiring practices as core concepts. However, there seemed to be a lack of consistent recognition and varying management perceptions about the essence of other Human Resource strategies such as reward mechanisms that help reinforce employees' brand supportive attitudes and behaviors. A top priority for hotel professionals must be not limited to the hiring of excellent service representatives but also aiming at retaining them. This is because employees not only play a critical role in repeat guests but also significantly contribute to the service scores of the hotels (Seo, 2012). Therefore, direct managerial implications include providing monetary and non-monetary incentives and feedback to employees, to nurture their job experience that ultimately also affects the guest experience (de Chernatony, 2001).

Secondly, even though communication has been proved essential to reinforce employees brand supporting attitudes (H1-1, H1-2, H1-3), there are still improvements required. Although the participating employees of this research were in general pleased with the communication taken place between them and their supervisors. One such area

is that managers must better convey to their employees how their attitudes and behavior positively contributes to the guest experience. A critical finding in terms of communications was that employees were not completely aware of the importance of their role in the brand promise. The employees also indicated lower familiarity with their brand's communication methods (e.g. magazine, Internet, etc.). The study's results assert that managers of boutique hotels need to be more involved in communicating the important role of employees and provide enough information for employees to familiarize themselves with the brand and its methods of communication internally and externally. Especially in highly intensive businesses such as a hotel, there needs to be greater support and assistance towards open communications among all levels of employees, and thus improvements in people management are recommended. For a boutique hotel to be successful, it is not sufficient for supervisors to solely communicate the brand's mission, vision, and values. This can be regarded as a passive communication approach; rather management needs to enable employees to live the brand by embracing the brand's personality, voice, and culture. Research shows that employees favor to receive information from the organization's leaders, but they are more motivated "to hear the impact on their workgroup directly from the people to whom they report" (Finch, Hansen, & Alexander, 2010, p.4). This is supported by the system theory as it suggests not looking at internal communications isolated but also focusing the attention on providing effective feedback. The theory explains "communication events occurring with the organization (system) in relations to the external environment (Abdullah, 2012). This theory expresses the importance of systematically managing the

“in” and “out” of messages in an organization with the aim to “have a clear understanding on the internal messages and effective external feedbacks” (Abdullah, 2012, p. 19).

It is highly suggested that managers reevaluate their communication methods. This specifically means that managers should create communication strategies that engage the employees rather than solely providing information. Managers should have the ability to encourage their employees to give responses to management’s input rather than just managers presenting and spreading out information (Salerno, 2009). If managers only provide information they cannot expect their employees to adjust their attitudes and behaviors in accordance to the hotel brand’s interest. Along with this it is also suggested that managers provide personalized communication, which means that they should be able to direct the messages and topics being communicated to the level of the respective associate.

Furthermore, employees have to be more involved in the goals of the hotel brand. Only knowing that they have to do a particular job or activity and “how” to do it, is not sufficient particularly in boutique hotels. Hotel managers need to provide the answers to the “why” questions. If employees are more involved in setting goals, their motivation and ambitiousness will also be driven. It is furthermore advised for supervisors and managers to communicate face to face as this type of interaction allows to “close the communication loop” between manager and employee (Finch et al., 2010, p. 5).

Improved communication will not only increase guest satisfaction but also significantly contribute to the success of the employees in the boutique hotels. Guests of

boutique properties are paying 30% - 40% more to have this special experience, thus the only individuals who can make that experience are the employees of the boutique hotel (personal communication, 2014). Managers need to recognize that people are the number one marketing tool in the boutique hotel sector and boutique hotels only survive and are driven by people. Looking particularly at chain-affiliated and independent boutique hotels, it is highly likely that different communication approaches must be undertaken. This is because while the GM of a chain property most likely communicates with other managers of the hotel (e.g. food and beverage, front desk etc.), the GM of an independent hotel has a much higher opportunity to communicate directly to his/her front desk or housekeeping employees due to the limited size of the hotel.

Secondly, with regard to the results on brand knowledge, managers revealed that their employees' knowledge of the brand is a differentiating factor for them. Particularly they expressed that through advanced employee brand knowledge personalized service delivery is realized. However, the results of the quantitative part provided evidence that there seems to be a deficit in employee knowledge in various aspects related to the brand. It seems that there is more attention needed from managers towards employees on how they actually promote the brand. It is insufficient to differentiate a boutique hotel only in the mindset of the customers. Even if boutique hotels offer a great service and great facilities, but have nothing they are different in, then they are just a chain hotel and not differentiating themselves of being a boutique hotel (personal communication, 2014). The employees must also be aware of what makes a particular boutique hotel unique and be able to differentiate the hotel they are working at in their minds. GMs of this study do

seem to understand that guests primarily stay at hotels not because of the product but because of the customer service and the experience provided to them by the associates. Thus the GMs need to use other methods of knowledge sharing to also inform their employees about this fact. Managers need to provide employees with greater knowledge about the specific attributes of the brand that make the boutique hotel unique. This is also reflected in the quantitative results, as the item pertaining to the specific attributes that make the boutique hotel unique received a low mean score compared to others. This might suggest that boutique hotel managers should take every opportunity to increase employees' knowledge in areas such as knowing what a boutique hotel actually is and what "boutique hotel" actually means to the employees. Results of this study revealed that some of the employees especially those working for chain-affiliated boutique hotels are not aware that their property is classified as 'boutique.' Thus, only being aware of the unique facilities and physical features of the property is not enough for employees to have a good knowledge about what actually entails a boutique brand. Increasing their brand knowledge will also make it easier for them to recognize what sets the boutique hotel apart from others. Not limited to this, the added knowledge will ultimately enable employees to reflect this knowledge in every guest encounter thus improving also guest impressions about the boutique hotel.

Managers need to be more involved in the process of measuring/testing their employees' attitudes and behavior to see if the employees actually have a clear understanding of the brand. It is insufficient to only provide the minimum core knowledge that staff requires to deliver high levels of service in a boutique hotel setting.

Managers need to recognize that delivering higher levels of service, which boutique hotels claim to provide, necessitates more knowledgeable employees that can achieve performance excellence. A consistent management approach has to involve educating staff on the definition of a boutique hotel and making it clear that boutique hotels are more than unique physical properties with special service. There is more information required that management needs to share with their employees which in the long-run will positively influence the quality of the services and guest satisfaction. Hotel managers are encouraged to take advantage of internal branding processes to reinforce the attitudes and behaviors that are appropriate and required for the delivery of the brand promise.

Thirdly, the results demonstrate that brand authenticity has a significant effect on the brand promise delivery and that it plays a significant role in the success of a boutique hotel. Authenticity seems to be the key for a successful brand promise delivery. The results demonstrate that brand identification and commitment have a relatively high influence on authenticity, while brand loyalty did not seem to affect authenticity much. This suggests, that management should focus more on controllable factors, employee's identification with and commitment to the boutique brand. While management cannot influence an associate's intention to stay (i.e. loyalty) much due to external factors, it is highly suggested that they do focus on controllable factors such as identity and commitment. Nevertheless, it seemed as if managers were not clear on how their employees reflect the authenticity of the brand in their behavior. There was also no information as how managers enact authentic behavior. While all of the GMs at some stage in the interview used the term authenticity interwoven with the concept of boutique

hotels and branding, they were not able to make the connection between an authentic behavior and the brand promise delivery. Especially for boutique hotels that emphasize on their authentic character, it is highly suggested that managers start creating authentic behavior that can set as an example for employees to follow. Llopis (2011) put forth that if management is not authentic, then employees as well as consumers might start questioning the authenticity and leadership of an organization. Likewise, the Boutique and Lifestyle Association (2010) expresses that “authenticity is another trend that must be maintained at all boutique hotels.” GMs of boutique hotels are highly encouraged to promote authenticity from the organization within in order to maintain their competitive advantage over existing and new competitors (Abimbola & Kocak, 2007; Ballantyne, Warren, & Nobbs, 2006; Brown, Kozinets, & Sherry, 2003). It is further suggested that boutique hotel GMs emphasize on their indexical authenticity, meaning that they should aim at providing something that has not been done by other hotels and a unique aspect that stands out.

Additionally, the hotels must always also focus on existential authenticity, as this is a big part for boutique hotel brands to be successful. To overcome discrepancies between employees’ authenticity perceptions of the brand and behavior and management’s perceptions of authenticity, boutique hotel managers should follow three practices identified to be key for authentic brands (Berverland, 2009). These include the hiring process. For example authentic brands do not necessarily hire for passion and ability but based on employees’ music and film tastes (Roddick, 2005). Secondly, taking care of employees and valuing staff, but at the same time managers or leaders should

“root out non-performance early” to inspire the most loyalty (Smith, 2008). Especially in terms of boutique hotels, it is essential to immerse associates in the brand’s heritage and values. Another relevant practice to boutique hotel employees’ brand authenticity is related to managements’ efforts to create an environment in which risk taking and creativity is not only encouraged but also required.

Fourth, brand identification and commitment both had a significant positive impact on brand authenticity and ultimately the brand promise delivery. As mentioned earlier, these two attitudinal components seem to be much easier for management to influence and control as compared to loyalty. In order to enhance employee identification with the boutique hotel, managers are encouraged to become active in storytelling. Surprisingly, storytelling was only mentioned once in the qualitative interviews in terms of managements’ role in ensuring employee behavior is used as a component for branding was storytelling. One chain-affiliated GM expressed that a storybook was created that was centered around a sense of place and every associate had the task to read this particular book. The GM explained that the book helped his associated in the following aspects: (a) to further identify themselves with the brand, (b) gain a deeper understanding of the type of service delivery the boutique hotel is looking to achieve, (c) be knowledgeable about the type of camaraderie expected from each other, and (d) understand what the hotel sets out to do (building a family and not opening up a boutique resort). Even though storytelling has become a buzzword in the business world, there is still little known about storytelling approaches in hospitality related literature (Agren & Olund, 2007; Debauwe, 2013). Advantages of storytelling include: Engaging

employees and mediate feelings, inspiring them to realize the positioning and vision of the hotel brand as well as effectively connect with employees (Agren & Olund, 2007; Baker, 2012, Naseer, 2013). According to a very recent article internal storytelling aids in building an authentic community (Enders cited in McKinney, 2014). Enders (2014) explains that employee storytelling enables the organization to firstly think about “who they really are” in order to “create what you’re mean to create.” Thus, managers of boutique hotels should adopt storytelling techniques and make those become part of the daily boutique hotel life with the aim to optimize clarity and meaningful contribution personally and professionally (Enders in McKinney, 2014). Through storytelling management can enhance their employees identification and commitment with the brand and thus positively influence the authenticity and brand promise delivery. According to Duarte (2013), the “most inspiring organizations [...] use stories to educate, invigorate, and motivate” their employees (p.1). Duarte (2013) further explains that through storytelling the organizations foundation can be strengthened and shared experiences “knit [everyone] together as a company” as well as allow “maintaining a unity of purpose that fuels“ success (p. 2).

In terms of brand commitment, the results suggest that the participated GMs did more to create employee commitment than just merely sharing the brand values with the staff. Boutique hotel managers must continuously strive to further steer employees’ commitment by providing brand-related information and supporting employees to attain the highest dimension (i.e. affective) of commitment in the long run and ultimately practice the on-brand behavior (Meyer & Allen, 1991). Nevertheless, boutique hotel

managers can further emphasis on brand commitment since employees did not indicate complete agreement to the statement that “top management’s commitment to the brand leads them to make an extra effort to the brand.” Managers are the role models of the hotels and they need to ‘walk the talk.’ Thus, if employees’ do not perceive that their management is fully committed, this shows signs of not only errors in management style but also weak leadership skills. Only if managers are fully committed and show enthusiasm towards their job, employees can believe in the brand and the brand related messages communicated to guests. Collins and Porras (1996) also point out that “commitment without a cause is meaningless” (as cited in Dessler, 1999, p. 55). Managers can only win employee commitment and encourage productivity if they also demonstrate in their attitudes and behaviors. Kanter (2013) noted that the key to achieving commitment is to “create strong linkages between the mission and ideology on the one hand, and the person’s understanding of how his or her role in the commune fits with the transcended mission on the other hand” (p.1).

To further enhance commitment to - and identification with the particular brand, boutique hotel GMs should better identify employees with similar values and personal character and emphasis more on involvement and engagement through storytelling. This point is best described through the Person-Organization fit theory (PO-fit). PO-fit is defined as the congruity of sharing similar fundamental characteristics between an individual and an organization. Examples of such characteristics include shared individual and organizational goals, personality similarity between individual and co-workers, mutual need fulfillment, as well as value compatibility. In support to this, a

study with hotel managers revealed that PO-fit is positively related to organizational commitment, job motivation and job satisfaction (Iplik & Kilic, 2011). GMs of boutique hotels should focus on finding the “right fit” for the brand and company, by building the fit in their employment brand (Handler, 2004). This will ease their concerns about high turnover rates as well as have employees that are eager to provide brand supportive behavior by demonstrating extra role behavior. Managers should also notice that by hiring and recruiting employees with the fit they are looking for enhances teamwork and overall improved atmosphere among and between organizational divisions.

Apart from the hiring process, to retain current employees, management is encouraged to not only focus on training and meetings in which the “hands on experience” is limited. Rather management is strongly recommended to create authentic approaches that increase employee engagement. Managers need to proactively support their associates and listen to what their associates have to tell them. The service system will fail without management support, as it prevents employees from doing their job correctly and desiring for exceeding expectations (personal communication, 2014). For employees to be able to enact the brand values and show increased commitment, management should have daily activities that remind their associates of the brand values. Thus the entire process of how attitudes influence authenticity and authenticity enhancing brand promise delivery can be regarded as a multiplier effect. Consequently, when nurturing the attitudes of the employees through strategies such as storytelling, increased identification and commitment leads to enhanced authenticity and ultimately enriched customer experiences.

Furthermore, one more advice for managers is to make sure that management and owners work together and really set the example. When employees see their superiors working hard and going above and beyond, they get inspired as well (personal communication, 2014). This will not only increase their motivation to work harder but also enhances their sense of belonging and psychological attachment to the brand.

Fifth, empirical evidence demonstrated that even though employee brand loyalty plays a significant factor in influencing brand supportive behavior and authenticity, it was the construct with the lowest significance in the entire internal branding model. Employees of boutique hotels did not feel that they would like to spend the rest of their careers in the boutique hotels they are currently working for. Very often in the hospitality industry managers are faced with the dilemma of high-turnover rates. Managers need to be aware that communications and knowledge dissemination does not fully commit an employee to become truly loyal to the company. With the aspiration to get employees loyalty towards a particular brand, it is suggested that managers central focus should be on reinforcing desired work behaviors along with “supporting the attractiveness of that particular brand to the employee’s individual quality of work life” (Bachhause & Tikoo, 2004, p. 511). Management needs to know that unlike employee loyalty which can be increased through recognizing employees’ personal career aspirations and respecting their individual contributions (Vance, 2006), employee brand loyalty is much more dependent on the emphasis given to whether or not the employee lives the culture and identity of a particular brand.

Finally, there is one more important finding generated from qualitative data that

boutique hotel managers must acknowledge in order to educate their employees and provide their guests with exceptional service. One such aspect of prominence is that managers need to understand that boutique hotel branding is special in that sense that it focuses extremely on the service provided partly due to the higher price and the high-end customers it attracts. There has to be a “unique” aspect for boutique hotels, it is not enough to open 60-room hotel with appealing beds. Boutique hotels have to clearly define what they want to deliver and deliver this with passion in an authentic fashion in their facility, ambience, level of service and food. Being unique and being different is regarded as an important factor. Future boutique hotel managers should think creatively and not try to do what has already been done, the key is to create something unique and make it “your own.” Boutique hotel managers should “reinvent the wheel every now and then” (personal communication, 2014) in order to remain competitive in the boutique hotel market. Along with this, boutique hotel managers need to know who they are marketing to in order to be able to successfully comply to the customers’ needs and wants. GMs are encouraged to constantly look at and evaluate what the competitors are providing, but then making an own statement in order for the customers to be engaged and truly appreciate what the boutique hotel is aiming to offer (personal communication, 2014).

Limitations

Although this study shed some light on the branding process of boutique hotels from both managerial and employees’ perspectives, several limitations of this study must be acknowledged. Firstly, due to the lack of prior research studies on the topic of

branding in the boutique hotel sector, it is difficult to compare the significance and possible explanations of the results with others.

Secondly, boutique hotel GMs gave similar responses to some of the interview questions. Thus, further modification of the interview questions is required to make the interview more efficient. Nevertheless, the qualitative section of the study aimed to further add on theory building rather than generalizability of boutique hotel branding. Moreover, the majority of the respondents were male, which made a big disproportion to the one female GM.

Thirdly, the sample size for the quantitative part consisted of 131 valid responses. This smaller sample size may lead to inconclusive results. The online survey reached a wide population and participants were able to complete the survey at their own pace; however, there were still many incomplete surveys. Even though significant relationships from data were possible, to ensure a representative distribution of the entire population a larger sample size is recommended as it allows for greater power and generalizability. In addition, due to US hotel companies' policy, it was extremely difficult to collect data from particularly the chain-affiliated boutique hotels. Although it is faster and cheaper to send out online surveys, there are also a variety of disadvantages associated with this. Some of the limitations of online surveys include the difficulty of tracking non-response rates, participants either ignoring the emails, perceiving those as junk or deciding not to continue after looking at the instructions. Furthermore, online surveys are characterized as being impersonal and increase the fear of privacy and security issues.

Fourth, the survey completion times ranged from 5 to 19 minutes. The level of accuracy might have decreased for respondents that took longer time to complete the survey. The possibility of getting tired might increase respondents' speed of response and decrease the attention paid to the survey.

Fifth, unequal sample sizes between Europe and the US may cause bias on the results. It was difficult to obtain a complete data set for the European boutique hotels; therefore, individual research was conducted and might not represent the most complete data set. Most of the GMs and employees experiences and perceptions are more representative of the US rather than Europe.

Sixth, some participants were interviewed via phone while others were interviewed face-to face.

Finally, although all survey items that were chosen from different researchers had high coefficient alphas; one scale namely 'brand loyalty' was below the recommended range of .70-1.00 for social sciences (Nunnally, 1978). The scale had only three items, thus more items specifically ones that are related to each other are recommended which may not only increase the internal reliability, but also the quality of the entire construct.

Future Research

A deeper understanding of brand development and management in the boutique hotel sector of the hospitality industry has been gained through this research. Specifically, this research provides preliminary evidence that the internal branding process plays a significant role in the boutique hotel industry not only from managements' point of view but also from boutique hotel employees' perspective. Up to

date, there is no other research exploring the concept of branding in a boutique hotel setting. Thus, there are several directions for future research.

Firstly, while there is indication that employee brand knowledge and supportive attitudes contribute positively to the delivery of the brand promise. There is still limited understanding about the “best practice” guided hotel employees that actually lead to an improved performance and positive brand-delivery behaviors. Thus, future research could explore boutique hotel employees in more depth in order to gain a better understanding of the appropriate attitudes and behavior required by employees.

Secondly, future research should conduct a deeper investigation into the meanings of the variables studied here. For example, instead of only looking at how the boutique hotel managers actively communicate and disseminate knowledge to the employees, one can further explore what these variables actually mean to the managers as well as the employees. It would be interesting to find out the similarities and discrepancies in the perceived meanings of these constructs.

Thirdly, equal sample sizes are recommended for replicated studies in order to reduce bias. Future studies can explore if different geographic locations display further differences between the emerging notion of boutique hotels. A thorough comparison between independent and chain-affiliated boutique hotels in the USA and Europe would be suggested. Especially because independent boutique hotels in Europe outweigh international chain hotels, it is suggested to conduct two separate studies: one focusing only on the comparison between independent boutique hotels among countries, while another study could explore the new phenomenon of chain-affiliated boutique properties.

To further enhance the current understanding of boutique hotels, future studies could look at what topics and themes are specific to a boutique hotel (independent and chain-affiliated) and what themes are rooted in all boutique hotels regardless of the hotel type.

While it was beyond the scope of this study, future research regarding boutique hotel branding could include a boutique hotel's cultural heritage as one variable. It would be interesting to find out if different countries' brand's (origin of the brand) have an influence on the internal branding process. This would enable managers to also take into consideration different geographical markets and see if there are similarities and differences among employee supporting attitudes and behaviors.

Another aspect that remains to be explored is to further understand manager's perspectives as to what methods and strategies are required for employees to successfully deliver the brand promise. While the study shows that internal communications and knowledge for example do enhance the employees brand delivery promise, it would be interesting to find out what exactly the communication needs to entail and what knowledge exactly needs to be passed to the employee to enhance the brand promise delivery.

This research was the first to examine authenticity in the context of boutique hotels and in the internal branding process. The significant contribution of authenticity to the delivery of the brand promise is expected to contribute to branding theory and practice and will enable boutique hotels to enhance their competitive edge. This relationship represents a very interesting research path for future hotel related studies. Thus, future research should be conducted to retest the internal branding model with the

added variable of authenticity and ascertain the results.

It is clear that there are differences in researches as to how much the employee attitudes (i.e. commitment, loyalty, identification) actually significantly contribute to a brand supportive behavior and ultimately to the delivery of the brand promise. While some researchers argue that a variety of attitudes such as loyalty, commitment, and identification have a direct influence on brand supportive behavior and ultimately the delivered brand promise, others argue that there is no significant relationship between some of these variables. Due to the mix results in the past, more research is needed to expand on the current body of knowledge. For example, in this research the brand loyalty scale was especially low as compared to the other scales. Thus to build on the preliminary evidence found in this study, it is suggested to focus on employee loyalty in terms of the branding literature by also adding more items to the scale which was below .70 and improve reliability. Future researchers should explore additional branding variables and add items when examining the scales. For example, one construct that can be operationalized and added to the internal branding model is aesthetics as it plays a pivotal role in boutique hotel branding. Additionally, to further understand the branding uniqueness of boutique hotels, the theories of impression management and personal branding could be utilized. Intermediating effects of the variables can also be tested in another study. Additionally, relationships and predictive powers of variables whose relationships were not investigated in this study could contribute to additional knowledge. For example, one can look how internal communications leads to a process of improved knowledge instead of using “knowledge” and “communications” as prerequisites. Also,

one can investigate if internal brand commitment leads to higher loyalty and higher brand identification.

Finally, future research may investigate if different employee positions (e.g. front office vs. back-of-house) perceive the boutique hotel brand differently and also if they perceive their influence on the brand differently. In addition, questions such as: “Are there different management approaches needed for the varying positions within in the boutique hotel to successfully align employees’ attitudes and behaviors to the boutique hotels culture?” and “Do employees from different departments collect brand related knowledge from different sources?” may shed some lights on an comprehensive internal branding process for successful boutique hotels. The answers to these questions could possibly also give information about if and how employees’ supportive attitudes, behavior and authenticity build up over time.

Thus, it is unlikely that they draw the same inferences about the boutique hotel’s branding strategy. It might generate meaningful information to construct an internal branding model that ensures an integrated approach across all employee levels and functions for boutique hotels.

APPENDICES

APPENDIX A

INSTRUCTION LETTER TO HOTEL EMPLOYEES

APPENDIX A

Instruction Letter to Hotel Employees

Dear Hotel Employees,

My name is Lara Özarslan and I am currently a master's student at Kent State University. As part of my master's thesis I am conducting research about internal branding and specifically investigating how employees can positively impact the entire brand image and consequently delivered brand promise. My aim with this study is to highlight employees' value to the overall success of boutique hotel branding.

By filling out this survey, you will provide information that will help your hotels marketing as well as human resource department take the right actions. Your response is valuable for this research.

Your participation is voluntarily and I assure the anonymity and confidentiality of your responses. I will solely use all information for my thesis and your answers will only be reviewed by me. Your individual answers will not be shared with anyone including your employers. The survey will approximately take **10 minutes** of your time. Please make sure you answer each question. Please submit the questionnaire by **Friday, June 21, 2013**.

The project has been approved by Kent State University. If you have specific questions about the rules and regulations please contact the Division of Research and Sponsored Programs at 330-672-2704.

Finally, in appreciation for participating in this research, I would like to offer you the **chance to win one of four prepaid \$25.00 VISA cards**. Winners will be randomly selected and contacted via email by **Wednesday, June 26, 2013**. If interested please enter your email address at the end of the questionnaire. Your email will certainly be kept confidential and will not be used for any other reason.

If you have any questions or concerns about completing the survey, please feel free to contact me.

Thank you very much for your support and completion of the survey. Your participation is greatly appreciated.

Sincerely,

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APPENDIX B

KSU INSTUTUTIONAL REVIEW BOARD APPROVAL FORM

APPENDIX B

KSU INSTITUTIONAL REVIEW BOARD APPROVAL FORM

RE: Protocol #13-275 - entitled "Branding Boutique Hotels: Management and Employees' Perspectives"

I am pleased to inform you that the Kent State University Institutional Review Board has reviewed and approved your Application for Approval to Use Human Research Participants as Level I/Exempt research. This application was approved on **May 24, 2013**. Your research project involves minimal risk to human subjects and meets the criteria for the following category of exemption under federal regulations:

- Exemption 2: Research involving the use of educational tests, surveys, interviews, or observation of public behavior.

****Submission of annual review reports is not required for Level 1/Exempt projects.*

APPENDIX C

KSU INSTITUTIONAL MODIFICATION APPROVAL NOTICE

APPENDIX C

KSU INSTITUTIONAL MODIFICATION APPROVAL NOTICE

RE: IRB #13-275 - entitled "Branding Boutique Hotels: Management and Employees' Perspectives"

The Kent State University Institutional Review Board (IRB) has reviewed and approved your protocol modification request. It is understood that the research is continuing with modifications to expand recruitment to independent hotels. The modification to this protocol was approved on **May 24, 2013**.

Federal regulations and Kent State University IRB policy requires that research be reviewed at intervals appropriate to the degree of risk, but not less than once per year.

HHS regulations and Kent State University Institutional Review Board guidelines require that any changes in research methodology, protocol design, or principal investigator have the prior approval of the IRB before implementation and continuation of the protocol. The IRB must also be informed of any adverse events associated with the study. The IRB further requests a final report at the conclusion of the study.

Kent State University has a Federal Wide Assurance on file with the Office for Human Research Protections (OHRP); [FWA Number 00001853](#).

If you have any questions or concerns, please contact me at [330-672-2704](tel:330-672-2704) or pwashko@kent.edu.

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