

THE INFLUENCE OF CORPORATE BRANDING AND ITS EFFECT ON CUSTOMER LOYALTY WITH SPECIAL REFERENCE TO BRAND TREEBO

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Abstract: The project traverse through the detailed analysis of the corporate branding of India's third largest budget hotel chain Treebo Hotels. The focus of the study is to understand the factors that affect the customer loyalty towards a brand. The focus also puts light on the competitive and comparative products and brand, macro environment and the internal environment and workings of firm.

Treebo Hotels aims at providing budget hotel accommodation. It has 450, 3-4 star properties in 80+ cities and is expanding at a fast rate in other cities of India. It largely caters to the corporate segment as its clients and has sub brands as Trip, Trend and tryst. With an entrepreneurial idea in the minds of three 'IIT graduates' Rahul Chaudhary, Sidharth Gupta and Kadam jeet jain, the idea was brought into life in 2015 as Rubtub Solutions PVT. LTD. With huge competition in the market and flourishing in Tourism sector, a brand that is well recognized, trusted for its offerings and customer-oriented can upscale the revenues of the company. The purpose of the research on "A study of corporate branding and its effect on customer loyalty" was to understand the factors that can lead to repurchase behavior and bring familiarity towards a brand. A self-administered questionnaire was generated for this study and was circulated to 110 respondents out of which 53 complete responses were taken. Analysis of data generated has been done using SPSS Statistics and factors that can attribute to customer loyalty were assessed. The population taken as sampling unit includes the admins/HR/Travel agents of the corporates who provides accommodation to the employees and clients of their company and the travellers in general. The findings of the primary objective include the factors such as brand fit, brand awareness, quality factors, price, brand name and past experience that influences the repurchase behavior of a brand.

Keywords: Customer Loyalty; Brand Awareness; corporate branding; brand awareness.

INTRODUCTION TO THE STUDY

The study of corporate branding and its effect on customer loyalty, with special reference to Treebo was done for Treebo Hotels Pvt. Ltd., Bangalore.

The study is to understand the loyalty of corporates towards treebo hotels and how does branding affects the purchase intention of the services by the largely catered segments of Treebo Hotels, corporates and travellers.

Since the inception of Treebo Hotels in the June 2015 with competitors such as OYO, Fab Hotels, Air bnb, JW Marriott, Hyatt Regency and other 4-5 star properties already into play. The Budget hotel chain has outgrown most of the hotel chains by spreading across 80 plus cities pan India with around 450 plus properties. "The company operates on franchisee and managed model by taking hotels exclusively and working with the hotel owners to provide it's branding, customer acquisition channels, management software and more. They propose a base standard for guests which includes clean linen, bedding, free Wi-Fi and more, for a price range of 1,000-3,000 INR, or roughly \$15-\$50, per night. In addition, they use a mobile app as a virtual concierge service to help with check-in, orders, answer questions and more." (Jon Russell, 2017).

The accommodation section of Treebo Hotels is divided into three segments Trip, Trend and Tryst. Trip is the section with standard properties, Trend with deluxe properties and Tryst contains premium properties. The rooms in these properties are further divided in to three subsections Oak or acacia (standard rooms), maple (deluxe rooms) and Mahogany (premium rooms). The meal plans includes European plan (no breakfast), American

RESEARCH PROBLEM

The study of corporate branding and its effect to customer loyalty with special reference to brand treebo is to understand the significance and differentiation branding creates in the market place and leads to customer loyalty for a hotel chain.

OBJECTIVES OF THE STUDY

Primary Objective.

To study the corporate branding and its effect on customer loyalty with special reference to the brand Treebo Hotels. It accumulates multiple objectives under it:

Effect of brand trust on the corporate loyalty.

Role brand familiarity plays in tightening the loyalty of customers towards its services.

Corporate level of involvement with the brand or product

How does marketing communication increase the brand awareness?

Factors that attract a customer towards a brand in reference to decent hotel accommodation

LITERATURE REVIEW

In marketing research literature review, Loyalty is a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior." (Oliver, 1997).

Branding brings the quality assurance and leads to customer loyalty and greater customer choice. (Md Yusuf Hossein KHAN et al, 2018).

The most broadly used brand divisions in hotel industry encompass economy hotels, midscale without food and beverage, mid-scale with F&B, economy prolonged stay, mid-scale or upscale extended stay hotels, upper upscale, and premium luxury hotels (Solutions, 2018).

Brand creation makes the management of hotels more complex and can lead to inefficiency which the hotel management must decide if branding is a useful tactic or not. Brand owners are required to remember that the product and guest satisfaction should be the ultimate goal for an organisation as it increases brand value and encourages customer loyalty. (Md Yusuf Hossein KHAN et al, 2018).

Branding is a strategy that allows firms to position their services and compete in the modern economy (Keller, 2003).

In the context of hospitality, it has been the most popular marketing strategy over the last 30 years (O'Neill & Mattilla, 2004).

Branding has been successful in adding value to the products and services and encouraging customer loyalty (O' Neill and Xiao 2006).

Customer loyalty is an increasingly relevant issue in the service sector and hospitality industry as customers find a great variety of choices (Knox, 1998; Kumar et al., 2006; Magson & Dipple, 2004).

Evidence from previous studies suggests that if managed effectively, branding add to market share gains (O'Neill & Matilla, 2004).

As previous studies have demonstrated, brand identity influences consumer purchasing decisions (Siguaw, Mattila, & Austin 1999).

Brands are able to connect with consumer emotions (Kim & Kim 2004) and provide a reassuring emotion on consumers who are worried about the risks of staying at unknown hospitality providers (O'Neill & Xiao, 2006).

Branding has traditionally been seen as a marketing method for shifting buying behaviour but studies show the modern nature of branding by establishing an emotional relationship between the supplier and the consumer in hospitality (Gobe, 2001).

Branding in the hotel industry has shown to stimulate sales and more specifically, customers' interest to pay a premium for the hospitality service if they believe the brand guarantees a certain level of quality (O'Neill & Mattilla, 2006).

Branding has also been seen to have a preferential effect from consumers on their decision to use one hotel over another (Dev et al. 1995).

Studies have also shown that an extra 20-25% can be added to value of a hotel when its brand has high recognition, high brand image and a reputation for good service (O'Neill & Xiao, 2006).

Hotels are able to capitalise on the success of their brand as it creates an intangible asset that can add value in financial terms making the value of the hotel better to prospective buyers and also leading to better cash flow and higher profit margins (O'Neill & Matilla, 2006).

Well-known brands are also more likely to be able to expand geographically into new areas and markets (Mahajan et al. 1994).

Branding is also a strategy that is able to improve the level of service and create value for stakeholders by establishing a consistent level of quality (O'Neill & Xiao, 2006)

Hotels have started to recognise the difficulty in maintaining an identity where their services are segmented and the challenge to offer a brand-specific level of service is a major one to those who have used branding strategies for growth. (Md Yusuf Hossein KHAN et al, 2018).

They have examined guests' perceptions of building customer loyalty and the contribution of various hotel criteria in delivering promised benefits. They have conducted a primary survey of frequent business and leisure tourists in the US to understand the relative contribution of 115 functional practices to customer loyalty. (Dube and Renaghan, 1999 a,b). They have studied consumers' understanding and use of the words quality and satisfaction using critical incident methodology. (Iacobucci et al. (1995)

METHODOLOGY

The study is basically quantitative in nature. The nature of data is a primary data recorded and observed as a Part of orinal study.

Sampling method

Research approach is survey research; sampling unit is the HR/Admins/Travel agents of the corporates and the travelers such as students working and retired population. Sampling size is 53 respondents.

Data collection instruments

The approach to collect the data is a direct approach with the research instrument taken as questionnaires. The contact method is Self-administered questionnaires through online mode.

METHOD OF DATA COLLECTION

The data for the study on corporate branding and its effect on customer loyalty in special reference to brand treebo has been collected through self-administered questionnaires.

Primary data is collected to understand the past experience, customer satisfaction, customer retention, and brand loyalty of corporates treebo largely caters to and travellers. The quantitative data generated from questionnaires was sent to 100 respondents out of which 50% of the responses were either incomplete or not submitted within a time frame for the analysis of data. Thus, the

findings detailed here are the analysis of a total of 53 questionnaires. Personal interaction with the admins/HR/ travel agents of the corporates contributes to almost 45% of the total response rate.

ANALYSIS AND RESULTS OF DATA

The author has used SPSS Statistics to analyze the data collected from 53 respondents.

Reliability measure

When the cronbach’s alpha is more than 0.70 it means that internal consistency of the questionnaire has been achieved and the questionnaire is valid and reliable.

Table 1. Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.750	6

1)Customers uses the online/digital platforms to book hotels with a frequency of about 49 respondents uses these platforms while the other 4 respondents might be doing the booking for their accommodation through Treebo sales executive, inside sales personnel or through walk in bookings. (Refer to Table 2)

Do you use online/digital platforms to book hotels?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	4	7.5	7.5	7.5
	Yes	49	92.5	92.5	100.0
Total		53	100.0	100.0	

Table 2. Usage of Online/Digital Platforms to book Hotels

2)Brand awareness of Treebo hotels accounts up to frequency of 51 respondents summing up to a valid percent of 96.2% and a cumulative percent of 100%. This showcases that a huge section of customers are aware about the brand Treebo Hotels. (Refer to Table 3)

Have you heard about Treebo Hotels?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	2	3.8	3.8	3.8
	Yes	51	96.2	96.2	100.0
Total		53	100.0	100.0	

Table 3. Awareness of Treebo Hotels

3)The medium that contributed most to the awareness of the brand is through treebo sales executive highlighted brilliantly with a frequency of 25 respondents contributing to a valid percent of 47.2% and a cumulative of 100%. The second and third mediums are the friends/family/colleagues and the hotel booking websites. (Refer to table 4)

4)The hotel chain preferred by the customers are illustrated as Treebo hotels with a frequency of 25 respondents followed by oyo with a frequency of 16 respondents making up to 30.2% of valid percent in comparison with treebo with 47.2% of valid percent. (Refer to tables 5)

Through which medium you got to know about Treebo Hotels.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Friends/Family/Colleagues	10	18.9	18.9	18.9
	Hotel Booking websites (Booking.com etc)	9	17.0	17.0	35.8
	i have not heard	1	1.9	1.9	37.7
	Saw treebo hotels	1	1.9	1.9	39.6
	Social Media	6	11.3	11.3	50.9
	Television	1	1.9	1.9	52.8
	Treebo Sales Executive	25	47.2	47.2	100.0
	Total	53	100.0	100.0	

Table 4. Mediums of Treebo Hotels

Which hotel chain you prefer to use for your employees travelling PAN India?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4-5 star properties like Taj, Marriott, R	8	15.1	15.1	15.1
	Earlier using OYO	1	1.9	1.9	17.0
	Fab Hotels	1	1.9	1.9	18.9
	Good budget hotel accommodation according	1	1.9	1.9	20.8
	Oyo	16	30.2	30.2	50.9
	Price and location met accommodation	1	1.9	1.9	52.8
	Treebo Hotels	25	47.2	47.2	100.0
	Total	53	100.0	100.0	

Table 5. Preference of Hotel chain PAN India

1) The customers who have already used Treebo hotels have past experiences that result in future demands. Frequency of 37 respondents is positively skewed towards the satisfaction of the service being provided to them with a valid percent of 69.8% and frequency of 16 respondents is negatively skewed towards the service. This can be due to the factors earlier mentioned such as

cleanliness, brand name, and location, past experience, price and others. Satisfaction with the past experience has high probability and high impact to the study.

(Refer to table 6)

Were you satisfied with your past experience of Treebo Hotels?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	1	1.9	1.9	1.9
	No	15	28.3	28.3	30.2
	Yes	37	69.8	69.8	100.0
	Total	53	100.0	100.0	

Table 6. Satisfied with the past experience of Treebo Hotels

What according to you are the most important factors for the perfect stay of your clients?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Brand name	3	5.7	5.7	5.7
	Brand name, Past Experience	1	1.9	1.9	7.5
	Cleanliness	7	13.2	13.2	20.8
	Cleanliness, Brand name	1	1.9	1.9	22.6
	Cleanliness, Brand name, Location	1	1.9	1.9	24.5
	Cleanliness, Brand name, Location, Past	4	7.5	7.5	32.1
	Cleanliness, Brand name, Location, Price	18	34.0	34.0	66.0
	Cleanliness, Location, Price	5	9.4	9.4	75.5
	Cleanliness, Location, Price, Other	1	1.9	1.9	77.4
	Cleanliness, Location, Price, Past Exper	8	15.1	15.1	92.5
	Cleanliness, Past Experience	1	1.9	1.9	94.3
	Cleanliness, Price, Past Experience	1	1.9	1.9	96.2
	Location, Price, Past Experience	1	1.9	1.9	98.1
	Price	1	1.9	1.9	100.0
Total		53	100.0	100.0	

Table 7. Important factors for a good accommodation

2)Total of 5 factors were presented in the questionnaire in which the set of factors

that is most considered for a quality service delivery by the customers are the cleanliness, brand name, location, price of a hotel chain with a frequency of 18 respondents and a valid percent of 34%. Cleanliness is the second most important factor among all the factors with a frequency of 7 respondents and a valid percent of 13.2%, which is clubbed in with other factors or taken alone by other customers and can jeopardize a quality of service leading to switching of the customers towards a better competitor. Factor set of cleanliness, location, Price and past experience shows a frequency of 8 respondents with a valid percent of 15.1%. These factors drive the branding of a corporate and are related to customer loyalty. Cleanliness, brand name, price and location have high probability and high impact on to the study and signify the customer loyalty. (Refer to Table 7)

3)When a customer is satisfied with a service a positive word of mouth can create a huge impact. Frequency of 41 respondents referred that they will recommend treebo hotels to their acquaintances in the future. (Refer to table 8)

Would you recommend Treebo Hotels to your acquaintances in the future?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	1	1.9	1.9	1.9
	No	11	20.8	20.8	22.6
	yes	1	1.9	1.9	24.5
	Yes	40	75.5	75.5	100.0
	Total	53	100.0	100.0	

Table 8. Recommendation of Treebo hotels to acquaintances

4) The perceived service and the actual service create a customer-service gap when the perceived services are greater than actual service there is a huge customer-service gap and vice versa. With the frequency of 34 respondents the perceived services by the customer are closer to the actual services provided by Treebo Hotels, which gives a valid percent of 62.3% and a frequency of 19 respondents, do not find a fit/balance between the services. (Refer to table 9)

Do you think there is a fit/balance between your preference for services and the actual services provided by Treebo hotels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	1	1.9	1.9	1.9
	No	18	34.0	34.0	35.8
	yes	1	1.9	1.9	37.7
	Yes	33	62.3	62.3	100.0
	Total	53	100.0	100.0	

Table 9. Fit/balance between the actual services and perceived services

5)Repeat purchase of a customer even during great fluctuations in the price defines a customer loyalty towards a brand. The factors that can lead to customer loyalty can be brand trust, customer relationship, financial and social benefits or structural ties. A valid percent of 60.4%, frequency of 32 respondents do not prefer Treebo hotels in case of Price hike.(Refer to table 10)

In case of a price hike of Treebo Hotels, would you still prefer to pay for your accomodation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	32	60.4	60.4	60.4
	Yes	21	39.6	39.6	100.0
	Total	53	100.0	100.0	

Table 10. Price hike of Treebo hotels

OBSERVATIONS AND FINDINGS

According to the study being done on the corporate branding and its effect on customer loyalty with special reference to brand treebo, customer loyalty is developed when re purchasing takes places in spite of situational influence caused by the market environment.

-) In the analysis of the study the effect of brand trust on loyalty is observed through the word of mouth recommendations.
-) The role brand familiarity plays in tightening the loyalty of customers is observed through the customers who have heard about treebo hotels and prefer to use the services when they have requirements.
-) The corporate level of involvement can be observed with the past experiences of the corporates who have used Treebo Hotels.
-) Marketing communication such as Newspaper, social media, Treebo sales executive, hotel booking websites, television and word of mouth can be considered as to increase the brand awareness.
-) Factors that attract a customer towards a brand is illustrated through a corporate loyalty model given below that differentiates a brand from its competitor.

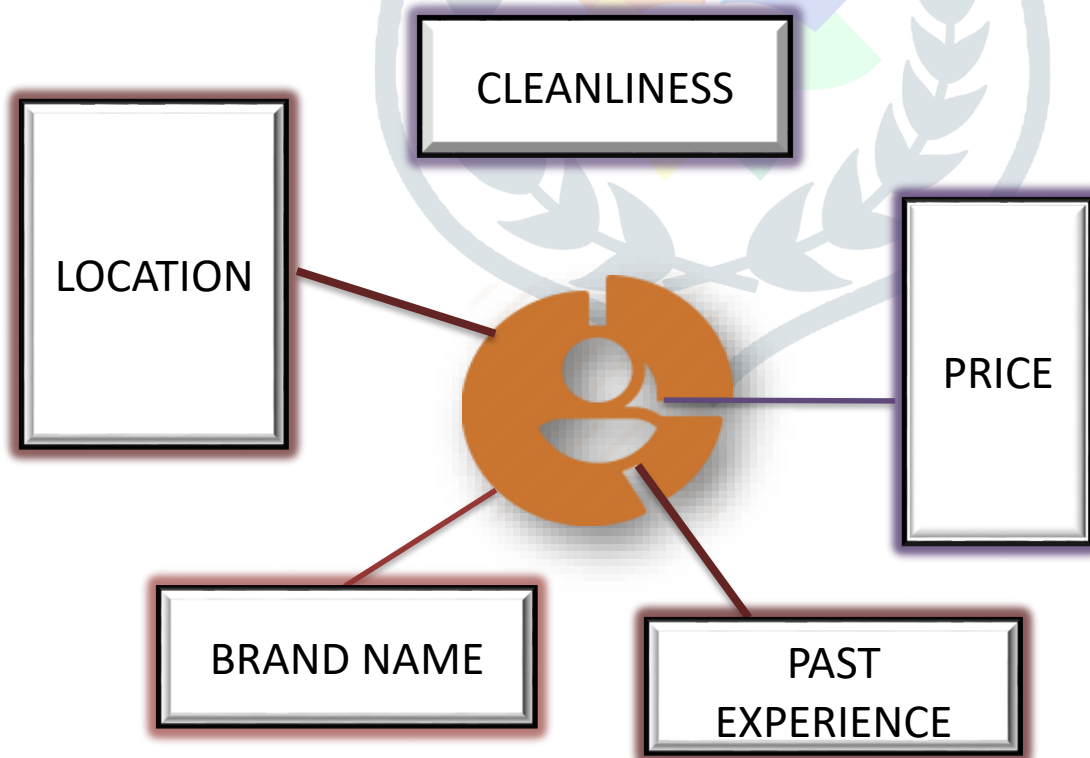


Fig 1: Proposed Customer Loyalty Model

RECOMMENDATIONS

1. Treebo Hotels outsource the marketing team and thus the television advertising, campaigning and low social media performance acts as a barrier to reach out to public on larger scale.
2. Awareness to states in North India is really low as target audience is small as compared to its competitors, which are grown and known on larger scale. In this case marketing communication will create awareness about the brand to those areas.
3. Clear division when it comes to an area that has been assigned to a territory sales manager, which causes conflicts between the territory sales manager who gets the deal or converts a company which is not in his/her area.
4. Special sales team should be put readily into action for the properties that are burning (revenues lower than minimum guarantee for a property).
5. Visibility of Treebo hotels to clients/travelers where the boards of the sub brands such as trip, trend and tryst are more visible than the brand Treebo itself.
6. Increasing the number of properties in India with increase in varied properties as well such as service apartments.

LIMITATION

The limitations of the study are to be considered where a limited audience was taken. Two different analyses for B2B clients who have already tied up with treebo and customers should be taken for a better perspective on the customer preferences. Furthermore, only corporate branding was only taken for assessing the impact on the loyalty of customers and other factors such as brand associations, co branding, customer satisfaction and brand extensions should be considered for future study.

CONCLUSION

Co rporate branding affects the loyalty of corporates towards a brand and increases profitability to the business. This can be observed with the positive relationship between the corporate branding and loyalty of customers with the factors that constitute the corporate loyalty model along with brand familiarity, brand trust, marketing communication and involvement of customers.

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