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GUESTS ATTITUDE AND PURCHASE INTENTION TOWARDS HOTEL VACATION RENTALS

A Dissertation
presented in partial fulfillment of requirements
for the degree of Doctor of Philosophy
in the Department of Nutrition and Hospitality Management
The University of Mississippi

by

DAEGEUN KIM

May 2022

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ABSTRACT

This study investigated hotel guests' attitude towards hotel vacation rentals and their purchase intention by applying consumption value theory (CVT) and in the perspective of brand extension. More specifically, this study was divided in to 2 parts in which the first study attempted to investigate how potential hotel vacation rentals guests' consumption values would affect their purchase intention (PUR) and whether brand loyalty plays a moderating role between the relationships. The second study examined the role of consumer brand identity (CBI) as a success factor of brand extension and which factors have an influence on potential hotel rental guests' attitude towards the extension (ATT) and leading to their purchase intention (PUR).

The results of study 1 have identified that among five consumption values which were functional value (FV), social value (SV), emotional value (EmV), epistemic value (EpV), and conditional value (CV), only SV, EmV, and CV had a positive significant impact on purchase intention of hotel vacation rentals. In addition, BL moderated the relationship between SV, EmV, and EpV and PUR. Study 1 contributes to the literature of CVT by being the first study to apply the theory in hotel vacation rentals and provide implications for practitioners.

Study 2 findings have indicated that perceived fit (PF) and perceived tie (PT) were positively influenced by CBI and onto ATT and PUR which indicates the CBI was an important antecedent in brand extension's success. Additionally, parent brand conviction (PBC) and quality (PBQ) also had a significant impact on ATT which indicates that hotel parent brand's experience

was also an important factor in order for potential guests to have positive ATT towards hotel vacation rentals.

DEDICATION

I would like to first and foremost thank God for everything that He has done for me and my family. Also, I would like to dedicate this dissertation to my wife Jeongyeon (Jennie) Ahn and my beautiful daughter, Amelia Eunha Kim for being always there for me and being supportive. To Jennie, I couldn't thank you more for being supportive and taking care of our family. I love you so much. To Amelia, remember to dream big and love your God and you will be able to do anything. Lastly, I would like to thank both of our parents for being supportive and encouraging me throughout the whole process of pursuing the degree.

LIST OF ABBREVIATIONS AND SYMBOLS

ADR	Average Daily Rate
ATT	Attitude Towards Extension
BL	Brand Loyalty
CBI	Consumer-brand Identification
CFA	Confirmatory Factor Analysis
CV	Conditional Value
CVT	Consumption Value Theory
EmV	Emotional Value
EpV	Epistemic Value
FV	Functional Value
KPI	Key Performance Indicators
MTurk	Mechanical Turk
OCC	Occupancy Rates
PBC	Parent Brand Conviction
PBI	Parent Brand Identity
PBQ	Parent Brand Quality
PF	Perceived Fit
PT	Perceived Tie

PUR	Brand Extension Purchase Intention
RevPAR	Revenue per Available Room
SEM	Structural Equation Modeling
SV	Social Value
WOM	Word-of-mouth

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CHAPTER I: INTRODUCTION

The introduction of sharing economy in the hospitality industry has affected the existing market both positively and negatively. Sharing economy is defined as a sharing activity of excessive assets between individuals by renting, lending, or swapping services, space, room, money, and transportation through peer-to-peer online business platforms (Bilgihan & Nejad, 2015). This preference has emerged due to consumer preferences of moving away from ownership and choosing to share their personal goods available to strangers online (Belk, 2013). Thus, the paradigm has shifted from "selling" to "sharing" which has also affected consumers to adopt to sharing economy (Aruan & Felicia, 2019).

Among various types of sharing economies, especially the demand for vacation rentals has increased significantly. The vacation rentals industry is expected to be 10 percent of the total accommodation bookings by 2025 (Olson & Kemp, 2015). As an example, the number of Airbnb guest arrivals have increased by 62.5 percent in 2018 (Lu et al., 2020). This increase in demand has threatened the hotel industry especially in the budget and mid-range hotel segments due to price competition which had a great impact on hotels' key performance indicators (KPI) such as occupancy rates (OCC), average daily rate (ADR), and revenue per available room (RevPAR) (Alrawadieh et al., 2020; Dogru et al., 2019; Dogru et al., 2020; Zervas et al., 2017). In addition, the characteristic of sharing economy which is providing the opportunity to interact with the locals has attracted more travelers, especially millennials, to shift from hotels to sharing economy (Aruan & Felicia, 2019). However, previous research claims that sharing economy is not a threat to the hotel industry (Choi et al., 2015; Heo et al., 2019; Koh & King, 2017). Even

though there are mixed findings on the impact of sharing economy, hotels cannot neglect the current and future impact of the sharing economy (Guttentag, 2015).

The growing popularity of the sharing economy and its impact on the hotel industry has resulted in chain hotel companies jumping into the market as a response. Hotel companies have been neglecting the sharing economy market in the past but have focused their attention on the growth of this market and decided to be involved from being observers to active providers (Ting, 2019). Another reason why hotel companies decided to cross the boundaries of the vacation rental business is because of the consumers' demand and favor for professionally managed properties. According to Airbnb, newly booked properties that are professionally managed increase from 24 percent to 27 percent (Weinberg, 2018). To respond to such demand, hotel companies such as Marriott International have launched a new vacation rental called "Homes & Villas by Marriott International" after running a pilot test in Europe for a year (Marriott International, 2019; Ting, 2019). This extended brand provides vacation rental services by partnering with professional property management companies to offer services that meet the standard of Marriott and listing their properties on Marriott's new website (Marriott International, 2019). In addition, this new type of brand extension allows Marriott to act as an online travel agency of a distribution platform such as Airbnb or Booking.com (Ting, 2019). This hybrid model combines the advantages of product uniqueness (e.g., private homes) and predictability and service standards of hotels which indicates a promising type of vacation rentals (Weinberg, 2018).

Hotel vacation rentals can be seen as a brand extension because hotel companies use their parent brand name when launching this extension. Brand extensions are widely used as a strategy to launch new products because by doing so, parent brands can take advantage of their reputation

in a new market (Grime et al., 2002) which will reduce the risk and cost of brand name introduction (Buil et al., 2009) and attract new target audiences. Thus, hotel companies launched their own vacation rentals that provide private home rentals to meet the consumers' demands. Compared to other brand extensions of hotels such as vertical extension of brands, this type of extension is a new approach that hotel companies have implemented as an effort to compete with the existing vacation rental companies such as Airbnb. Other hotel companies such as Wyndham, Accor, and Hyatt are also starting or have started to focus on the vacation rental market (Ting, 2019). As such, more and more hotel companies are providing vacation rentals which may have some impact on the existing vacation rental market and also compete with the existing players in the sharing economy industry.

This study aims to investigate two major aspects of hotel vacation rentals which are consumers' consumption value and brand extension due to hotel vacation rentals being new to the market. The first study aims to identify which values that consumers value the most towards this new concept of hotel vacation rentals and investigate the relationship between different dimensions of consumption values and purchase intention. Because hotel vacation rental is a new concept that has not been introduced in the market before, understanding which values consumers value more would be necessary in order to provide recommendations for the industry so that the hotels can utilize their marketing strategies based on the findings of the study.

Hotel vacation rentals is a new concept that has been introduced in the market recently by hotel companies in order to compete with existing vacation rental competitors such as Airbnb. This new concept can be seen as a brand extension because hotel brands are using their parent brand name in their extensions. Thus, the purpose of the second study is to identify whether consumers perceive this new hotel vacation rental service as a part of hotel parent company's

brand extension by investigating the role of consumer-brand identification (CBI) on brand extension's success and which factors positively affect potential guests' attitude towards brand extension of a hotel company's vacation rentals and eventually, leading to their purchase intention of the extension.

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CHAPTER II:

TO STAY OR NOT TO STAY: MEASURING THE CONSUMPTION VALUES ON HOTEL COMPANY'S VACATION RENTALS (STUDY 1)

ABSTRACT

A new type of vacation rental provided by hotel chain companies has been introduced to the market. In order for hotel companies to take advantage of this opportunity, they would need to offer superior values which are better than the existing vacation rental companies. Thus, the purpose of this study is to apply consumption value theory (CVT) in the context of hotel company's vacation rentals to predict potential guests' purchase intentions (PUR). The findings of this study indicate that social value (SV), emotional value (EmV), and conditional value (CV) had a significant impact on PUR. Moderation analysis revealed that brand loyalty (BL) had a significant moderating impact between several consumption values and PUR. Moreover, recommendations to hotel practitioners on which values that consumers value more and how to focus on providing services to match those values are discussed.

Keywords: Hotel vacation rentals, consumption value theory, purchase intention, perceived value.

I. INTRODUCTION

The development of information technology and communication has allowed consumers to stay connected by using their computers, mobile phones, and other digital devices. In the first quarter of 2021, there were approximately 7.8 billion internet users in the world which have increased from 4.2 billion in 2018 (Internet World Stats, 2021). Due to such development, number of businesses focused on selling products online. However, the paradigm has shifted from "selling" to "sharing" which has also affected consumers to adopt to sharing economy (Aruan & Felicia, 2019). Sharing economy is defined as a sharing activity of excessive assets between individuals by renting, lending, or swapping services, space, room, money, and transportation through peer-to-peer online business platforms (Bilgihan & Nejad, 2015; Mohlmann, 2015; Yang et al., 2017). According to research by Nielsen (2014), 68 percent of global respondents are willing to gain financial profit by sharing their assets with others and 66 percent of the respondents are willing to accept sharing from others.

The sharing economy has significantly impacted the hospitality industry in various sectors such as transportation, dining, and accommodation (Birinci et al., 2018; Zhu et al., 2017). More specifically, this sharing economy which is a collaborative consumption activity has threatened the hotel industry especially in the budget and mid-range hotel segments (Alrawadieh et al., 2020; Zervas et al., 2017). Collaborative consumption is an activity of obtaining, giving, or sharing goods and services on peer-to-peer platforms by consumers (Hamari et al., 2016). One of the most studied examples of such consumption model would be Airbnb which was found in

2008 and operates as an online broker that offers services to help users rent accommodation in the marketplace with the choices of different types of rooms such as entire home, private rooms, or shared rooms (Aruan & Felicia, 2019; Zervas et al., 2017). According to Airbnb, as of September of 2020, there were more than 800 million visitors that used Airbnb with the number of properties listing number being 5.6 million worldwide (Airbnb, 2021). As one of the strong advantages that Airbnb has is that they fulfill travelers' needs such as listing accommodations that have lower prices and opportunities to interact with the local community (Guttentag, 2015).

Recently, the growing popularity of the vacation rental industry has resulted in chain hotel companies jumping into the market. Hotel companies have been neglecting the vacation rental market in the past but have focused their attention on the growth of this market and decided to be involved in the market from being observers to active providers (Ting, 2019). Marriott International has launched a new vacation rental called "Homes & Villas by Marriott International" after running a pilot test in Europe for a year (Marriott International, 2019; Ting, 2019). Other hotel companies such as Wyndham, Accor, and Hyatt are also starting or have started to focus on the vacation rental market (Ting, 2019). As such, more and more hotel companies are providing vacation rentals which might have some impact on the existing vacation rental market.

An important aspect of consumer behavior is their purchase intention and which consumption values drive it (Kaur et al., 2021; Talwar et al., 2020). One of the crucial antecedents of purchase intention is perceived value, more specifically, consumption value. There have been studies on investigating different aspects of behavioral intentions related to existing vacation rental services such as overall attitude toward Airbnb (So et al., 2018), intention to use Airbnb (Aruan & Felicia, 2019), advantages and disadvantages (Birinci et al.,

2018), consumer segmentation (Lutz & Newlands, 2018), and satisfaction and reuse intention (Tussyadiah, 2016). However, to the authors' knowledge, there has been no study conducted on hotel company's vacation rentals, particularly adopting the consumption value theory (CVT) proposed by Sheth et al. (1991), to measure consumers' consumption values which leads to purchase intention in the context of this new type of hotel company's vacation rentals. CVT has been applied in various studies to examine consumer choice behavior (e.g., Kushwah et al., 2019; Rodrigo & Turnbull, 2019; Rousta & Jamshidi, 2019; Tarwal et al., 2020). In the context of vacation rentals, previous studies have applied CVT to identify whether value co-creation leads to consumption value of consumers (Jiang et al., 2019) or to find relationships among the dimensions of consumption values, co-creation, information overload, satisfaction, and continuance intention in the context of Airbnb (Sthapit et al., 2019). Based on the aforementioned evidence, the use of CVT to investigate consumers' behavioral intentions of hotel company's vacation rentals to fill the gap of literature is necessary. Thus, the purpose of this study is to investigate the relationship between different dimensions of consumption values and purchase intention in the context of hotel company's vacation rentals.

II. LITERATURE REVIEW

Values and consumer behavior

Schwarts and Bilsky (1987) defined values as concepts or beliefs about the desirable end states or behaviors that transcend specific situations, evaluate behaviors and events, and are ordered by relative importance. Furthermore, values include personal and subjective concepts such as emotional aspects and knowledge concerns which are intrinsic factors, and also implicit factors such as experiential need or prestige associated with the component purchase (Biswas & Roy, 2015). Thus, values are criteria that consumers use for making preference and evaluative judgments (Holbrook, 1996). Moreover, values also allow consumers to use them to guide actions, attitudes, judgments, and comparisons between specific objects and situations (Long & Schiffman, 2000). In addition, values also determine consumer behaviors, especially their choices, satisfaction, and brand commitments (Poushneh & Vasquez-Parraga, 2019; Tseng & Lo, 2011). As such, due to the complexity of the concept of values, rather than measuring them with a one-dimensional approach, using a multi-dimensional conceptualization may be more suitable in predicting consumers' behavioral intentions (Leroi-Werelds et al., 2014). One of the most used multi-dimensional theories to measure value is CVT, as proposed by Sheth et al. (1991) to enhance the understanding of different elements that are value-oriented. By doing so, this theory addresses consumers' choice behavior in different contexts. Hence, CVT has been used in several previous studies in the context of vacation rentals (Jiang et al., 2019; Sthapit et al., 2019)

and has identified that consumption values influence consumers' behavioral intentions, which supports the rationale of using CVT in this study.

Consumption value theory (CVT)

Consumption value is the degree to which the consumer's needs are met based on a general assessment of their net utility or satisfaction with a product after comparing the gains and loss (Biswas & Roy, 2015). CVT was developed to answer the question of "why and what consumers buy" from a multi-dimensional perspective. This theory suggests that different values are attached to different products by the consumers, which influence their purchase intention (Phau et al., 2014), and consumers can have multiple interpretations of one value (Kamakura & Novak, 1992). Thus, Sheth et al. (1991) recommended separating the values into five categories in order to better understand consumers' consumption values. CVT also suggests that consumers' purchase intention is a function of multiple consumption values, and all of these are independent of each other and can contribute differently to the chosen situation which consists of five values namely: functional value (FV), social value (SV), emotional value (EmV), epistemic value (EpV), and conditional value (CV) (Sheth et al., 1991). FV is the perceived utility of an object in a situation where choice is needed. EmV refers to specific feelings or emotional responses to a product or service. SVs are obtained from social groups, whereas EpVs are obtained from a product or service through curiosity, novelty, or a desire for knowledge. Lastly, CV is the perceived value obtained by individuals when making choices through a specific situation or a set of circumstances.

The authors of CVT applied this theory to buying decisions (smokers or non-smokers), product decisions (filtered or non-filtered cigarettes), and brand decisions (Marlboro or Virginia Slim). The results showed that when differentiating between smokers and non-smokers, the

emotional value was the most influential; functional value was the most influential in distinguishing smokers choosing filtered cigarettes; lastly, social value affected the most among smokers who chose Marlboro. Therefore, all values have unique performance, and these values show which factors affect an individual's decision to choose between products, brands, and services (Sheth et al., 1991; Sweeney & Soutar, 2001).

Functional value (FV)

FV is defined as perceived utility gained from an alternative through the presence of salient functional, utilitarian, or physical attributes such as durability, reliability, and price (Gonçalves et al., 2016; Lee et al., 2015; Sheth et al., 1991). This value mainly affects consumers when they are making a choice because consumers perceive a product or a service's function as a major determinant of a buying decision (Nowlis & Simonson, 1996). When consumers make buying decisions, they seek the most benefit at the lowest cost possible along with a certain level of quality (Hur et al., 2012). Supporting this notion, a study by Khan et al. (2010) identified that the FV of service quality, price, and flexibility in the service industry influences consumer behavioral intentions. Because the hospitality industry, especially accommodations, not only provides services but also has an important aspect of the product, which is the quality of the accommodation. Additionally, because choosing where to stay is making choices of intangible products with high prices, FV is a prerequisite value that consumers consider before making purchase decisions. Thus, travelers may choose hotel company's vacation rentals above hotels and existing vacation rental services such as Airbnb based on the functional values that it brings. Such values include the cleanliness of the property at a hotel level, assurance of the quality of the property due to certified listings from the hotel companies, and earning and redeeming reward

points when staying at the hotel company's vacation rentals. Therefore, based on the extant body of literature, we hypothesize that:

H1. FV has a positive impact on purchase intention of hotel company's vacation rentals.

Social value (SV)

SV is referred to as the perceived utility gained from an alternative's association with one or more specific social groups such as demographic, socioeconomic, and cultural, which is related to approval and improvement to one's self-image (Gonçalves et al., 2016; Sheth et al., 1991; Suki, 2016). Consumers express themselves by using certain brands and products in which their choices can relate to a group that they want to belong to, and this helps them to develop their sense of identity and social image within their social groups (Wong et al., 2019). Thus, staying at a hotel company's vacation rentals elicits social approval by those who use the same brand of the hotel company and motivate others to use the hotel company's vacation rentals. Therefore, we propose that:

H2. SV has a positive impact on purchase intention of hotel company's vacation rentals.

Emotional value (EmV)

EmV is defined as the perceived utility that results from a product or service that provokes feelings or affective states (Gonçalves et al., 2016; Lee et al., 2015; Sheth et al., 1991). An affective-based value is a significant factor in many market choice situations (Sheth et al., 1991). Unlike other values, EmV also includes both utilitarian and hedonistic components such as multisensory, fantasy, and emotive aspects of a consumer's experience with a product or service (Kim et al., 2011; Sweeney & Soutar, 2001). Such complexity of this value increases the importance of a product or a service appeal, which is a combination of rational and emotional

factors, and those emotions play a part in every purchase decision (MacKay, 1999). Moreover, van der Heijden (2004) found that perceived enjoyment is a crucial factor that predicts consumers' behavioral intentions towards product or service that provides hedonic values. In the context of hotel company's vacation rentals in the current study, the listed properties are private homes where guests can spend more time with their companions, which gives them feelings of socialization and relaxation. Accordingly, the following hypothesis is proposed:

H3. EmV has a positive impact on purchase intention of hotel company's vacation rentals.

Epistemic value (EpV)

EpV refers to the perceived utility acquired from a product or service through curiosity, novelty, or a desire for knowledge (Sheth et al., 1991, Suki, 2016). In other words, whether the hotel company's vacation rentals provide a value that triggers potential hotel guests' curiosity or the desire to wanting to know about the service. In consumer research, knowledge is recognized as a characteristic that influences all stages in the decision process (Lin & Huang, 2012). Moreover, consumers' knowledge of a product or service needs related to purchase behavior also plays an important role in determining new product adoption (Laroche et al., 2001). With new products or services, consumers make evaluations based on both familiarity with the existing product or service that they know and new information regarding the new product or service in making the decision to accept it (Lai, 1991). The adaptation process of a new product or service involves a matching elaboration between the buyer's perceived situational characteristics and product attributes (Lin & Huang, 2012).

Consumers willing to learn more about product attributes and their pursuit of novelty may affect their purchasing behaviors for new products (Khan & Mohsin, 2017). Therefore, travelers driven by EpVs are likely to have the tendency to choose other alternatives that fulfill their desire to seek new or different aspects of vacation rentals. Since hotel company's vacation rentals provide other unique services such as full-privacy, earning and redeeming points, and hotel-level housekeeping service, guests with this value might have interest in staying in one of the properties of hotel company's vacation rentals. Thus, these services can be given to the consumers by providing something new or different than existing products or services (Quintal & Shanka, 2014). Therefore, this study proposes the following hypothesis:

H4. EpV has a positive impact on purchase intention of hotel company's vacation rentals.

Conditional value (CV)

CV is defined as the perceived utility acquired by an alternative as the result of the specific situation or set of circumstances facing the choice maker (Sheth et al., 1991). Previous studies have claimed the relationship between consumer choice behavior and purchases being associated with personal situations, times, and places, as well as product features (Belk, 1974; Laaksonen, 1993; Lin & Huang, 2012). In the hospitality and tourism context, prior research has highlighted the influence that the CV has on tourists and found out that it is a key value for tourists (Hur et al., 2012). Moreover, Phau et al. (2014) have identified a relationship between CV and consumer choice behavior. They claimed that CV is obtained from a specific situation or context that the consumer is in, and this value is more focused on extrinsic rather than intrinsic factors. For example, consumers who have encountered negative reviews or news of the existing vacation rental services such as privacy issues, the credibility of the host, and the quality of the property may perceive hotel company's vacation rentals to provide CVs in terms of the

aforementioned issues related to the existing vacation rental services. Thus, the following hypothesis is proposed:

H5. CV has a positive impact on purchase intention of hotel company's vacation rentals.

Moderating role of brand loyalty

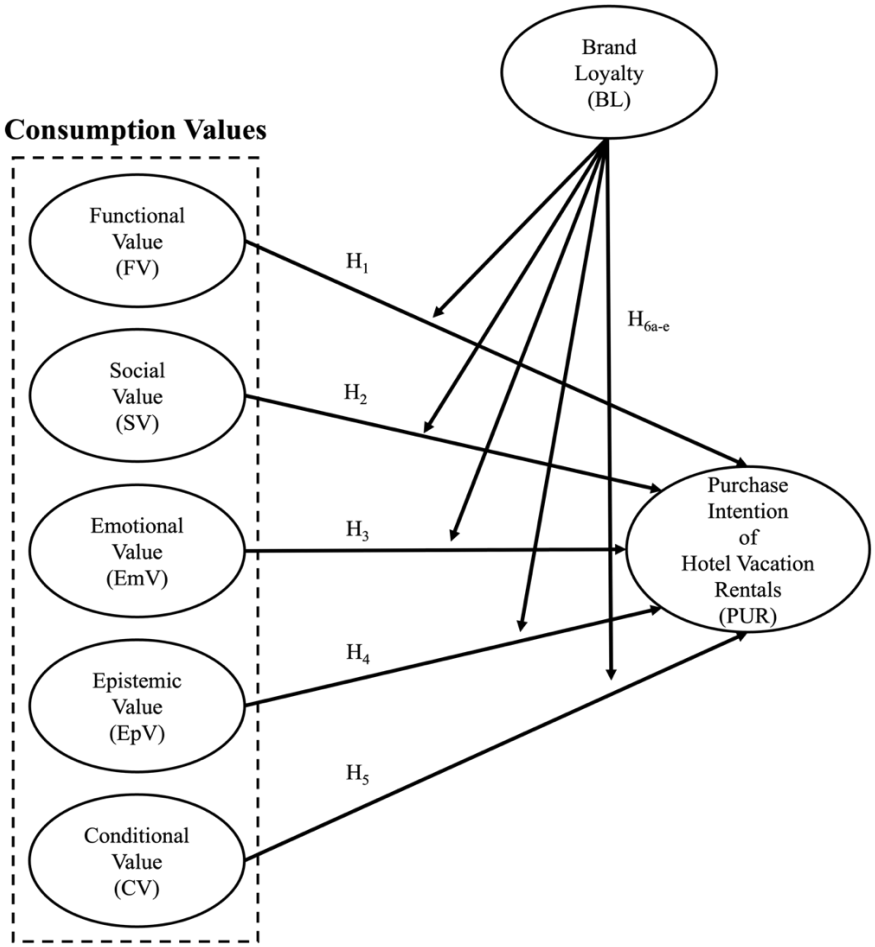
Companies strive to build BL among its consumers which is to like and patronize their products and services (Kotler & Armstrong, 2010). BL is defined as the level of synced relationship between consumers and the brand which generates positive behavioral outcomes such as consumers seeking for means to interact with and share their brand experiences with others (Keller, 2008). Thus, consumers having positive brand experience is essential in building BL. When consumers have experiences with a brand, it is more likely that they will be familiar with the brand and have more knowledge about the brand (Garbarino & Johnson, 1999). Through positive experience, consumers are more likely to feel satisfied with the brand and their level of trust and commitment increases which will eventually lead to being loyal to a brand (Liang & Fu, 2021). When BL is high, consumers are not prone to accept any alternatives regardless of situational and social conditions (Dick & Basu, 1994) because they believe the product or service provided by their loyal brand is the best alternative (Oliver, 1999). Thus, loyal consumers are not persuaded by competitors' marketing efforts, cannot be stopped from repurchasing, defend the brand fiercely, and are more likely to promote the brand to others fiercely (Oliver, 1999).

Loyalty may also have a positive effect on brand extension when consumers evaluate the extension (Kim et al., 2014). Consumers who are loyal to a brand are more likely to categorize the extension as a part of the parent brand due to their past experience with the parent brand which allows them to easily connect the extension to the parent brand (Fedorikhin et al., 2008). Supporting evidence showed that BL had a positive influence on evaluating brand extension

(Vahdat et al., 2020) and their purchasing intentions of the extension (Martinelli et al., 2015). Moreover, existing study identified that consumers who are loyal to a brand had more positive perception regarding the values and attributes that the extension provides compared to those who were not (Ramachandran & Balasubramanian, 2020). Thus, it can be assumed that BL will moderate the relationship between consumption values and purchase intension.

H6a-e. BL will have a moderating effect on the relationship between consumption values and purchase intentions.

Figure 1 depicts the proposed model with the hypotheses.



Study 1. Figure 1. Proposed theoretical framework.

III. METHODOLOGY

Measurement

Based on the theoretical model, a self-administered questionnaire was distributed using Amazon Mechanical Turk (MTurk). Demographic questions were asked regarding age, gender, education level, marital status, ethnicity, income, and employment status.

The multi-item scales used to test the hypotheses were adopted from existing studies that had already been validated and widely used. The measurement items were modified to meet the purpose of this study and used a 7-point Likert-type scale from 1 being *strongly disagree* to 7 being *strongly agree*.

Data collection

This study used a scenario-based survey (see Appendix A) that combined participants' perceptions of hotel company's vacation rentals and their responses to a hypothetical scenario. To obtain representative samples, the participants were screened by answering screening questions asking if they were over 18, currently living in the United States, and have ever stayed at a hotel and an existing vacation rental service (e.g., Airbnb) at least once. For those who answered no to any of the screening questions, the survey would end and if qualified to take the survey, a hypothetical scenario with the description of the hotel company's vacation rentals was provided in order for the participants to take the survey.

Convenience sampling method was used to collect the data by recruiting participants

through Amazon MTurk because the panel samples are demographically similar to standard online panel samples with a more diverse population and gather a certain level of quality data (Buhrmester et al., 2011). In addition, in order to ensure unbiased responses, the anonymity and the confidentiality of the participants' responses were assured. Prior to the main survey, the measurement items were pre-tested with the same target sample in the main survey to assess the validity and reliability. To ensure the quality of the data, univariate and multivariate outliers were deleted and a total of 449 responses were used for data analysis.

Data analysis

The collected data were analyzed by using SPSS v25 and AMOS v25 for descriptive data analysis, confirmatory factor analysis (CFA), and structural equation modeling (SEM). Descriptive analysis was conducted to obtain information regarding the respondents' demographic information. Then, Anderson and Gerbing's (1988) two-step approach which is to conduct CFA to verify a measurement model and followed by SEM to test the hypotheses was conducted.

IV. RESULTS

Demographic profile

Table 1 shows the demographic profile of the respondents. Out of 449 samples, 45.7% (*n* = 205) were male and 54.3% (*n* = 244) were female. The majority of the respondents were in their 20s (38.1%, *n* = 171), followed by 30s (34.5%, *n* = 155). The major ethnic group was Caucasian (65.9%, *n* = 296) and most of the respondents were college graduate at 51.4% (*n* = 231). Most of them were married (57.0%, *n* = 256) and 26.1% (*n* = 117) reported that their household income level was between $40,000 to $59,999. Lastly with regards to their employment status, most of the respondents were full-time employed (64.8%, *n* = 291).

Study 1. Table 1. Demographic characteristics of the sample (*N* = 449)

Demographics	*n*	%
Gender		
Male	205	45.7
Female	244	54.3
Age		
19 years and under	5	1.1
20-29 years	171	38.1
30-39 years	155	34.5
40-49 years	76	16.9
50-59 years	30	6.7
60 years and over	12	2.7
Ethnicity		
Caucasian	296	65.9
Asian	31	6.9
African American	55	12.2
Hispanic	33	7.3

Native American	25	5.6
Other	9	2.0
Education Level		
Less than high school	2	.4
High school graduate	39	8.7
Some college	96	21.4
College graduate	231	51.4
Postgraduate	79	17.6
Other	2	.4
Marital Status		
Single	172	38.3
Married	256	57.0
Other	21	4.7
Income Level		
Less than $20,000	49	10.9
$20,000 - $39,999	75	16.7
$40,000 - $59,999	117	26.1
$60,000 - $79,999	102	22.7
$80,000 - $99,999	41	9.1
$100,000 - $119,000	35	7.8
$120,000 or above	30	6.7
Employment Status		
Full-time employment	291	64.8
Part-time employment	44	9.8
Self-employed	50	11.1
Unemployed	32	7.1
Homemaker	21	4.7
Others	11	2.4

Measurement model evaluation

CFA was conducted on the measurement model to evaluate the overall model fit prior to SEM. The results of the CFA indicated that the model was acceptable by evaluating the goodness-of-fit indices which were comparative fit index (CFI), Tucker-Lewis Index (TLI), and root-mean-square error of approximation (RMSEA): $\chi^2_{(329)} = 935.16$, $p < .001$, $\chi^2/df = 2.84$, CFI = .93, TLI = .92, RMSEA = .06 (90% CI: .06-.07). Standardized factor loadings for each

measurement item were examined in order to assess whether the items loaded significantly on their corresponding factor and the results indicated that the measurement items had factor loadings ranging from .66 to .92 which were significant ($p < .001$) (see Table 2). Internal consistency was evaluated by assessing the composite reliability. The results indicated that all of the composite reliability coefficients exceeded .70 suggesting that the measurement items in the model were internally consistent ensuring construct reliability (Manley et al., 2020). (see Table 2). Additionally, as for scale validity, convergent and discriminant validity were measured. As shown in Table 2, average variance extracted (AVE) was assessed to ensure convergent validity. Based on the results of the AVE, convergent validity was confirmed since all of the AVEs exceeded the minimum threshold value of .50 (Anderson & Gerbing, 1988; Hair et al., 2019).

As for discriminant validity, heterotrait-monotrait ratio of correlations (HTMT) approach was used which was introduced by Henseler et al. (2015) by measuring the similarity between laten variable. HTMT method is considered as more rigorous and superior criterion compared to Fornell and Larcker (1981)'s approach according to various researchers (Henseler et al., 2015; Muhammad, 2019). A threshold of .85 or .90 reliably distinguishes between the pairs of latent variables that are discriminant valid and those that are not (Henseler et al., 2015). The results provided in Table 3 indicates that all of the values were less than .90, therefore, establishing discriminant validity.

Study 1. Table 2. Results of Confirmatory Factor Analysis (CFA)

Construct/Items (Cronbach's α)	Standardized Factor Loadings	Composite Reliability	Average Variance Extracted	References
***Functional Value* (α = .83)**		.84	.56	Arvola et al., 2008; Baloglu & McCleary, 1999; Dholakia, 2001;
The hotel company's vacation rental will provide consistent quality.	.83			

The hotel company's vacation rental is going to be well made.	.71			Gonçalves et al., 2016; Hirschman, 1980; Kim et al., 2011; Sheth et al., 1991; Sweeney & Soutar, 2001; Tapachai & Waryszak, 2000
The hotel company's vacation rental will provide an acceptable standard of quality.	.75			
The hotel company's vacation rental is expected to perform consistently.	.70			
***Social Value* (α = .95)**		.95	.78	
Staying at the hotel company's vacation rental will help me to make my interpersonal relationship with other people closer.	.83			
Staying at the hotel company's vacation rental will help me gain social approval.	.89			
Staying at the hotel company's vacation rental will help make a positive impression on other people.	.87			
Staying at the hotel company's vacation rental will change the way that I am perceived by others.	.92			
Staying at the hotel company's vacation rental will help me feel acceptable.	.92			
***Emotional Value* (α = .79)**		.79	.55	
Staying at the hotel company's vacation rental will make me feel good.	.78			
Staying at the hotel company's vacation rental will make me feel at ease.	.71			
Staying at the hotel company's vacation rental will make me feel satisfied.	.75			
***Epistemic Value* (α = .72)**		.73	.58	
Staying at the hotel company's vacation rental will arouse my curiosity for novelty.	.83			

Staying at the hotel company's vacation rental will provide me with a new experience.	.69			
***Conditional Value* (α = .80)**		.80	.51	
I would stay at the hotel company's vacation rental instead of the existing vacation rental (e.g., Airbnb) if it provides better safety.	.79			
I would stay at the hotel company's vacation rental instead of the existing vacation rental (e.g., Airbnb) if it provides good value for money.	.69			
I would stay at the hotel company's vacation rental instead of the existing vacation rental (e.g., Airbnb) if it provides a discount or promotional activity.	.67			
I would stay at the hotel company's vacation rental instead of the existing vacation rental (e.g., Airbnb) if the quality of the property is guaranteed.	.70			
***Purchase Intention of Hotel Vacation Rentals* (α = .86)**		.87	.62	Grewal et al., 1998; Liu & Brock, 2011; Moon et al., 2008; Taylor & Bearden, 2002
I will be glad to stay at the hotel company's vacation rentals.	.66			
If I was going to stay at a vacation rental, the probability of staying at the hotel company's vacation rental is high.	.82			
The probability that I would consider staying at the hotel company's vacation rentals is high.	.82			
The likelihood that I would stay at the hotel company's vacation rentals is high.	.83			
***Brand Loyalty* (α = .89)**		.89	.58	

I enjoy doing business with the hotel company.	.74	Algesheimer et al., 2005; De Wulf et al., 2001; Watson et al., 2015
I consider the hotel company as my first preference.	.80	
I really like the hotel company.	.77	
I would recommend the hotel company to friends and family.	.76	
I intend to continue staying at the hotel company's hotels.	.73	
I intend to stay at the hotel company's hotels in the future.	.76	

Note: $\chi^2_{(329)} = 935.16$, $p < .001$, $\chi^2/df = 2.84$, CFI = .93, TLI = .92, RMSEA = .06 (90% CI: .06-.07).

Study 1. Table 3. Discriminant validity (HTMT ratio)

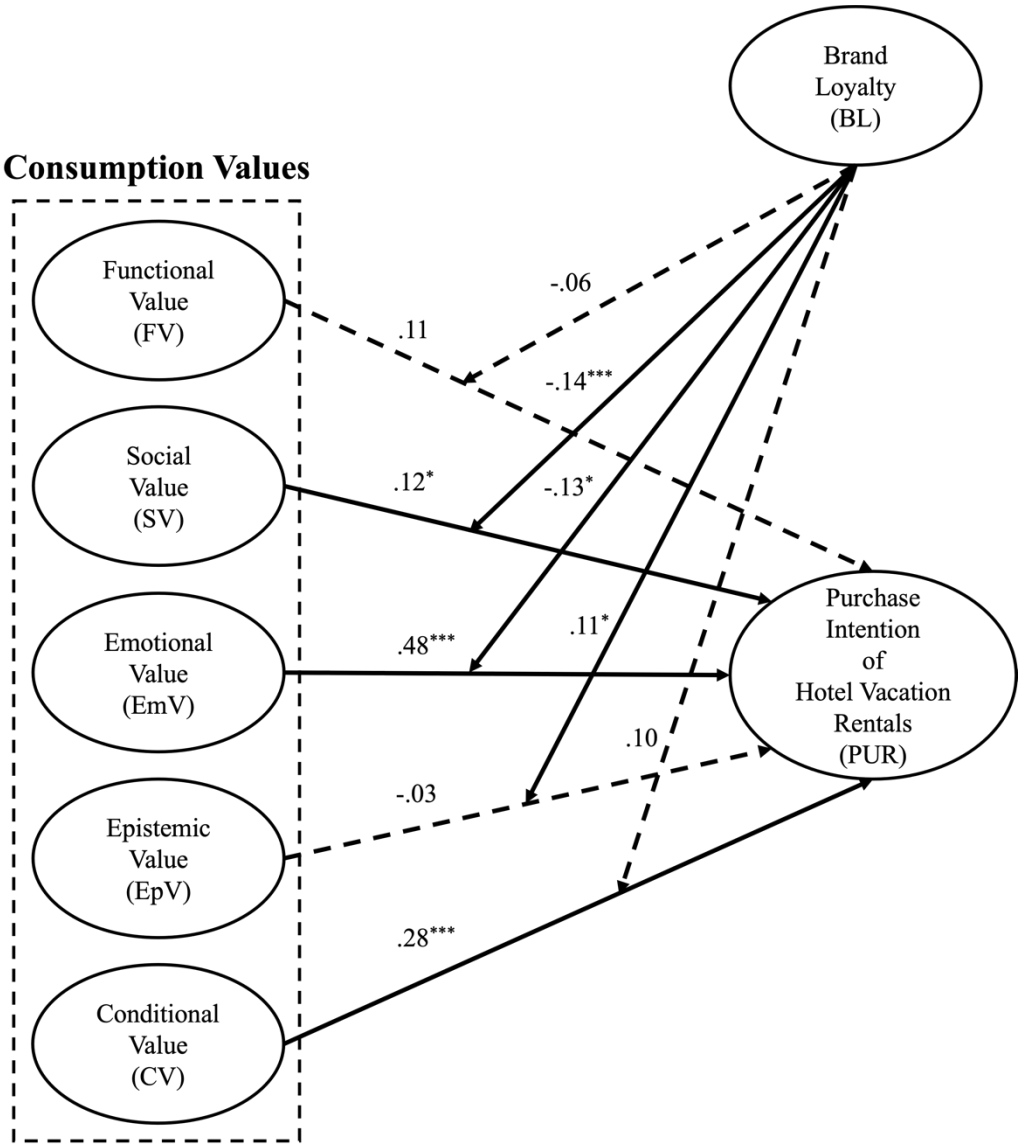
Construct	FV	SV	EmV	EpV	CV	PUR	BL
FV							
SV	.09						
EmV	.68	.37					
EpV	.58	.49	.77				
CV	.68	.02	.68	.52			
PUR	.67	.29	.81	.64	.69		
BL	.59	.56	.84	.77	.50	.76	

Structural model assessment

SEM was used to assess the hypothesized model. The results of the SEM estimation indicated that the model shows an acceptable fit to the data: $\chi^2_{(194)} = 632.10$, $p < .001$, $\chi^2/df = 3.26$, CFI = .93, TLI = .92, and RMSEA = .07 (90% CI: .07-.08). Of the five proposed hypotheses, three hypotheses were statistically supported at $p < .05$ and $p < .001$. Figure 2 shows the overall results of the proposed model with the standardized path coefficients. More specifically, SV ($\beta = .12$, $p < .05$), EmV ($\beta = .48$, $p < .001$), and CV ($\beta = .28$, $p < .001$) had a positive impact on guest's PUR which supports hypotheses 2, 3, and 5. However, FV ($\beta = .11$, p

= .15) and EpV (β = -.03, *p* = .74) did not have a significant impact on PUR which does not support hypotheses 1 and 4.

In regard to the moderating role of BL which was estimated as having a moderating effect between consumption values and PUR was tested by interacting each consumption values with PUR with a standardized computed score of the items for each construct. The results indicated that BL moderates or improves the relationship between SV, EmV, and EpV and PUR in which supports hypotheses 6b, 6c, and 6d. However, BL did not have a significant moderating effect between FV, CV and PUR which does not support hypotheses 6a and 6e.



Note: $\chi^2_{(194)} = 632.10$, $p < .001$, $\chi^2/df = 3.26$, CFI = .93, TLI = .92, RMSEA = .07 (90% CI: .07-.08). $^{*}p < .05$, $^{**}p < .01$, $^{***}p < .001$.

Study 1. Figure 2. Overall results of the structural equation model.

Study 1. Table 4. Structural equation model results

Proposed hypotheses	β	*t*-values	Decision
H1: FV – PUR	.11	1.58	Not Supported

H2: SV – PUR	.12*	2.18	**Supported**
H3: EmV – PUR	.48***	4.23	**Supported**
H4: EpV – PUR	-.03	-.34	Not Supported
H5: CV – PUR	.28***	3.53	**Supported**
H6a: BL*FV – PUR	-.06	-1.38	Not Supported
H6b: BL*SV – PUR	-.14***	-3.90	**Supported**
H6c: BL*EmV – PUR	-.13*	-2.54	**Supported**
H6d: BL*EpV – PUR	.11*	2.14	**Supported**
H6e: BL*CV – PUR	.10	1.95	Not Supported

V. DISCUSSION AND IMPLICATIONS

The introduction of hotel vacation rentals has influenced the sharing economy market greatly. Hotel companies have launched vacation rental brands due to high demand in vacation rentals among consumers and to compete with the existing competitors. Because hotel vacation rental is a relatively new concept, it is important to understand consumers' consumption values regarding hotel vacation rentals in order to predict their purchase intentions. Thus, this study investigated which consumption values of hotel vacation rentals are important for consumers which influence their purchase intentions by applying CVT. In addition, this study also tested the moderating effect of BL in order to identify whether BL towards the hotel company has an effect on purchase intentions of the consumers. The results showed that consumers value SV, EmV, and CV of the hotel vacation rentals which increased their PUR. Additionally, BL had a significant moderating effect between the relationship of SV, EmV, and EpV and purchase intention. However, SV and EmV had a negative significant effect towards purchasing the hotel vacation rentals.

Theoretical implications

The findings of this study provide several theoretical implications regarding consumers' consumption values and their purchase intentions regarding hotel vacation rentals. First, in the theoretical point of view, several previous studies have tested the consumption values of consumers regarding existing vacation rentals such as Airbnb and which consumption values lead to the actual purchase (e.g., Jiang et al., 2019; Sthapit et al., 2019). Up to the authors'

knowledge, there has not been a study conducted related to hotel vacation rentals, more specifically, measuring which consumption values that the consumers value when choosing hotel vacation rentals. Thus, this study has extended the body of literature in vacation rentals by investigating which consumption values affect consumers' purchase intentions in the context of hotel vacation rentals.

Second, the results of this study highlight the importance of understanding consumers' consumption values which has an influence on their PUR by applying CVT. Number of previous studies have applied CVT to identify consumers' behavioral intentions (e.g., Hur et al., 2012; Lin & Huang, 2012; Suki, 2016) but limited studies in the context of vacation rentals. As many researchers previously highlighted the importance of understanding the consumption values of consumers in brand extensions, this study extends support for the conceptualization of consumers' consumption values in the context of hotel vacation rentals. Moreover, this study identified that several consumption values such as SV, EmV, and CV were more influential to consumers when deciding whether to stay at a hotel vacation rental. Previous studies which have investigated consumers' consumption values of vacation rentals found out that some of the values such as FV and EmV had significant impact on consumers' satisfaction which eventually led to continuance intention to use the vacation rentals (Jiang et al., 2019; Sthapit et al., 2019). Additionally, only a few studies have tested the relationship of CV on purchase intention (e.g., Hur er al., 2012; Phau et al., 2014) and limited studies in the context of vacation rentals. However, in the context of hotel vacation rentals, the consumption values that were identified as being significant factors influencing consumers' purchase intentions were different from previous studies in the context of vacation rentals as the values were more associated with emotional and personal aspects of the consumption values which were SV and EmV. Thus, the

findings of this study contribute to the body of literature on CVT in the context of hotel vacation rentals.

Lastly, by testing the moderating effect of BL, this study extends the understanding of the moderating role of BL between consumption values and consumers' purchase intention. Even though previous studies have identified the positive influence of BL on brand extension (e.g., Martinelli et al., 2015; Ramachandran & Balasubramanian, 2020; Vahdat et al., 2020), in the context of hotel vacation rentals, it has been identified that the moderating effect of BL only had a positive significant impact on EpV and negative significant impacts on SV and EmV. In contrast with previous studies, the result of this study suggests that BL does not play an important moderating role when it comes to hotel vacation rentals. BL having a positive moderating role between EpV and hotel vacation rental purchase intention shows that consumers with BL would have the curiosity to try the new extended brand which is the hotel vacation rental but not due to emotional or personal aspects. Thus, by testing the moderating effect of BL in the context of hotel vacation rentals provides insights into the issue that is lacking in the current literature of vacation rentals of testing the moderating effect of BL.

Practical implications

This study provides valuable implications for the hotel brands which has their own vacation rentals and also for those who are planning to launch an extension in the future. The findings of this study have revealed that SV had a significant impact on consumers' purchase intentions which indicates that consumers' who are willing to stay at the hotel vacation rentals value social approval from others by using a certain hotel brand's vacation rental. This may be an opportunity for the hotel brands promote their SVs that their vacation rentals provide by conducting promotions which emphasizes the SVs that can be gained by staying at the hotel

vacation rentals. Because hotel vacation rentals use their parent brand name, this allows consumers to feel more associated with the brand which make the consumers feel that they are associated with the people who are using the same brand. Therefore, it is recommended that hotel brands should include their brand name with the vacation rentals in order for future consumers to feel more associated with the hotel parent brand.

In addition, EmV had the strongest association with PUR. Because hotel vacation rental emphasizes on privacy and other exclusive services such as premium room cleaning services and room amenities, 24/7 support team available for assistance, premium and luxury tier vacation rentals managed by a property management company, grocery delivery upon arrival if requested, guaranteed safety, security, design and condition, and cleanliness of the property, and earn and redeem reward points of the hotel company when staying at the hotel company's vacation rental, consumers' who are willing to stay at this property valued socialization, relaxation, and expect unique experiences with their companions at the hotel vacation rentals which resulted in EmV having a significant impact on their purchase intentions. Hotel companies can use this information to emphasize the utilitarian and hedonic components of hotel vacation rentals compared to existing vacation rentals such as Airbnb by promoting privacy and other unique services that is only provided at their vacation rentals which can deliver potential guests with feelings of socialization, relaxation, and experience. Highlighting such values will benefit the hotel companies to draw more future guests to stay at their vacation rentals.

Another consumption value that has been identified as one of the values that affected consumers' PUR was CV. This study tested CV in the context of hotel vacation rentals and have identified that this value had a significant impact on PUR. Because existing vacation rentals encounter various issues regarding privacy, the credibility of the host, and the quality of the

property, consumers tend to seek for alternatives such as hotel companies' vacation rentals. Such behavior can be interpretated as consumers valuing more on their privacy and safety while staying at a vacation rental which resulted in having more trust towards hotel companies in which they would expect that the aforementioned issues would be less likely to occur. Additionally, because CV depends on the situation that the consumers are in, hotel companies can also emphasize on their free cancelation policy. When travelers make reservations for accommodation, they tend to look for cancelation policies due to the uncertainty that something might happen which will result in canceling their trip. Hence, hotel companies can resolve such issues and uncertainties with the vacation rentals by providing services that fulfills consumers' CVs such as privacy, safety, and cancelation policy and promote such values on their vacation rental website in order to appeal to consumers who value CV.

Lastly, BL as a moderator has weakened the relationship between SV, EmV and PUR while had a significant positive impact between the relationship of EpV and PUR. This indicates that consumers who are loyal to a hotel company had more curiosity about the hotel vacation rentals because it is a new concept that has been recently introduced to the market rather than seeking for social or emotional values. Thus, hotel companies are encouraged to conduct their promotional strategies for their loyalty members by emphasizing the different type of customized services that are only provided in their vacation rentals and the characteristics of their properties in order to triggers potential guests' curiosity or the desire to wanting to know about the vacation rental.

Limitations and suggestions for future research

Even though this study has made unique empirical contributions to the literature of vacation rentals in the field of hospitality, some limitations need to be addressed for future

investigators. First, the respondents were drawn from the U.S. which limits generalization of the study due to limitation of the sample. Future researchers are recommended to replicate the study with different population and compare the findings with the current study to expand the applicability of the theoretical model and its implications. Second, the majority of the respondents were in their 20s and 30s which limits the implications to the general population of age group. It has been found that consumers between their mid-30s and mid-50s have different perceptions of consumption values (Yeh et al., 2016) which provides opportunities for future studies to be conducted with wider age range. Third, the respondents for this study were individuals who had experience with booking a hotel online and have stayed at a vacation rental regardless of their experience of staying at a hotel vacation rental. A hypothetical scenario was given in order to help the respondents understand the concept of hotel vacation rental which may limit the significance of the results. Thus, future studies should collect data from individuals who have actually stayed at a hotel vacation rental.

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CHAPTER III:

GUESTS ATTITUDE AND PURCHASE INTENTION TOWARDS HOTEL BRAND EXTENSION (STUDY 2)

ABSTRACT

Brand extension is widely used among firms and hotels to launch new products using their parent brand name. It is important for the practitioners to understand which factors influence consumers' attitude towards the brand extension (ATT) for the brand extension to be successful. Therefore, this study investigates the role of consumer brand identity (CBI) in guests' attitude and leading to purchase intention towards brand extension (PUR) which is hotel company's vacation rentals and also factors that have a positive effect on the ATT. The findings suggest that CBI was a positive antecedent of perceived fit (PF) and tie (PT) which positively influenced ATT. Other factors which were parent brand conviction (PBC) and quality (PBC) also were identified as factors that positively influenced ATT which led to PUR. Additionally, this study is the first study on the brand extension of hotel company's vacation rentals which will contribute to the literature.

Keywords: Hotel vacation rentals, hotel company vacation rentals, brand extension, consumer-brand identification, attitude towards brand extension.

I. INTRODUCTION

Firms launch new products under their name as an extension of their brand and the hotel industry is not an exception. Brand extensions are widely used as a strategy to launch new products because by doing so, parent brands can take advantage of their reputation in a new market (Grime et al., 2002) which will reduce the risk and cost of brand name introduction (Buil et al., 2009; Taylor & Bearden, 2002) and attract new target audiences (Dens & De Pelsmacker, 2016). When brand extensions are managed well, they provide new sources of revenue and, at the same time, reinforce brand meaning, which leads to building brand equity (Keller & Sood, 2003). Due to the low costs and high success rate (Milewicz & Herbig, 1994; Keller, 2003), more than 80% of companies utilize this strategy as a method to market goods and services (Keller, 2003). Firms believe that consumers evaluate their brand extensions more favorably when consumers have a positive attitude toward the parent company, which then transfers positively to their brand extension (Bhat & Reddy, 2001). However, despite the advantages brand extension brings, the failure rate can be as high as 84% (Ashraf & Merunka, 2013; Tait, 2001; Thamaraiselvan & Raja, 2008). Such brand extension failure can have a negative impact on the existing parent company's image (John et al., 1998; Riley et al., 2013; Sheinin, 2000; Thorbjornsen, 2005; Völckner et al., 2008) and reduce the number of sales of other products under the same brand (Carter & Curry 2013; Desai & Hoyer, 1993). Thus, several studies have been conducted on identifying factors to brand extension's success to provide insights to the industry in order to reduce the failure rate of brand extensions (Aaker & Keller 1990; Bottomley & Doyle 1996; Czellar, 2003; Dacin & Smith 1994; Grime et al., 2002; Shokri & Alavi, 2018;

Swaminathan et al., 2001; Völckner & Sattler, 2006). Amongst various factors that influence brand extension, previous studies have identified that the most important determinant of brand extension is the attitude towards the extension (Kim et al., 2014; Shokri & Alavi, 2018). In this regard, some brands take advantage of the relationships that they have established with their consumers (Park & Kim, 2001). This type of close relationship between consumers and the brand is the concept of consumer-brand identification (CBI) (Shokri & Alavi, 2018). CBI is defined as consumers' perceiving, feeling, and valuing their attachment with a brand and how much they feel connected (Lam et al., 2013). Researchers believe that CBI is an important process that affects individual consumer behavior (Kim et al., 2001) because brand extension's success can be predicted by the established relationships between the consumers and the brand (Kim et al., 2014).

In the hotel industry, brand extension has been widely used among major hotel companies as a strategy to target wider markets (Kwun, 2010). By doing so, hotels are able to provide different types of hotels depending on a traveler's purpose (O'neill & Mattila, 2010). When hotels extend their brands under a parent company name, it would be more familiar to hotel guests, whose expectations are that they will receive the same or similar services as the other brands. Additionally, consumers tend to choose more familiar brand, and when hotels extend their brand under the same name as their parent company, it is more likely that they will be in potential guests' consideration sets (O'neill & Mattila, 2010).

Recently, Marriott International launched a new vacation rental brand called "Homes & Villas by Marriott International" (Marriott International, 2019). This extended brand provides vacation rental service by partnering with professional property management companies to provide services at a standard that Marriott has and listing their properties on Marriott's new

website (Marriott International, 2019). This new type of brand extension allows Marriott to act as an online travel agency of a distribution platform such as Airbnb or Booking.com (Ting, 2019). Compared to other brand extensions of hotels, this type of brand extension is a new approach that hotel companies have implemented in an effort to compete with existing vacation rental companies such as Airbnb. In order to position hotel company's extension in the vacation rentals market, it is important to understand hotel guests' attitude and perception towards brand extension and their willingness to purchase the extension along with the effect on the parent brand's image.

Because hotel company's vacation rentals are new to the market, no prior research was conducted in this context. Additionally, to the best knowledge of the authors, a limited number of research have focused on the importance of CBI to predict brand extension success because the concept of CBI is relatively new (e.g., Shokri & Alavi, 2018). Therefore, to fill the gaps, the purpose of this study is to investigate the role of CBI on brand extension's success and which factors positively affect potential guests' attitude towards brand extension of a hotel company's vacation rentals and eventually, leading to their purchase intention of the extension.

II. LITERATURE REVIEW

Consumer-brand identification (CBI)

Existing literature on CBI has highlighted the importance of its role as a key antecedent to consumer behavior (Lam et al., 2013) and explains how consumers connect with brands that have the same self-identifying attributes (Donavan et al., 2006). CBI is consumers' psychological state of mind which consists of three elements which are perceiving, feeling, and valuing their belonging to a specific brand (Lam et al., 2010; Lam et al., 2013). This concept is theoretically based on social identity theory in the marketing literature (Tajfel & Turner, 1979). According to this theory, social identity is an indispensable part of one's self-concept, and an individual's social identity comes from the social entities that they belong to (Elbedweihy et al., 2016).

Prior research on the effectiveness of CBI has indicated that identification with a specific brand affects both internal behaviors such as an increase in consumption of the brand's product and external behaviors such as spreading word-of-mouth (WOM) and purchasing collectibles related to the brand (Ahearne et al. 2005; Bagozzi & Dholakia 2006; Brown et al. 2005). A study by Nikhashemi et al. (2015) has found that CBI plays an important role in building brand loyalty in the Malaysian hypermarket industry. Another study by Kuenzel and Halliday (2008) supports this notion with their findings that CBI resulted in increasing WOM communication, repurchase intention, and customer loyalty. However, despite the advantages of CBI, there have been contradicting findings among prior studies that CBI does not lead to brand loyalty (So et al.,

2013). As such, even though there are previous studies on the advantages and disadvantages of CBI, the lack of research on whether CBI has a positive or negative impact on brand extension still exists.

When interacting with the brand, consumers with strong relationships with the brand tend to find their activities more interesting, especially when the evaluation behavior is vague (Shokri & Alavi, 2018). A possible explanation for this would be that when individuals are in a relationship, they tend to have the elements of the relationship in memory as a schema (Kim et al., 2014). Therefore, when the relationship is strong between consumers and the brand, it is more likely that consumers will positively judge the activities of the brand than those with a weaker relationship (Shokri & Alavi, 2018). For this reason, strong affiliation with the brand has an impact when consumers evaluate the brand extension positively compared to those who do not. A study by Rubio and Marin (2015) has confirmed that CBI has a positive impact on the relationship between evaluating brand extension and purchase intention. Additionally, Shokri and Alavi (2018) have found that CBI has a positive impact on both perceived fit and tie but more substantial towards fit. However, such behavior depends on the level of fit and similarity between the parent brand and the brand extension (Kim et al., 2014). Therefore, based on the extant body of literature, we hypothesize that:

H1. CBI has a positive impact on the perceived fit between the hotel parent brand and the brand extension of vacation rentals.

H2. CBI has a positive impact on the perceived tie between the hotel parent brand and the brand extension of vacation rentals.

Perceived fit (PF)

When companies launch new products under the same parent brand name, consumers

perceive the extended product to be more credible, and this, in turn, will make them buy more (Buil et al., 2009). One of the criteria that consumers use to evaluate the extended brand is by how much the extension fits the parent brand. Perceived fit is defined as the degree of similarity between the extended brand and the parent brand in consumers' perception (Smith & Park, 1992) and is characterized by the number of shared associations between the extension and the parent brand category. Perceived fit between the parent brand and the extended brand is a key factor for the success of brand extensions (Sandor, 2002; Riley et al., 2014; Völckner & Sattler, 2006). If consumers perceive that there is a fit between the parent brand and the extension, it is possible that both brands will share similar features. Accordingly, this may result in increasing the positive connectivity between the parent brand and the extension. In addition, when the connectivity is positive and high, which indicates that the fit of the extended brand is also high with the parent brand, consumers perceive the new extended brand as being credible, and they increase their willingness to buy the extension (Buil et al., 2009). In contrast, when the fit is perceived to be weak, the connectivity also decreases, which will lead to having a negative evaluation of the extended brand regardless of its parent brand's evaluation (Shokri & Alavi, 2018). This process is called categorization.

Categorization is the evaluating process in which objects are recognized, differentiated, and understood in consumers' minds (Baek & King, 2015; Song et al., 2013), and this concept is based on categorization theory. Categorization theory has often been used to investigate consumers' evaluation process of the brand extensions in marketing literature (e.g., Aaker & Keller, 1990; Boush & Loken, 1991; Song et al., 2010). This theory claims that individuals tend to classify the objects in the world in order to simplify complex environments and effectively interpret them (Ozzanne et al., 1992). A substantial number of studies support the positive effect

of perceived fit on the evaluation of extensions (e.g., Aaker & Keller, 1990; Boush & Loken, 1991; Broniarczyk & Alba 1994; Klink & Smith 2001; Park et al., 1991; Völckner & Sattler, 2006). Therefore, the current study proposes the following hypothesis:

H3. Perceived fit of the brand extension has a positive impact on the attitude towards extension.

Perceived tie (PT)

Perceived tie is defined as the strength of perceivable interactions between different products (Stewart, 2006). When consumers perceive a high level of tie between the extended brand and the parent brand, these brands will be perceived as constituents of a coherent single unit (Song et al., 2009; Stewart, 2003; Stewart, 2006). In such situations, extensions will be more easily connected with the parent brand and will be grouped within the same category, which will lead to categorization process (Shokri & Alavi, 2018; Song et al., 2013; Song et al., 2010). Consequently, values and features associated with the parent brand (e.g., utilitarian, hedonic, and social values) are likely to be transferred to the extended brand (Bottomley & Holden, 2001). However, when the perceived tie is low, the extended brand will be considered as a separate brand, but the existing values will be difficult to be transferred. As a result, consumers will question the rationale of launching the extension (Shokri & Alavi, 2018; Song et al., 2013). Past studies have indicated that the success of a brand extension relies on the consumers' inferences about the performance of the extension (Broniarczyk & Alba, 1994; Meyvis & Janiszewski, 2004). Therefore, this study proposes the following hypothesis:

H4. Perceived tie of the brand extension has a positive impact on the attitude towards extension.

Parent brand conviction (PBC)

Parent brand conviction is the emotional dimension of brand loyalty (Oliver, 1999). Parent brand conviction is defined as an emotional stage of liking and trusting the parent brand and is an important proxy when consumers lack information about the extension (Sichtmann, 2007; Völckner et al., 2010). According to Völckner et al. (2010), strong parent brand conviction can relieve risk and draw positive evaluations of the extension, which will result in consumers having positive quality perceptions of the extended brand. In addition, parent brand conviction can be used as a substitute in consumers' minds when they are having difficulties assessing the extension due to lack of information on the quality of the extension (Sichtmann, 2007; Sichtmann et al., 2017).

Parent brand conviction is accumulated in consumers' perception from positive experiences with the parent brand and eventually leads to the perceptions of the parent brand quality over time (Völckner et al., 2010). When consumers have positive experiences with a brand, the emotions and the perception towards the brand increases, which generates greater liking for that brand. Previous research on brand extension suggests that parent brand conviction may have a positive effect on consumers' evaluations of the brand extension (Kirmani et al., 1999; Völckner et al., 2010). Thus, consumers rely more on perceived parent brand conviction as an information cue to reduce the risk perceptions associated with extensions (Sichtmann et al., 2017). Such parent brand conviction should be able to reduce the risk of the extension and encourage them to have more positive evaluations of the brand extension. Therefore, the current study proposes the following hypothesis:

H5. Parent brand conviction of the brand extension has a positive impact on the attitude towards extension.

Parent brand quality (PBQ)

Quality of a brand or a product is an important factor when consumers form a perception about the brand. One of the factors affecting the evaluation of the extension is perceived parent brand quality (Dens & De Pelsmacker, 2010). Parent brand quality is an extrinsic information cue that consumers can refer to reduce the uncertainty of the extension (Erdem & Swait, 1998; Montgomery & Wernerfelt, 1992). When an extension is first introduced to the market, consumers lack information about the quality of the extended brand (Erdem, 1998). This leads consumers to depend on the parent brand quality because of the expectation that the higher the quality of the parent brand, the extension quality is more likely to be at least as equivalent or higher to the parent brand's quality (Erdem, 1998). However, when the perceived quality of the parent brand is high and the extension's quality is poor, the possibility of having a negative effect on the parent brand increases (Erdem & Swait, 1998). Thus, the quality of the extension depends on the level of the parent brand's quality, and if brands fail to meet the expectations of the consumers, it may result in a negative impact on the parent brand.

Consumers with a strong attitude towards the quality of a brand tend to transfer positive attitudes toward the extension of the brand (Aaker & Keller, 1990; James, 2006). Since brand extensions benefit from positive attitudes transferred from the parent brand, consumers have more positive attitudes toward the extension from parent brands with high-quality perceptions (Aaker & Keller, 1990; Bottomley & Holden, 2001). This is because consumers believe that parent brands would not take the risk of providing a lower quality of service for the extension with their brand name attached, which will negatively affect the parent brand's reputation (Völckner et al., 2010). Thus, based on the body of extant literature, parent brand quality should have a positive impact on the consumers' attitude towards the brand extension (de Ruyter and

Wetzels, 2000; Hem et al., 2003; van Riel et al., 2001; Völckner et al., 2010). Based on these notions, we propose that:

H6. Parent brand quality of the brand extension has a positive impact on the attitude towards extension.

Brand loyalty (BL)

Brand loyalty is a characteristic of consumers who value price less and favor functional and symbolic attributes of products or services (Wakefield & Barnes, 1996). By being loyal to a brand also means that it is a behavior of repurchase or recommending to other people and is affected by company marketing activities (Martín-Consuegra et al., 2007). When brand loyalty increases, it is more likely that consumers will not respond to other brands' marketing efforts and also are reluctant to shift to other brands (Upamannyu & Mathur, 2012). As such, consumer brand loyalty is often the top priority for marketing practitioners. In order for consumers to have brand loyalty, they would first need to have experience with the brand (Foroudi et al., 2018). Brand experience occurs when consumers have interaction with a certain brand's products or services directly or indirectly (Brakus et al., 2009). Direct interaction includes consumption actions such as buying the product or service and indirect interaction includes any type of exposed stimuli related to a certain brand such as advertisements (Brakus et al., 2009). When consumers have positive experience with the brand through brand experience, it is more likely that they would be satisfied with the brand which leads to brand trust and commitment and eventually become loyal to the brand (Liang & Fu, 2021). Thus, satisfaction with the brand is a crucial aspect of brand loyalty.

According to Oliver (1997), brand loyalty is defined as a commitment to repetitive purchases of a preferred product or service regardless of situational influences and marketing

efforts to bring changes. As such definition, loyalty is directly related to satisfaction of the consumers. The more consumers fulfill their expectations by being satisfied with the product or service, the probability of repurchase increases which will eventually lead to being loyal to that product or service (Wong & Sohal, 2003). Moreover, when consumers are satisfied and their repurchase intention is high, it is more likely that they will recommend the product or service to others. Supporting this notion, previous literature shows that consumer satisfaction leads to more loyal behavior which is beneficial for the company as well (Wong & Zhou, 2006).

When consumers are satisfied with the brand and create brand loyalty, it is more likely that they will have a positive attitude towards brand extension (Kim et al., 2014). Loyal consumers are more likely to categorize the extended brand as a part of the parent brand based on their positive experience that they had with the parent brand (Fedorikhin et al., 2008). Therefore, it is more likely that consumers with parent brand loyalty will have a positive attitude towards the extension. Thus, the following hypothesis is proposed:

H7. Brand loyalty has a positive impact on the attitude towards extension.

Attitude towards the extension (ATT)

Attitudes are an overall evaluation of the brand by consumers (Keller, 1993). Attitude is defined as a psychological tendency that is expressed by evaluating a particular target with some degree of favor or disfavor (Crites et al., 1994). The attitude that the consumer has about a brand indicates their tendency to like, buy, or become loyal to the brand (Arslan & Altuna, 2010). Thus, when consumers have a negative attitude towards the brand, it has a significant impact on the avoidance of the brand by the consumers (Arslan & Altuna, 2010). Therefore, maintaining a positive attitude towards the brand is crucial for brands in order to be remembered as a positive brand, which will have an impact on their purchase intention. In addition, attitude towards the

extension is an important factor in determining the acceptance of the extension by the consumers (Arslan & Altuna, 2010). A study by Keller (1993) indicates that the consumers' attitude towards a brand is the overall evaluation of the brand which results in forming a basis for consumer behavior towards the brand. Supporting this notion, Czellar (2003) claimed that both the attitudes toward the parent brand and the extension are factors that consumers use to evaluate the extended brand. Therefore, more positive brand attitude is positively related to consumer's intention to purchase the brand's extension (Aaker & Keller, 1990). Thus, this study proposes the following hypothesis:

H8. Attitude towards brand extension has a positive impact on the purchase intention of hotel company's vacation rentals.

Parent brand image (PBI)

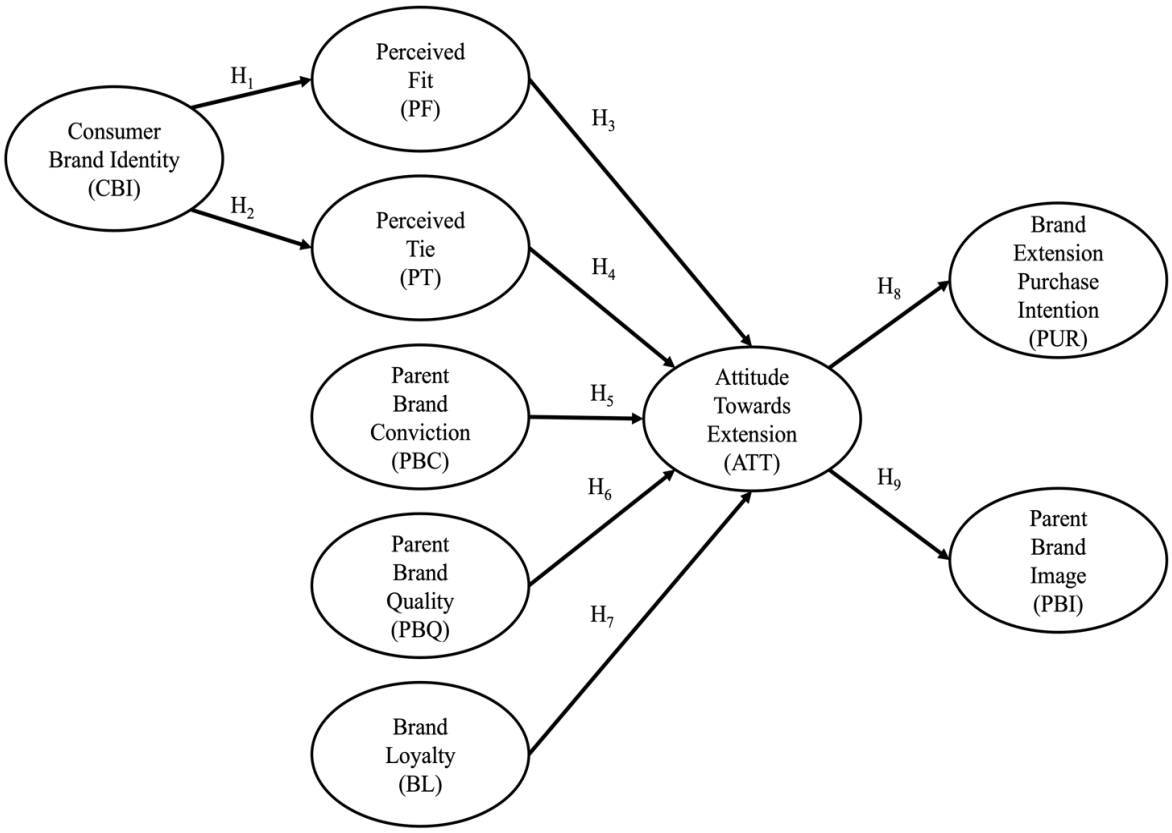
Keller (1993) defined brand image as the perceptions about a brand which is reflected by the brand associations in consumers' memories. Therefore, brand image is an image that consumers generate in their minds for a certain brand (Arslan & Altuna, 2010). Many companies try to form positive and favorable associations with their brand because this results in a positive image (Keller, 1993). In order to create a brand image, various marketing tools such as brand name, brand logo, packaging, labeling, and color are used. As such, creating a positive brand image requires a lot of effort.

As mentioned previously, there is a possibility of the extension causing a negative effect for the parent company such as cannibalization, failure, partial failure, and dilution despite the successfulness of the extension (Pitta & Katsanis, 1995). When the perceived fit of the extension is inconsistent with the parent brand or a different set of brand image is created in the consumers' minds, these will result in damaging the parent brand's image (Arslan & Altuna,

2010). Moreover, an extension that has failed to create a categorization process in consumers' minds may cause a negative impact on the existing positive image of the parent brand that consumers already had in their minds. As a result, the extended brand may be the main reason for the cannibalization of the parent brand's sales and also negatively influence the current parent brand's image (Chang, 2002; Martínez and Pina, 2003). Supporting this notion, Hameed et al. (2014) found that attitude towards the brand extension, along with brand awareness, brand familiarity, and customer attitude, has an impact on parent brand image. Thus, it is important to understand consumers' attitudes towards the extension because such attitude has an impact on parent brand image. Therefore, the current study proposes the following hypothesis:

H9. Attitude towards extension has a positive impact on the parent brand image.

Figure 1 depicts the proposed model with the hypotheses.



Study 2. Figure 1. Proposed theoretical framework.

III. METHODOLOGY

Measurement

Based on the research model, a self-administered questionnaire was developed and distributed based on existing literature which has been validated using Amazon Mechanical Turk (MTurk). Demographic questions were asked regarding age, gender, education level, marital status, ethnicity, income, and employment status.

The measurement items used to test the hypotheses were adopted from existing studies and modified to meet the purpose of this study. The questionnaire items used a 7-point Likert-type scale from 1 being *strongly disagree* to 7 being *strongly agree*.

Data collection

This study used a scenario-based survey (see Appendix A) which combined participants' perceptions about a hotel company's brand extension and their responses to a hypothetical scenario. To obtain representative samples, the target population were screened by answering screening questions asking if they were over 18, currently living in the United States, and have ever stayed at a hotel and an existing vacation rental (e.g., Airbnb) at least once. Participants who answered no to any of the screening questions, the survey ended and if qualified to take the survey, a hypothetical scenario with the description of the hotel company's vacation rentals was provided in order for the participants to take the survey.

Convenient sampling was used to collect data by recruiting participants through Amazon MTurk (Mechanical Turk) because the participants' pool mostly consists of nonprofessionals and

obtaining average individuals which are sufficient to conduct consumer behavior studies (Hunt & Scheetz, 2019). Before launching the actual survey, a pilot test with the same target sample with the actual survey was conducted to make any adjustments needed to help participants in the main survey to better understand the questions. Then, to ensure the quality of the data collected, data screening was conducted, and outliers were deleted because their responses were invalid. Thus, a total of 331 responses were used for data analysis for this study.

Data analysis

The collected data were statistically analyzed by using SPSS v25 and AMOS v25. Descriptive data analysis was conducted to gather respondents' demographic information in percentages. Then, followed Anderson and Gerbing's (1988) two-step approach which is to conduct confirmatory factor analysis (CFA) to verify a measurement model and structural equation modeling (SEM) to test the hypotheses. CFA was conducted because the constructs consist of multiple-item scales in order to assess the overall model fit and SEM was conducted to test the proposed theoretical hypotheses.

IV. RESULTS

Demographic profile

Table 1 illustrates the demographic characteristics of the sample. The gender ratio was 44.7% (*n* = 148) to 55.3% (*n* = 183) in which there were more female respondents. 32.6% of the total sample were in their 20s, followed by 30s (37.5%, *n* = 124), 40s (19.3%, *n* = 64), 50s (6.9%, *n* = 23), and over 60s (2.7%, *n* = 9). The majority of the respondents were Caucasian (63.4%, *n* = 210) with an education level of college graduate (48.9%, *n* = 162) and had an annual income between $40,000 to $59,999 (22.7%, *n* = 75). Lastly, most of the respondents were married (48.6%, *n* = 161) and had a full-time job (59.2%, *n* = 196).

Study 2. Table 1. Demographic characteristics of the sample (*N* = 331)

Demographics	*n*	%
Gender		
Male	148	44.7
Female	183	55.3
Age		
19 years and under	3	.9
20-29 years	108	32.6
30-39 years	124	37.5
40-49 years	64	19.3
50-59 years	23	6.9
60 years and over	9	2.7
Ethnicity		
Caucasian	210	63.4
Asian	24	7.3
African American	48	14.5
Hispanic	23	6.9
Native American	17	5.1

Other	9	2.7
Education Level		
Less than high school	2	.6
High school graduate	33	10.0
Some college	87	26.3
College graduate	162	48.9
Postgraduate	45	13.6
Other	2	.6
Marital Status		
Single	149	45.0
Married	161	48.6
Other	21	6.3
Income Level		
Less than $20,000	37	11.2
$20,000 - $39,999	69	20.8
$40,000 - $59,999	75	22.7
$60,000 - $79,999	64	19.3
$80,000 - $99,999	35	10.6
$100,000 - $119,000	27	8.2
$120,000 or above	24	7.3
Employment Status		
Full-time employment	196	59.2
Part-time employment	37	11.2
Self-employed	43	13.0
Unemployed	29	8.8
Homemaker	16	4.8
Others	10	3.0

Reliability and validity

The measurement model was evaluated to check the appropriateness of the measurement structure by conducting CFA. However, during the process of assessing the model fit of the proposed model, researchers have identified that the model fit was weak. Thus, some of the variables that were not closely related to this study were removed. The revised proposed model is shown in Figure 2. CFA was conducted on the revised proposed model and the findings of the CFA showed that the goodness-of-fit indices which were comparative fit index (CFI), Tucker-

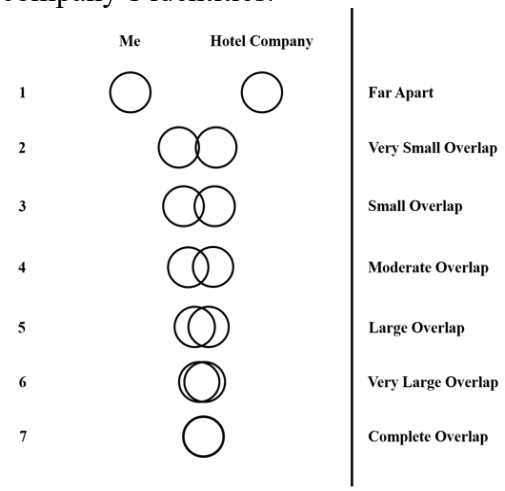
Lewis Index (TLI), and root-mean-square error of approximation (RMSEA) supported that the model was acceptable: $\chi^2_{(231)} = 490.56$, $p < .001$, $\chi^2/df = 2.12$, CFI = .96, TLI = .95, RMSEA = .06 (90% CI: .05-07). All of the standardized factor loadings were greater than .68 and all factor loadings were significant at $p < .001$ (see Table 2).

As for internal consistency, composite reliability values were evaluated and the results showed that all of the values exceeded .70 which indicates that the items in the proposed model were internally consistent (Bagozzi & Yi, 1988). Based on the results shown in Table 2, convergent validity was ensured by assessing AVE which all exceeded the minimum threshold of .50 (Anderson & Gerbing, 1988; Hair et al., 2019). Discriminant validity was assessed by using HTMT criterion which is considered as an alternative method to measure discriminant validity (Henseler et al., 2015). Even though Fornell-Larcker criterion is widely used to evaluate discriminant validity among researchers, many researchers claim that Fornell-Larcker criterion lacks sensitivity and specificity in combination with results of variance-based structural equation modelling and consistent estimates (Do & Luu, 2020; Muhammad & Sarwar, 2021; Voorhees et al., 2016). Thus, HTMT method was used to assess the discriminant validity and the results have indicated that all of the values were less than .90 which is the threshold, hence, the discriminant validity was confirmed (see Table 3) (Henseler et al., 2015).

Study 2. Table 2. Results of Confirmatory Factor Analysis (CFA)

Construct/Items (Cronbach's α)	Standardized Factor Loadings	Composite Reliability	Average Variance Extracted	References
***Consumer Brand Identity* (α = .96)**		.96	.76	Büyükdag & Kitapci, 2021; Sirgy et al., 1997
The hotel company is like a part of me.	.91			
The hotel company embodies what I believe in.	.86			

I identify strongly with the hotel company.	.91			
The hotel company reflects who I am.	.92			
The hotel company is my reflection in the mirror	.89			
Imagine that one of the circles on the left in each row represents your self-identity and the other circle on the right represents the hotel company's identity. Please indicate which number (1, 2, 3, 4, 5, 6, or 7) best describes the level of overlap between your identity and the hotel company's identities.	.76			Bergami & Bagozzi, 2000



***Perceived Fit* (α = .82)**		.82	.69	Bhat & Reddy, 2001; Grime et al., 2002; Taylor & Bearden, 2002; Volckner & Sattler, 2006
Launching the hotel company's vacation rental is logical for the hotel company.	.86			
Launching the hotel company's vacation rental is appropriate for the hotel company.	.80			
***Perceived Tie* (α = .80)**		.81	.68	Stewart, 2003; Stewart, 2006
The hotel company and their vacation rental are connected to each other.	.74			
The hotel company and their vacation rental have a strong relationship with each other.	.90			
***Parent Brand Conviction* (α = .79)**		.79	.66	

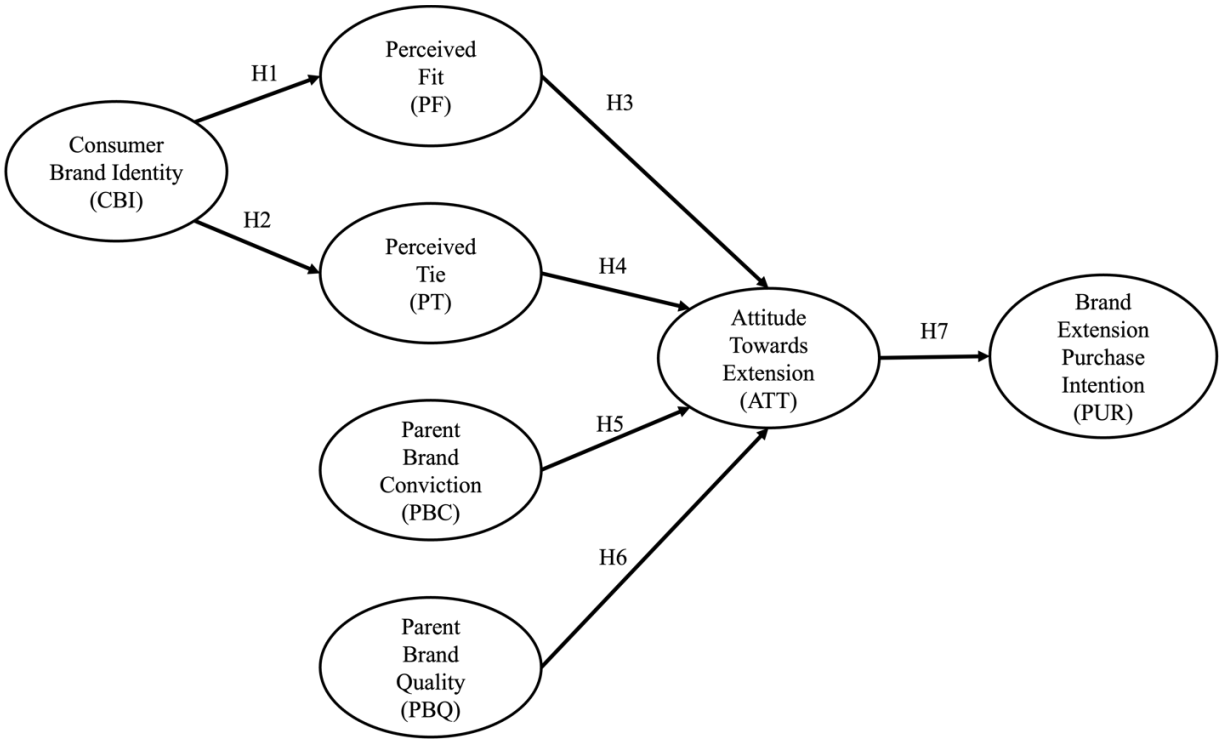
The hotel company is a likable brand.	.85			DelVecchio, 2000; Kirmani, Sood, & Bridges 1999; Volckner & Sattler, 2006
I trust the hotel company.	.77			
***Parent Brand Quality* (α = .82)**		.84	.72	Aaker & Keller, 1990; Brady & Cronin, 2001; Sheinin & Schmitt, 1994; Volckner & Sattler, 2006
I have had an excellent experience when I stayed at the hotel company's hotels.	.84			
So far, I have always rated the hotel company's service highly.	.86			
***Attitude Towards Extension* (α = .92)**		.92	.66	Boush & Loken, 1991; Crites et al., 1994; Hem & Iverson, 2002; Zhang et al., 2008
I think the hotel company's vacation rental is desirable.	.79			
I like the hotel company's vacation rental.	.83			
In general, I am positive about the hotel company's vacation rental.	.82			
In general, the hotel company's vacation rental is good.	.81			
I feel good about the hotel company's vacation rental.	.84			
My attitude towards the hotel company's vacation rental is positive.	.81			
***Brand Extension Purchase Intention* (α = .92)**		.92	.79	Grewal et al., 1998; Liu & Brock, 2011; Moon et al., 2008; Taylor & Bearden, 2002
If I was going to stay at a vacation rental, the probability of staying at the hotel company's vacation rental is high.	.87			
The probability that I would consider staying at the hotel company's vacation rentals is high.	.88			

The likelihood that I would stay at the hotel company's vacation rentals is high.	.92

Note: $\chi^2_{(231)} = 490.56$, $p < .001$, $\chi^2/df = 2.12$, CFI = .96, TLI = .95, RMSEA = .06 (90% CI: .05 - .07).

Study 2. Table 3. Discriminant validity (HTMT ratio)

Constructs	CBI	PF	PT	PBC	PBQ	ATT	PUR
CBI							
PF	.32						
PT	.19	.62					
PBC	.68	.58	.40				
PBQ	.48	.63	.46	.74			
ATT	.41	.75	.57	.71	.80		
PUR	.31	.59	.49	.61	.64	.74	

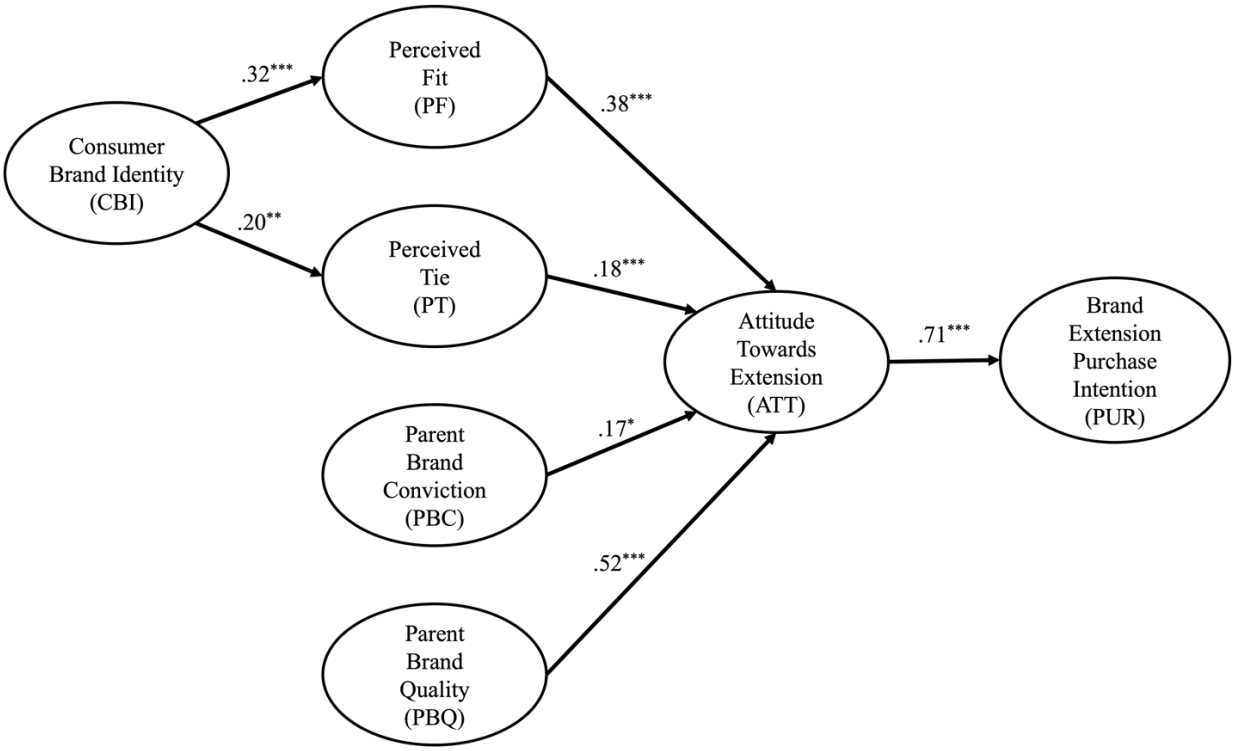


Study 2. Figure 2. Revised proposed theoretical framework.

Hypothesis testing

SEM was used to evaluate the structural model to validate the proposed hypotheses among the study constructs. The results showed that the model fit was acceptable to the data: $\chi^2_{(242)} = 702.96$, $p < .001$, $\chi^2/df = 2.91$, CFI = .93, TLI = .92, RMSEA = .08 (90% CI: .07-.08) (Hu & Bentler, 1999). Figure 3 shows the SEM results with standardized path coefficients. First of all, among the proposed hypotheses, hypotheses 1 and 2 were supported. More specifically, CBI had significant impacts on PF ($\beta = .32$, $p < .001$) and PT ($\beta = .20$, $p < .01$) which indicates that CBI was an important antecedent that significantly affects PF and PT of the brand extension. In addition, all of the factors which include PF ($\beta = .38$, $p < .001$), PT ($\beta = .18$, $p < .001$), PBC ($\beta = .17$, $p < .05$), and PBQ ($\beta = .52$, $p < .001$) that affect consumers' ATT had a positive

significant impact supporting hypotheses 3, 4, 5, and 6. Lastly, ATT had a significant effect on PUR (β = .71, $p < .001$) which supports hypothesis 7.



Note: $\chi^2_{(242)} = 702.96$, $p < .001$, $\chi^2/df = 2.91$, CFI = .93, TLI = .92, RMSEA = .08 (90% CI: .07-.08). $^{*}p < .05$, $^{**}p < .01$, $^{***}p < .001$.

Study 2. Figure 3. Overall results of the structural equation model.

Study 2. Table 4. Structural equation model results

Proposed hypotheses	β	*t*-values	Decision
H1: CBI – PF	.32***	5.13	**Supported**
H2: CBI – PT	.20**	3.14	**Supported**
H3: PF – ATT	.38***	7.54	**Supported**
H4: PT – ATT	.18***	3.75	**Supported**
H5: PBC – ATT	.17*	2.11	**Supported**

H6: PBQ – ATT	.52***	6.28	**Supported**
H7: ATT – PUR	.71***	11.62	**Supported**

V. DISCUSSION AND IMPLICATIONS

Companies launch new products as their brand extension by using their parent brand name and recently hotel companies have launched a new extended brand in the vacation rentals market to compete with the existing competitors. Because hotel vacation rentals as a brand extension is a new concept, it is important to understand which factors have a positive influence on guests' ATT in order for the new extended brand to succeed in the market. Thus, this study examined the role of CBI and which factors positively affect guests' ATT. The results indicated that CBI had a significant influence on increasing consumers' evaluation of the hotel vacation rental as an extension. Additionally, all of the factors which includes PF, PT, PBC, and PBQ had a significant impact on ATT. Lastly, the results showed that the ATT was a predictor for increasing potential guests' PUR and their perception towards the parent brand image.

Theoretical implications

The findings of the present study contribute to prior literature on brand extension. First, prior studies have applied CBI to investigate various types of consumer behaviors such as WOM intention (Ahearne et al. 2005; Bagozzi & Dholakia 2006; Brown et al. 2005), brand loyalty (Nikhashemi et al., 2015), and repurchase intention (Kuenzel & Halliday, 2008). To the best of authors' knowledge, there has been no previous study that has examined the impact of CBI on PF and PT in the context of hotel vacation rentals. The results of this study support the existing theories regarding brand extension and CBI's contribution to PF and PT. More specifically, the findings indicate that consumers' PF and PT about hotel vacation rentals as an extension has

been significantly influenced by CBI in which having a positive relationship with the parent brand. This means that consumers tend to seek for emotional attachments with the parent brand when evaluating the brand extension because they identify themselves with such brands. This strong identification with the parent brand leads to a more positive ATT.

Second, the current study revealed that PF and PT were strong determinants of ATT. The results seem to be in line with previous studies in which that the ATT mainly depends on PF and PT (e.g., Broniarczyk & Alba, 1994; Meyvis & Janiszewski, 2004; Riley et al., 2014; Sandor, 2002; Völckner & Sattler, 2006). This highlights the importance of PF and PT when hotel brands launch new vacation rentals because consumers tend to evaluate the PF and PT of the extended brand with the parent company in order to assess the appropriateness of the new extension.

In addition, the results of this study showed that PBC had a significant impact on the ATT. This supports the existing studies in which PBC reducing the risk of the extension and draw positive evaluations (e.g., Kirmani et al., 1999; Völckner et al., 2010). In the context of hotel vacation rentals, because the concept is relatively new to the market, consumers refer to PBC which is an emotional stage of liking and trusting the parent brand to evaluate the extension in order to decide whether to stay at this new type of vacation rental. Additionally, consumers tend to reflect to their past experiences which is PBQ in this study with the parent brand when evaluating the extension and tend to have a positive ATT. This indicates that in the context of hotel vacation rentals, consumers tend to rely on their emotional connection with the brand and their personal past experience when evaluating hotel vacation rentals. Thus, these outcomes contribute to the body of literature on PF, PT, PBC, and PBQ in the context of vacation rentals.

Practical implications

The current study provides several managerial implications for hotel brands launching brand extensions. The findings of this study have identified that CBI was an essential antecedent for PF and PT in evaluating the brand extension. This shows that consumers have the tendency to emotionally connect with the brand and build relationship with the brand which represents who they are as their identity, and this connection leads to a positive ATT. Hotel brands who have or are planning to launch a vacation rental would need to invest in promotional strategies that enhance consumers' attachment to the brand in order for the consumers to feel that they are part of the brand. This is because creating a positive CBI would ultimately lead to evaluating the extension with a positive attitude which will also lead to the success of the extension. Moreover, hotel companies should extend their CBI on to their vacation rentals in order to appeal to future guests who value CBI because by doing so, consumers will feel that the extended brand shares the same CBI that the hotel parent company has which may lead to perceiving the fit and tie of the extended brand being appropriate.

Furthermore, hotel brands should create an emotional connection with the consumers when introducing a brand extension. The results of this study showed that PBC had a significant influence on ATT. This indicates that hotel brands should create an emotional relationship with the consumers in order to create an identity for the consumers with the brand which surpasses their emotional aspects of liking a brand. Thus, it is recommended that hotel brand would need to build a brand image that matches their consumers' identity so that the consumers will feel more connected and even feel that they are a part of the brand by utilizing promotional strategies and other communication methods.

Another managerial implication that can be drawn from this study is that consumers tend to refer to PBQ when evaluating the brand extension. When consumers have strong attitude towards PBQ, that attitude transfers to the extension because consumers believe that the extension would not provide a lower quality of service with the parent brand name attached. Hotel practitioners are therefore, encouraged to provide a quality of service in their parent brands' hotel in order for consumers to have extrinsic information cue that consumers can refer to reduce the uncertainty of the hotel vacation rentals. In addition, hotels should provide a quality of service which exceeds or at least is as similar to the parent brand's quality in hotel vacation rentals in order for the consumers to have a positive ATT and furthermore, lead to being more loyal to the brand and increase their repurchase intention. Lastly, hotel companies would need to provide services which can only be provided at their vacation rentals and by doing this, hotel companies can increase the expectation of the level of service that the consumers would receive at the hotel vacation rentals.

Limitations and suggestions for future research

While this study provides significant advance in understanding the success factors of brand extension, it is not without limitations. The research sample was selected based on the U.S. population which limits generalizability. Thus, future studies are recommended to replicate the current study with different population for better interpretation of the results in order to solve generalizability issues. Additionally, this study was conducted by providing hypothetical scenario to the individuals regardless of their experience of staying at a hotel vacation rental. This method helped participants to understand the concept of hotel vacation rentals but may limit the results compared to studying actual guests with actual experience. Hence, future researchers should conduct studies on participants who have actual experience of staying at a hotel vacation

rental in order to verify whether the validated relationships in this study still remain under the effect of other variables (e.g., CBI, PF, PT, PBC, and PBQ). Finally, this study did not test the moderating effect of other variables that may influence the relationship between variables. Other latent variables such as price consciousness should be considered as a moderator to investigate whether these variables affect the relationships in the theoretical model of this study.

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CHAPTER IV: SUMMARY AND CONCLUSIONS

The purpose of study 1 was to investigate the impact of different dimensions of consumption values and purchase intention in the context of hotel company's vacation rentals. Additionally, the theoretical model tested the moderating effect of brand loyalty (BL) on the relationship between consumption values and purchase intentions of the hotel vacation rentals (PUR).

In order to test the proposed model, a self-administered questionnaire was distributed using Amazon Mechanical Turk (MTurk) to collect data. To ensure the quality of the data, univariate and multivariate outliers were deleted and a total of 449 responses were used for data analysis. Analysis of the data followed Anderson and Gerbing's (1988) two-step approach which is to conduct confirmatory factor analysis (CFA) and then followed by structural equation modeling (SEM).

The results of the SEM indicated that among five consumption values which are functional value (FV), social value (SV), emotional value (EmV), epistemic value (EpV), and conditional value (CV), only SV, EmV, and CV had a significant impact on potential hotel guests' PUR. In regard to the moderating effect of BL, it has been revealed that BL moderates the relationship between SV, EmV, and EpV and PUR.

It has been revealed that potential guests tend to value SV, EmV, and CV more among other values. In addition, BL as a moderator only had a significant impact among several values having an impact on PUR. Thus, it is recommended that hotels should conduct different marketing strategies to meet different consumption values for potential guests.

The second study was conducted to investigate the role of consumer-brand identification (CBI) on brand extension's success and which factors positively affect potential guests' attitude towards brand extension of a hotel company's vacation rentals (ATT) and eventually, leading to their PUR.

A self-administered questionnaire was distributed through Amazon MTurk and 331 samples were used in the analysis by following Anderson and Gerbing's (1988) two-step approach which is to conduct CFA and then followed by SEM.

The results of the SEM showed that all of the proposed hypotheses were supported indicating the important role CBI as an antecedent of brand extension's success. Based on the results of this study, it is recommended that hotels should build emotional relationship with the consumers because they tend to evaluate the brand extension based on how much they are connected to the brand. Also, maintaining good parent brand quality (PBQ) was essential because consumers tend to refer to PBQ in evaluating the extension.

APPENDIX A

Scenario for hotel vacation rentals

Please read the scenario below and answer the questions related to the scenario.

You are planning a vacation and searching for a vacation rental (e.g., Airbnb) online. Vacation rental refers to an accommodation that travelers can rent on a short-term basis which is often provided in a separate stand-alone dwelling that may be within or without a larger dwelling. Then, you find out that the hotel company that you are most familiar with has recently launched a new vacation rental using the hotel company's name (e.g., Homes & Villas by Marriott International). This new vacation rental allows you to rent a property such as private home, condominium, and apartment entirely to yourself.

Unlike the existing vacation rentals where you rent a home or a room from the host, this new hotel vacation rental provides several unique features such as:

- Premium room cleaning services and room amenities
- 24/7 support team available for your assistance
- Premium and luxury tier vacation rentals managed by a property management company
- Grocery delivery upon your arrival if requested
- Guaranteed safety, security, design and condition, and cleanliness
- Earn and redeem reward points of the hotel company when staying at the hotel company's vacation rental

VITA

EDUCATION

Ph.D. The University of Mississippi, University, MS May 2022
Major: Hospitality Management
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Dissertation: Guests' attitude and purchase intention towards hotel vacation rentals

M.S. Bournemouth University, Dorset, U.K. Sept 2014
Major: Tourism Management and Marketing
Thesis: The information search behaviour of international students when travelling within the countries of study in relation to the effectiveness of DMO websites: A case study of Korea Tourism Organisation

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Double Majors: International Business and International Studies

ACADEMIC EXPERIENCES

Graduate Instructor (Instructor of Record) – The University of Mississippi, University, MS
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NHM 363 Foodservice Procurement (Online) Spring 2021 & Fall 2021
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Guest Lectures – The University of Mississippi, University, MS
Descriptive Statistics at Mississippi Teacher Corps Oct 2019
Sales and Marketing in Hotels Oct 2018
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Guest Lectures – Texas Tech University, Lubbock, TX
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Graduate Assistant – The University of Mississippi, University, MS
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Assisted in developing an Online Master's program for Hospitality Management Department
NHM 310 Hospitality Industry Accounting
NHM 360 Legal Issues in the Hospitality Industry
NHM 361 Lodging I

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NHM 363 Foodservice Procurement
NHM 441 Hospitality Systems Management
NHM 461 Foodservice Systems Management I
NHM 464 Marketing in the Hospitality Industry
NHM 491 Hotel Operations II

Graduate Assistant – Texas Tech University, Lubbock, TX Aug 2016 – May 2017
RHIM 3321 Introduction to Hospitality Industry Accounting Practices
RHIM 4322 Hospitality Industry Financial Analysis

PUBLICATIONS

Kim, D., & Roseman, M. G. (2022). The effect of non-optional green practices in hotels on guests' behavioral intentions. *Journal of Quality Assurance in Hospitality & Tourism*, *23*(2), 345-364.

Kim, D., & Scott-Halsell, S. (2020). The information search behavior of international students when traveling within the countries of study in relation to the effectiveness of DMO websites. *Journal of Tourism Insights*, *10*(1), Article 2, 1–12.

Ahn, J., **Kim, D.**, Choi, H., & Choi, E. (2020). Surviving the minimum wage increase: A case study of an independent restaurant. *Journal of Hospitality & Tourism Cases*, *8*(1), 59–67.

Kim, D., & Choi, E. (2019). The secret to winning the TripAdvisor certificate of excellence: A case study on US hotels. *Culinary Science & Hospitality Research*, *25*(9), 86–96.

REFEREED PROCEEDINGS AND PRESENTATIONS

Kim, D., Choi, E., & Hong, C. (2020). Customers' impulsive buying behavior of hotel conditional upgrade [Paper presentation]. *Southeastern, Central and South America Federation 2020 CHRIE Conference*. Auburn, AL.

Kim, D., & Joung, H. (2020). Hotel guests' attitude and purchase intention towards hotel brand extension [Poster presentation]. *Southeastern, Central and South America Federation 2020 CHRIE Conference*. Auburn, AL.

Kim, D., Ahn, J., & Jo, J. (2019). Airbnb Backyard: An investigation of selection criteria for a new type of sharing economy [Poster presentation]. *2019 ICHRIE Annual Conference & Marketplace*, New Orleans, LA.

Kim, D., & Choi, E. (2019). A content analysis of Corporate Social Responsibility reports in the hotel industry [Poster presentation]. *24th Annual Graduate Education & Graduate Student Research Conference in Hospitality and Tourism*, Houston, TX.

Kim, D., & Roseman, M. (2019). The relationship between graduating students' satisfaction with hospitality program and perception of acquired entry-level job skills [Poster presentation]. *24th*

Annual Graduate Education & Graduate Student Research Conference in Hospitality and Tourism, Houston, TX.

Choi, E., **Kim, D.**, & Lee, E. (2018). The secret to winning the TripAdvisor certificate of excellence: A case study on hotels [Poster presentation]. *2018 ICHRIE Annual Conference & Marketplace*, Palm Springs, CA.

Choi, E., **Kim, D.**, & Lee, E. (2018). The secret to winning the TripAdvisor certificate of excellence: A case study on hotels. *Graduate Student Council 8th Annual Ole Miss Graduate Research Symposium*, University, MS.

Kim, D., & Choi, E. (2018). Customer willingness to participate in green practices: Comparing the effects of intrinsic and extrinsic motivations [Paper presentation]. *Southeastern, Central and South America Federation 2018 CHRIE Conference*, Knoxville, TN.

Kim, D., & Scott, S. (2016). The information search behavior of international students when traveling within the countries of study in relation to the effectiveness of DMO websites [Paper presentation]. *22nd Annual Graduate Education & Graduate Student Research Conference in Hospitality and Tourism*, Houston, TX.

PROFESSIONAL SERVICES

West Federation CHRIE Conference 2018 & 2019
Conference Reviewer

FUNDED TRAVEL GRANTS

Southeastern, Central & South America Federation 2020 CHRIE Conference 2020
Amount: $600
Funding Agent: Office of Research and Sponsored Programs, The University of Mississippi, University, MS

2018 ICHRIE Annual Conference & Marketplace 2018
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Southeastern, Central & South America Federation 2018 CHRIE Conference 2018
Amount: $400
Funding Agent: Office of Research and Sponsored Programs, The University of Mississippi, University, MS

22nd Annual Graduate Education and Graduate Student Research Conference in Hospitality and Tourism 2016
Amount: $450
Funding Agent: Texas Tech University Graduate School, Texas Tech University, Lubbock, TX

UNFUNDED GRANTS

Title: A study of factors university foodservice can provide to acculturate international students to American food
Co-Principal Investigator: Daegeun (Dan) Kim & Mary Roseman
Amount Requested: $2,000
Period: Jan 2020 – Dec 2020
Funding Agent: Foodservice Systems Management Education Council (FSMEC)

Title: Study of university foodservice efforts to assimilate international students to American food
Co-Principal Investigator: Daegeun (Dan) Kim & Mary Roseman
Amount Requested: $2,000
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Funding Agent: Foodservice Systems Management Education Council (FSMEC)

INDUSTRY EXPERIENCES

Lenoir Dining, University, MS Sept 2019 – Dec 2019
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E Tour Co., Ltd, Seoul, Korea Jan 2016 – Apr 2016
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Soongsil University Graduate School, Seoul, Korea Mar 2015 – Jul 2015
Administration Staff

Soongsil University, Seoul, Korea Sept 2011 – Jul 2012
Administration Assistant

HONORS AND AWARDS

Graduate Instructor Excellence in Teaching Award Finalist (Nominated) 2021
The University of Mississippi, University, MS

Summer Graduate Research Assistantship 2018
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2nd place (Applied Sciences) 2018
The University of Mississippi, University, MS

2016 STR Student Market Study Competition 1st place 2016
Smith Travel Research (STR), New York City, NY

Charlie Adams – Aramark Passion for Excellence Scholarship 2016
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Texas Tech University, Lubbock, TX

Talkington Graduate Fellowship 2016
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College of Human Sciences Doctoral Fellowship Endowment 2016
Texas Tech University, Lubbock, TX

The BU International Postgraduate Scholarship 2013
Bournemouth University, Dorset, UK

Kyung Hee University International College Scholarship II 2009
Yongin, South Korea

Army Achievement Medal by Secretary of the Army 2007
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VOLUNTARY & EXTRACURRICULAR ACTIVITIES

The University of Mississippi Korean Student Association, University, MS
Vice President Sept 2017 – Sept 2018

Texas Tech University Korean Student Association, Lubbock, TX
Vice President Sept 2016 – Sept 2017

Bournemouth University Korean Society (BUKS), UK Mar 2013 – Mar 2014
President

14th Boryeong Mud Festival, South Korea Jul 2011
English Interpreter Representative

14th KIMUN (Kyung Hee International Model United Nations) Security Council, Yongin, South Korea
Delegate of Costa Rica Nov 2008

Special Troops Battalion, 2nd Infantry "Warrior" Division Headquarters Senior Translator, Korean Augmentation to the United States Army (KATUSA), Korea
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CERTIFICATIONS & SKILLS

Certification in Hotel Industry Analytics (CHIA)	2018 – 2023
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