

**THE EFFECT OF PRICE, BRAND NAME, AND LEVEL OF
ADVERTISING ON PERCEIVED SERVICE QUALITY,
PERCEIVED SERVICE VALUE, AND PURCHASE
INTENTION OF THE LODGING INDUSTRY**

by

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and State University in partial fulfillment requirement for the degree of**

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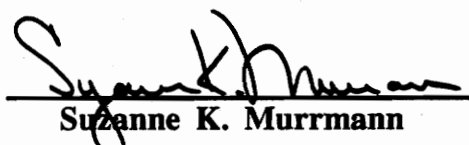
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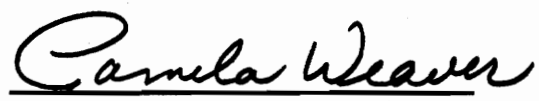
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(ABSTRACT)**

This dissertation investigates the effects of price, brand name, and level of advertising on consumers' perceptions of service quality, service value, and their willingness to stay at a lodging facility. Hypotheses are derived from a conceptual model to posit the relationship that the three extrinsic cues of price, brand name, and level of advertising have with the constructs of perceived service quality, perceived service value, and willingness to stay (purchase intention). Additionally, the interaction effects of the extrinsic cues on the three constructs are evaluated. Moreover, the relationships among the constructs of perceived service quality, perceived service value, and willingness to stay are examined.

Overall, the analysis gave strong support for the hypothesized effects of price. There was a lack of support for the hypothesized effects of brand name and level of advertising on consumers' service evaluations. Results revealed that perceived service value is a more comprehensive measure of consumers' overall evaluation of a service than perceived service quality.

Theoretically, this research partially tests a model that goes beyond the price perceived good quality paradigm. Managerially, this study helps in determining the price, brand name, and level of advertising appropriate to obtain better service evaluations from consumers.

I like to dedicate this dissertation to my parents, Quei-Fu Lin and Ping Sun, for their support and love.

Acknowledgments

No dissertation or any research study can be regarded as the result of an individual effort. This dissertation is certainly no exception. My heartfelt appreciation goes to my committee who have been fully supportive of my dissertation goals. Individually, each member's contribution has been invaluable.

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At last I will forever be indebted to my parents for their support, understanding, and warm encouragement during the entire period of this sojourn. Their love will be always cherished. Notably, my parents provided me with the precious opportunities and resources they never had to complete this program. They also shared disproportionately my emotional down periods. But, they are always there for me.

There are many difficult decisions one has to make in the formulation of a dissertation. I like to share a poem “The Road Not Taken” by Robert Frost with those who are traveling on the road of dissertation.

Two roads diverged in a yellow wood,
And sorry I could not travel both
And be one traveler, long I stood
And looked down one as far as I could
To where it bent in the undergrowth;

Then look the other, as just as fair,
And having perhaps the better claim,
Because it was grassy and wanted wear;
Though as for that the passing there
Had worn them really about the same,

And both that morning equally lay
In leaves no step had trodden black.
Oh, I keep the first for another day.
Yet knowing how way leads on to way,
I doubted if I should ever come back.
I shall be telling this with a sigh
somewhere ages and ages hence:
Two roads diverged in a wood, and I -
I took the one less traveled by,
And that has made all the difference.

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Chapter I

INTRODUCTION

The present dissertation examined the effects of price, brand name, and level of advertising on perceived service quality, perceived service value and purchase intention for the lodging industry. Traditionally, when it comes to lodging room rates, hospitality researchers tend to evaluate room rates as a function of supply and demand (Ellerbrock, Hite and Wells, 1984; Fujii, Khaled, and Mak 1985; Greenberg 1985; Hiemstra and Ismail 1992; Kimes 1989; Mak 1988; Relihan 1989). Although numerous single-cue and multiple-cue studies have been conducted to examine the effect of price alone or price and other extrinsic cues on perceived quality, virtually no study has examined the effect of price, brand name, and level of advertising on perceived quality by using a service product rather than a good (tangible product).

Monroe and Dodds (1988) call for the need to broaden the price-perceived quality studies by including a wider range of price/product combinations. Hiemstra (1994) contends that assessing the effectiveness of advertising is the single most under-researched area for the lodging industry. To date, the vital relationships of price, brand name and level of

advertising-perceived service quality, perceived service value and purchasing intention remain virtually unexplored.

In this chapter, the basic concepts embodied in the study are briefly reviewed. A more complete discussion of each concept is presented in chapter 2. The scope of the study is delineated and the method used is outlined. In the latter section of this chapter, the plan for the rest of the dissertation is presented.

1.1 Study of Price and Perceived Quality

Product attributes and objective price are major decision variables used by consumers for product evaluation. Myriad research results have suggested that the objective price of a product represents an extrinsic cue that provides a basis for forming impressions of the product (Keller 1993; Olson and Jacoby 1972; Zeithaml 1988). Research suggests that consumers infer a higher quality from a higher price (Bagwell and Piordan, 1991; Dodds, Monroe, and Grewal, 1991; Monroe, 1973). Despite numerous studies that directly or indirectly examine the price-perceived quality relationship, it is still not clear whether the relationship can be generalized to various products with varying prices, consumer purchasing pattern, and under different situations. Peterson (1970) made a clear statement regarding the relationship between price and perceived quality:

Specifically, price is thought to serve as an indicant of quality whenever there is little previous experience with the product or potential risk or uncertainty involved in its use. (Peterson 1970; p. 525).

Research in price-perceived quality has often been criticized for scant definition and inconsistent measurement procedures (Monroe and Krishnan 1985). One fundamental problem of research in the area of price-perceived quality relationship involves the measuring of the concept of quality (Bolton and Drew 1991; Chang and Wildt 1994; Crosby 1979; Etgar and Malhotra 1981; Gardner 1971; Gotlieb 1990; Olson and Jacoby 1972; Peterson 1970; Zeithaml 1988). What do consumers mean by service quality? How are perceptions of service quality formed?

1.2 Study of Brand Name and Perceived Quality

Brand name is frequently used by consumers as an "informational chunk" that represents a composite of information about a product (Olson 1976). Since the seminal work of Myers (1966), marketing researchers have investigated the relationship between brand name and quality perceptions. For example, Richardson, Dick and Jain (1994) observe that regardless of the actual ingredients of a product, ingredients identified with a national brand received significantly more favorable quality assessment than ingredients coupled with private label brands.

Monroe and Dodds (1988) suggest that the effect of price on perceived quality is stronger when brand name is present as opposed to when brand name is absent. However, Dodds, Monroe, and Grewal (1991) found that the effect of price on perceived quality and perceived value is greater in a single-cue design than in a multiple-cue design.

1.3 Study of Level of Advertising and Perceived Quality

Nelson (1974) differentiated between products on a "search good" versus "experience good" basis. With the latter, seminal aspects of the product's quality are impossible to verify except through use of the product. In such a circumstance, a seller's claims to be offering high quality are unverifiable before purchase. Nelson (1974), Schmalensee (1978), and Milgrom and Roberts (1986) contend that for experience goods, level of advertising is positively correlated with quality. Quality information is provided by the level of advertising, not the claims it makes.

Laskey, Seaton, and Nicholls (1994), investigated the relative effectiveness of informational and transformational advertising for health clubs and travel agencies. Their findings suggest that informational ads were more effective than transformational ads. Hite, Hite, and Minor (1991) tested the effects of brand name and price on perceived overall quality of colas and wieners. They suggest that branding is dependent upon more heavily than search to assess quality, even when brand cues are inconsistent with actual quality levels and search is costless, suggesting that dissipative advertising can be very effective. A review of the literature reveals that there is very little research conducted to explore the relationship between advertising and quality perceptions. And there is virtually no reported empirical evidence that identifies the impact of different levels of advertising on perceived quality.

1.4 Study of Consumers' Perceptions

The definition of perception is particularly complex and involves behaviors relating to pattern recognition and comprehension. In Hume's theory of consciousness he stated his concept of perceptions, as he indicates in the opening line of Treatise I: "All the perceptions of the human mind resolve themselves into two kinds, which I shall call impressions and ideas." However, Hume did not elaborate on the nature and causes of perceptions.

According to Berelson and Steiner (1964) perception is a complex process by which people select, organize, and interpret sensory stimulation into a meaningful and coherent picture of the world. Kotler (1991) concurs, suggesting perception relies upon not only the physical stimuli but also upon the relation of the stimuli to the surrounding environment and on conditions within the individual. He further suggests that different individuals may have

different perceptions of the same object because of three perceptual processes: selective attention, selective distortion, and selective retention. Monroe and Krishnan (1985) define perceptions as the process of organizing, interpreting, and deriving meaning from stimuli through the senses. However, individual needs, memories, and experiences also influence perception.

Perception is an important determinant of consumer behavior because contemporary consumers are becoming more and more discriminating. Stevens (1992) contends that consumers' perceptions carry a great weight in the various decisions made by tourists - the choice of a destination, the consumption of commodities while on vacation, and the decision to return. Bowen (1990) claims that service providers must understand consumers' perceptions so that they can design proper services for consumers.

Consumers' perceptions of product quality levels in many "experience" goods markets rely heavily upon extrinsic cues (C. Hite, R. Hite, Minor 1991; Olson 1977; Olson and Jacoby 1972; Maynes and Assum 1982; Wolinsky 1983). The reliance upon extrinsic cues occurs because the expected costs exceed the expected gains of searching to determine relative quality levels of competing products (Nelson 1970, 1974, 1978; Zeithaml 1988).

1.5 Study of Perceived Service Quality and Perceived Service Value

The term "service quality" while often used in marketing is subject to some misunderstanding. Haywood (1983) contends that:

Generally speaking the assessment of quality or fitness for use of goods is a simpler task than for services. It is easier to locate and identify goods and their tangible or physical components. Evaluating the quality or fitness for use of services is complicated by the nature or characteristics of service. Since this article is concerned with assessing the quality of hospitality services, we shall identify the major characteristics of these services and the resulting complications concerning consumer assessment of their quality (Haywood 1983; p. 168).

In simple terms, quality can be thought of as the ability of a product or service to perform its specified task. Monroe and Krishnan (1985) define perceived product quality as the perceived ability of a product to provide satisfaction 'relative' to the available alternatives. Parasuraman, Zeithaml, and Berry (1985) view service quality as a form of overall evaluation of a service similar to attitude. Based on Parasuraman, Zeithaml, and Berry's (1985) gap theory, it is suggested that the difference between consumers' expectations about the performance of service providers and their assessment of the actual performance of a specific firm determines the service quality perception.

The term "perceived service value" is a subject has been neglected by marketing researchers. Holbrook (1984) defines value as an interactive relativistic preference experience-or, more formally, as a relativistic preference characterizing a subject's experience of interacting with some object. The object may be any thing or event.

Zeithaml (1988, p. 14) proposes that "perceived value is the customer's overall assessment of the utility of a product based on perceptions of what is received and what is given." Additionally, some researchers (Dodds and Monroe 1985) suggest that perceived value as a trade-off between the "give" and "get" components of a product. Part of the "give" component, also referred to as perceived sacrifice by Zeithaml (1988), corresponds to the price paid as perceived by the consumer. The "get" component, also referred to as the benefits of using a service, corresponds to the quality of the product. The proposition that

acceptable value links thoughts of perception of quality and purchasing behavior has received little research attention.

Cronin and Taylor (1992) suggest that consumers do not necessarily purchase the highest quality service. Consumer satisfaction may exert a stronger influence on purchase intentions than does service quality. While Boulding, Kalra, Staelin, and Zeithaml (1993) contend that perceived quality strongly influences behavioral intentions, the results of Chang and Wildt's (1994) study suggest that perceived quality has a direct, though weak, influence on purchase intention. Cullen and Rogers (1988) state that:

To what extent price-quality perceptions affect brand choice is difficult to determine in this study. While it is clear that there is a significant impact, it is also clear . . . that the chains perceived to be the most expensive and having the highest quality may not necessarily be the chosen brand by all segments (Cullen and Rogers 1988; p.157).

The important relationship between service quality and purchase intention remains largely unexplored (Cronin and Taylor 1992).

1.6 Study of Purchase Intention

The discussion concerning consumer behaviors consistently ends at conclusion drawing in the form of an intention.

We have argued that the best prediction of a person's behavior is his intention to perform the behavior, irrespective of the nature of the behavioral criterion (Fishbein and Ajzen 1975, p. 381).

These authors, as well as Hunter, Danes, and Cohen (1984), contend that intention is a predictor of behavior. Intention formation refers to all those behaviors of a household by which specific goals to be sought within a particular (short) time period are identified. Products that are intended to be purchased may or may not be those that are most preferred (Olshavsky 1985). Consumers form a purchase intention on the basis of such factors as expected family income, expected price, and expected product benefits (Kotler 1991). The theoretical model proposed in this study states that perceived service value is an antecedent of purchase intention. One of the goals of this study is to predict willingness to stay at a lodging facility from perceptions of service value.

1.7 Scope and Method of the Study

In the current study, intention to purchase a lodging product was examined by using a theoretical model. According to the theoretical model (Figure 1), price, brand name, and level of advertising have a positive effect on perceived service quality. Perceived service quality then has a positive influence on perceived service value and purchase intention. Perceived price alone has a negative effect on perceived service value. The final linkage in the model postulates that higher perceived service value of a lodging product leads to higher intention to purchase it.

Perceived service quality and perceived service value were two major constructs in this study based on the premise that both perceived service quality and perceived service value have an influence on consumers' purchase intention of a service product. The research questions for the study are as follows:

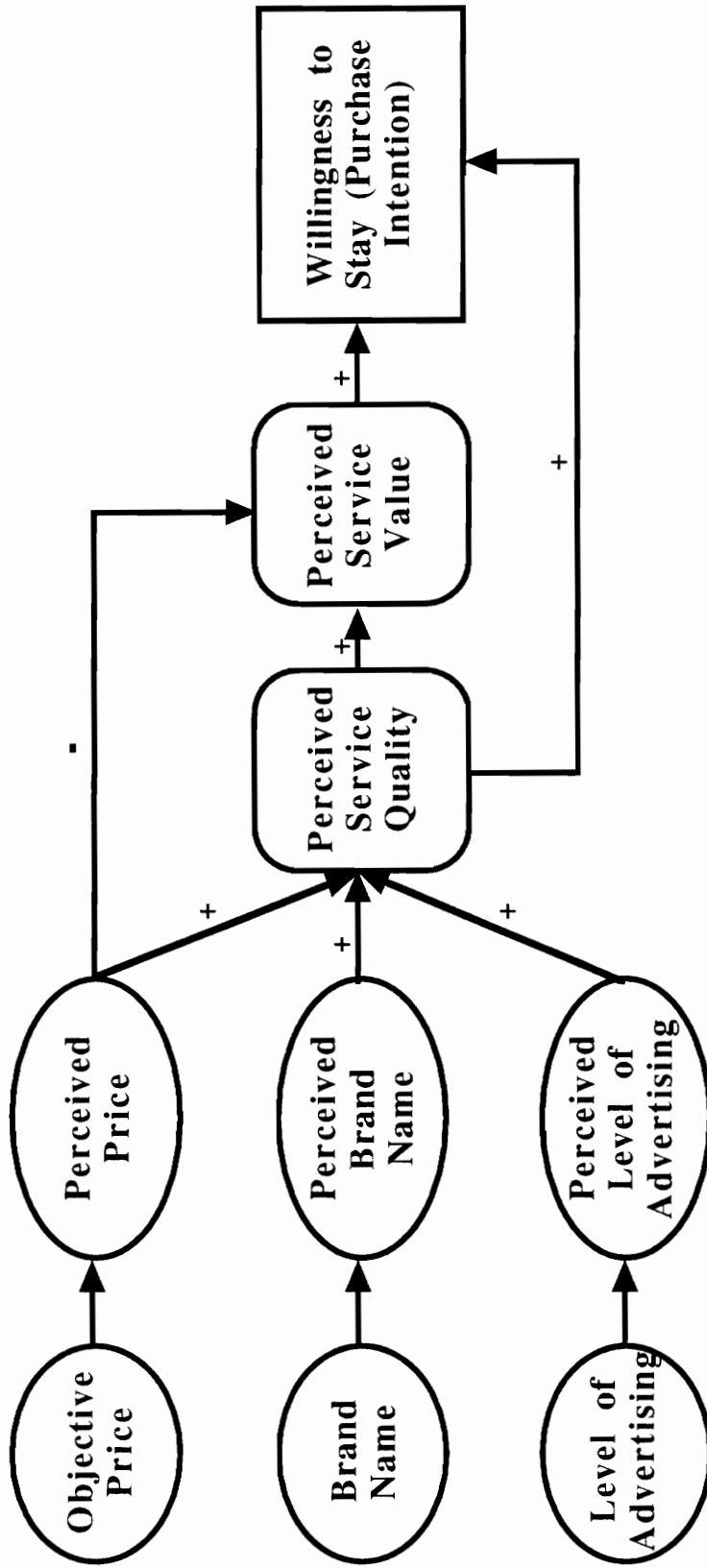


Figure 1. The Conceptual Model of the Effect of Price, Brand Name, and Level of Advertising on Service Evaluation

1. Does a higher lodging room rate have a positive effect on consumers' perceptions of service quality, while negatively affecting consumers' perceptions of service value?
2. Does a national brand name of a lodging product positively influence consumers' perceptions of service quality and purchase intention of that lodging product?
3. Does a higher level of advertising of a lodging product positively influence consumers' perceptions of service quality and purchase intention of a lodging product?
4. Do consumers' positive perceptions of service quality of a lodging product positively affect their perceptions of service value and their intention to purchase?
5. Do consumers' positive perceptions of service value of a lodging product have a positive effect on their intention to purchase it?

1.8 Definitions of Terms

Brand Name: “the part of a brand which can be vocalized-the utterable” (Kotler 1991).

Demand Artifacts: also referred to as demand characteristics. Special methodological problems are raised when human subjects are used in consumer behavior research, mainly because subjects' thoughts about a research may affect their behavior in carrying out the research task. It has been pointed out by Wishner (1965) and others that subjects are never neutral toward an experiment. Orne (1969) argues that insofar as the subject cares about the outcome, his or her perception of his or her role and the hypothesis being tested will become a significant determinant of his or her behavior. The cues which govern the subject's perception-which communicate what is expected of the subject and what the researcher hopes to find-can therefore be crucial variables. These cues are called the “demand characteristics of a research”. In short, Rosenthal

and Rosnow (1984) define demand characteristics as “the mixture of various hints and cues that govern the subject’s perception of his or her role and of the experimenter’s hypothesis.”

Dissipative advertising: “advertising which ignores information about product performance characteristics” (C. Hite, R. Hite, and Minor 1991).

Experience good: good “which crucial aspects of the product’s quality are impossible to verify except through use of the product” (Milgrom and Roberts 1986).

Informational advertising: advertising which “provides consumers with factual (i.e., presumably verifiable), relevant . . . data in a clear and logical manner such that they have greater confidence in their ability to assess the merits of buying . . . after having seen the advertisement” (Puto and Wells 1984).

Level of advertising: the amount of advertisement.

Search good: good which the relevant characteristics of the product are evident on inspection (Milgrom and Roberts 1986).

Transformational advertising: advertising which “associates the experience of using...with a unique set of psychological characteristics which would not typically be associated with the . . . experience to the same degree without exposure to the [advertising]” (Puto and Wells 1984). Transformational advertisements are often referred to as “image-type” advertisements.

QOS: quality of service.

1.9 Plan of the Dissertation

In this study, a conceptualization of the price, brand name and store name-service evaluation relationship (Dodds, Monroe, and Grewal 1991) was modified by substituting advertising for store name. The effects of price, brand name, and level of advertising on perceived service quality, perceived service value and purchase intention were empirically tested. This modification was based on the rationale that for hotels, most of the times store names are rather similar to brand names.

The major purpose of this paper was to evaluate whether multi-cue lodging room rate, level of advertising, and brand name relate to perceived service quality, perceived service value and willingness to stay. First, the relevant literature is reviewed. A conceptual model proposing the effect of price, advertising, and brand name on service evaluation is described. A consumer survey was conducted to examine the impact of price, brand name and advertising on service evaluation. Finally, theoretical and managerial implications and contributions of the current study are discussed.

Chapter II

LITERATURE REVIEW

In the 1980s, researchers focused on price and quality as pivotal variables affecting consumers' purchase behavior (Bagwell 1992; Bagwell and Riordan, 1991; Bishop 1984; Dodds 1985; Dodds, Monroe and Grewal, 1991; Dolye 1984; Gotlieb 1990; Jacoby and Olson 1985; Schechter 1984; Wheatley, Chiu and Goldman 1981; Zeithaml 1988). Although it is generally agreed that the price and perceived quality of a product are positively related, there is still a paucity of empirical evidence illustrating the form of this relationship (Dodds, Monroe and Grewal, 1991; Monroe and Krishnan 1985; Peterson 1970). There has been a plethora of research on the price and brand effects on perceived quality (Cimbalo and Webdale 1973; Dodds, Monroe, and Grewal 1991; Gardner 1971; Jacoby, Olson and Haddock 1971; Peterson and Jolibert 1976; Raju 1977; Wheatley, Walton and Chiu 1977) but not much agreement on what we know about the relationships. There have also been many studies on the multi-cue price, brand name, and store name-perceived quality relationship (Andrews and Valenzi 1971; Dodds 1985; Dodds, Monroe, and Grewal 1991; Gardner 1974; Render and O'Conner 1976). Nevertheless, the impact of price on perceived quality has been controversial when multiple cues are present (Monroe 1973; Stokes 1985; Zeithaml 1988).

The effects of the three external cues of price, brand name, and store name have been studied with varying statistical results. Andrews and Valenzi (1971) and Render and O'Conner (1976) showed that price produces a stronger effect than either brand or store information. However, Gardner (1974) found a relatively moderate effect for both price and brand name. Monroe and Krishnan (1985) found a greater positive effect for price when brand information is present than when it is absent. Rao and Monroe (1989) found that multi-cue research results in greater price-perceived quality effects than single-cue studies, though the difference was not statistically significant. However, Dodds, Monroe, and Grewal (1991) found a larger positive effect for price on perceived quality when presented alone and that brand name has a positive effect on perception of quality and willingness to buy. In fact, they found that the brand name effect is larger in the presence of price and store information than it is by itself.

2.1 Price and Perceived Quality

Fifty years ago, Scitovszky (1945) introduced the notion that consumers may use price as an indicator of product quality. He assumed that consumers could objectively use price cues to infer product quality by assessing the amount of want satisfaction derived from a given quality level, and proceeding to optimize choice by evaluating the marginal utility gained from a product choice relative to the utility sacrificed by paying the price. Beginning with Leavitt's (1954) study, researchers have attempted to validate this conceptualization that consumers do perceive a positive price-quality relationship.

Gabor and Granger (1964 and 1966) and Peterson (1970) contend that the concept of an upper price bound, that is, price-perceived quality relationship may be direct or monotonic only within certain intervals but perhaps non-linear or even discontinuous outside of these intervals. In his article, "The Price-Perceived Quality Relationship: Experimental Evidence", Peterson (1970) contends that:

At some reference product-price combination the perceived quality of a product might actually be lower than at some other reference product-lower price combination (Peterson 1970; p. 527).

Peterson and Wilson (1985) argue that the relationship between price and perceived quality is not universal and the direction of the relationship may not always be positive.

Olander (1970) tested the effect of price for household textiles on more than 100 young women's perceptions of product attractiveness. When doing pairwise comparisons, subjects often preferred towels assigned a higher price. Peterson (1970) experimentally

tested the hypothesis that perceived quality is a function of price. Two hundred and thirty-five male student subjects were randomly divided into eight experimental groups. The product selected was soft drink concentrate and the differential information was price. Analysis revealed that perceived quality was significant but non-monotonic in relation to price. Lambert (1972) surveyed 200 undergraduates and found that the frequency of choosing high priced brands was positively correlated with perceived variations in product quality and perceived capability to judge quality. Shapiro (1973) found that for 600 adult female respondents, price was consistently an indicator of quality, and the use of price to judge quality was a generalized attitude.

A common criticism of single-cue studies is that when price is the only information available, respondents naturally associate price with quality (Monroe 1973). In general, when price was the only available differential information, a significant positive price-perceived quality relationship was found and this relationship was accentuated when the products were perceived to be heterogeneous in quality.

To overcome the criticism of single-cue research, other price-perceived quality research has used other cues in addition to price. However, the impact of price on perceived quality has been inconsistent when other cues are present. Gardner (1971), using 360 male undergraduate students, experimentally tested the roles of price and brand name on perceived quality and willingness to buy for three products: tooth paste, men's dress shirts, and suits. He discovered that neither the price main effect nor an interaction involving price was significant for influencing perceived quality. However, price did seem to affect willingness to buy a men's dress shirt. In this study, brand name significantly influenced perceived quality and willingness to buy.

Wheatley and Chiu (1977) discovered that the quality perception of carpeting was directly related to price. The store and color cues ranked next in importance in that order. Dodds, Monroe, and Grewal (1991) experimentally tested the effects of price, brand name, and store name on perceived quality, perceived value, and willingness to buy using 585 undergraduates and two products, namely, calculators and stereo headset players. Their findings suggest that price is positively related to perceived quality when it is the only extrinsic cue available. When other extrinsic information is available, the results are less persuasive. The result supports negative price-perceived value and willingness-to-buy relationships.

Gotlieb and Sarel (1992) experimentally tested the effects of type of advertisement (direct-comparative and non-comparative), source credibility (high and low) and price (high and low) on 127 junior, senior, and graduate students attending a large urban university on perceived quality and purchase intention. The product category tested in the research was a video cassette recorder. Analysis revealed that there was a significant main effect for type of advertisement on perceived quality. Price had a significant effect on purchase intention but not on perceived quality. There was a significant two-way interaction effect of price and source credibility on perceived quality. The two-way interaction effect of price and type of advertisement on purchase intention was significant when source credibility is high, and the interaction effect was not statistically significant when source credibility is low.

Sweeney, Johnson, and Armstrong (1992) experimentally tested the effects of price, experience, reputation, location, advertising, appearance of other customers, dress of employees, manner of employees, and premises on service selection in a restaurant setting using conjoint analysis. They discovered that quality perception was positively related to

price and that the effect of price cue on purchase intention is situation specific. The findings also suggest that there is a negative relationship between price and selection of a restaurant.

In Stevens's (1992) pleasure travelers survey, he concluded that price and quality perceptions are closely linked, price perceptions are visitor's subjective reality, and visitor's perceptions of quality and price are influenced by past travel to the destination.

Cullen and Rogers (1988) surveyed travelers in the San Francisco Bay area to examine how various target segments (the business segment, the half business-half leisure segment, and the leisure segment) perceived the quality and price of some major hotel and motel chains in the United States. They found that despite vast differences in demographic background and travel behavior, the three target segments share similar perceptions of price and quality of lodging chains. Their data also suggest that travelers perceive brands in groupings and perceive little difference in price and quality within each grouping, and the more frequent travelers will tend to use previous experience as a guide to brand choice while the less frequent travelers will rely upon perceptions of price and quality.

The effect of price as a cue to product quality is generally agreed to be positive and is strongest when other cues are not available. When other information is present, the statistical results are quite diverse. This is, however, probably due to the reason that price effects on quality perceptions are product specific (Gardner 1970; Wheatley and Chiu 1977). Thus, some of the conflicts may be attributable to the fact that various products have been used in different experiments. While there have been numerous multi-cue studies conducted to examine the effects of price and other cues on perceived quality, very

little price-perceived quality research has examined the relationship by using a service product rather than a good product. Therefore, the findings of previous studies indicate a need to broaden the scope of the price-perceived quality relationship by testing it under a service context. As pointed out by Zeithaml (1988):

Further, evidence of a generalized price-perceived quality relationship is inconclusive. Inclusion of other important indicators, as well as identification of situations in which each of those indicators is important, may provide more interesting and useful answer about the extrinsic signals consumers use (Zeithaml 1988; p. 17).

2.2 Brand Name and Perceived Quality

In many experience goods markets, companies usually rely upon advertising to familiarize consumers with brand names and to persuade consumers to rely upon those brand names as quality surrogates (Milgrom and Roberts 1986; Nelson 1970, 1974, 1978; Schmalensee 1978). Branding can assure consumers of uniform service quality and can provide service companies with a greater degree of pricing freedom, if the brand image is properly created and promoted (Onkvisit and Shaw 1989). Onkvisit and Shaw (1989) further contend that because service is inherently abstract, whenever possible, a service company should attempt to create a positive image by proper branding.

Early studies suggest that consumers rely heavily upon brand names, at least when brand cues are either unassociated or positively associated with product quality levels (C. Hite, R. Hite, and Minor 1991). C. Hite, R. Hite, and Minor (1991) empirically tested the effects of price, advertising, and brand name on perceived quality for two products, namely wieners

and colas. Their findings suggest that brand information significantly influences perceptions of quality, while price information does not. However, the failure to find a significant price effect may be induced by failure in price manipulation. The interaction effect of brand information and price on quality perception was also significant. C. Hite, R. Hite, and Minor (1991), explained why consumers' quality assessments of nondurable experience goods are greatly influenced by brand name in the following manner:

Brand label influence was greater than cues from (costless) trial usage. These results may be attributable to a process in which consumers have generalized the advertised/quality relationship because of their experiences across product categories. If advertised brands have performed satisfactorily as a class, and some unadvertised brands have performed poorly, consumers may have learned that advertised brands are generally of higher quality. Alternatively, consumers may similarly have learned to generalize that name-brands are higher in quality than less familiar brands (C. Hite, R. Hite, and Minor 1991; p. 120).

Dodds, Monroe, and Grewal (1991) found that for 585 undergraduate students brand name was consistently a communicator of quality and value.

2.3 Level of Advertising and Perceived Quality

Nelson (1970) introduced the conceptually useful distinction between “search” and “experience” goods. By assumption, the seminal attributes of the search good's quality can be associated prior to purchase, while those of experience goods are learned only after purchase and use. Nelson (1974) contends that the level of advertising for experience goods is positively correlated with quality, regardless of what individual ads actually claim. Quality information is provided by the level of advertising, not the claim it makes. Nelson (1974) argues that:

The minuscule amount of direct information from advertising for experience qualities gives the consumer an incentive to extract any conceivable indirect information that would help... I contend that this is the useful information that the consumer absorbs from the endorsements of announcers, actors, and others who are paid for their encomiums. These and other advertisement for experience goods have no informational content. Their total informational role-beyond the relation of brand to function-is simply contained in their existence. The consumer believes that the more a brand advertises, the more likely it is to be a better buy. In consequence, the more advertisements of a brand the consumer encounters, the more likely he is to try the brand (Nelson 1974; p. 732).

Nelson's important insight is the mere fact that a particular brand of an "experience" good can be extensively advertised to signal to consumers that the brand is of high quality. Schmalensee (1978), Farris and Reibstein (1979) and Milligram and Roberts (1986) contend that consumers will perceive highly advertised brands to be generally higher in quality than brands with less advertising and worth premium prices.

Wiggins and Lane (1983) contend that consumers learn from experience that qualities of advertised brands are more homogeneous and consequently less risky. The underlying logic is based upon one primary assumption: advertising is expensive. If a brand of inferior quality were advertised, discriminating consumers would purchase it, discover the product's inferiority, and then inform others, and decide not to repurchase. The sponsoring company would lose, because the revenue gained could not justify advertising costs. Therefore, the perception is that only brands with higher quality are advertised. Jacoby, Olson and Haddock (1973) found that brand names of beer are more influential determinants of perceived quality than actual differences in product composition when advertising and quality levels are positively correlated. No empirical study has examined the relationship between perceived service quality and advertising expenditure was found in the literature review for this study.

Pokrywczynski (1993) examined the impact of advertising displays in arenas seen through live and/or pre-recorded coverage of sponsored events on the exposure potential and the realized effects. The results show a potential such an advertising vehicle can have for marketers.

Morgan (1991) explored the effect of advertising and prior stay on the evoked sets of frequent business travelers using a telephone survey of frequent business travelers. He discovered that neither the advertising main effect nor the prior-stay main effect was significant for influencing the number of people who could remember a chain's name without prompting. However, the combined effect of advertising and prior stay does have a significant effect on chain-name recall.

Messmer and Johnson (1993) examined the impact of advertising in stimulating both inquiries and visitation to the historic restoration in Williamsburg, Virginia with numerous data sources. Analysis revealed that there was no significant effect for advertising expenditures (combined print and television media expenditures) on inquiries. However, television advertising alone consistently showed a positive effect on visitation.

Price, brand name, and level of advertising are three extrinsic cues frequently associated with perceived quality in research, and for experience goods, higher levels of advertising signal higher quality (Zeithaml 1988). Hotel rooms are considered experience goods, therefore, it is reasonable to expect consumers' perceptions of a hotel to be influenced by levels of advertising. Surprisingly, the impact of price, brand name, and level of advertising on perceived service quality has been virtually unreported. Darby and Karni (1973) contend that for goods or services that consumers cannot confidently evaluate after a

single purchase, then the product's reputation or image plays an important role. Nystrom (1985) parallels the concept that service marketing strategies should be concerned with consumers' image of the service. Grönroos (1987) further suggests that an outstanding image of a service firm will be an excuse for minor problems in the other quality components, whereas a negative image may easily escalate negative reaction to accidental troubles with the components of quality.

Many multiple-cue studies have been conducted to examine the effects of price and other cues on perceived quality. However, there has been virtually no multiple-cue study examining the impact of different levels of advertising, brand name and price on perceived quality, perceived value and purchase intention. In the model for the present study, price represents extrinsic attributes of a hotel room. Three levels, from high to low, will be used to indicate the price of a given hotel room. Two levels of advertising of the hotel and two levels of perception of the hotel's brand name will be manipulated..

2.4 Perceived Service Quality

One fundamental problem of studies investigating the price-perceived quality relationship is the conceptualization and measurement of quality. One would find almost as many definitions of quality as writers on the subjects. Gardner (1971) contends that it is necessary to have a definitive statement of perceived quality in order to validate the price-perceived quality relationship. Etgar and Malhotra (1981) concur, suggesting that the concept of quality must be well defined for consumers before the exact nature of the relationship between price and perceived quality can be analyzed. Gotlieb (1990) suggests

that future research needs to determine the dimensions of perceived quality in order to measure the effect of price on perceived quality. Haywood (1983) contends that a major problem in the hotel industry is that hotel management does not always see or understand the dimensions of service that are evaluated by the customers.

Crosby (1979) defines quality as “conformance to requirements”. Monroe and Krishnan (1985) define perceived quality as “the perceived ability of a product to provide satisfaction relative to available alternatives”. Zeithaml (1988) defines perceived quality as consumers' judgment about the superiority or excellence of a product. Grönroos (1987) contends that most services are multidimensional bundles of core, facilitating, and supporting services. Unlike tangible goods quality, service quality is an abstract and ineffable construct because of three features unique to services: intangibility, heterogeneity, and inseparability of production and consumption (Berry 1980; Bowen 1990; Haywood 1983; Kenny and Fisk 1990; Lovelock 1981; Lovelock 1983; Parasuraman, Zeithaml, and Berry 1985; Parasuraman, Zeithaml, and Berry 1988; Shostack 1977; Zeithaml, Parasuraman, and Berry 1985).

Olshavsky (1985) views quality as a form of overall evaluation of a product, similar to attitude. Holbrook and Corfman (1985) parallel the concept that quality is a relatively global value judgment. Parasuraman, Zeithaml, and Berry (1985) concur, suggesting that service quality is an overall evaluation similar to attitude. A consumer's attitude corresponds to a global evaluation of a product/service offering, rather than to an evaluation of a specific transaction (Holbrook and Corfman 1985; Olshavsky 1985).

Lutz (1986) proposed two forms of quality: "affective quality" and "cognitive quality". Affective quality supports the views of perceived quality as overall attitude. While cognitive quality is the case of a superordinate inferential assessment of quality intervening between lower order cues and an eventual overall product evaluation, Lutz suggests that affective quality is relatively more likely for experience goods. Lehtinen and Lehtinen (1985) suggest two models showing that service quality can be divided into 'physical quality', 'interactive quality', and 'corporate quality', or separately as 'process quality' and 'output quality'. Lewis and Booms (1983) suggest service quality is a measure of "how well the service level delivered matches customer expectations."

Based on their (1985) gap theory, which suggests that the difference between consumers' expectations about the performance of service providers and their assessment of the actual performance of a specific firm determines the perception of service quality, Parasuraman, Zeithaml, and Berry (1988), hereafter referred to as PZB (1988), developed a 22-item scale called SERVQUAL for assessing consumer perceptions of service quality in service and retailing organizations. Bolton and Drew (1991b) and Coyle and Dale (1993) concur, supporting that a key determinant of overall service quality is the gap between performance and expectations. In SERVQUAL, PZB (1988) suggest that consumers evaluate overall service quality on five underlying dimensions: tangibles, reliability, responsiveness, assurance, and empathy. A concise definition of each of the five dimensions of SERVQUAL follows.

Tangibles:

Appearance of physical facilities, equipment, personnel, and communication materials

Reliability:

Ability to perform the promised service dependably and accurately

Responsiveness:

Willingness to help customers and provide prompt service

Assurance:

Knowledge and courtesy of employees and their ability to convey trust and confidence

Empathy:

Caring, individualized attention the firm provides its customers

Each of the dimensions has between four and five statement sets associated with it. Each statement set consists of two individual statements regarding a service encounter. One statement attempts to capture a consumer's expectations, while the corresponding statement is designed to capture the consumer's perceptions about that service encounter. The numerical difference between the scores reported for the perception and the expectation is calculated and makes up the perceived service quality score for the statement being considered.

The development of SERVQUAL has sparked many intense discussions (Carman 1990; Cronin and Taylor 1992; Cronin and Taylor 1994; Parasuraman, Zeithaml, and Berry 1994; Teas 1993; Teas 1994). It seems that there are a number of complicated theoretical definition and measurement problems associated with the SERVQUAL P-E perceived quality model. Parasuraman, Zeithaml, and Berry (1994), hereafter referred to as PZB (1994), note, as do Cronin and Taylor (1992, 1994), and Teas (1993, 1994), that the SERVQUAL P-E model is problematic under certain conditions. One major concern raised is the conceptual definition and measurement of expectation. Parasuraman, Berry, and Zeithaml (1990), hereafter referred to as PBZ (1990), suggest that the service expectations

concept is “intended to measure customers’ normative expectations” and that these expectations represent an “ideal standard” of performance. In a subsequent article, they noted that the SERVQUAL expectations concept “is similar to the ideal standard in the customer satisfaction / dissatisfaction literature” (Zeithaml, Berry, and Parasuraman 1991). Teas (1993) contends that the SERVQUAL P-E measurement specification is not compatible with either the classic ideal point attitudinal model or with the “feasible ideal point” interpretation of expectation. He points out that in contrast to the SERVQUAL model, which suggests that perceived quality increases as performance increasingly exceeds expectation, classic ideal point attitudinal models suggest that perceived quality might decrease as performance increasingly exceeds the ideal point. PZB (1994) concur, acknowledging there is a problem when performance exceeds expectation.

Teas (1993) further empirically tested the measurement validity issues with respect to the SERVQUAL P-E model. He suggests that a considerable portion of the variation in the SERVQUAL expectation measures is due to measurement error induced by respondents’ misinterpretation of the scales. For example, service expectations have been conceptually defined as “desires,” “wants,” and “what a service provider should offer” (PZB 1988), “normative expectations,” and “reference points” (ZPB 1990), “ideal standards” (Zeithaml, Berry, and Parasuraman 1991), a pair of standards involving “desired service” and “adequate service” (ZBP 1993), and a pair of main standards involving “will expectation” and “should expectation” (Boulding, Kalra, Staelin, and Zeithaml 1993). PZB (1994) concur that the problematic nature of expectations suggests additional research is needed to identify the most appropriate way to incorporate expectations into the P-E SERVQUAL measure. The SERVQUAL P-E model suggests that “tied” P-E scores would correspond to equally perceived quality. This notion is also questionable.

Another important psychometric concern raised is the predictive power of the SERVQUAL P-E model relative to the P-only model. Woodruff, Cadotte, and Jenkins (1983) suggest that consumers may raise or lower their performance assessments on the basis of how perceived performance approximates expectation. Therefore, they suggest that including expectations only introduces redundancy. Cronin and Taylor (1992) empirically tested the predictive power of the P-E measure relative to the P-only measure. They conclude that the P-only measure captures more of the variation in service quality than the P-E measure. Bolton and Drew (1991 a) concur, suggesting consumers' attitudes are strongly affected by current performances. Boulding, Kalra, Staelin, and Zeithaml (1993) contend that "service quality is directly influenced only by performances." Babakus and Boller (1992) and PZB (1994) concur, suggesting the P-only model is superior.

Fick and Ritchie (1991) examined the operation of the SERVQUAL scale in four major sectors of the travel and tourism industry (airline, hotel, restaurant, and ski area services) by surveying 200 respondents in each of the sectors examined. The authors identify a number of concerns and shortcomings concerning SERVQUAL. These include:

- The problems associated with using a combinations of positively and negatively worded scale items.
- The apparent inability of the seven-point Likert scale to distinguish subtle differences in expectations and perceptions.
- The problems with the use of difference scores to calculate a construct.
- The fact that the construct of service quality presented by SERVQUAL may not be the most valid approach to defining the QOS concept (Fick and Ritchie 1991; p. 9).

Fick and Ritchie (1991) further point out that the number of dimensions included in the SERVQUAL scale seems too limiting. They suggest a re-examination and

operationalization of the original 10 dimensions might provide a more comprehensive and functional approach.

By modifying SERVQUAL, Cronin and Taylor (1992) developed SERVPERF. They suggest that the conceptualization of SERVQUAL is in fact flawed by measuring service quality on a satisfaction paradigm rather than an attitude model. They further suggest that performance-based measures better reflect long-term service quality attitudes. It is apparent that there are a number of problems concerning the mathematical properties and measurement validity of the SERVQUAL P-E model. In their experiment, they found that SERVPERF scale captured more of the variation in service quality than SERVQUAL. By using SERVPERF instead of SERVQUAL, one also eliminates the number of items necessary to measure service quality from forty-four to twenty-two. Based on the rationale above, the SERVPERF scale was used to measure perceived service quality in this dissertation study.

2.5 Perceived Service Value

Perceived value can be defined broadly as consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given (Zeithaml 1988). Value, thus, represents a tradeoff of the salient give-and-get components. Sawyer and Dickson (1984) suggest that value is a ratio of attributes weighted by their evaluations divided by price weighted by its evaluation. Mills and Moberg (1982) argue that, due to the intangibility of service products, perceived value is subject to social influences. Holbrook and Corfman (1985) concur, suggesting that value is situational in that it hinges

on the context within which an evaluative judgment occurs. Perceived value has been proposed (Dodds 1991; Dodds and Monroe 1985; Zeithaml 1988) as an intervening construct linking thoughts of perceived quality and intention to purchase. Dodds (1991) explains that:

The subjective notion of price plays a dual role in product evaluation. Higher perceived prices lead to greater perceived quality and, consequently, to an increased willingness to purchase based on perceived quality. At the same time, the higher perceived price represents a monetary measure of what must be sacrificed to purchase the product and leads to a decreased willingness to buy. Perceived value is the link between the cognitive attitudes of perceived quality and perceived monetary sacrifice and the behavioral intention to buy. The tradeoff between quality and sacrifice is a paradoxical situation wherein a commodity offered at a lower price than competing commodities would be both more attractive on the basis of smaller monetary sacrifice and less attractive because of its suspected inferior quality (Dodds 1991, pp. 29-30).

Perceived value is different from perceived quality in two ways. First, value is more individualistic and personal than quality. Second, value involves a tradeoff of give-and-get components (Zeithaml 1988). Perceived value is the link between the cognitive attitudes of perception of quality and of monetary costs and purchase intention and actual purchasing behavior. Thus, there should be differences in consumers' evaluations of perceived service value due to differences in monetary risks, nonmonetary risks (functional, psychological, social, and physical), consumer preferences, consumer characteristics, and situations.

Acceptable value range is not static but changes through a variety of extrinsic stimuli, including changing perceptions of price, brand name, and level of advertising. Dodds (1991) argues that service that is below the lower limit is perceived to be "too cheap", and if the price is above the upper limit, then the service is perceived to be "too expensive". However, a more favorable brand and/or higher level of advertising has an effect on price influence. When the brand name is reputable and/or level of advertising is relatively

frequent, the strength of price increases for perceived quality and perceived value while it diminishes for perceptions of sacrifice (Dodds 1991).

Kiefer and Kelly (1995), conducting a telephone interview of 288 individuals who dined at one of Cornell school's restaurants in the Statler hotel, field-tested the relationship between price and perceived value. They found that when prices were hypothetically increased by 10 percent, the value rating decreased and when prices were hypothetically decreased by 10 percent, perceived value increased. Thus, according to their study, increasing price on average has a negative impact on consumers' perceptions of service value. However, this conclusion depends on the dependent variable and the definition of service value used. Until a definite statement of perceived service value is devised, any price-value relationships must be closely examined to ascertain if they show unique situations where price does in fact influence value perception or whether the research has been designed so that a price-value relationship will be found.

Bolton and Drew (1991) found that the most important determinant of perceived service value is perceived service quality. The results of Chang and Wildt's (1994) research support the notion that perceived value mediates the relationship of price and perceived quality with purchase intention. Dodds, Monroe, and Grewal (1991) and Chang and Wildt (1994) conclude that perceived value is an antecedent of purchase intention.

2.6 Summary

Zeithaml (1988) made a clear statement regarding the relationship between extrinsic cues such as price, brand name, and level of advertising and perceived quality:

Extrinsic cues are posited to be used as quality indicators when the consumer is operating without adequate information about intrinsic product attributes. This situation may occur when the consumer (1) has little or no experience with the product, (2) has insufficient time or interest to evaluate the intrinsic attributes, and (3) cannot readily evaluate the intrinsic attributes (Zeithaml 1988; p. 9).

The present dissertation investigates the basic conceptualization of the price-perceived service quality relationship in terms of its effect on consumers' perceptions of value and willingness to buy, as well as the effects of the extrinsic cues of brand name and level of advertising on perceived service quality, perceived service value, and willingness to buy. The products used are hotel rooms.

This study, is considered exploratory due to the lack of well-developed conceptual and measurement frameworks for some of the examined constructs and links. It is hoped that findings will suggest (1) managerial implications of how price, brand name, and level of advertising influence consumers' assessments of service quality and service value, (2) under what conditions price and perceived quality combine to yield more willingness to stay at a hotel.

Chapter III

RESEARCH METHODOLOGY

In the first section of this chapter, the theoretical model of extrinsic cues' influence on consumers' perceptions of service quality, service value, and willingness to stay are briefly discussed. Research hypotheses, based on the conceptual model of the effect of price, brand name, and level of advertising on service evaluation, are presented in the second section. The third section of this chapter presents the methodology used in the current study to test the hypotheses. The measurement methods used in the study are presented in detail. The product, sample selection, scales used to measure perceived service quality, perceived service value, and willingness to stay, and administration of the questionnaires are also discussed in this section.

3.1 Theoretical Model for the Study

The conceptual model (Figure 1) of the effect of price, brand name, and level of advertising on service evaluation describes the impact of extrinsic cues on perceptions of service quality, service value, and willingness to stay. The model is an adoption of composite models proposed by Dodds, Monroe, and Grewal (1991) (Figure 2) and Zeithaml (1988) (Figure 3). In the model of the current study, price is an objective external characteristic of a service product. The price treatment in this study were high, medium, and low. There were also two levels of treatment for brand name, namely, national brand name and local independent brand name. Two levels of advertising, high vs. low, were added to the model to substitute for the store name in Dodds, Monroe, and Grewal's (1991) model. The product category used in the current consumer survey was hotel rooms.

3.1.1 Price

Price and other product extrinsic cues are important decision variables used by marketers to influence the product evaluations and purchase behaviors of potential consumers. Winer (1986) suggests that when making purchase decisions, consumers often compare objective price with internal reference price, which is the overall price level or range the consumer perceives for the product category. Given the belief that price and quality are positively related, it is proposed that consumers would use price as an indicator of service quality. Subsequently, price would also influence consumers' perceptions of service value and willingness to stay at a lodging facility.

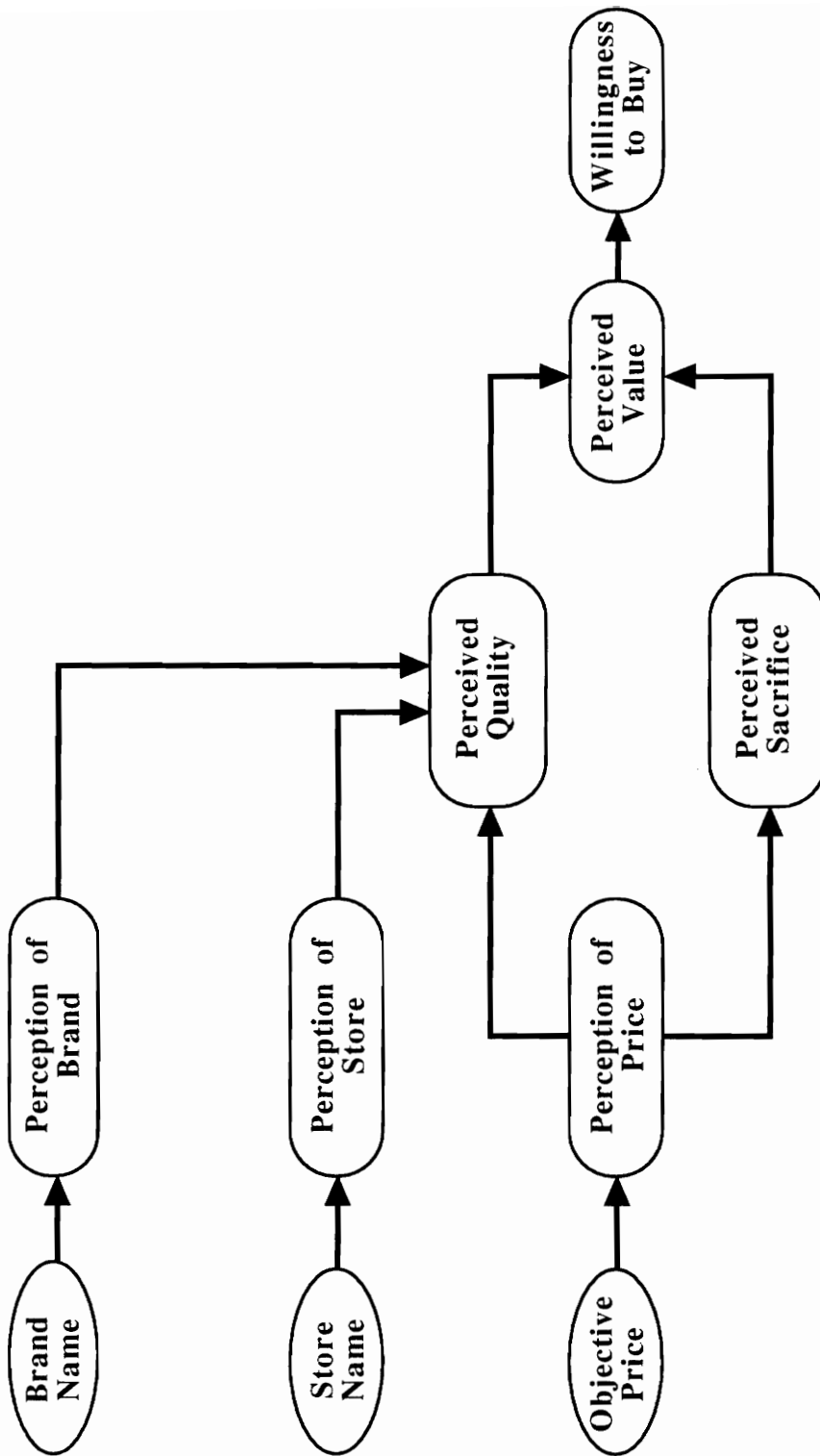


Figure 2. Conceptual Model of the Effect of Price, Brand Name, and Store Name on Product Evaluation (Dodds, Monroe and Grewal 1991)

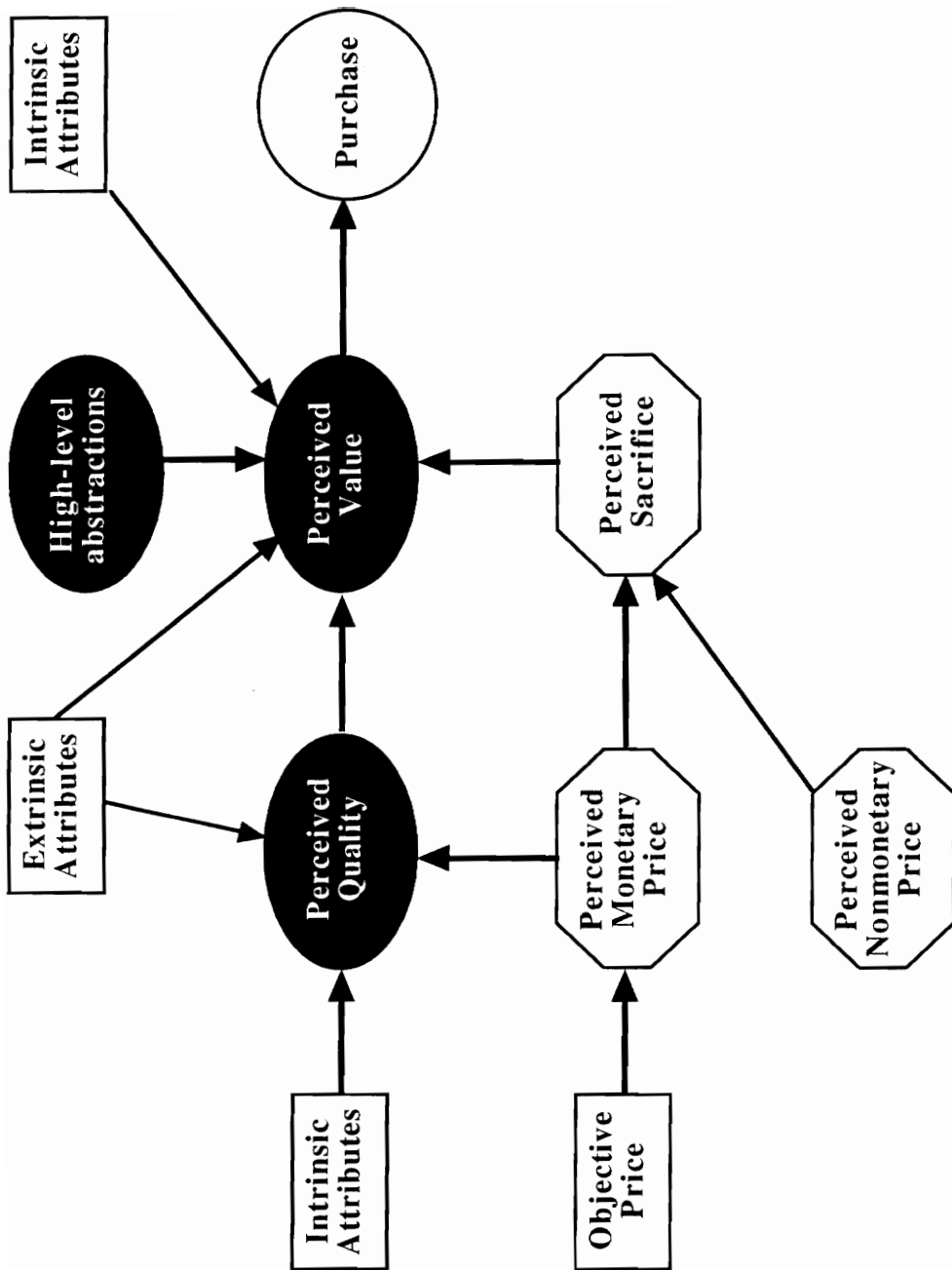


Figure 3. A Means-End Model Relating Price, Quality, and Value (Zeithaml 1988)

3.1.2 Brand Name

Much like tangible goods marketing, the effective marketing of a service requires the development of a desirable brand name. Research evidence suggests that consumers tend to use brand name when evaluating product quality (Jacoby, Olson, and Haddock 1973). It was proposed in the current study that brand name has a positive influence on consumers' perceptions of service quality. Subsequently, brand name would have a positive impact on perceived service value and willingness to stay.

3.1.3 Level of Advertising

Steenkamp and Hoffman (1994) contend that there are at least two ways advertising can convey information about the quality of a service to consumers. First, an advertisement can provide consumers with information about the quality characteristics of the service. Second, the fact that the service is advertised is relevant. It was proposed in this study that level of advertising was positively related to perception of service quality. Subsequently, level of advertising would positively influence perception of service value and willingness to stay.

3.1.4 Perceived Service Quality

It is generally agreed that quality is an overall evaluation of a product, similar to attitude (Holbrook and Corfman 1985; Olshavsky 1985; Parasuraman, Zeithaml, and Berry 1985). In the current study, perceived quality was proposed as an intervening construct linking thoughts of extrinsic cues, namely, price, brand name, and level of advertising, and

perception of service value. Subsequently, perceived service quality was proposed to be positively related to willingness to stay.

3.1.5 Perceived Service Value

Zeithaml (1988) defines perceived service value as a consumer's overall assessment of the utility of a product based on perceptions of what is given and what is received. In this research, it was proposed that perceived service value is an intervening construct linking perceptions of service quality and willingness to stay.

3.2 Research Hypotheses

The study was undertaken to explore the hypotheses that extrinsic cues, namely, price, brand name, and level of advertising, are used by consumers as indicators of service quality for service evaluation. A hypothesized model (Figure 4) of the effect of price, brand name, and level of advertising on service evaluation was developed based on the conceptual model (Figure 1) proposed. Ten research hypotheses that deal with the examination of the effect of price, brand name, and level of advertising on consumers' evaluation of service quality, service value, and their willingness to stay were tested. There are basically two formats of hypotheses: one is the null hypothesis (H₀) format, and the other one is the alternative hypothesis (H₁) format. A decision to accept the null hypothesis implies a lack of support for the alternative hypothesis, and a decision to reject the null hypothesis implies support for the alternative hypothesis (Robert S. Witte 1989). The hypotheses stated in this study applied the alternative hypothesis format. Therefore, a

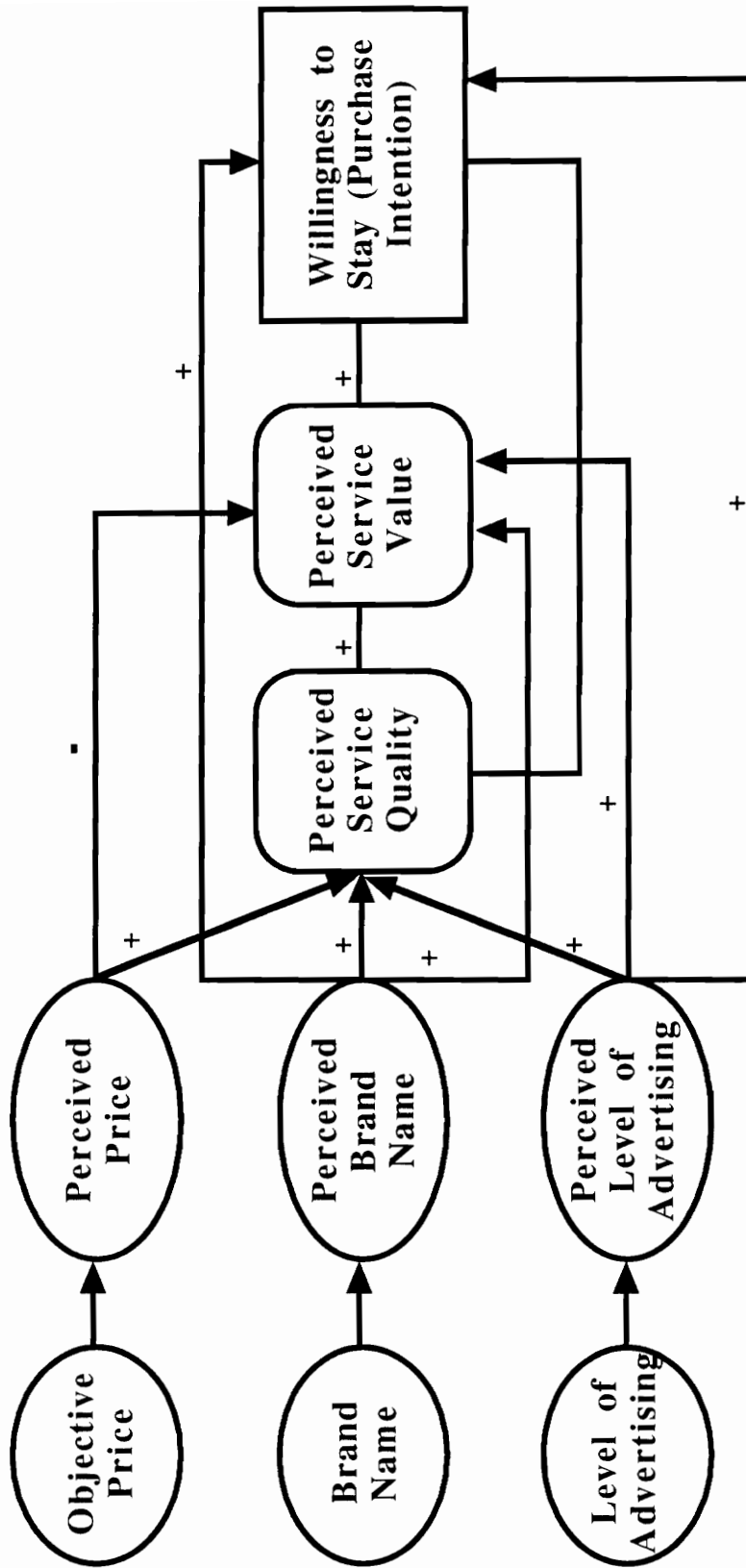


Figure 4. The Hypothesized Model of the Effect of Price, Brand Name, and Level of Advertising on Service Evaluation

decision to retain the stated hypothesis implies support for the stated hypothesis, and a decision to reject the stated hypothesis implies a lack of support for the stated hypothesis. The products used in this study are hypothetical hotel rooms.

- Hypothesis 1:** As price increases from a low-priced lodging facility to a higher-priced lodging facility,
- (a) the relationship between price and perceived service quality is positive.
 - (b) the relationship between price and perceived service quality is a positive linear relationship.
 - (c) the relationship between price and perceived service value is negative.

Supporting evidence has been gathered on the tendency of consumers to use the price of a product as an index of the quality, even if there seem to be wide diversities in this tendency with respect to various product categories. The effect of price (low, medium, and high) on leisure travelers' service evaluation for lodging facilities is examined. There also seems to be support for a linear relationship between the prices and service quality evaluations when prices are within a reasonable range. Hence, in this study, it was hypothesized that the relationship between price and perceived service quality is a positive linear relationship. The results of Dodds, Monroe, and Grewal's (1991) study support a negative linear trend of price on consumers' perceived value. Therefore, the effect of price on perceived service value was hypothesized to be negative.

Hypothesis 2: When perceptions of brand name change from a local brand to a national brand model,

- (a) the relationship between brand name and perceived service quality is positive.
- (b) the relationship between brand name and perceived service value is positive.
- (c) the relationship between brand name and willingness to stay is positive.

There also seems to be great support for consumers to use brand name as a surrogate of product quality. The influence of brand name (national brand name and local independent brand name) on leisure travelers' service evaluation for lodging facilities was examined.

Hypothesis 3: As level of advertising increases from a low advertising level to a higher advertising level ,

- (a) the relationship between level of advertising and perceived service quality is positive.
- (b) the relationship between level of advertising and perceived service value is positive.
- (c) the relationship between level of advertising and willingness to stay at a lodging facility is positive.

No empirical study concerning the relationship between level of advertising and perceived quality has been reported. However, there seems to be some theoretical argument supporting the usage of the level of advertising cue as a service quality indicator by

consumers. The impact of level of advertising (low and high) on leisure travelers' evaluation of service for lodging facilities was tested.

- Hypothesis 4:**
- (a) There is an interaction effect of price and brand name on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price and brand name on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of price and brand name on consumers' willingness to stay at a lodging facility.

Previous research suggested that there might be a statistically significant interaction effect of price and brand name on perceived service quality.

- Hypothesis 5:**
- (a) There is an interaction effect of price and level of advertising on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price and level of advertising on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of price and level of advertising on consumers' willingness to stay at a lodging facility.

No reported empirical research has tested the interaction effect of price and level of advertising on product evaluation. It was hypothesized in this study that there is an interaction effect of price and level of advertising on consumers' assessments of lodging facilities.

- Hypothesis 6:** (a) There is an interaction effect of brand name and level of advertising on the perceived service quality of a lodging facility.
- (b) There is an interaction effect of brand name and level of advertising on the perceived service value of a lodging facility.
- (c) There is an interaction effect of brand name and level of advertising on consumers' willingness to stay at a lodging facility.

There is no reported empirical study that explores the interaction effect of brand name and level of advertising on consumers' evaluation. In this study, the interaction effect of brand name and level of advertising was examined.

- Hypothesis 7:** (a) There is an interaction effect of price, brand name and level of advertising on the perceived service quality of a lodging facility.
- (b) There is an interaction effect of price, brand name and level of advertising on the perceived service value of a lodging facility.
- (c) There is an interaction effect of price, brand name and level of advertising on consumers' willingness to stay at a lodging facility.

It is conceivable that there is an interaction effect of price, brand name, and level of advertising on service evaluation. Therefore, this interaction effect was explored in the current study.

- Hypothesis 8:** The relationship between consumers' perceptions of service quality and perceived service value is positive.

Previous research suggests that the most important determinant of perceived service value is perceived service quality (Bolton and Drew 1991). Therefore, it was hypothesized that perceived service quality has a positive effect on perceived service value.

Hypothesis 9: The relationship between consumers' perceptions of service quality and their willingness to stay at a lodging facility is positive.

Previous study indicates that perceived quality may act directly on purchase intentions. Hence, the relationship between perceived service quality and willingness to stay at lodging facilities was tested.

Hypothesis 10: The relationship between consumers' perceptions of service value and their willingness to stay at a lodging facility is positive.

It is suggested by previous studies that higher perceived value of a product leads to greater intention to purchase. It was proposed in this study that perceived service value has a positive influence on willingness to stay at lodging facilities.

3.3 Research Design

The primary objective of this research was to investigate the effects of lodging room rate, brand name, and level of advertising on perceived service quality, perceived service value and willingness to stay for the lodging industry. To accomplish this goal, a 3 x 2 x 2 factorial experimental design (Table 1) was developed and followed. Subjects were

Table 1. Research Design

	National Brand Name			Local Brand Name		
	Low price	Medium Price	High Price	Low Price	Medium Price	High Price
Low Level of Advertising	S1	S1	S1	S3	S3	S3
High Level of Advertising	S2	S2	S2	S4	S4	S4

S: Subjects

randomly assigned to treatments. The independent variables consist of price (low, medium, and high), brand name (national brand name and local independent brand name), and level of advertising (low and high). Price was a within-subjects variable, whereas brand name and level of advertising were between-subjects variables. There has been some debate whether price should be examined as a between or within subjects design. Monroe and Dodds (1988) argue that:

If price information is manipulated by presenting subjects with actual prices for different product samples to be judged, then a within subjects design is appropriate, since the experimental situation created is analogous to a real world situation of examining and evaluating several different choices at different prices (Monroe and Dodds 1988, p. 163).

One main advantage of using repeated measures design (within subjects design) is that it reduces overall variability by using a common subject pool for all treatments, and at the same time removes subject differences from the error term, leaving the error components independent from treatment to treatment (Howell 1992). The underlying logic is that when subjects are observed only once, these subject differences contribute to the error term. When subjects are observed repeatedly, an estimate of the degree of subject differences can be obtained and these differences can be partialled out of the error term. Howell (1992, p. 439) argues that “the higher the correlations among treatments, the greater the relative power of repeated-measures designs.” When consumers make a purchase decision regarding which hotel/motel to stay, they often face alternative choices at different prices. Based upon the rationale above, price is treated as a within-subjects variable in this study.

The dependent variables for the current study were: perceived service quality, perceived service value, and willingness to stay. Perceived service quality and perceived service

value were used as both independent and dependent variables in this study. In hypotheses 1, 2, 3, 4, 5, 6, and 7, perceived service quality and perceived service value were treated as dependent variables. In hypotheses 8 and 9, perceived service quality was used as an independent variable. Perception of service value was an independent variable in hypothesis 10.

Modified SERVPERF was applied in order to measure perceived service quality on 7-point scales, from strongly disagree to strongly agree. A 5-item scale developed by Dodds, Monroe, and Grewal (1991), hereafter referred to as DMG (1991), was modified to measure perceived service value. These items were measured on 7-point scales, from very good value for the money to very poor value for the money, very economical to very uneconomical, strongly agree to strongly disagree, and very acceptable to very unacceptable. A 5-item scale developed by DMG (1991) were adopted to measure willingness to stay. These items were also measured on 7-point scales, either from strongly disagree to strongly agree or from very low to very high.

In the first part of this section of the chapter, the product and sample used in the present study are described. Scales used to measure perceived service quality, perceived service value, and willingness to stay are discussed in the second part of the section. Finally, administration of the survey is described.

3.3.1 Product Type

The present study explored the effect of price, brand name, and level of advertising on consumers' perceptions of service quality, service value, and willingness to stay at lodging

facilities when they are on leisure trips. Perceived value of a product is suggested to be situational (Holbrook and Corfman 1985). It is also proposed that purchase intention for hotel rooms is situational (McCleary, Weaver and Hutchinson 1992). The important criteria for the assessments of service value and for willingness to stay may differ when consumers are on honeymoons from when they are on business trips. Hence, it is imperative to define the travel situation for the present study. Subjects were informed that the questions are related to the situation when they are on leisure trips to Orlando in Florida. The choice of Orlando, Florida as the leisure trip destination in this study was based on the rationale that Orlando, Florida is a popular tourist destination. Further, the distance between Orlando, Florida and Atlanta, Georgia is neither too short nor too long for the purpose of a leisure trip that requires at least a one-day stay at the destination.

3.3.2 Sample and Procedure

Given the experimental and theoretical nature of the study, the sample was selected in a manner that is consistent with the guidelines and homogeneity criteria suggested in the literature (Calder, Phillips and Tybout 1981; Petroschius and Monroe 1987). Leisure travelers in the U.S. were the primary subjects for the present study. The sampling frame for the current study was consumers with an annual household income of \$30,000 or more. This arbitrary decision was based on the reasoning that subjects with an annual household income of \$30,000 or more are more likely to be able to afford leisure trips. The research was conducted in Atlanta, Georgia and its surrounding areas.

The subjects were informed that they were participating in a study evaluating the effects of price, brand name, and level of advertising on perceived service quality, perceived service

value, and willingness to stay at lodging facilities. The subjects were randomly assigned to three (3 price) of twelve (3 price x 2 brand name x 2 level of advertising) experimental treatments. The product used was hotel rooms. In order to avoid demand artifacts, there were no specific lodging facilities designated in this research. The subjects were given three examples of lodging brand names for each brand name treatment.

3.4 Measures

The questionnaire is divided into four parts. The first part was designed to measure the subjects' service quality perceptions. The second part was designed to obtain information about the perceived service value of lodging facilities when subjects are on leisure trips. Next, subjects' willingness to stay at lodging facilities when they are on leisure trips was measured. Finally, demographic information about subjects was gathered.

3.4.1 Price

Objective (sale) price was experimentally manipulated. Price was assigned one of three values, high, medium, or low, and is specified in monetary units (dollars). Perceived price was measured on a single 9-point scale assessing the degree to which subjects judged price to be high, medium, or low. The prices chosen were \$95 for the high level, \$70 for the medium level, and \$45 for the low level. The price range for mid-scaled lodging facilities in Orlando, Florida was between \$45 and \$95 in summer 1995.

3.4.2 Brand Name

Brand name was experimentally manipulated. Three examples of brand names were given as examples for each level of brand name treatment, namely, national brand name and local brand name. Quality Inn, Days Inn, and Howard Johnson were assigned as examples for national brand name. Westgate Towers, Wynfield Inn, and Larson's Lodge were assigned as examples for local brand name. All the above mentioned brand names were present in Orlando, Florida at the time of this study. Perceived brand name was measured on a dichotomous scale assessing the category to which subjects judged brand names to be national brand names or local brand names.

3.4.3 Level of advertising

The level of advertising cue was also experimentally manipulated. Level of advertising was specified as one of two values, high or low. Perceived level of advertising was measured on a single 5-point scale. The amount of advertising chosen were "a lot of advertising on various media" for the high level, and "a small amount of advertising on various media" for the low level.

3.4.4 Measurement of Perceived Service Quality

Subjects evaluated service quality on a 22-item 7-point scale modified from Cronin and Taylor's (1992) SERVPERF scale. The following is the modified scale used in the current study.

1. This lodging facility has up-to-date equipment.

2. This lodging facility's physical facilities are visually appealing.
3. This lodging facility's employees are well dressed and appear neat.
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.
5. When this lodging facility promises to do something by a certain time, it does so.
6. When you have problems, this lodging facility is sympathetic and reassuring.
7. This lodging facility is dependable.
8. This lodging facility provides its services at the time it promises to do so.
9. This lodging facility keeps its records accurately.
10. This lodging facility does not tell its customers exactly when services will be performed.
11. You do not receive prompt service from this lodging facility's employees.
12. Employees of this lodging facility are not always willing to help customers.
13. Employees of this lodging facility are too busy to respond to customer's requests promptly.
14. You can trust employees of this lodging facility.
15. You can feel safe in your transactions with this lodging facility's employees.
16. Employees of this lodging facility are polite.
17. Employees get adequate support from this lodging facility to do their jobs well.
18. This lodging facility does not give you individual attention.
19. Employees of this lodging facility do not give you personal attention.
20. Employees of this lodging facility do not know what your needs are.
21. This lodging facility does not have your best interests at heart.
22. This lodging facility does not have operating hours convenient to all their customers.

Following the procedures suggested by Churchill (1979), the internal and external consistency of the modified SERVPERF scale was assessed by employing factor analysis, correlation analysis, and Cronbach's alpha (Sun, Brinberg, McCleary 1994). In Sun, Brinberg, and McCleary's (1994) study, a factor analysis of the modified SERVPERF scale was performed. The results indicate that Equamax rotation in SPSS produced the best solution, suggesting the 5-dimension structure proposed by Parasuraman, Zeithaml, and Berry (1988) was confirmed. All of the 22 items employed to measure service quality perception were significantly correlated at 0.05 level. The value of coefficient alpha was 0.9605.

3.4.5 Measurement of Perceived Service Value

Perceived service value was measured by a 5-item 7-point scale modified from DMG's (1991) perceived value indicators. Following the procedures proposed by Churchill (1979), they developed the indicator and assessed it for internal and external consistency by using correlation analysis, factor analysis, and Cronbach's alpha. The value of coefficient alpha was .93 for perceived value. The following is the scale employed in the current study.

1. This service is a: (very good value for the money to very poor value for the money)
2. At the price, brand name and level of advertising shown the service is: (very economical to very uneconomical)
3. The service is considered to be a good buy: (strongly disagree to strongly agree)
4. The price, brand name and level of advertising shown for the service is: (very acceptable to very unacceptable)
5. This service appears to be a bargain: (strongly disagree to strongly agree)

3.4.6 Measurement of Willingness to Stay

Subjects evaluated willingness to stay on a 5-item 7-point scale modified from DMG's (1991) willingness to buy indicators. The willingness-to-buy scale was developed also by following the procedures suggested by Churchill (1979). The coefficient alpha value for this scale was .97. The following is the scale used in this study.

1. At the price shown and the level of advertising shown, you would consider staying at this lodging facility (strongly disagree to strongly agree)
2. The likelihood of staying at this lodging facility is: (very low to very high)
3. The probability that you would consider staying at this lodging facility is: (very low to very high)
4. Your willingness to stay at this lodging facility is: (very low to very high)

The validity of the willingness-to-stay scale used in this study was tested by Sun, Brinberg, and McCleary (1994). All of the 4 items applied to measure willingness to stay were significantly correlated at 0.01 level. The value of coefficient alpha was 0.9248.

3.5 Statistical Analyses

A variety of statistical procedures were used to analyze the data. Statistical techniques included frequency, one-way ANOVA, repeated measures analysis of variance with two between-subjects variables and one within-subjects variable design, and multiple regression analysis. Repeated measures analysis of variance is a statistical procedure especially

developed for research designs with at least one within-subjects variable. It is worth noting that the use of several separate repeated measures analysis of in this study may cause inflation of experiment-wide error rate. All the statistical analyses and procedures were conducted using SPSS. The analyses were designed to examine the effect of price, brand name, and level of advertising on consumers' perceptions of service quality, service value, and willingness to stay at lodging facilities.

For hypothesis One, repeated measures analysis of variance with two between-subjects variables and one within-subjects variable design was carried out to test the proposed effect of price on perceived service quality, perceived service value, and willingness to stay. Trend analyses were conducted to determine whether linear trends are present between price and perceived service quality.

For hypotheses Two, Three, Four, Five, Six, and Seven, repeated measures analysis of variance with two between-subjects variables and one within-subjects variable design was carried out test the proposed effect of brand name and level of advertising on consumers' perceptions of service quality, service value, and willingness to stay. The four forms of interaction effect, namely, one 3-way interaction effect and three 2-way interaction effects, of price, brand name, and level of advertising were also tested by this statistical technique.

For hypothesis Eight, Nine and Ten, multiple regression analyses with stepwise procedure were conducted to test the proposed relationship between perceived service quality and perceived service value, perceived service quality and willingness to stay, and perceived service value and willingness to stay.

3.6 Pretest

The objective of the pretest was to pretest the independent variables manipulations. An experiment with twelve cells was conducted for the pretest (see Table 2). The research design included a 3 x 2 x 2 design with three price levels (low, medium, and high), two brand levels (national brand names and local brand names), and two levels of advertising (low and high). Price was a within-subjects variable, while brand name and level of advertising were between-subjects variables.

Prior to conducting the actual survey, a pretest of the survey questionnaires was conducted. A convenience sample of twenty-four (24) subjects was gathered. The same procedures were followed in the pretest as in the actual survey. Examination of the data and the procedures revealed no identifiable problems. Manipulation checks of the independent variables indicated that all treatments were perceived as intended. Consequently no changes were made in the survey questionnaires for use in the actual survey. A summary of the pretest results appear in Table 3.

3.7 Administration of the Survey

The data collection was conducted by use of a mail survey from the period of late August to early October in 1995. Each subject received a cover letter and a 4-page questionnaire. A pre-paid reply envelope was also included in the mailing. Subjects were asked to complete the questionnaire and return it by mail. Two weeks following initial distribution, a reminder was sent to all recipients asking them to complete the questionnaire if they had

Table 2. Product, Prices, Brand Names, and Levels of Advertising Displayed

Mid-Scaled Hotel Room		National Brand Names			Local brand Names		
		Quality Inn, Days Inn, or Howard Johnson	Westgate Towers, Wynfield Inn, or Larson's Lodge				
		Low Price	Medium Price	High Price	Low Price	Medium Price	High Price
Low Level of advertising	A Small Amount of Advertising on Various Media	\$45	\$70	\$95	\$45	\$70	\$95
High Level of Advertising	A Lot of Advertising on Various Media	\$45	\$70	\$95	\$45	\$70	\$95

Table 3. Questionnaires Pretest Summary Statistics

Source of Variation	Sum of Squares	DF	F-Value	% of Correct Response
Price	318.11	2	112.90**	
Level of Advertising	22.88	1	22.19**	
Brand Name				
National Brand Name				100.0%
Local Brand Name				91.7%
	Low Price	Medium Price	High Price	
Low Price				
Medium Price	*			
High Price	*	*		

** Statistically significant $p = .0000$

* Denotes pairs of groups statistically different at the .05 level

not done so already and thanking them for their cooperation if they had already completed the questionnaire and returned it. A prize of \$50 was provided as an incentive for the sample to participate in this study.

3.8 Summary

This chapter discusses the propositions and methods applied in this study. Further, the research design, specifics of research scales and instrument, data collection methods and statistical analyses methods are discussed. The results are presented in the following chapter.

Chapter IV

RESULTS AND ANALYSIS

The purpose of this chapter was to present the findings of the research discussed in Chapter III. Measurement issues are discussed and special attention is given to the analysis of the results.

This experiment was designed to examine the effects of the three extrinsic cues, namely, price, brand name, and level of advertising, on consumers' perceptions of service quality, service value, and purchase intention of the lodging industry.

This chapter is organized as follows. The first section presents a description of sample. Next, the measurement issues are reported and the chapter concludes with the experiment results.

4.1 Overview of the Study

The principal objective of this dissertation was to investigate the effects of lodging room rate, brand name, and level of advertising on consumers' perceptions of service quality, service value, and willingness to stay (purchase intention) for the lodging industry. To accomplish this goal, a 3 x 2 x 2 factorial experimental design was developed and followed. Respondents were randomly assigned to experimental treatments. The independent variables consisted of price (low, medium, and high), brand name (national brand name and local brand name), and level of advertising (low and high). Price was a within-subjects variable, while brand name and level of advertising were between-subjects variables. The dependent variables for this study were: perceived service quality, perceived service value, and willingness to stay. The independent variables were: price, brand name, level of advertising, perceived service quality, and perceived service value. Perceived service quality and perceived service value were both dependent and independent variables in this study.

4.2 Description of Sample

4.2.1 Response Rate

Eight hundred and fifty-two (852) residents from Atlanta, Georgia and its surrounding areas were sampled. Of the eight hundred and fifty-two questionnaires mailed, eighty-seven (87) were returned due to either incorrect or incomplete mailing addresses resulting in a valid sample size of seven hundred and sixty-five (765). Of the seven hundred and

sixty-five, one hundred and forty-seven (147) returned their questionnaires for a response rate of 19%. The number of cases used in this study was one hundred and thirty-six (136) (details in Section 4.3.1).

4.2.2 Demographic Characteristics of Sample

Demographically, 58% of respondents were females and 42% were males. Respondents were well educated, with 72% holding at least a bachelor's degree. Almost 50% of respondents were from thirty-five (35) to fifty-four (54) years old; 32% of respondents were from twenty (25) to thirty-four (34). Regarding the sample's marital status, almost 66% was married; about 14% was single and 15% was divorced. The group was financially well-off, with over 48% having an annual household income of more than \$50,000. This result was expected by placing a minimum annual household income of \$30,000 requirement for the sample. Respondents ranged in number of children under age eighteen at home from zero (0) to five (5). Almost 59% of respondents didn't have any children under age eighteen living at home. A summary of the demographic characteristics of the sample appear in Table 4.

4.2.3 Leisure Trip Activities of Sample

The majority (67%) of the respondents spent \$1,000 to \$1,999 in leisure travel in the past 12 months. Respondents ranged in number of trip(s) to Orlando, Florida from 0-30; the average number of trips was 4.97. Almost 90% of respondents had been to Orlando, Florida at least once. The group ranged in number of leisure trips taken in the past 12 months from 0 to 14; the average number of leisure trips was 2.73. Almost 90% of the

Table 4. Demographic Characteristics of Sample

Demographic Characteristics	Respondents	%	Valid %
Gender			
Male	53	39.0	42.1
Female	73	53.7	57.9
Missing Values	10	7.4	-
Age			
Under 18	0	0	0
18-24	4	2.9	3.2
25-34	40	29.4	32.0
35-44	31	22.8	24.8
45-54	31	22.8	24.8
55-64	8	5.9	6.4
65 or more	11	8.1	8.8
Missing Value	11	8.1	-
Marital status			
Single	18	13.2	14.4
Married	82	60.3	65.6
Divorced	19	14.0	15.2
Other (Widowed, etc.)	6	4.4	4.8
Missing Values	11	8.1	-
Education			
High School	14	10.3	11.1
Technical School/Junior College	21	15.4	16.7
College	55	40.4	43.7
Graduate School	36	26.5	28.6
Missing Values	10	7.4	-
Annual Household Income			
Less Than \$30,000	13	9.6	10.8
\$30,000-\$39,999	23	16.9	19.2
\$40,000-\$49,999	26	19.1	21.7
\$50,000-\$59,999	16	11.8	13.3
\$60,000-\$69,999	15	11.0	12.5
\$70,000 or more	27	19.9	22.5
Missing Values	16	11.8	-
Number of Children Under Age 18			
None	71	52.2	58.7
1	15	11.0	12.4
2	21	15.4	17.4
3	9	6.6	7.4
4	2	1.5	1.7
5	3	2.2	2.5
Missing Values	15	11.0	-
Total Sample	136	100*	100*

* It may not equal 100 due to rounding.

respondents had taken at least one leisure trip in the past 12 months. A summary of the leisure trip activities of the sample appears in Table 5.

4.3 Preliminary Procedures

There were several procedures conducted prior to analyzing the data: (1) case deletions, (2) reverse scoring, (3) testing the reliability of dependent measures, (4) randomization checks, and (5) manipulation check of independent variables.

4.3.1 Case Deletions

Five (5) respondents (3.4%) completed less than one-third of the questionnaires. Where this occurred the observations were deleted. The least number of cases received for a treatment was thirty-four (34) for local brand name and high level of advertising treatment. Six (6) more cases were deleted randomly from this study from those treatments receiving more than thirty-four responses in order to generate equal numbers of subjects for all treatments. Equal sample sizes in each cell are desired in order to have independent interaction effects (Howell 1992). The resulting sample size was one hundred and thirty-six (136), with thirty-four (34) cases in each cell (see Table 6).

4.3.2 Reverse Scoring

In general, the seven point scales of perceived service quality (SERVPERF), perceived service value, and willingness to stay utilized a “1” as an unfavorable or negative response

Table 5. Leisure Trip Activities of Sample

Leisure Trip Activity	Respondents	%	Valid %
Household Leisure Travel Expenditure			
Less Than \$1,000	42	30.9	34.4
\$1,000-\$1,999	42	30.9	34.4
\$2,000-\$2,999	20	14.7	16.4
\$3,000 or more	18	13.2	14.8
Missing Values	14	10.3	-
Number of Times to Orlando, FL			
None	13	9.6	10.3
1-3	55	40.5	43.7
4-6	30	22.1	23.8
7-9	7	5.1	5.6
10-19	15	11	11.9
20 or more	6	4.4	4.8
Missing Values	10	7.4	-
Number of Leisure Trips			
None	13	9.6	10.4
1-3	82	60.0	65.6
4-6	24	17.7	19.2
7-9	4	2.9	3.2
10-19	2	1.4	1.6
Missing Values	11	8.1	-
Total Sample	136	100*	100*

* It may not equal 100 due to rounding.

Table 6. Summary Table for Number of Cases per Cell

Mid-Scaled Hotel Room		National Brand Names			Local brand Names		
		Quality Inn, Days Inn, or Howard Johnson	Westgate Towers, Wynfield Inn, or Larson's Lodge				
Low Level of Advertising	A Small Amount of Advertising on Various Media	Low Price	Medium Price	High Price	Low Price	Medium Price	High Price
		\$45	\$70	\$95	\$45	\$70	\$95
High Level of Advertising	A Lot of Advertising on Various Media	34 ^a	34	34	34	34	34
		34	34	34	34	34	34

^a Number of cases per cell.

while a “7” denoted a favorable or positive response. There were nine items in SERVPERF scale, namely, item ten, item eleven, item twelve, item thirteen, item eighteen, item nineteen, item twenty, item twenty-one, and item twenty-two, which had to be reversed scored for the purpose of conformity to the general direction of the scale. For these nine items, a response score of “1” was recoded to “7”, “2” was recoded to “6”, “3” was recoded to “5”, “5” was recoded to “3”, “6” was recoded to “2”, and “7” was recoded to “1”.

4.3.3 Calculation of Composite Scores

Composite scores for each of the five SERVPERF dimensions were derived by averaging responses to the items for each dimension, namely, Tangibles, Reliability, Responsiveness, Assurance, and Empathy. One composite score was calculated for overall perceived service quality by averaging responses to the twenty-two items in the SERVPERF scale. One composite score was also calculated for overall perceived service value and overall willingness to stay by applying the same procedure.

4.3.4 Reliability of Dependent Measures

As is well known, observed measurements are never perfect, but rather, they are indirect estimates of the intended construct. As suggested by Churchill (1979), three procedures may be employed to examine reliability of the measuring instruments: (1) factor analysis, (2) correlation analysis, and (3) coefficient alpha for internal and external consistency. Factor analysis, correlation analysis, and coefficient alpha procedures were applied to

measure the reliability of the constructs of perceived service quality (SERVPERF), perceived service value, and willingness to stay.

4.3.4.1 Factor Analysis

Confirmatory factor analysis was conducted for perceived service quality (SERVPERF). The results of the factor analysis are presented in Table 7. Items were factor analyzed, and the Varimax rotation procedure in SPSS yielded the most satisfactory results. The results indicate that the 5-dimension structure proposed by Parasuraman, Zeithaml, and Berry (1988) for the SERVQUAL scale is confirmed in this study¹.

4.3.4.2 Correlation Analysis

The correlation matrices for the 22 items of perceived service quality (SERVPERF), the 5 dimensions of perceived service quality, the 5 items of perceived service value, and the four items of willingness to stay are presented in Tables 8, 9, 10, and 11 respectively. All of the twenty-two items employed to measure perceived service quality were significantly correlated at .01 level. All of the 5 dimensions of perceived service quality were also significantly correlated at .01 level. All of the five items used to measure perceived service

¹ Correlation analysis was conducted for national brand name x low level of advertising, national brand name x high level of advertising, local brand name and low level of advertising, and local brand name x high level of advertising treatments individually to examine if the correlation patterns of the twenty-two items of the SERVPERF scale were consistent among the four treatments. The results indicate that the correlation patterns of the twenty-two items of the SERVPERF scale are consistent among the four treatments.

**Table 7. Factor Analysis of 22 Items of Perceived Service Quality
(SERVPERF)**

Item	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
1	.81	.23	.16	.27	.03
2	.72	.34	.14	.35	-.00
3	.71	.43	.23	.19	-.07
4	.69	-.08	.20	-.03	.24
5	.54	.38	.35	.26	.33
6	.51	.52	.33	.17	.31
7	.54	.47	.31	.17	.41
8	.58	.38	.30	.25	.38
9	.51	.51	.22	.03	.34
10	.12	.25	.28	.73	.17
11	.33	.07	.26	.63	.26
12	.22	.14	.71	.33	.15
13	.20	.04	.75	.12	.36
14	.07	.77	.11	.37	.14
15	.24	.75	.25	.20	.15
16	.38	.61	.36	.04	.21
17	.26	.58	.57	-.03	-.19
18	.33	.24	.56	.49	-.06
19	.31	.39	.57	.39	.08
20	.15	.26	.62	.25	.09
21	.16	.41	.65	.11	.20
22	.18	.25	.23	.30	.67
Factor	Dimension of SERVPERF		Eigen Value	% Variance Explained	
Factor 1	Tangibles		11.63	52.8%	
Factor 2	Assurance		1.42	6.5%	
Factor 3	Empathy		1.13	5.1%	
Factor 4	Responsiveness		.88	4.0%	
Factor 5	Reliability		.81	3.7%	
Cumulative Variance Explained: 72.1%					

Table 8. Correlation Matrix - Perceived Service Quality (SERVPERF)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
1.00																						
.78**	1.00																					
.66**	.70**	1.00																				
.50**	.43**	.45**	1.00																			
.63**	.57**	.61**	.41**	1.00																		
.58**	.61**	.63**	.37**	.72**	1.00																	
.63**	.63**	.60**	.39**	.74**	.84**	1.00																
.64**	.65**	.61**	.46**	.74**	.76**	.80**	1.00															
.54**	.58**	.59**	.42**	.63**	.67**	.69**	.70**	1.00														
.34**	.41**	.35**	.24**	.44**	.45**	.44**	.47**	.38**	1.00													
.45**	.52**	.40**	.25**	.52**	.53**	.44**	.47**	.41**	.48**	1.00												
.38**	.41**	.43**	.28**	.55**	.56**	.58**	.55**	.44**	.50**	.53**	1.00											
.37**	.36**	.31**	.35**	.51**	.52**	.55**	.50**	.37**	.39**	.50**	.64**	1.00										
.32**	.37**	.37**	.16**	.50**	.45**	.48**	.39**	.39**	.40**	.30**	.28**	.24**	1.00									
.46**	.52**	.49**	.31**	.53**	.62**	.63**	.58**	.54**	.41**	.35**	.46**	.40**	.64**	1.00								
.49**	.53**	.53**	.32**	.57**	.69**	.70**	.63**	.61**	.41**	.39**	.46**	.47**	.46**	.63**	1.00							
.41**	.48**	.53**	.21**	.46**	.52**	.48**	.49**	.53**	.32**	.34**	.49**	.47**	.40**	.55**	.57**	1.00						
.47**	.49**	.53**	.33**	.55**	.51**	.51**	.54**	.40**	.40**	.42**	.61**	.45**	.39**	.45**	.49**	.45**	1.00					
.53**	.54**	.49**	.34**	.60**	.62**	.63**	.65**	.53**	.51**	.48**	.55**	.44**	.57**	.60**	.53**	.75**	1.00					
.37**	.40**	.40**	.20**	.43**	.50**	.46**	.46**	.46**	.39**	.42**	.51**	.47**	.29**	.39**	.44**	.46**	.48**	1.00				
.43**	.44**	.44**	.26**	.55**	.56**	.55**	.53**	.51**	.43**	.39**	.53**	.55**	.41**	.49**	.55**	.57**	.49**	.64**	1.00			
.38**	.44**	.32**	.30**	.52**	.48**	.52**	.54**	.48**	.42**	.43**	.37**	.43**	.35**	.42**	.43**	.28**	.40**	.49**	.43**	1.00		
																					.50**	1.00

Description of Dependent Measures

1. This lodging facility has up-to-date equipment.
2. This lodging facility's physical facilities are visually appealing.
3. This lodging facility's employees are well dressed and appear neat.
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.
5. When this lodging facility promises to do something by a certain time, it does so.
6. When you have problems, this lodging facility is sympathetic and reassuring.

7. This lodging facility is dependable.
8. This lodging facility provides its services at the time it promises to do so.
9. This lodging facility keeps its records accurately.
10. This lodging facility does not tell its customers exactly when services will be performed.
11. You do not receive prompt service from this lodging facility's employees.
12. Employees of this lodging facility are not always willing to help customers.
13. Employees of this lodging facility are too busy to respond to customer's requests promptly.
14. You can trust employees of this lodging facility.
15. You can feel safe in your transactions with this lodging facility's employees.
16. Employees of this lodging facility are polite.
17. Employees get adequate support from this lodging facility to do their job well.
18. This lodging facility does not give you individual attention.
19. Employees of this lodging facility does not give you personal attention.
20. Employees of this lodging facility does not know what your needs are.
21. This lodging facility does not have your best interests at heart.
22. This lodging facility does not have operating hours convenient to all their customers.

Table 9. Correlation Matrix - 5 Dimensions of Perceived Service Quality (SERVPERF)

Dimension	1	2	3	4	5
1	1.00				
2	.77**	1.00			
3	.55**	.69**	1.00		
4	.58**	.72**	.58**	1.00	
5	.60**	.72**	.73**	.67**	1.00

Description of Dependent Measures

1. Tangibles
2. Reliability
3. Responsiveness
4. Assurance
5. Empathy

** Statistically significant $p < .01$.

Table 10. Correlation Matrix - Perceived Service Value

Item	1	2	3	4	5
1	1.00				
2	.78**	1.00			
3	.44**	.53**	1.00		
4	.49**	.48**	.59**	1.00	
5	.30**	.38**	.64**	.53**	1.00

Description of Dependent Measures

1. This service is a: (very good value for the money to very poor value for the money)
2. At the price, brand name and level of advertising shown the service is: (very economical to very uneconomical)
3. The service is considered to be a good buy: (extremely disagree to extremely agree)
4. The price, brand name and level of advertising shown for the service is: (very acceptable to very unacceptable)
5. This service appears to be a bargain: (extremely disagree to extremely agree)

** Statistically significant $p < .01$.

Table 11. Correlation Matrix - Willingness to Stay

Item	1	2	3	4
1	1			
2	.62**	1		
3	.63**	.93**	1	
4	.54**	.84**	.88**	1

Description of Dependent Measures

1. At the price shown and the level of advertising shown, you would consider staying at this lodging facility (extremely disagree to extremely agree)
2. The likelihood of staying at this lodging facility is: (very low to very high)
3. The probability that you would consider staying at this lodging facility is: (very low to very high)
4. Your willingness to stay at this lodging facility is: (very low to very high)

** Statistically significant $p < .01$.

value were significantly correlated at .01 level. And all of the four items used to estimate willingness to stay were significantly correlated at .01 level.

4.3.4.3 Coefficient Alpha

The scale used to measure perceived service quality was a 22-item of SERVPERF modified by Cronin and Taylor (1992): extremely agree/extremely disagree. Cronbach's alpha was .96, indicating a very high degree of reliability. Cronbach's alphas for Tangibles, Reliability, Responsiveness, Assurance, and Empathy were .86, .92, .80, .79, and .83 respectively, indicating above acceptable degrees of reliability.

The scale used to measure perceived service value was modified from a 5-item scale of perceived value developed by Dodds, Monroe, and Grewal (1991): very good value for the money/very poor value for the money; very economical/very uneconomical; strongly agree/strongly disagree; very acceptable/very unacceptable. Cronbach's alpha for perceived service value was .84, indicating a reasonable degree of reliability.

A 4-item scale developed by Dodds, Monroe and Grewal (1991) and modified for use in this study was applied to measure willingness to stay: strongly agree/strongly disagree; very high/very low. Cronbach's alpha for willingness to stay was .92, indicating a high degree of reliability. The Cronbach's alpha for all the variables and dimensions of SERVPERF exceeded .75, indicating that the measures reached minimal acceptable levels of internal consistency (Nunnally 1978). Summary statistics are presented in Table 12.

Table 12. Scale Reliability Based on Coefficient Alpha

Scale	Number of Items	Cronbach's Alpha	N ^a
Perceived Service Quality	22	.96	338
Tangibles	4	.86	361
Reliability	5	.92	357
Responsiveness	4	.80	364
Assurance	4	.79	370
Empathy	5	.83	350
Perceived Service Value	5	.84	365
Willingness to Stay	4	.92	370

^a Number of cases.

4.3.4.4 Summary of Reliability of Dependent Measures

In summary, it seems apparent that the measuring instruments applied in this study have good reliability and seem to be tapping the constructs of perceived service quality, perceived service value, and willingness to stay (purchase intention) very well.

4.3.5 Randomization Checks

Randomization checks were conducted to determine that the randomization procedure in this study had been effective (see Table 13). The purpose of randomization checks is to determine if there was random assignment of respondents to treatment groups regardless of respondents' leisure travel experience. For random assignment of subjects to treatment groups is fundamental to the integrity, or internal validity, of a experiment (Howell 1992). One-way ANOVAs were conducted on the number of times respondents visited Orlando, Florida and number of leisure trips taken in the past twelve months. The results of ANOVA procedures support that there were no significant effects of experimental treatment on the respondents' number of times to Orlando, Florida ($p = .21$) and number of trips taken in the past twelve months ($p = .93$). The findings suggest that there is no statistically significant differences among the respondent groups receiving different questionnaires in terms of the number of times respondents had visited Orlando, Florida and their number of leisure trips taken in the past twelve months. The results of the randomization checks support that the distribution of the four versions of the questionnaires to the sample was randomized.

Table 13. Summary Statistics for Randomization Checks

Source of Variation	Perceived Service Value			Willingness to Stay			
	Sum of Squares	D.F.	Mean Square	Sum of Squares	D.F.	Mean Square	F-Value
Experimental Treatment	144.54	3	48.18	2.15	3	.72	.15

4.3.6 Manipulation Checks

On the last page of the questionnaires, subjects were asked to evaluate the prices (high to low) on 9-point rating scales, the brand names (national brand names and local brand names) on dichotomous scales, and the levels of advertising (high and low) on 5-point rating scales (see Appendix A). The objective of these sets of questions was to measure whether the treatment variables were perceived to be the same as intended, for example, whether a low price treatment was perceived as a low price. Manipulation checks indicated that all treatments were perceived as intended.

The manipulation check for the price treatment, conducted by employing one-way ANOVA, was effective ($F_{2,351} = 299.78, p = .000$), indicating that subjects did perceive \$95 to be higher than both \$70 and \$45, and \$70 to be a higher price than \$45. A similar manipulation check was taken for the level of advertising treatment. A one-way ANOVA for the level of advertising manipulation indicated that having a lot of advertising on various media was perceived to have higher level of advertising than having a small amount of advertising on various media ($F_{1,235} = 83.62, p = .000$). The manipulation check for the brand name treatment, conducted by employing the Frequency technique, was effective, indicating that about 97% of the respondents perceived Quality Inn, Days Inn, and Howard Johnson to be national brand names and about 95% of the respondents perceived Westgate Towers, Wynfield Inn, and Larson's Lodge to be local brand names. A summary of manipulation checks appears in Table 14.

Table 14. Summary Statistics for Manipulation Checks

Source of Variation	Sum of Squares	DF	F-Value	% of Correct Response
Price	1224.99	2	299.78**	
Level of Advertising	82.82	1	83.62**	
Brand Name				
National Brand Name				96.8%
Local Brand Name				95.2%
	Low Price	Medium Price	High Price	
Low Price				
Medium Price	*			
High Price	*	*		

** Statistically significant $p = .0000$.

* Denotes pairs of groups statistically different at the .05 level.

4.4 Hypothesis Testing

The hypotheses were tested by applying Repeated Measures Analysis of Variance (hypotheses One, Two, Three, Four, Five, Six, and Seven) , Multiple Regression analysis (hypotheses Eight, Nine, and Ten), and Trend Analysis (hypothesis One). To explore the wealth of information in this study, the analysis of results went beyond the five dimensions of perceived service quality (SERVPERF scale) to examine each individual item of the SERVPERF scale when the dimension the individual item associated with was not significant.

4.4.1 Hypothesis One

Hypothesis 1: As price increases from a low-priced lodging facility to a higher-priced lodging facility,

(a) the relationship between price and perceived service quality is positive.

(b) the relationship between price and perceived service quality is a positive linear relationship.

(c) the relationship between price and perceived service value is negative.

It was hypothesized that as consumers' perceptions of price increased, their perceptions of service quality would increase (H1a). The results strongly support the notion that price has a significant positive effect on the respondents' overall service quality perceptions (H1a: $F_{2,206} = 130.96, p < .000$). Price has a highly significant impact on all five dimensions of SERVPERF at .000 level and its effect is significant at .000 level on all twenty-two

items of SERVPERF. Hypothesis One (a) was supported in this study. The results are presented in Table 15.

It was hypothesized that the relationship between price and consumers' perceptions of service quality is a positive linear relationship (H1b). Trend analysis (Rosenthal and Rosnow 1984) was performed to determine if positive linear trends were present between price and perceived service quality (H1b: $F_{1,330} = 84.18, p < .000$). The results support a positive quadratic linear trend of price on respondents' perceptions of service quality (See Figure 5). This result is consistent with the work of Peterson (1970). Hypothesis One (b) was supported.

It was also hypothesized that as consumers' perceptions of price increased, their perceptions of service value would decrease (H1c). The results support a significant negative price effect on the respondents' overall perceptions of service value (H1c: $F_{2,228} = 70.93, p < .000$). The results for price effect on all five items pertaining to consumers' service value perceptions are significant at .000 level. Hypothesis One (c) was also supported in this research. The results are presented in Table 16.

4.4.2 Hypothesis Two

Hypothesis 2: When perceptions of brand name change from a local brand to a national brand model,

- (a) the relationship between brand name and perceived service quality is positive.

Table 15. Analysis Summary for Price Effect on Perceived Service Quality (SERVPERF)^a

Items	Price			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Quality	2	73.97	128.31	.000**
Tangibles	2	191.38	220.61	.000**
1	2	346.16	167.78	.000**
2	2	298.32	172.71	.000**
3	2	166.02	108.06	.000**
4	2	40.22	34.13	.000**
Reliability	2	82.12	78.34	.000**
5	2	81.61	51.25	.000**
6	2	99.26	57.44	.000**
7	2	102.81	64.51	.000**
8	2	92.31	71.80	.000**
9	2	48.07	40.25	.000**
Responsiveness	2	71.28	64.29	.000**
10	2	36.04	22.27	.000**
11	2	84.09	43.64	.000**
12	2	91.60	55.81	.000**
13	2	76.71	32.68	.000**
Assurance	2	40.79	65.66	.000**
14	2	20.68	16.36	.000**
15	2	41.49	34.80	.000**
16	2	41.42	41.38	.000**
17	2	66.55	38.72	.000**
Empathy	2	67.73	83.84	.000**
18	2	143.35	77.22	.000**
19	2	147.62	81.49	.000**
20	2	59.59	38.72	.000**
21	2	40.54	24.68	.000**
22	2	39.82	29.20	.000**

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Figure 5
Linear Trend of Price on Perceived Service Quality (SERVPERF)

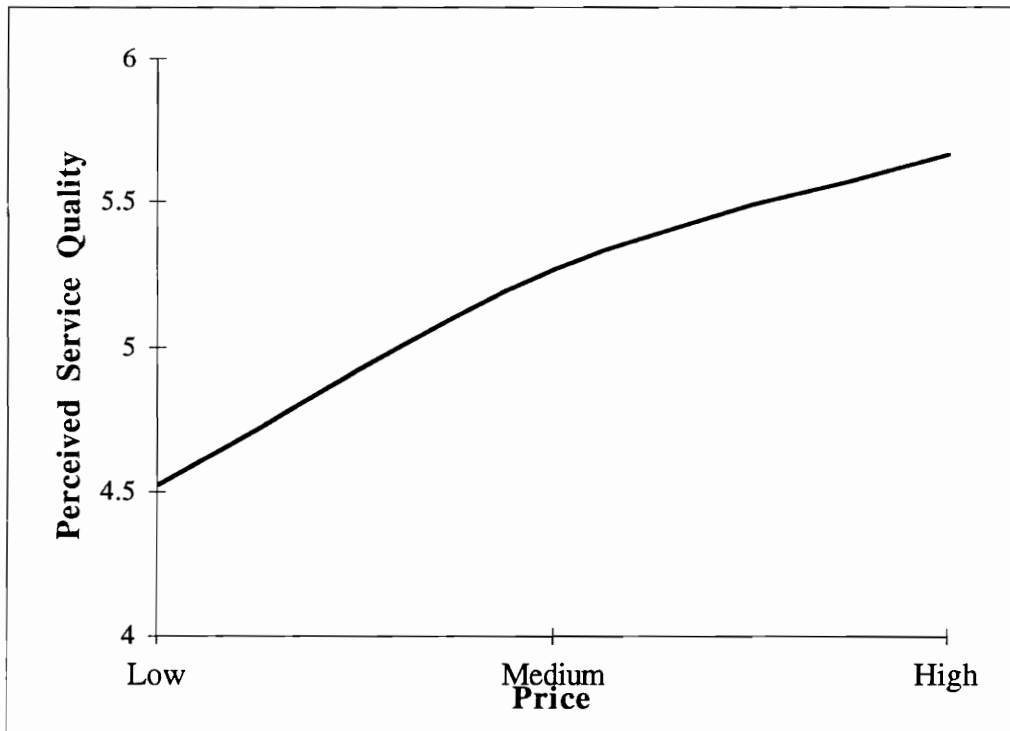


Table 16. Analysis Summary for Price Effect on Perceived Service Value and Willingness to Stay^a

Items	Price			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Value	2	207.35	80.15	.000**
1	2	208.03	49.47	.000**
2	2	154.40	36.16	.000**
3	2	167.99	37.92	.000**
4	2	591.98	155.17	.000**
5	2	84.61	14.60	.000**
Willingness to Stay	2	140.69	27.86	.000**
1	2	35.27	6.70	.001**
2	2	244.31	37.22	.000**
3	2	232.92	37.67	.000**
4	2	147.65	23.65	.000**

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

- (b) the relationship between brand name and perceived service value is positive.
- (c) the relationship between brand name and willingness to stay is positive.

It was hypothesized that consumers' perceptions of service quality for a national brand name would be higher than those of local brand name (H2a). The results of this study do not support a significant brand name effect on the respondents' overall perceptions of service quality (H2a: $F_{1,103} = .26, p > .60$). Hypothesis Two (a) was not supported. The results also do not support a significant brand name effect on the respondents' overall service value perceptions (H2b: $F_{1,114} = .07, p > .70$). Hypothesis Two (b) was not supported in this study. The brand name effect on the respondents' overall willingness to stay is not supported by this study (H2c: $F_{1,116} = .54, p > .40$). Hypothesis Two (c) was not supported in this study. However, brand name had an almost significant effect on the first item of the willingness to stay scale (H2c: $F_{1,117} = 3.89, p = .051$). The results indicate that the respondents are more likely to consider staying at a lodging facility with a national brand name ($\bar{x} = 5.15$) than at one with a local brand name ($\bar{x} = 4.72$). The results for hypothesis Two are presented in Table 17 and Table 18.

4.4.3 Hypothesis Three

Hypothesis 3: As level of advertising increases from a low advertising level to a higher advertising level ,

- (a) the relationship between level of advertising and perceived service quality is positive.

Table 17. Analysis Summary for Brand Name Effect on Perceived Service Quality (SERVPERF)^a

Items	Brand Name			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Quality	1	.21	.08	.772
Tangibles	1	1.32	.62	.432
1	1	.44	.12	.730
2	1	1.15	.39	.535
3	1	10.70	3.51	.063
4	1	.27	.10	.757
Reliability	1	.47	.16	.692
5	1	.34	.08	.782
6	1	2.70	.62	.431
7	1	1.28	.39	.531
8	1	.30	.07	.786
9	1	.53	.15	.701
Responsiveness	1	.40	.10	.753
10	1	11.49	1.57	.212
11	1	7.96	1.20	.276
12	1	2.11	.32	.574
13	1	.00	.00	.998
Assurance	1	.14	.05	.827
14	1	.02	.00	.954
15	1	1.73	.39	.533
16	1	1.96	.69	.409
17	1	2.45	.49	.484
Empathy	1	.66	.16	.690
18	1	.38	.07	.797
19	1	.87	.16	.692
20	1	18.19	2.82	.096
21	1	4.00	.57	.453
22	1	2.90	.35	.554

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Table 18. Analysis Summary for Brand Name Effect on Perceived Service Value and Willingness to Stay^a

Items	Brand Name			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Value	1	1.57	.89	.348
1	1	.04	.01	.930
2	1	9.08	2.38	.101
3	1	5.11	1.89	.171
4	1	.55	.18	.671
5	1	1.49	.45	.504
Willingness to Stay	1	4.61	1.96	.164
1	1	17.11	3.89	.051
2	1	1.72	.66	.417
3	1	2.03	.74	.391
4	1	2.43	.73	.393

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

- (b) the relationship between level of advertising and perceived service value is positive.
- (c) the relationship between level of advertising and willingness to stay at a lodging facility is positive.

It was hypothesized that as consumers' perceptions of level of advertising increased, their perceptions of service quality would increase (H3a). The results of this study do not support a significant level of advertising effect on the respondents' perceptions of service quality (H3a: $F_{1,103} = .00$, $p > .90$). Hypothesis Three (a) was not supported. It was also hypothesized that as consumers' perceptions of level of advertising increased, their perceptions of service value would increase. The results indicate that there is no significant level of advertising effect on perceived service value (H3b: $F_{1,114} = .30$, $p > .50$). Hypothesis Three (b) was not supported in this study. Level of advertising effect is also not significant on the respondents' willingness to stay (H3c: $F_{1,116} = .10$, $p > .70$). Hypothesis Three (c) was not supported either. The results are presented in Tables 19 and 20.

4.4.4 Hypothesis Four

- Hypothesis 4:**
- (a) There is an interaction effect of price and brand name on the perceived service quality of a lodging facility.
 - (B) There is an interaction effect of price and brand name on the perceived service value of a lodging facility.
 - (C) There is an interaction effect of price and brand name on consumers' willingness to stay at a lodging facility.

Table 19. Analysis Summary for Level of Advertising Effect on Perceived Service Quality (SERVPERF)^a

Items	Level of Advertising			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Quality	1	.00	.00	.996
Tangibles	1	.38	.18	.673
1	1	.96	.26	.611
2	1	.11	.04	.849
3	1	2.17	.71	.401
4	1	7.13	2.56	.113
Reliability	1	2.87	.96	.330
5	1	.22	.05	.826
6	1	7.19	1.83	.179
7	1	3.11	.96	.329
8	1	7.70	1.92	.168
9	1	6.57	1.83	.179
Responsiveness	1	1.22	.30	.584
10	1	10.78	1.47	.227
11	1	4.77	.72	.399
12	1	8.46	1.28	.260
13	1	.55	.09	.760
Assurance	1	.18	.06	.804
14	1	.96	.15	.703
15	1	4.06	.92	.339
16	1	1.76	.62	.434
17	1	.45	.09	.764
Empathy	1	.39	.06	.760
18	1	4.05	.71	.402
19	1	3.35	.61	.437
20	1	1.70	.26	.609
21	1	.06	.01	.926
22	1	4.88	.59	.443

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Table 20. Analysis Summary for Level of Advertising Effect on Perceived Service Value and Willingness to Stay^a

Items	Level of Advertising			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Value	1	.95	.53	.466
1	1	.87	.18	.670
2	1	10.42	2.73	.101
3	1	1.00	.37	.544
4	1	.93	.31	.580
5	1	2.41	.72	.397
Willingness to Stay	1	.09	.04	.847
1	1	3.19	.73	.396
2	1	4.46	1.71	.193
3	1	.31	.11	.735
4	1	.48	.15	.703

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

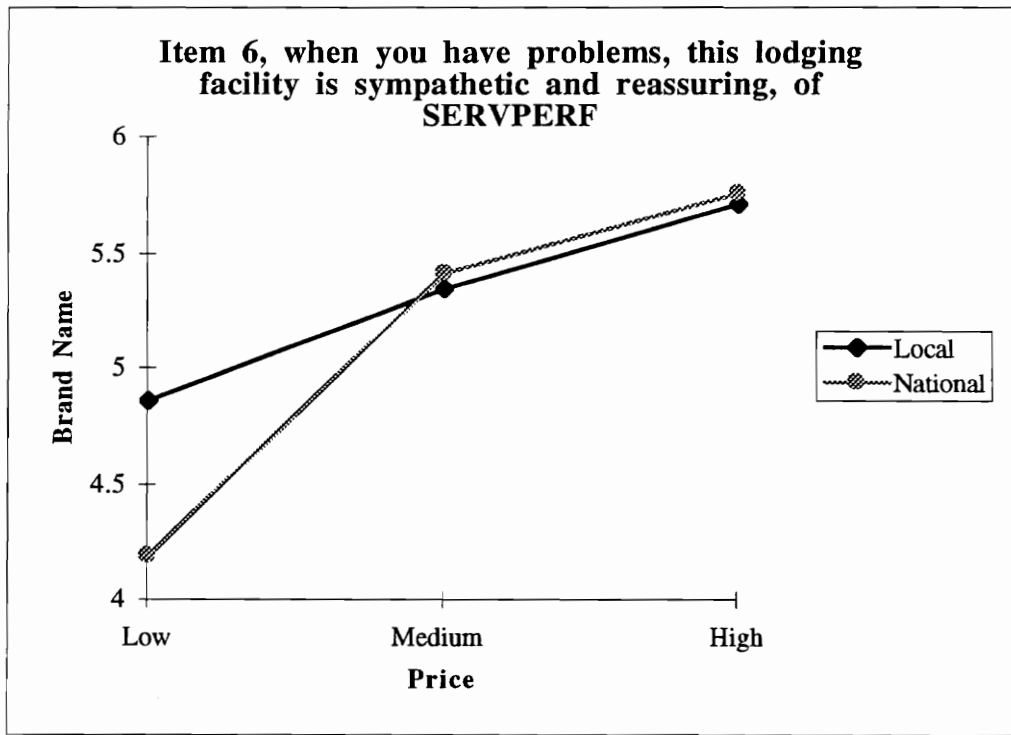
* Statistically significant $p < .05$.

It was hypothesized that there is a two-way price and brand name interaction effect on consumers' perceptions of service quality (H4a). The results do not support a statistically significant two-way price and brand name interaction effect on overall perceived service quality (H4a: $F_{2,210} = .07, p > .90$). Hypothesis Four (a) was not supported in this study. However, there is support for a statistically significant two-way price and brand name interaction effect on item six (6: when you have problems, this lodging facility is sympathetic and reassuring) (H4a: $F_{2,236} = 5.61, p < .01$), item nine (9: this lodging facility keeps its records accurately) (H4a: $F_{2,236} = 3.45, p < .05$), and item eighteen (18: this lodging facility does not give you individual attention) (H4a: $F_{2,230} = 4.23, p < .02$) of SERVPERF scale (see Figures 6, 7, and 8).

For item six of the SERVPERF scale, the results indicate that when the room rate is low, the respondents consider employees of lodging facilities with a local brand name ($\bar{x} = 4.86$) more sympathetic and reassuring when customers have problems than employees of lodging facilities with a national brand name ($\bar{x} = 4.19$). However, when the room rate was either medium or high, there was no significant difference between the respondents' perceptions of lodging facilities with a national brand name and those with a local brand name in terms of how sympathetic and reassuring their employees were.

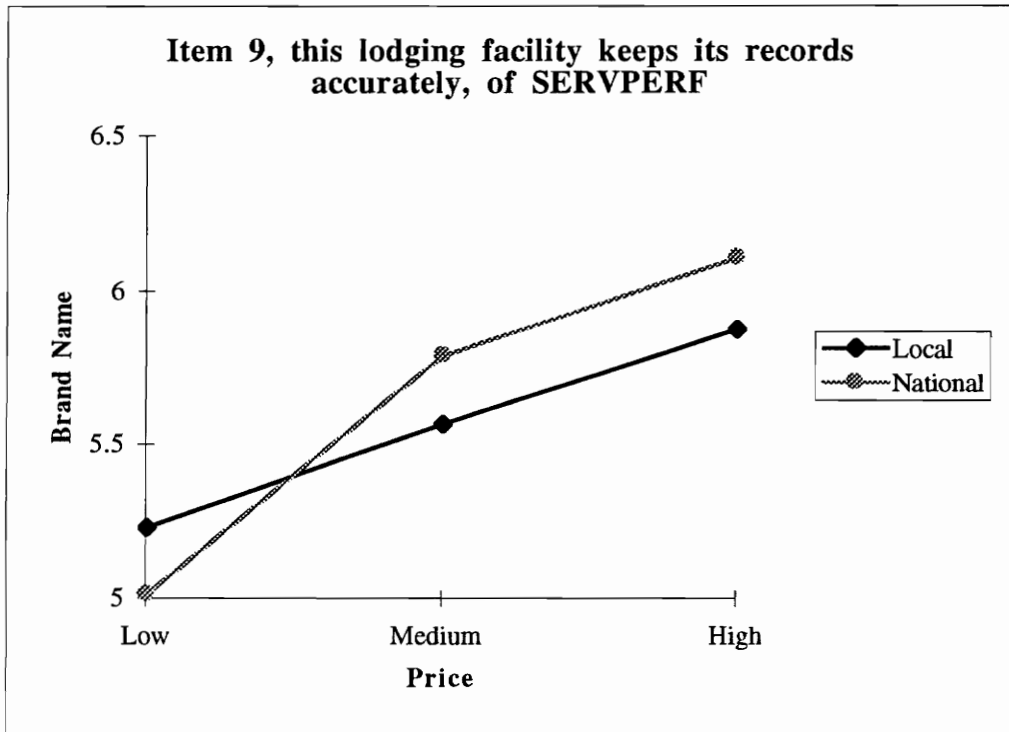
For item nine of the SERVPERF scale, the results indicate that when the room rate is low, the respondents perceive that lodging facilities with a local brand name ($\bar{x} = 5.23$) keep their records more accurately than lodging facilities with a national brand name ($\bar{x} = 5.02$). However, when the room rate was high, the respondents perceived that lodging facilities with a national brand name ($\bar{x} = 6.11$) keep their records more accurately than their counterparts ($\bar{x} = 5.88$).

Figure 6
Two-Way Price and Brand Name Interaction Effect on Item Six, when you have problems, this lodging facility is sympathetic and reassuring, of Perceived Service Quality Scale^a (SERVPERF)



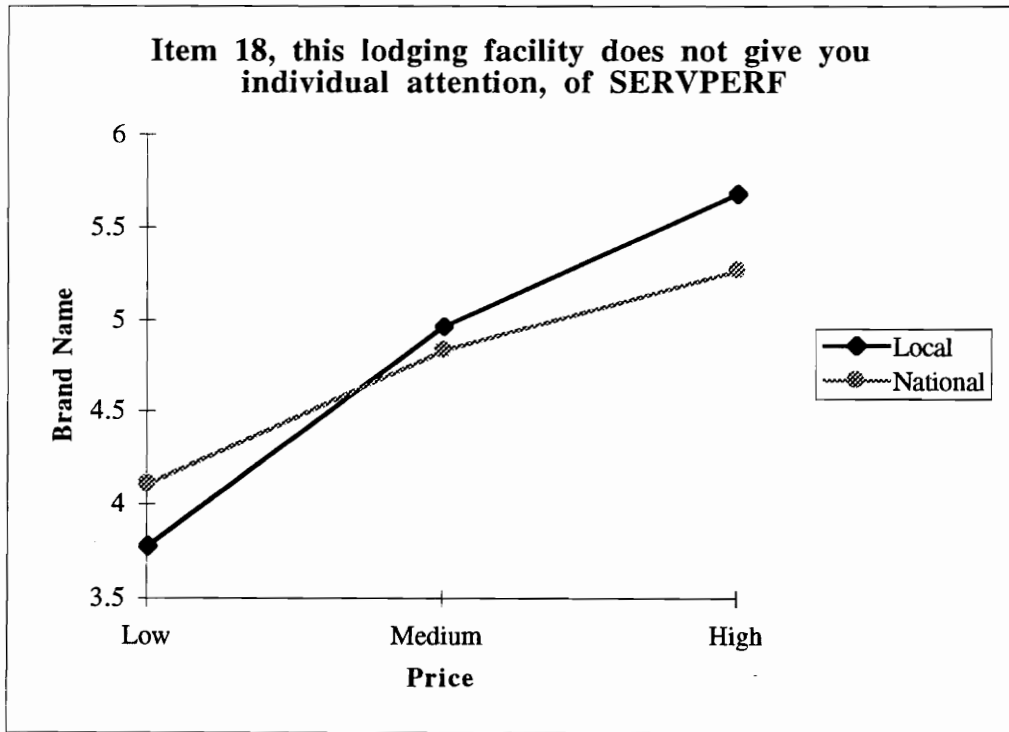
^a 1 being strongly disagree and 7 being strongly agree.

Figure 7
Two-Way Price and Brand Name Interaction Effect on Item Nine, this lodging facility keeps its records accurately, of Perceived Service Quality Scale^a (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

Figure 8
Two-Way Price and Brand name Interaction Effect on Item Eighteen^b, this lodging facility does not give you individual attention, of Perceived Service Quality Scale^a (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

^b Scores have been reversed.

For item eighteen of the SERVPERF scale, the results suggest that when the room rate is low, the respondents perceive lodging facilities with a national brand name as giving more individual attention to their customers than lodging facilities with a local brand name (national brand name x low price: $\bar{x} = 4.12$; local brand name x low price: $\bar{x} = 3.78$). However, when the room rate was high, the respondents perceived lodging facilities with a local brand name ($\bar{x} = 5.68$) as giving more individual attention to their customers than lodging facilities with a national brand name ($\bar{x} = 5.27$).

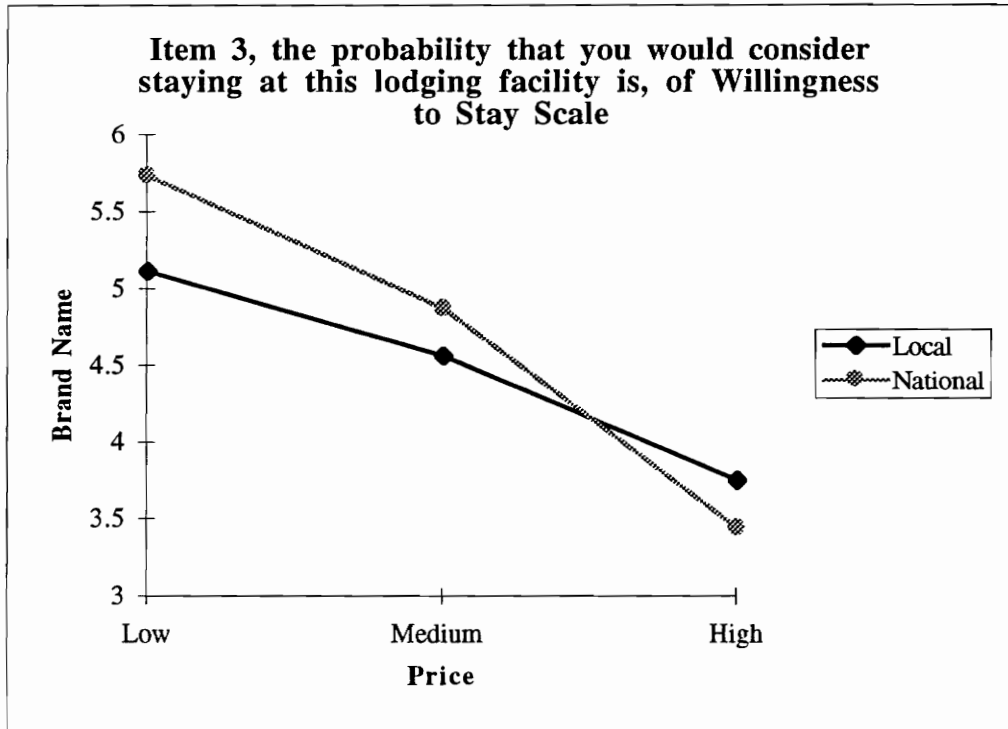
The significant interactions found for both items six, nine, and eighteen of the SERVPERF point out the importance of considering both price and brand name together. Apparently, in two of the significant cases (item six and item nine of the SERVPERF scale), the lowest service evaluations occurred when the respondents perceived lodging facilities to be national brands and low-priced, whereas the highest evaluations resulted when the respondents perceived lodging facilities to be national brands and high-priced. In the case of item eighteen of the SERVPERF scale, the lowest service evaluations occurred when the respondents perceived lodging facilities to be low-priced and local brands, whereas the highest service evaluations occurred when the respondents perceived lodging facilities to be high-priced and local brands.

It was hypothesized that there is a two-way price and brand name interaction effect on consumers' perceptions of service value (H4b). The results indicate that there is no statistically significant two-way price and brand name interaction effect on perceived service value (H4b: $F_{2,230} = .55, p > .50$). Hypothesis Four (b) was not supported.

It was hypothesized that there is a two-way price and brand name interaction effect on consumers' willingness to stay (H4c). The results do not indicate a statistically significant two-way price and brand name interaction effect on the respondents' overall willingness to stay (H4c: $F_{2,234} = 1.10$, $p > .30$). Hypothesis Four (c) was not supported in this study. However, the results indicate that there is a significant two-way price and brand name interaction effect on item three (3: the probability that you would consider staying at this lodging facility is:) of the willingness to stay scale (H4c: $F_{2,230} = 3.28$, $p < .04$).

Figure 9 contains the significant effects on item three of the willingness to stay scale and shows that the two-way price and brand name interaction effect is statistically significant. The results indicate that probability to stay at a lodging facility with a national brand name is significantly higher than probability to stay at a lodging facility with a local brand name when the room rate is either low or medium (national brand name x low price: $\bar{x} = 5.75$; local brand name x low price: $\bar{x} = 5.11$; national brand name x medium price: $\bar{x} = 4.87$; local brand name x medium price: $\bar{x} = 4.57$). However, when the room rate was high, the respondents' probability of staying at a local brand lodging facility ($\bar{x} = 3.75$) was significantly higher than the probability of staying at a national brand lodging facility ($\bar{x} = 3.45$). Clearly, for the probability of staying at a lodging facility, the lowest probability resulted when the respondents perceived the lodging facility to be high-priced and a national brand, whereas the highest probability occurred when the respondents perceived the lodging facility to be low-priced and a national brand. The statistical results of hypothesis Four are presented in Tables 21 and 22.

Figure 9
Two-Way Price and Brand Name Interaction Effect on Item 3, the probability that you would consider staying at this lodging facility is, of Willingness to Stay Scale^a



^a 1 being very low and 7 being very high.

Table 21. Analysis Summary for 2-Way Price and Brand Name Interaction Effect on Perceived Service Quality (SERVPERF)^a

Items	Price x Brand Name			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Quality	2	.04	.07	.928
Tangibles	2	.05	.06	.946
1	2	.26	.13	.882
2	2	.06	.04	.964
3	2	3.84	2.50	.085
4	2	2.54	2.16	.118
Reliability	2	1.37	1.31	.271
5	2	.02	.01	.988
6	2	9.70	5.61	.004**
7	2	.45	.29	.752
8	2	.13	.10	.906
9	2	4.13	3.45	.033*
Responsiveness	2	.31	.28	.754
10	2	1.03	.64	.531
11	2	.60	.31	.734
12	2	.26	.16	.852
13	2	.89	.38	.685
Assurance	2	.22	.35	.705
14	2	.19	.15	.859
15	2	.74	.62	.536
16	2	1.93	1.93	.148
17	2	.05	.03	.969
Empathy	2	.43	.54	.585
18	2	7.85	4.23	.016*
19	2	2.17	1.20	.303
20	2	3.01	1.96	.144
21	2	.34	.21	.813
22	2	1.59	1.17	.313

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Table 22. Analysis Summary for 2-Way Price and Brand Name Interaction on Perceived Service Value and Willingness to Stay^a

Items	Price x Brand Name			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Value	1	1.42	.55	.578
1	2	1.18	.28	.756
2	2	2.79	.65	.521
3	2	1.55	.35	.705
4	2	3.29	.86	.424
5	2	9.67	1.67	.191
Willingness to Stay	1	5.56	1.10	.334
1	2	2.11	.40	.671
2	2	12.47	1.90	.152
3	2	20.26	3.28	.039*
4	2	8.66	1.39	.252

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

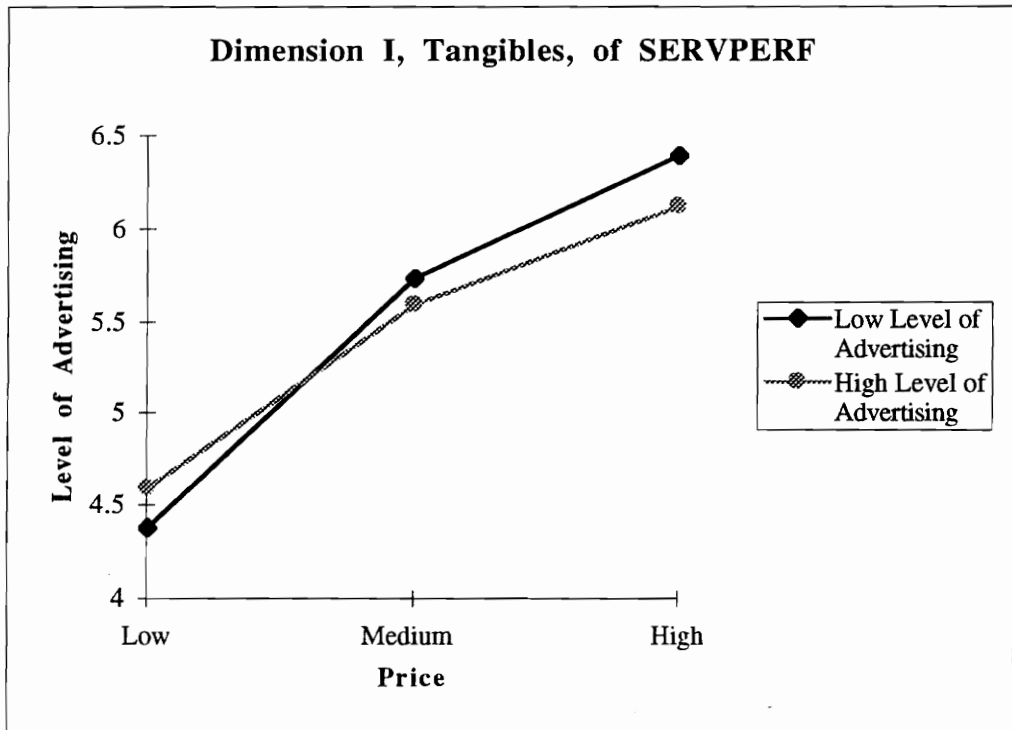
4.4.5 Hypothesis Five

- Hypothesis 5:**
- (a) There is an interaction effect of price and level of advertising on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price and level of advertising on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of price and level of advertising on consumers' willingness to stay at a lodging facility.

It was hypothesized that there is a two-way price and level of advertising interaction effect on consumers' perceptions of service quality (H5a). The results do not support a two-way price and level of advertising interaction effect on overall perceived service quality (H5a: $F_{2,206} = 1.13, p > .30$). However, there is support for a statistically significant two-way price and level of advertising interaction effect on the Tangibles dimension of the SERVPERF (H5a: $F_{2,230} = 4.89, p < .01$). Hypothesis Five (a) was partially supported in this study. There is also strong support for a statistically significant price and level of advertising interaction effect on items six (6: when you have problems, this lodging facility is sympathetic and reassuring) (H5a: $F_{2,236} = 3.69, p < .03$), eighteen (18: this lodging facility does not give you individual attention) (H5a: $F_{2,230} = 6.34, p < .003$), and nineteen (19: employees of this lodging facility do not give you personal attention) (H5a: $F_{2,236} = 8.83, p < .000$) of the SERVPERF scale.

Figure 10 contains the significant effects on the Tangibles dimension of consumers' service quality perceptions and shows that the two-way price and level of advertising interaction effect is significant. When the room rate was low, the respondents' perceptions for the

Figure 10
Two-Way Price and Level of Advertising Interaction Effect on Dimension I, Tangibles, of Perceived Service Quality^a Scale (SERVPERF)



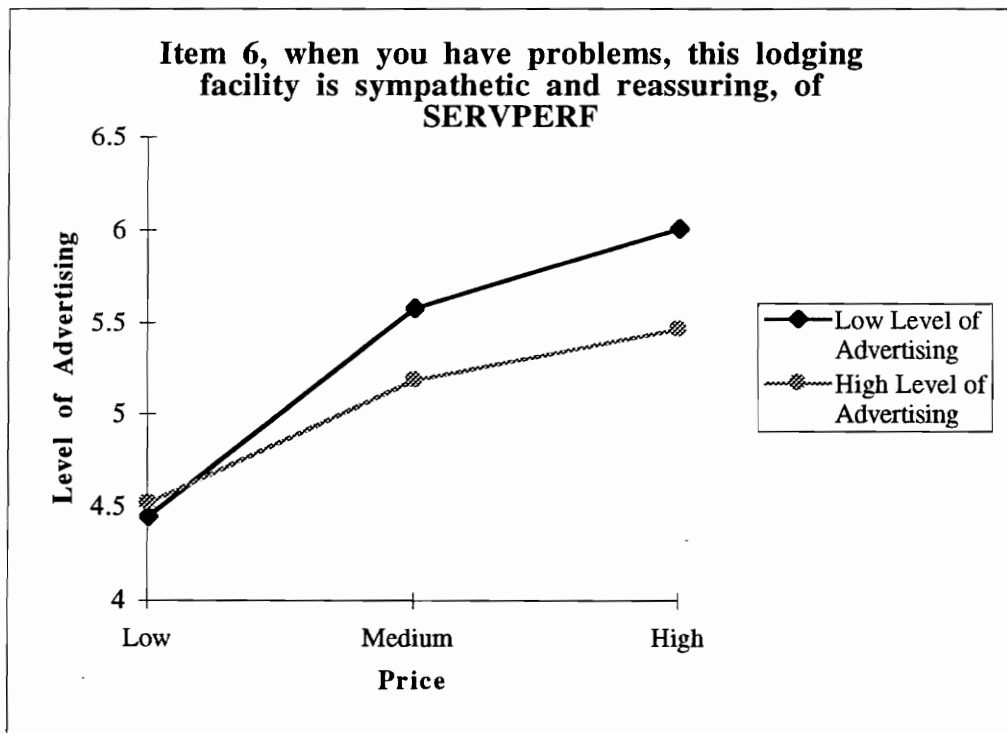
^a 1 being strongly disagree and 7 being strongly agree.

Tangible dimension of service quality were statistically significantly higher for lodging facilities with a high level of advertising ($\bar{x} = 4.16$) than lodging facilities with a low level of advertising ($\bar{x} = 3.67$). However, when the room rate was high, the respondents' perceptions of the Tangible dimension of service quality for lodging facilities with a high level of advertising ($\bar{x} = 6.11$) were statistically significantly lower than those with a low level of advertising ($\bar{x} = 6.33$).

Figure 11 shows that the two-way price and level of advertising interaction effect is significant on item six of the SERVPERF scale. When room rate was either medium or high, the respondents perceived lodging facilities with a low level of advertising as more sympathetic and reassuring than lodging facilities with a high level of advertising (high level of advertising x medium price: $\bar{x} = 5.19$; low level of advertising x medium price: $\bar{x} = 5.58$; high level of advertising x high price: $\bar{x} = 5.46$; low level of advertising x high price: $\bar{x} = 6.02$). However, when the room rate was low, the respondents perceived lodging facilities with a high level of advertising ($\bar{x} = 4.53$) as more sympathetic and reassuring than lodging facilities with a low level of advertising ($\bar{x} = 4.47$).

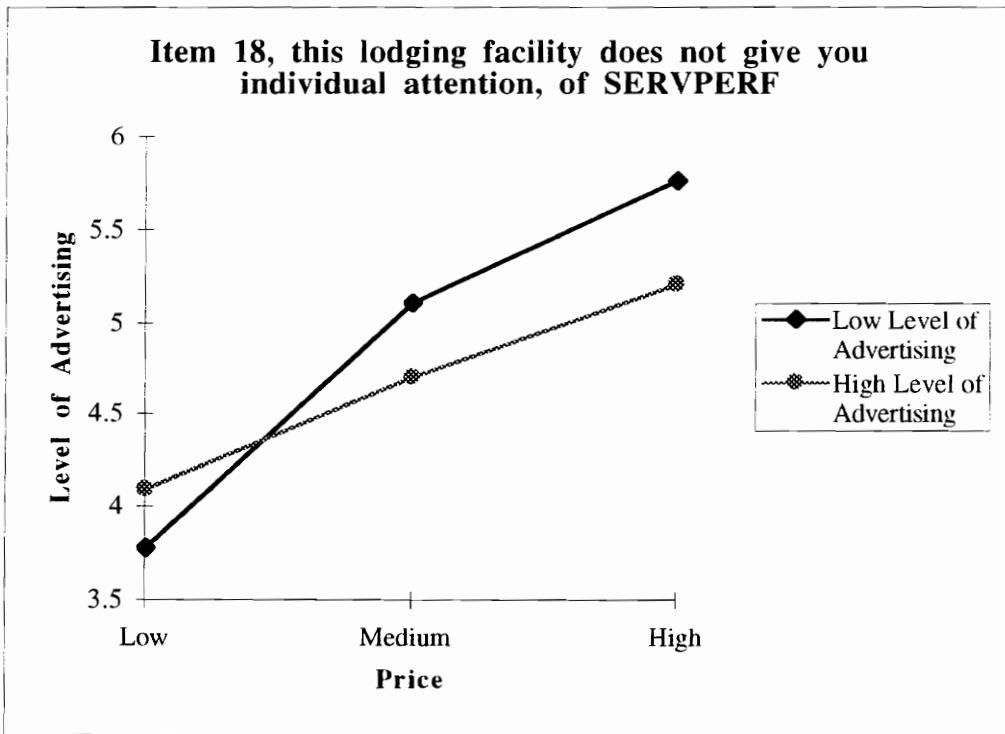
Figures 12 and 13 indicate that the two-way price and level of advertising interaction effect is significant on both items eighteen and nineteen of the SERVPERF scale. The findings indicate that the respondents perceive low-priced lodging facilities with a high level of advertising as giving more personal attention and knowing customers' needs better than low-priced lodging facilities with a low level of advertising. However, when room rate was high, the respondents perceived lodging facilities with a low level of advertising as giving customers more personal attention and knowing their needs better than lodging facilities with a high level of advertising (item eighteen: low level of advertising x low

Figure 11
Two-Way Price and Level of Advertising Interaction Effect on Item Six,
when you have problem, this lodging facility is sympathetic and
reassuring, of Perceived Service Quality^a Scale (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

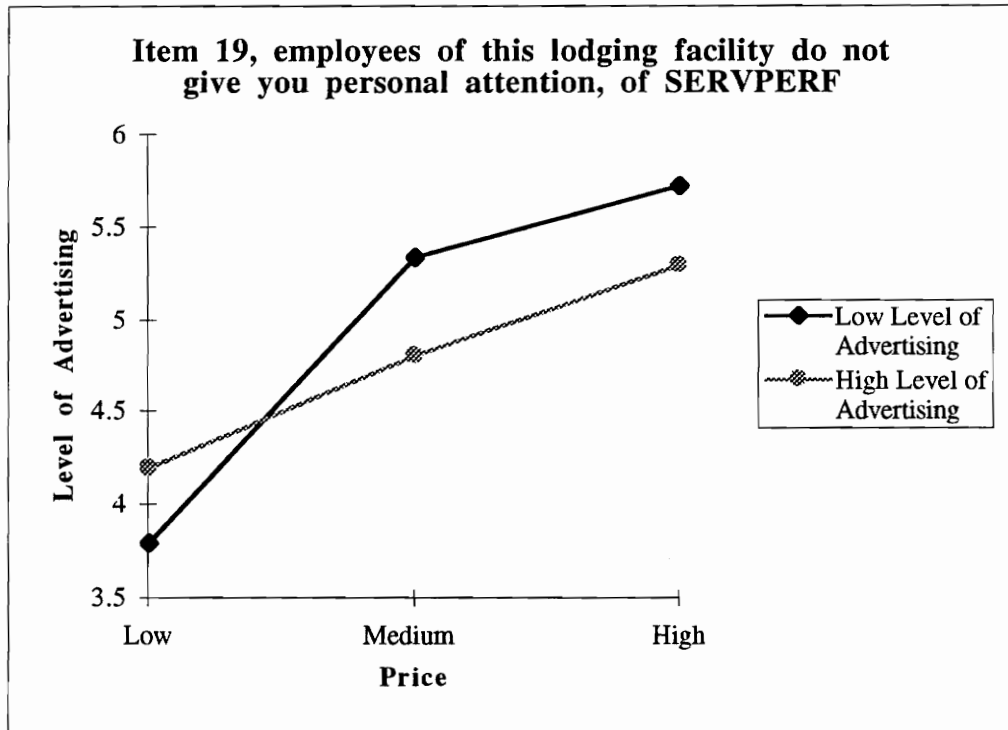
Figure 12
Two-Way Price and Level of Advertising Interaction Effect on Item Eighteen^b, this lodging facility does not give you individual attention, of Perceived Service Quality^a Scale (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

^b Scores have been reversed.

Figure 13
Two-Way Price and Level of Advertising Interaction Effect on Item Nineteen^b, employees of this lodging facility do not give you personal attention, of Perceived Service Quality^a Scale (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

^b Scores have been reversed.

price: $\bar{x} = 3.80$; high level of advertising x low price: $\bar{x} = 4.09$; low level of advertising x high price: $\bar{x} = 5.76$; high level of advertising x high price: $\bar{x} = 5.42$; item nineteen: low level of advertising x low price: $\bar{x} = 3.80$; high level of advertising x low price: $\bar{x} = 4.20$; low level of advertising x high price: $\bar{x} = 5.73$; high level of advertising x high price: $\bar{x} = 5.29$).

The significant interactions of price and level of advertising found for the Tangibles dimension and items six, eighteen, and nineteen of the SERVPERF point out the importance of considering both price and level of advertising together. Clearly, for the Tangibles dimension and items six, eighteen, and nineteen of the SERVPERF scale, the lowest service evaluations occurred when both price and level of advertising were perceived to be low, whereas the highest service evaluations resulted when price was perceived to be high and level of advertising was perceived to be low.

Interestingly, the significant two-way price and level of advertising interactions in this study suggest that in order to obtain better service evaluations, high-priced lodging facilities should maintain a low level of advertising, while low-priced lodging facilities should acquire a high level of advertising.

It was hypothesized that there is a two-way price and level of advertising interaction effect on consumers' perceptions of service value (H5b). The results indicate there is no statistically significant price and level of advertising interaction effect on perceived service value (H5b: $F_{2,230} = .11$, $p > .80$). Hypothesis Five (b) was not supported.

It was also hypothesized that there is a two-way price and level of advertising interaction effect on consumers' perceptions of willingness to stay (H5c). The results do not support a statistically significant price and level of advertising interaction effect on the respondents willingness to stay (H5c: $F_{2,234} = .02, p > .90$). Hypothesis Five (c) was not supported either. The statistical results of hypothesis Five are presented in Tables 23 and 24.

4.4.6 Hypothesis Six

- Hypothesis 6:**
- (a) There is an interaction effect of brand name and level of advertising on the perceived service quality of a lodging facility.
 - (B) There is an interaction effect of brand name and level of advertising on the perceived service value of a lodging facility.
 - (C) There is an interaction effect of brand name and level of advertising on consumers' willingness to stay at a lodging facility.

It was hypothesized that there is a two-way brand name and level of advertising interaction effect on consumers' perceptions of service quality (H6a). The results do not support a two-way brand name and level of advertising interaction effect on overall perceived service quality (H6a: $F_{1,105} = .35, p > .50$). However, there is support for a statistically significant two-way brand name and level of advertising interaction effect on the Reliability dimension (H6a: $F_{1,115} = 4.78, p < .04$) of the SERVPERF scale. Hypothesis Six (a) was partially supported in this study. There is also support for a statistically significant brand name and level of advertising interaction effect on item eleven (11: you do not receive prompt service from this lodging facility's employees) (H6a: $F_{1,118} = 5.80, p < .02$) of the SERVPERF scale. The results are presented in Table 25.

Table 23. Analysis Summary for 2-Way Price and Level of Advertising Interaction Effect on Perceived Service Quality (SERVPERF)^a

Items	Price x Level of Advertising			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Quality	2	.39	.67	.513
Tangibles	2	3.53	4.07	.018*
1	2	7.98	3.87	.022*
2	2	5.36	3.10	.047*
3	2	5.09	3.31	.038*
4	2	1.30	1.10	.333
Reliability	2	1.94	1.85	.159
5	2	2.26	1.42	.244
6	2	6.38	3.69	.026*
7	2	.75	.47	.623
8	2	1.53	1.19	.305
9	2	1.50	1.26	.286
Responsiveness	2	1.17	1.06	.348
10	2	3.32	2.05	.131
11	2	5.32	2.76	.065
12	2	2.43	1.48	.229
13	2	1.33	.57	.568
Assurance	2	.05	.08	.924
14	2	.41	.32	.723
15	2	.30	.25	.777
16	2	.14	.14	.871
17	2	.34	.20	.820
Empathy	2	2.15	2.66	.072
18	2	11.77	6.34	.002**
19	2	16.00	8.83	.000**
20	2	4.03	2.62	.075
21	2	1.41	.86	.425
22	2	.68	.50	.606

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Table 24. Analysis Summary for 2-Way Price and Level of Advertising Interaction on Perceived Service Value and Willingness to Stay^a

Items	Price x Level of Advertising			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Value	1	.28	.11	.897
1	2	5.95	1.41	.245
2	2	4.18	.98	.378
3	2	1.55	.35	.705
4	2	2.45	.64	.527
5	2	1.65	.29	.752
Willingness to Stay	1	.10	.02	.980
1	2	.76	.15	.865
2	2	1.02	.16	.856
3	2	.59	.10	.909
4	2	1.27	.20	.816

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Table 25. Analysis Summary for 2-Way Brand Name and Level of Advertising Interaction Effect on Perceived Service Quality (SERVPERF)^a

Items	Brand Name x Level of Advertising			
	D.F.	Sum of Squares	F Value	Sig. of F.
Perceived Quality	1	.87	.44	.553
Tangibles	1	.41	.19	.661
1	1	4.01	1.09	.298
2	1	.03.39	.13	.716
3	1	1.33.03	.01	.921
4	1	1.33	.48	.490
Reliability	1	14.33	4.78	.031*
5	1	18.27	4.11	.045*
6	1	11.95	2.76	.099
7	1	9.97	3.08	.082
8	1	9.41	2.35	.128
9	1	15.35	4.27	.041*
Responsiveness	1	.71	.18	.675
10	1	4.12	.56	.455
11	1	38.55	5.80	.018*
12	1	.58	.09	.768
13	1	.01	.00	.963
Assurance	1	.02	.01	.940
14	1	9.16	1.43	.235
15	1	1.07	1.07	.624
16	1	.11	.04	.844
17	1	1.30	.26	.610
Empathy	1	1.20	.29	.591
18	1	.51	.51	.766
19	1	3.18	.58	.449
20	1	10.11	1.57	.213
21	1	3.69	.52	.471
22	1	18.03	2.19	.142

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

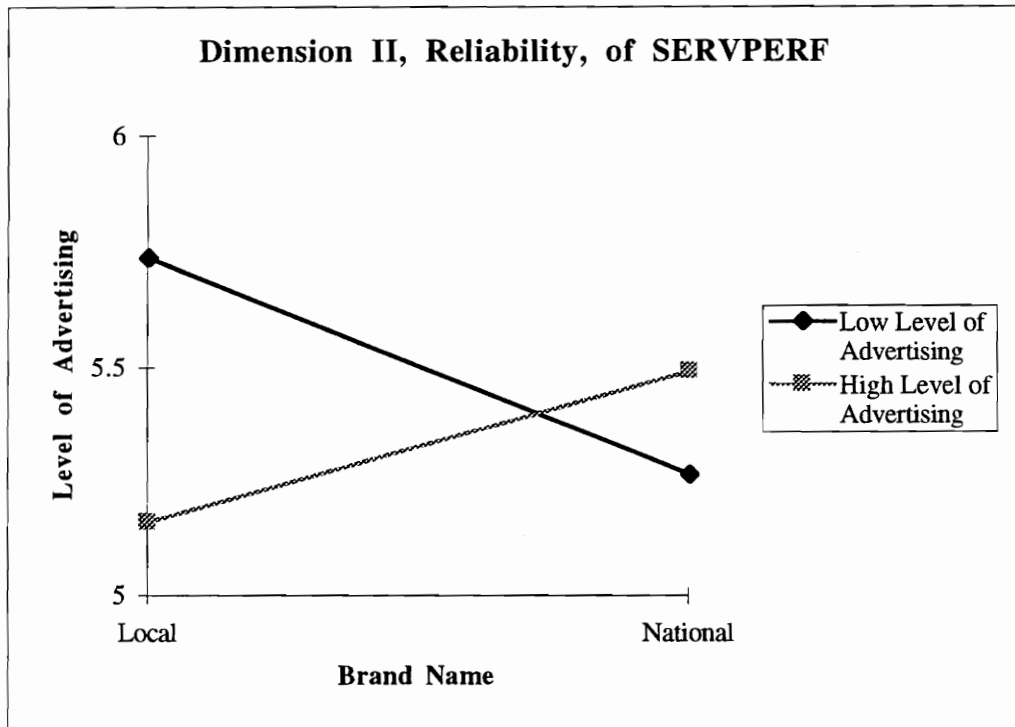
* Statistically significant $p < .05$.

Figure 14 shows that the two-way brand name and level of advertising interaction effect is significant on the Reliability dimension of the SERVPERF scale. The results support the notion that consumers' perceptions of the Reliability dimension of service quality for lodging facilities with a local brand name and a low level of advertising ($\bar{x} = 5.74$) are significantly higher than for lodging facilities with a local brand name and a high level of advertising ($\bar{x} = 5.16$). However, the respondents' perceptions of the Reliability dimension of service quality for lodging facilities with a national brand name and a high level of advertising ($\bar{x} = 5.49$) were significantly higher than for lodging facilities with a national brand name and a low level of advertising ($\bar{x} = 5.27$).

Figure 15 shows that the two-way brand name and level of advertising interaction effect is significant on item eleven of the SERVPERF scale. The findings indicate that the respondents perceive lodging facilities with a high level of advertising and a national brand name ($\bar{x} = 4.85$) as delivering more prompt service than lodging facilities with a low level of advertising and a national brand name ($\bar{x} = 4.43$). However, when brands were local brand names, the respondents perceived lodging facilities with a low level of advertising ($\bar{x} = 5.36$) as delivering more prompt service than lodging facilities with a high level of advertising ($\bar{x} = 4.50$).

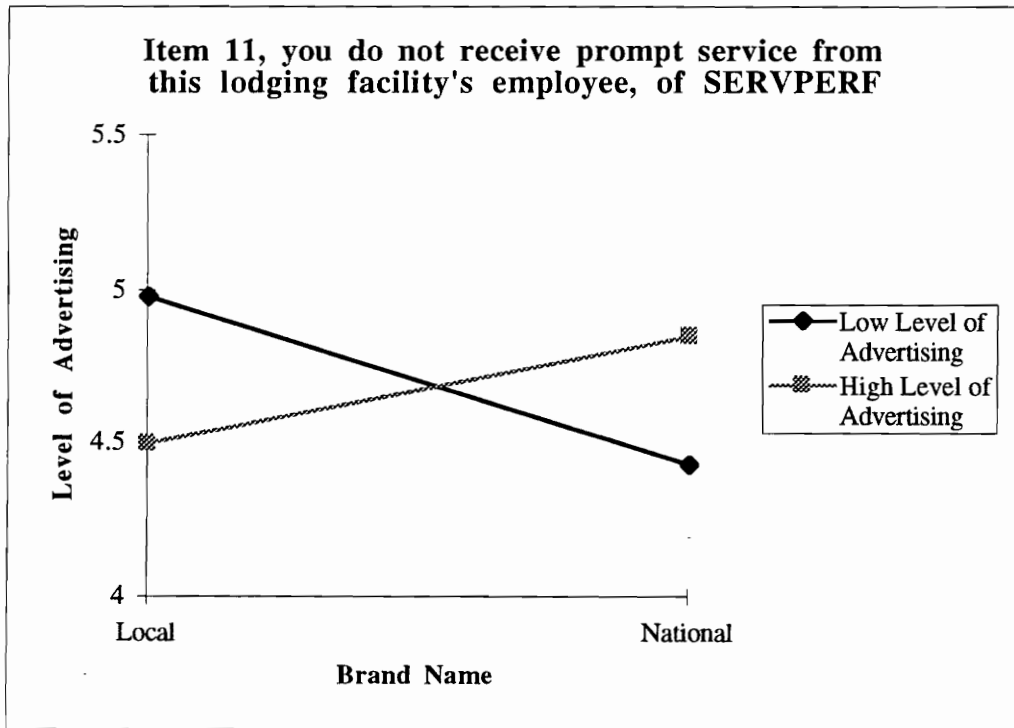
The significant two-way brand name and level of advertising interactions found for the Reliability dimension and item eleven of the SERVPERF indicate the importance of considering both brand name and level of advertising together. Apparently, for the Reliability dimension of the SERVPERF scale, the lowest service evaluations resulted when the respondents perceived lodging facilities to have a high level of advertising and local brands, whereas the highest service evaluations occurred when the respondents perceived lodging facilities to have a low level of advertising and local brands. For item

Figure 14
Two-Way Brand Name and Level of Advertising Interaction Effect on Dimension II, Reliability, of Perceived Service Quality^a Scale (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

Figure 15
Two-Way Brand Name and Level of Advertising Interaction Effect on Item Eleven^b, you do not receive prompt service from this lodging facility's employees, of Perceived Service Quality^a Scale (SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

^b Scores have been reversed.

eleven of the SERVPERF scale, the lowest service evaluations occurred when the respondents perceived lodging facilities to have a national brand name and a low level of advertising, whereas the highest service evaluations resulted when the respondents perceived lodging facilities to have a local brand name and a low level of advertising.

It is interesting to note that the results of the present study suggest that in order to obtain better service evaluations, lodging facilities with a national brand name should advertise a lot, while lodging facilities with a local brand name should maintain a low level of advertising.

It was hypothesized that there is a two-way brand name and level of advertising interaction effect on consumers' perceptions of service value (H6b). The results do not support a statistically significant two-way brand name and level of advertising interaction effect on overall perceived service value (H6b: $F_{1,115} = .97, p > .40$). Hypothesis Six (b) was not supported in this study. However, brand name and level of advertising have a statistically significant interaction effect on item three (3: this lodging facility would be: very poor value for the money/very good value for the money) of the perceived service value scale (H6b: $F_{1,118} = 4.60, p < .40$). The statistical results are presented in Table 26.

Figure 16 contains the significant effects on item three of perceived service value scale and shows that the two-way brand name and level of advertising interaction effect is significant. The results indicate that the respondents perceive lodging facilities with a local brand name and a low level of advertising ($\bar{x} = 4.75$) to have significantly better value for the money than lodging facilities with a local brand name and a high level of advertising ($\bar{x} = 4.49$). However, the respondents perceived lodging facilities with a national brand name and a

Table 26. Analysis Summary for 2-Way Brand Name and Level of Advertising Interaction on Perceived Service Value and Willingness to Stay^a

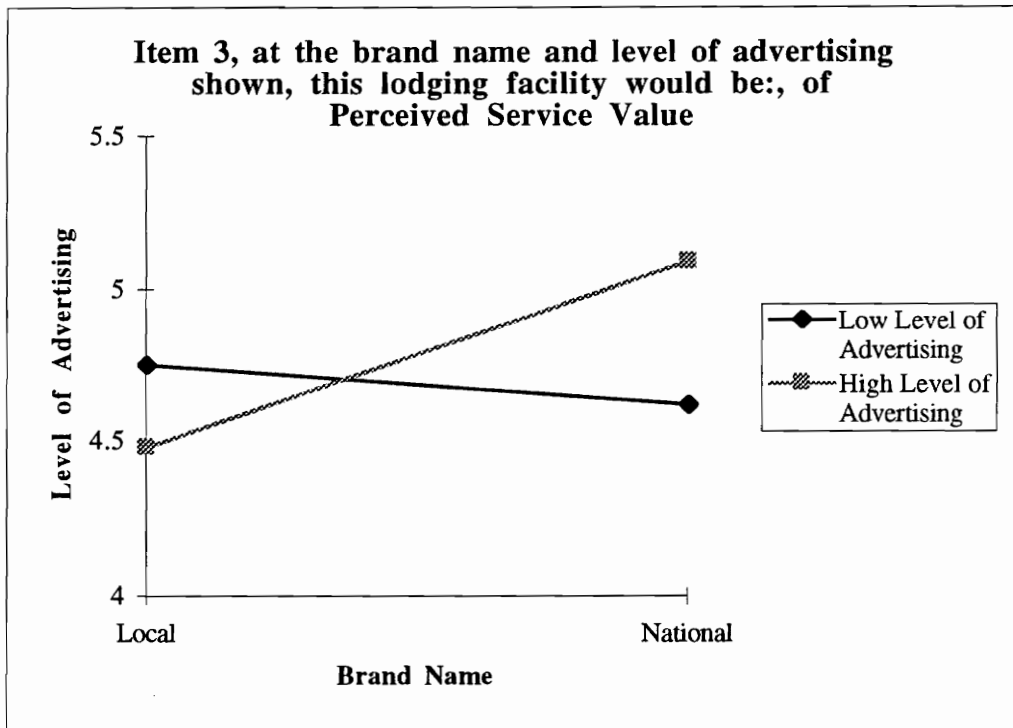
Items	Brand Name x Level of Advertising			
	D.F.	Sum of Squares	F-Value	Sig. of F.
Perceived Value	1	.97	.54	.462
1	1	11.01	2.30	.132
2	1	9.93	2.61	.109
3	1	12.40	4.60	.034*
4	1	.86	.28	.596
5	1	.09	.03	.869
Willingness to Stay	1	.72	.30	.582
1	1	4.84	1.10	.297
2	1	.20	.08	.781
3	1	.73	.27	.606
4	1	.10	.03	.863

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Figure 16
Two-Way Brand Name and Level of Advertising Interaction Effect on Item Three, at the brand name and level of advertising shown, this lodging facility would be:, of Perceived Service Value^a Scale(SERVPERF)



^a 1 being very poor value for the money and 7 being very good value for the money.

high level of advertising ($\bar{x} = 5.09$) to have significantly better value for the money than lodging facilities with a national brand name and a low level of advertising ($\bar{x} = 4.62$).

Apparently, the respondents' perceptions of value for the money were the lowest when they perceived the lodging facilities to have a high level of advertising and local brand name, whereas the respondents' perceptions of value for the money were the highest when they perceived the lodging facilities to have a high level of advertising and national brand name.

It was hypothesized that there is a two-way brand name and level of advertising interaction effect on consumers' willingness to stay at a hotel (H6c). The results indicate that there is no statistically significant two-way brand name and level of advertising interaction effect on the respondents' willingness to stay (H6c: $F_{1,117} = .30$, $p > .50$). Hypothesis Six (c) was not supported. The statistical results are also presented in Table 26.

4.4.7 Hypothesis Seven

- Hypothesis 7:**
- (a) There is an interaction effect of price, brand name and level of advertising on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price, brand name and level of advertising on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of price, brand name, and level of advertising on consumers' willingness to stay at a lodging facility.

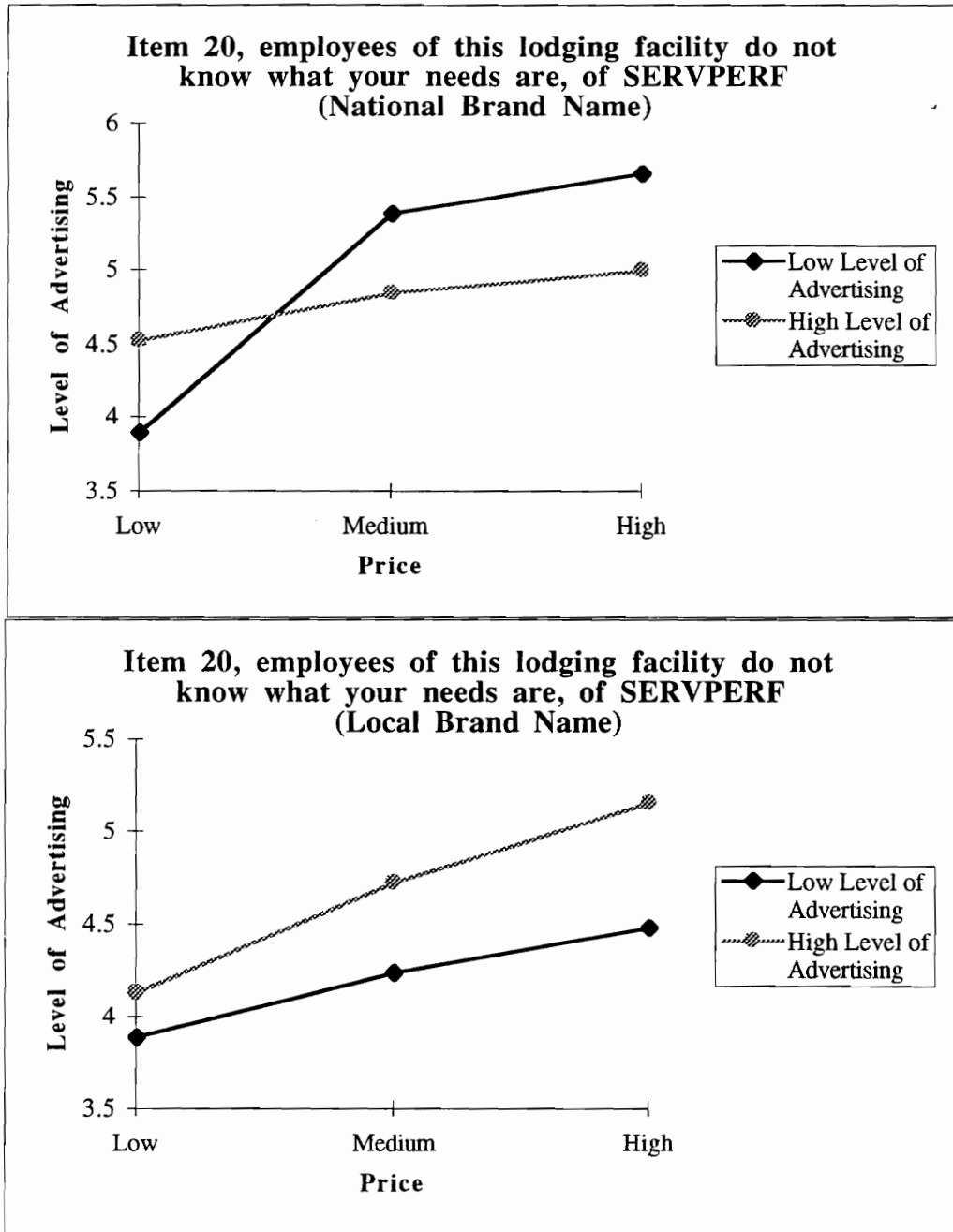
It was hypothesized that there is a three-way price, brand name, and level of advertising interaction effect on consumers' perceptions of service quality (H7a). The three-way price, brand name and level of advertising interaction effect on overall perceived service quality was not supported by this study (H7a: $F_{2,210} = .44, p > .60$). Hypothesis Seven (a) was not supported. However, there is support for a statistically significant three-way price, brand name and level of advertising interaction effect on item twenty (20: employees of this lodging facility do not know what your needs are) of the SERVPERF scale (H7a: $F_{2,234} = 8.54, p < .000$). Figure 17 shows that the three-way price, brand name and level of advertising interaction effect on item twenty of the SERVPERF scale is significant.

In Figure 17, within the plot that represents the respondents' evaluations of a national brand lodging facility's employees' knowledge of consumers' needs, the lowest evaluations occurred when the respondents perceived lodging facilities to be low-priced and have a low level of advertising ($\bar{x} = 3.90$), whereas the highest evaluations occurred when the respondents perceived lodging facilities to be high-priced and have a low level of advertising ($\bar{x} = 5.67$). Within the plot that represents the respondents' evaluations of local brand lodging facility's employees' knowledge of consumers' needs, the lowest evaluations resulted when the respondents perceived lodging facilities to be low-priced and have a low level of advertising ($\bar{x} = 3.90$), whereas the highest evaluations occurred when the respondents perceived lodging facilities to be high-priced and have a high level of advertising ($\bar{x} = 5.17$).

It was hypothesized that there is a three-way price, brand name and level of advertising interaction effect on consumers' perceptions of service value (H7b). The results do not support a statistically significant three-way price, brand name and level of advertising

Figure 17

Three-Way Price, Brand Name and Level of Advertising Interaction Effect on item Twenty^b, employees of this lodging facility do not know what your needs are, of Perceived Service Quality Scale^a Scale(SERVPERF)



^a 1 being strongly disagree and 7 being strongly agree.

^b Scores have been reversed.

interaction effect on perceived service value (H7b: $F_{2,230} = .32, p > .70$). Hypothesis Seven (b) was not supported in this study.

It was hypothesized that there is a three-way price, brand name and level of advertising interaction effect on consumers' willingness to stay at a hotel (H7c). The three-way price, brand name and level of advertising interaction effect is not supported by this study (H7c: $F_{2,234} = .14, p > .80$). Hypothesis Seven (c) was not supported either. The statistical results of hypothesis Seven are presented in Tables 27 and 28.

4.4.8 Hypothesis Eight

Hypothesis 8: The relationship between consumers' perceptions of service quality and perceived service value is positive.

It was hypothesized that as consumers' perceptions of service quality increase, their perceptions of service value would increase (H8). A positive relationship between perceived service quality and perceived service value is partially supported by the stepwise multiple regression results (H8: $r = .24, F_{3,321} = 6.96, p < .000$). The coefficients of items two (2: this lodging facility's physical facilities are visually appealing), seventeen (17: employees get adequate support from this lodging facility to do their jobs well), and twenty-two (22: this lodging facility does not operating hours convenient to all its customers) of the SERVPERF scale are statistically significant (.04 level). Both items seventeen (17) and twenty-two (22) have the expected positive signs, however, item two (2) does not have the expected positive sign (see Table 29). Hypothesis Eight was partially

Table 27. Analysis Summary for 3-Way Price, Brand Name and Level of Advertising Interaction Effect on Perceived Service Quality (SERVPERF)^a

Items	Price x Brand Name x Level of Advertising			
	D.F.	Sums of Squares	F-Value	Sig. of F.
Perceived Quality	2	.25	.35	.646
Tangibles	2	.76	.88	.418
1	2	2.00	.97	.380
2	2	.00	.00	.998
3	2	.87	.57	.569
4	2	.72	.61	.543
Reliability	2	.57	.54	.582
5	2	1.39	.87	.420
6	2	1.06	.61	.542
7	2	1.10	.69	.502
8	2	.01	.01	.993
9	2	.82	.68	.505
Responsiveness	2	.58	.52	.594
10	2	.67	.41	.661
11	2	.37	.19	.824
12	2	.07	.04	.957
13	2	3.53	1.50	.224
Assurance	2	.19	.31	.733
14	2	.23	.18	.837
15	2	.21	.17	.840
16	2	.67	.67	.513
17	2	1.06	.62	.539
Empathy	2	.87	1.08	.342
18	2	.98	.53	.591
19	2	4.01	2.21	.112
20	2	13.14	8.54	.000**
21	2	3.54	2.15	.119
22	2	.48	.35	.703

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

Table 28. Analysis Summary for 3-Way Price, Brand Name and Level of Advertising Interaction Effect on Perceived Service Value and Willingness to Stay^a

Items	Price x Brand Name x Level of Advertising			
	D.F.	Sums of Squares	F-Value	Sig. of F.
Perceived Value	2	.84	.32	.723
1	2	.45	.11	.898
2	2	.43	.10	.905
3	2	2.75	.62	.538
4	2	.63	.17	.847
5	2	3.18	.55	.578
Willingness to Stay	2	.70	.14	.870
1	2	2.82	.54	.586
2	2	.76	.12	.891
3	2	.69	.11	.895
4	2	.90	.14	.866

^a Statistical procedure used is Repeated Measures Analysis of Variance.

** Statistically significant $p < .01$

* Statistically significant $p < .05$

Table 29. Analysis Summary for Perceived Service Quality-Perceived Service Value Relationship^a

Variables		Lodging Facility			
Criterion	Predictor	Beta ^b	Sig. T	R ²	Adj. R ²
Perceived Service Value	1	-.06	.480	.06	.05
	2	-.27	.000**		
	3	.11	.173		
	4	.06	.327		
	5	.07	.317		
	6	-.08	.288		
	7	-.02	.835		
	8	.07	.345		
	9	.03	.653		
	10	.06	.230		
	11	.02	.725		
	12	.06	.377		
	13	-.06	.387		
	14	.02	.719		
	15	-.08	.271		
	16	-.08	.272		
	17	.15	.009**		
	18	.01	.910		
	19	-.02	.737		
	20	.06	.314		
	21	.06	.382		
	22	.09	.048*		

Description of Independent Variable

Perceived Service Quality

1. This lodging facility has up-to-date equipment.
2. This lodging facility's physical facilities are visually appealing.
3. This lodging facility's employees are well dressed and appear neat.
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.
5. When this lodging facility promises to do something by a certain time, it does so.
6. When you have problems, this lodging facility is sympathetic and reassuring.
7. This lodging facility is dependable.
8. This lodging facility provides its services at the time it promises to do so.
9. This lodging facility keeps its records accurately.
10. This lodging facility does not tell its customers exactly when services will be performed.

11. You do not receive prompt service from this lodging facility's employees.
12. Employees of this lodging facility are not always willing to help customers.
13. Employees of this lodging facility are too busy to respond to customer's requests promptly.
14. You can trust employees of this lodging facility.
15. You can feel safe in your transactions with this lodging facility's employees.
16. Employees of this lodging facility are polite.
17. Employees get adequate support from this lodging facility to do their jobs well.
18. This lodging facility does not give you individual attention.
19. Employees of this lodging facility do not give you personal attention.
20. Employees of this lodging facility do not know what your needs are.
21. This lodging facility does not have your best interests at heart.
22. This lodging facility does not have operating hours convenient to all their customers.

^a Statistical procedure used is Stepwise Multiple Regression Analysis.

^b Standardized regression coefficient.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

supported in this study because of the unexpected sign of item two of the SERVPERF scale.

To explore this hypothesis, consider each SERVPERF item that had a significant relationship with perceived service value in turn. Employees getting adequate support from the company to do their jobs well seemed to be an important attribute in judgments of service value. Having operating hours convenient to all consumers also seemed to be an important attribute in judgments of service value. However, having visually appealing physical facilities seemed to have a negative impact on consumers' judgment of service value. This may be due to the fact that visually appealing physical facilities usually imply a higher monetary sacrifice.

4.4.9 Hypothesis Nine

Hypothesis 9: The relationship between consumers' perceptions of service quality and their willingness to stay at a lodging facility is positive.

It was hypothesized that as consumers' perceptions of service quality increased, their willingness to stay would increase (H9). Findings partially support this hypothesis (H9: $r = .30$, $F_{5,332} = 6.47$, $p < .000$). The coefficients of item two (2: this lodging facility's physical facilities are visually appealing), seven (7: this lodging facility is dependable), ten (10: this lodging facility does not tell its customers exactly when services will be performed), sixteen (16: employees of this lodging are polite), and seventeen (17: employees get adequate support from this lodging facility to do their jobs well) are statistically significant (.04 level). Items seven (7), ten (10), sixteen (16) and seventeen (17) have the expected positive signs, however, item two (2) does not have the expected

positive sign (see Table 30). Hypothesis Nine was partially supported due to the unexpected sign of item two of the SERVPERF scale.

To explore this hypothesis, consider each SERVPERF item that had a significant relationship with willingness to stay in turn. Being dependable and informing consumers exactly when services will be performed seemed to be important attributes in judgments of willingness to stay. It is also important for employees to get adequate support from the company to do their jobs well in consumers' judgments of willingness to stay. Having polite employees was important in increasing consumers' willingness to stay. However, findings of this study suggest that having visually appealing physical facilities decreases consumers' willingness to stay.

4.4.10 Hypothesis Ten

Hypothesis 10: The relationship between consumers' perceptions of service value and their willingness to stay at a lodging facility is positive.

It was hypothesized that as consumers' perceptions of service value increased, their willingness to stay would increase (H10). Regression results strongly support a positive relationship between perceived service value and willingness to stay (H10: $r = .80$, $F_{5,353} = 163.55$, $p < .000$). The results indicate that variations in perceived service value account for significant variation in willingness to stay. The coefficients for item two (2: this lodging facility is considered to be a good buy: strongly disagree/strongly agree), three (3: this lodging facility would be: very poor value for the money/very good value for the money), four (4: this lodging facility would be: very economical/very uneconomical), and

Table 30. Analysis Summary for Perceived Service Quality-Willingness to Stay Relationship^a

Variables		Lodging Facility			
Criterion	Predictor	Beta ^b	Sig. T	R ²	Adj. R ²
Willingness to Stay	1	.00	.970	.09	.08
	2	-.28	.000**		
	3	.00	.994		
	4	.00	.981		
	5	.06	.462		
	6	-.16	.116		
	7	.28	.003**		
	8	.04	.684		
	9	.05	.510		
	10	.14	.019*		
	11	-.03	.612		
	12	.01	.940		
	13	-.04	.525		
	14	.05	.441		
	15	-.05	.514		
	16	.22	.045*		
	17	.24	.000**		
	18	.09	.194		
	19	-.05	.540		
	20	.08	.190		
	21	.08	.238		
	22	-.00	.977		

Description of Independent Variable

Perceived Service Quality

1. This lodging facility has up-to-date equipment.
2. This lodging facility's physical facilities are visually appealing.
3. This lodging facility's employees are well dressed and appear neat.
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.
5. When this lodging facility promises to do something by a certain time, it does so.
6. When you have problems, this lodging facility is sympathetic and reassuring.
7. This lodging facility is dependable.
8. This lodging facility provides its services at the time it promises to do so.
9. This lodging facility keeps its records accurately.
10. This lodging facility does not tell its customers exactly when services will be performed.

11. You do not receive prompt service from this lodging facility's employees.
12. Employees of this lodging facility are not always willing to help customers.
13. Employees of this lodging facility are too busy to respond to customer's requests promptly.
14. You can trust employees of this lodging facility.
15. You can feel safe in your transactions with this lodging facility's employees.
16. Employees of this lodging facility are polite.
17. Employees get adequate support from this lodging facility to do their jobs well.
18. This lodging facility does not give you individual attention.
19. Employees of this lodging facility do not give you personal attention.
20. Employees of this lodging facility do not know what your needs are.
21. This lodging facility does not have your best interests at heart.
22. This lodging facility does not have operating hours convenient to all their customers.

^a Statistical procedure used is Stepwise Multiple Regression Analysis.

^b Standardized regression coefficient.

** Statistically significant $p < .01$.

* Statistically significant $p < .05$.

five (5: this lodging facility would be: very unacceptable/very acceptable) of perceived service value scale are statistically significant (.002 level) and have the expected positive signs (see Table 31). Hypothesis Ten was supported in this study.

To explore this hypothesis further, consider each service value item in turn. The findings suggest that the respondents' perceptions of whether a hotel room is a good buy is significantly related to their willingness to stay. The results support that consumers are looking for a good buy and good value for the money in judgments of willingness to stay. The results support the notion that as consumers' perceptions for the mix of price, brand name, and level of advertising changed from very uneconomical to very economical, their willingness to stay would also increase. Research findings also support the notion that as consumers' perceptions for the mix of price, brand name, and level of advertising changed from very unacceptable to very acceptable, their willingness to stay would also increase.

4.5 Summary

This chapter presented the analysis and results regarding the testing of the ten hypotheses pertaining to the effect of price, brand name, and level of advertising on perceived service quality, perceived service value, and willingness to stay.

The chapter began with a description of the sample. This description of the sample included a description of demographic characteristics of the sample and a description of leisure trip activities. A description of the preliminary data analysis followed. This preliminary analysis included a check on the reliability of the multiple-item scales employed

Table 31. Analysis Summary for Perceived Service Value-Willingness to Stay Relationship^a

Variables		Lodging Facility			
Criterion	Predictor	Beta ^b	Sig. T	R ²	Adj. R ²
Willingness to Stay	1	.01	.799	.65	.64
	2	.30	.000**		
	3	.20	.000**		
	4	.13	.000**		
	5	.37	.002**		

Description of Independent Variable

Perceived Service Value

1. This service is a: (very good value for the money to very poor value for the money)
2. At the price, brand name and level of advertising shown the service is: (very economical to very uneconomical)
3. The service is considered to be a good buy: (extremely disagree to extremely agree)
4. The price, brand name and level of advertising shown for the service is: (very acceptable to very unacceptable)
5. This service appears to be a bargain: (extremely disagree to extremely agree)

^a Statistical procedure used is Stepwise Multiple Regression Analysis.

^b Standardized regression coefficient.

** Statistically significant $p < .01$

for the three constructs, namely, perceived service quality, perceived service value, and willingness to stay. The analysis of the data followed with a statistical exploration using repeated measures analysis of variance with two between-subjects variables and one within-subjects variable design, and multiple regression analysis for each of the dependent measures of perceived service quality, perceived service value, and willingness to stay.

The results of the experiment are analyzed and discussed in terms of support for the ten hypotheses. The analyses gave strong support for price effects on the three dependent variables and the positive relationship between perceived service value and willingness to stay. In general, brand name and level of advertising had no significant main effect on the three dependent variables in this study (see Tables 32 and 33). However, the interaction effects involving brand name and level of advertising had moderate effects on the three constructs of perceived service quality, perceived service value, and willingness to stay (purchase intention). The analyses also gave support for significant relationships among the constructs of perceived service quality, perceived service value, and willingness to stay. A summary of the results for the ten hypotheses is shown in Table 34.

Table 32. Summary of Repeated Measures Analysis of Variance for Perceived Service Quality and the 5 Dimensions of Perceived Service Quality

Source of Variation	Perceived Service Quality				Tangibles			
	Sum of Squares	D.F.	Mean Square	F-Value	Sum of Squares	D.F.	Mean Square	F-Value
Main Effects								
A. Price	73.97	2	36.98	128.31***	191.38	2	95.69	220.61***
B. Brand Name	.21	1	.21	.08	1.32	1	1.32	.62
C. Level of Advertising	.00	1	.00	.00	.38	1	.38	.18
Two -Way Interactions								
A x B	.04	2	.02	.07	.05	2	.02	.06
A x C	.39	2	.19	.67	3.53	2	1.76	4.07**
B x C	.87	1	.87	.35	.41	1	.41	.19
Three-Way Interaction								
A x B x C	.25	2	.13	.44	.76	2	.38	.88

*** Statistically significant $p = .000$.

** Statistically significant $p < .05$.

* Statistically significant $p < .10$.

Source of Variation	Reliability			Responsiveness		
	Sum of Squares	D.F.	F-Value	Sum of Squares	D.F.	F-Value
Main Effects						
A. Price	82.12	2	78.34***	71.28	2	64.29***
B. Brand Name	.47	1	.16	.40	1	.10
C. Level of Advertising	2.87	1	.96	1.22	1	.30
Two -Way Interactions						
A x B	1.37	2	.69	.31	2	.28
A x C	1.94	2	.97	1.17	2	1.06
B x C	14.33	1	14.33	.71	1	.18
Three-Way Interaction						
A x B x C	.57	2	.28	.58	2	.52

*** Statistically significant $p = .000$.

** Statistically significant $p < .05$.

* Statistically significant $p < .10$.

Source of Variation	Assurance				Empathy			
	Sum of Squares	D.F.	Mean Square	F-Value	Sum of Squares	D.F.	Mean Square	F-Value
Main Effects								
A. Price	40.79	2	20.39	65.66***	67.73	2	33.87	83.84***
B. Brand Name	.14	1	.14	.05	.66	1	.66	.16
C. Level of Advertising	.18	1	.18	.06	.39	1	.39	.09
Two -Way Interactions								
A x B	.22	2	.11	.35	.43	2	.22	.54
A x C	.05	2	.02	.08	2.15	2	1.07	2.66*
B x C	.02	1	.02	.01	1.20	1	1.20	.29
Three-Way Interaction								
A x B x C	.19	2	.10	.31	.87	2	.43	1.08

*** Statistically significant $p = .000$.

** Statistically significant $p < .05$.

* Statistically significant $p < .10$.

Table 33. Summary of Repeated Measures Analysis of Variance for Perceived Service Value and Willingness to Stay

Source of Variation	Perceived Service Value				Willingness to Stay			
	Sum of Squares	D.F.	Mean Square	F-Value	Sum of Squares	D.F.	Mean Square	F-Value
Main Effects								
A. Price	207.52	2	103.67	80.15**	140.69	2	70.34	27.86**
B. Brand Name	1.57	1	1.57	.89	4.61	1	4.61	.04
C. Level of Advertising	.95	1	.95	.53	.09	1	.09	.30
Two -Way Interactions								
A x B	1.42	2	.71	.55	5.56	2	2.78	1.10
A x C	.28	2	.14	.11	.10	2	.05	.02
B x C	.97	1	.97	.54	.72	1	.72	.30
Three-Way Interaction								
A x B x C	.84	2	.42	.32	.70	2	.35	.14

** Statistically significant p = .000.

Table 34. Summary of Hypothesized Results

Hypothesis	Relationship	Sig. of F.
1a	Price-Perceived Service Quality	.000**
1b	Price-Perceived Service Quality	.000**
1c	Price-Perceived Service Value	.000**
2a	Brand Name-Perceives Service Quality	.772
2b	Brand Name-Perceived Service Value	.348
2c	Brand Name-Willingness to Stay	.164 ^a
3a	Level of Advertising-Perceived Service Quality	.996
3b	Level of Advertising-Perceived Service Value	.446
3c	Level of Advertising-Willingness to Stay	.847
4a	Price x Brand Name-Perceived Service quality	.928 ^a
4b	Price x Brand Name-Perceived Service Value	.578
4c	Price x Brand Name-Willingness to Stay	.334 ^a
5a	Price x Level of Advertising-Perceived Service Quality	.513 ^a
5b	Price x Level of Advertising-Perceived Service value	.897
5c	Price x Level of Advertising-Willingness to Stay	.980
6a	Brand Name x Level of Advertising-Perceived Service Quality	.553 ^a
6b	Brand Name x Level of Advertising-Perceived Service Value	.462 ^a
6c	Brand name x Level of Advertising-Willingness to Stay	.582
7a	Price x Brand Name x Level of Advertising-Perceived Service Quality	.646 ^a
7b	Price x Brand Name x Level of Advertising-Perceived Service Value	.723
7c	Price x Brand Name x Level of Advertising-Willingness to Stay	.870
8	Perceived Service Quality-Perceived Service Value	.000**
9	Perceived Service Quality-Willingness to Stay	.000**
10	Perceived Service Value-Willingness to Stay	.000**

^a There is (are) significant effect(s) on either the individual dimension and/or the individual item(s) of the scale.

** Statistically significant $p < .000$.

Chapter V

Conclusions and Future Directions

The final chapter of the dissertation summarizes the significance of the research findings. Based on the interpretation of these research findings, the significance of the research is examined. Finally, an assessment of the limitations of this empirical study are presented, followed by a discussion of possible directions for future research.

5.1 Overview of the Study

The objective of this study was to investigate empirically the effects of price, brand name, and level of advertising on consumers' perceptions of service quality, service value, and willingness to stay at lodging facilities. Additionally, it investigated the relationships among perceived service quality, perceived service value, and willingness to stay within a conceptual model proposed in this study (see page 10) that is expanded from two earlier models. One is derived by Zeithaml (1988) (see page 37) and the other is derived by Dodds, Monroe, and Grewal (1991) (see page 36). From the conceptual model, hypotheses for service perceptions are posited for the three constructs of perceived service quality, perceived service value, and willingness to stay as affected by price, brand name, and level of advertising.

The propositions were empirically tested in the form of operational hypotheses about the effects of price, brand name, and level of advertising on the dependent measures of perceived service quality, perceived service value, and willingness to stay.

5.2 Major Findings

Overall, this research lends additional support to the conceptual scheme and previous body of research that suggests that consumers use price as an indicator for product quality. At the same time, as price increases, perceived monetary sacrifice increases, therefore, perceived value decreases. A summary of the results for the ten hypotheses is shown in

Table 35. Figure 18 represents the hypothesis testing results of the hypothesized model (Figure 4).

5.2.1 Hypothesis One

Hypothesis 1: As price increases from a low-priced lodging facility to a higher-priced lodging facility,

- (a) the relationship between price and perceived service quality is positive.
- (b) the relationship between price and perceived service quality is a positive linear relationship.
- (c) the relationship between price and perceived service value is negative.

The results strongly support the notion that price has a significant positive effect on consumers' overall service quality perceptions (H1a: $F_{2, 206} = 130.96$, $p < .000$). Price had a highly significant impact on all the five dimensions of SERVPERF at .000 level and its effect was significant at .000 level on all the twenty-two items of SERVPERF. Hypothesis One (a) was supported in this study. The results strongly support a positive linear trend of price on respondents' perceptions of service quality (H1b: $F_{1,330} = 84.18$, $p < .000$). Hypothesis One (b) was supported. The results also strongly support a significant negative price effect on consumers' overall perceptions of service value (H1c: $F_{2,228} = 70.93$, $p < .000$). Hypothesis One (c) was also supported.

Table 35. Summary of Hypothesized Results

Hypothesis	Relationship	Results
1a	Price-Perceived Service Quality	Strong Support
1b	Price-Perceived Service Quality	Strong Support
1c	Price-Perceived Service Value	Strong Support
2a	Brand Name-Perceives Service Quality	No Support
2b	Brand Name-Perceived Service Value	No Support
2c	Brand Name-Willingness to Stay	No Support
3a	Level of Advertising-Perceived Service Quality	No Support
3b	Level of Advertising-Perceived Service Value	No Support
3c	Level of Advertising-Willingness to Stay	No Support
4a	Price x Brand Name-Perceived Service quality	No Support
4b	Price x Brand Name-Perceived Service Value	No Support
4c	Price x Brand Name-Willingness to Stay	No Support
5a	Price x Level of Advertising-Perceived Service Quality	Partial Support
5b	Price x Level of Advertising-Perceived Service value	No Support
5c	Price x Level of Advertising-Willingness to Stay	No Support
6a	Brand Name x Level of Advertising-Perceived Service Quality	Partial Support
6b	Brand Name x Level of Advertising-Perceived Service Value	No Support
6c	Brand name x Level of Advertising-Willingness to Stay	No Support
7a	Price x Brand Name x Level of Advertising-Perceived Service Quality	No Support
7b	Price x Brand Name x Level of Advertising-Perceived Service Value	No Support
7c	Price x Brand Name x Level of Advertising-Willingness to Stay	No Support
8	Perceived Service Quality-Perceived Service Value	Partial Support
9	Perceived Service Quality-Willingness to Stay	Partial Support
10	Perceived Service Value-Willingness to Stay	Strong Support

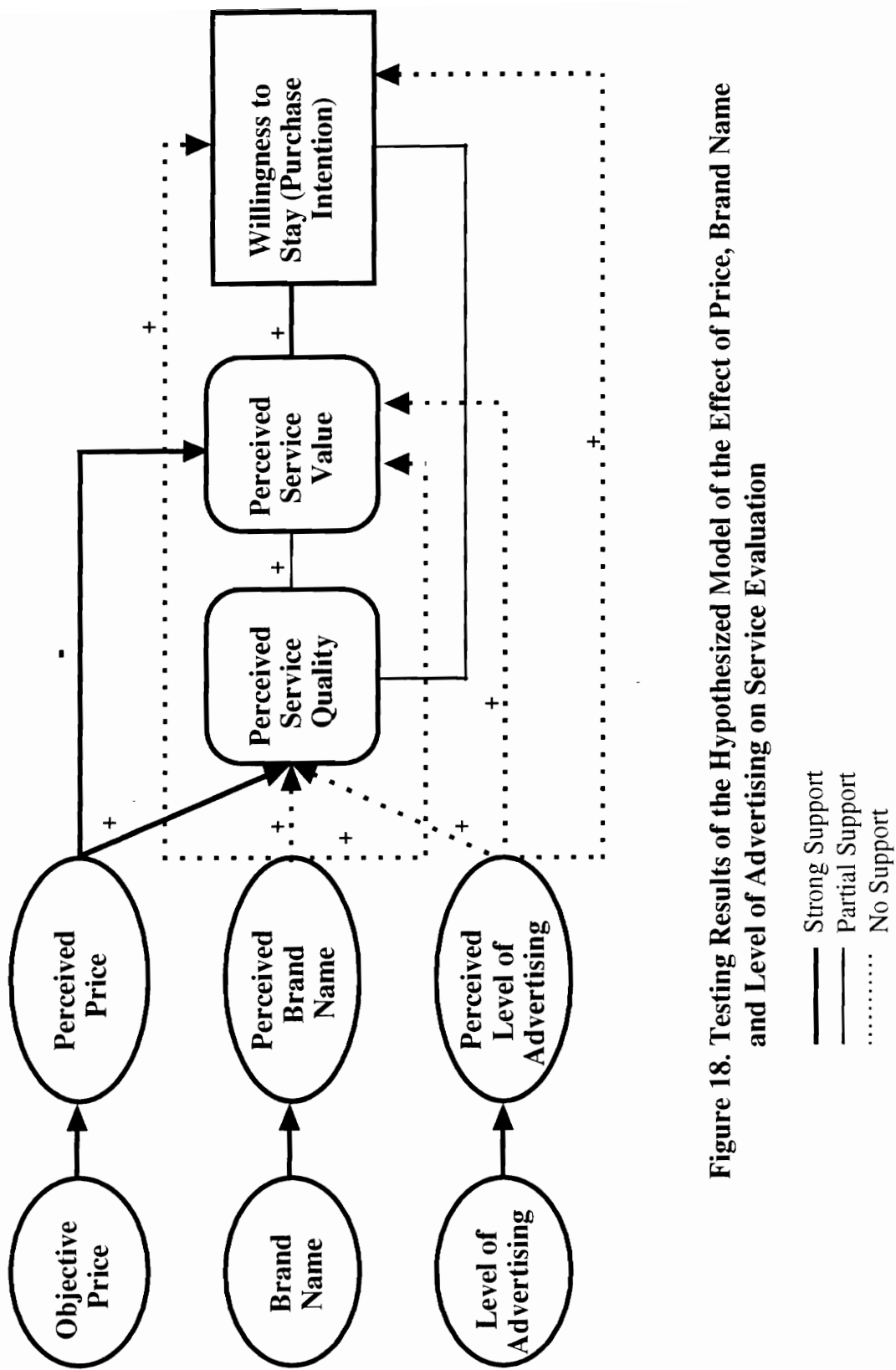


Figure 18. Testing Results of the Hypothesized Model of the Effect of Price, Brand Name and Level of Advertising on Service Evaluation

The results of the current study indicate that as consumers' perceptions of price increased, their perceptions of service quality would increase, while their perceptions of service value would decrease.

5.2.2 Hypothesis Two

Hypothesis 2: When perceptions of brand name change from a local independent brand to a national brand model,

- (a) the relationship between brand name and perceived service quality is positive.
- (b) the relationship between brand name and perceived service value is positive.
- (c) the relationship between brand name and willingness to stay is positive.

The results of this study do not indicate a statistically significant brand name effect on the respondents' overall perceptions of service quality (H2a: $F_{1,103} = .26, p > .60$). Hypothesis Two (a) was not supported in this study. The results also do not support a significant brand name effect on the respondents' overall service value perceptions (H2b: $F_{1,114} = .07, p > .70$). Hypothesis Two (b) was not supported. The brand name effect on the respondents' overall willingness to stay is not supported by this study (H2c: $F_{1,116} = .54, p > .40$). However, brand name had an almost significant effect on the first item of the willingness to stay scale ($F_{1,117} = 3.89, p = .051$). Hypothesis Two (c) was not supported.

The results of this study indicate that when price and level of advertising information is available, brand name does not have any significant main effect on neither consumers' perceptions of service quality nor their perceived service value. However, brand name had an almost significant impact on consumers' consideration staying at a lodging facility.

5.2.3 Hypothesis Three

Hypothesis 3: As level of advertising increases from a low advertising level to a higher advertising level ,

- (a) the relationship between level of advertising and perceived service quality is positive.
- (b) the relationship between level of advertising and perceived service value is positive.
- (c) the relationship between level of advertising and willingness to stay at a lodging facility is positive.

The results of this study do not support a significant level of advertising effect on the respondents' perceptions of service quality (H3a: $F_{1,103} = .00$, $p > .90$). Hypothesis Three (a) was not supported. The results indicate that there is no significant level of advertising effect on perceived service value (H3b: $F_{1,114} = .30$, $p > .50$). Hypothesis Three (b) was not supported. Level of advertising effect is also not significant on the respondents' willingness to stay (H3c: $F_{1,116} = .10$, $p > .70$). Hypothesis Three (c) was not supported either.

The findings of this research suggest that when price and brand name information is present, level of advertising did not have any significant main effect on consumers' perceptions of service quality, service value, or their willingness to stay.

5.2.4 Hypothesis Four

- Hypothesis 4:**
- (a) There is an interaction effect of price and brand name on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price and brand name on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of price and brand name on consumers' willingness to stay at a lodging facility.

The results do not support a statistically significant two-way price and brand name interaction effect on overall perceived service quality (H4a: $F_{2,210} = .07$, $p > .90$). Hypothesis Four (a) was not supported. However, there is support for a statistically significant two-way price and brand name interaction effect on item six (H4a: $F_{2,236} = 5.61$, $p < .01$) and item nine (H4a: $F_{2,236} = 3.45$, $p < .05$) and item eighteen (H4a: $F_{2,230} = 4.23$, $p < .02$) of SERVPERF scale. The results indicate that there is no statistically significant two-way price and brand name interaction effect on perceived service value (H4b: $F_{2,230} = .55$, $p > .50$). Hypothesis Four (b) was not supported. The results also do not indicate a statistically significant two-way price and brand name interaction effect on the respondents' overall willingness to stay ($F_{2,234} = 1.10$, $p > .30$). Hypothesis Four (c) was not supported. However, the results indicate that there is a significant two-way price

and brand name interaction effect on item three of the willingness to stay scale (H4c: $F_{2,230} = 3.28, p < .04$).

Findings revealed that when the room rate is either low or medium, consumers' probability to stay at a national brand lodging facility is significantly higher than probability to stay at a local brand name lodging facility. However, when room rate was high, consumers' probability to stay at a local brand lodging facility was significant higher than probability to stay at a national brand lodging facility.

5.2.5 Hypothesis Five

- Hypothesis 5:**
- (a) There is an interaction effect of price and level of advertising on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price and level of advertising on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of price and level of advertising on consumers' willingness to stay at a lodging facility.

The results do not support a significant two-way price and level of advertising interaction effect on overall perceived service quality (H5a: $F_{2,206} = 1.13, p > .30$). However, there is support for a statistically significant two-way price and level of advertising interaction effect on the Tangibles dimension (H5a: $F_{2,230} = 4.89, p < .01$) of the SERVPERF scale. Hypothesis Five (a) was partially supported in this study. There is also support for a statistically significant two-way price and level of advertising interaction effect on items six (H5a: $F_{2,236} = 3.69, p < .03$), eighteen (H5a: $F_{2,230} = 6.34, p < .003$), and nineteen (H5a:

$F_{2,236} = 8.83, p < .000$) of the SERVPERF scale. The results indicate there is no statistically significant price and level of advertising interaction effect on perceived service value (H5b: $F_{2,230} = .11, p > .80$). Hypothesis Five (b) was not supported. The results do not support a statistically significant price and level of advertising interaction effect on the respondents' willingness to stay (H5c: $F_{2,234} = .02, p > .90$). Hypothesis Five (c) was not supported in the current study.

The findings of this study indicate that in order to obtain better service evaluations, high-priced lodging facilities should maintain a low level of advertising, while low-priced lodging facilities should acquire a high level of advertising. This result is consistent with the general phenomenon in the marketplace: levels of advertising for high-priced products are usually low in order to communicate the prestige associated with the products, while levels of advertising for low-priced products are generally high in order to reach a higher sales volume to obtain profit.

5.2.6 Hypothesis Six

- Hypothesis 6:**
- (a) There is an interaction effect of brand name and level of advertising on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of brand name and level of advertising on the perceived service value of a lodging facility.
 - (c) There is an interaction effect of brand name and level of advertising on consumers' willingness to stay at a lodging facility.

The results do not support a two-way brand name and level of advertising interaction effect on overall perceived service quality (H6a: $F_{1,105} = .35$, $p > .50$). However, there is support for a statistically significant two-way brand name and level of advertising interaction effect on the Reliability dimension and item eleven (H6a: $F_{1,118} = 5.80$, $p < .02$) of SERVPERF scale ($F_{1,115} = 4.78$, $p < .04$). Hypothesis Six (a) was partially supported. The results do not support a statistically significant two-way brand name and level of advertising interaction effect on overall perceived service value (H6b: $F_{1,115} = .97$, $p > .40$). Hypothesis Six (b) was not supported. However, brand name and level of advertising have a statistically significant interaction effect on item three of the perceived service value scale (H6b: $F_{1,118} = 4.60$, $p < .40$). The results indicate that there is no statistically significant two-way brand name and level of advertising interaction effect on the respondents' willingness to stay (H6c: $F_{1,117} = .30$, $p > .50$). Hypothesis Six (c) was not supported.

The findings of this study suggest that in order to obtain better service evaluations, lodging facilities with a national brand name should advertise a lot, while lodging facilities with a local brand name should maintain a low level of advertising.

5.2.7 Hypothesis Seven

- Hypothesis 7:**
- (a) There is an interaction effect of price, brand name and level of advertising on the perceived service quality of a lodging facility.
 - (b) There is an interaction effect of price, brand name and level of advertising on the perceived service value of a lodging facility.

- (c) There is an interaction effect of price, brand name, and level of advertising on consumers' willingness to stay at a lodging facility.

The three-way price, brand name and level of advertising interaction effect on overall perceived service quality is not supported by this study (H7a: $F_{2,210} = .44, p > .60$). Hypothesis Seven (a) was not supported in this study. However, there is support for a statistically significant three-way price, brand name and level of advertising interaction effect on item twenty of SERVPERF scale ($F_{2,234} = 8.54, p < .000$). The results do not support a statistically significant three-way price, brand name and level of advertising interaction effect on perceived service value (H7b: $F_{2,230} = .32, p > .70$). Hypothesis Seven (b) was not supported. The three-way price, brand name and level of advertising interaction effect is not supported by this study (H7c: $F_{2,234} = .14, p > .80$). Hypothesis Seven (c) was not supported in this study.

5.2.8 Hypothesis Eight

Hypothesis 8: The relationship between consumers' perceptions of service quality and perceived service value is positive.

The results of this research partially support the hypothesis that there is a significant positive relationship between perceived service quality and perceived service value (H8: $r = .24, F_{3,321} = 6.96, p < .001$). The coefficients of items two (2), seventeen (17), and twenty-two (22) of SERVPERF scale are statistically significant (.04 level) and both items seventeen (17) and twenty-two (22) have the expected positive signs. However, item two (2) does not have the expected positive sign. Hypothesis Eight was only partially supported due to the unexpected sign of item two of the SERVPERF scale.

5.2.9 Hypothesis Nine

Hypothesis 9: The relationship between consumers' perceptions of service quality and their willingness to stay at a lodging facility is positive.

Findings partially support this hypothesis Nine (H9: $r = .30$, $F_{5,332} = 6.47$, $p < .000$). The coefficients of items two (2), seven (7), ten (10), sixteen (16), and seventeen (17) are statistically significant (.04 level) and items seven (7), ten (10), sixteen (16) and seventeen (17) have the expected positive signs. However, item two (2) does not have the expected positive sign. Hypothesis Nine was only partially supported due to the unexpected sign of item two of the SERVPERF scale.

5.2.10 Hypothesis Ten

Hypothesis 10: The relationship between consumers' perceptions of service value and their willingness to stay at a lodging facility is positive.

The results strongly support the hypothesis that there is a statistically significant positive relationship between perceived service value and willingness to stay (H10: $r = .80$, $F_{5, 353} = 163.55$, $p < .000$). The results indicate that variations in perceived service value account for significant variation in willingness to stay. The coefficients for items two (2), three (3), four (4), and five (5) of perceived service value scale are statistically significant (.002 level) and have the expected positive signs. Hypothesis Ten was supported in this study.

5.3 Significance of the Research

This study makes a methodological and conceptual contribution to the product perceptions paradigm. Especially, there is a practical application for marketers seeking to master better informational cues of price, brand name, and level of advertising to yield more effective and efficient behavior in the market place.

5.3.1 Theoretical Contribution

This research partially tests a model that goes beyond the price perceived good quality paradigm. Rather than limiting the study to how price and brand name affect consumers' evaluations of good quality, this study explores the effect of price and brand name on consumers' evaluations of service quality. By breaking away from studying the effect of price and brand name on consumers' product evaluations in a consumer goods market, this research has assessed the effect of price, and brand name on consumers' product evaluations in a consumer service market.

Prior research studies have used a number of extrinsic cues for assessing the influence of extrinsic cues on consumers' product evaluations, but no attempt has been made to evaluate the influences of level of advertising on consumers' product evaluations. This research extends the extrinsic cues research by assessing the effect of level of advertising on consumers' evaluations of service quality, service value, and willingness to stay.

Moreover, prior research studies have used a number of methods to assess how price affects consumers' evaluations of product quality but no attempt has been made to employ a

well established perceived service quality scale to measure how extrinsic cues affect consumers' perceptions of service quality. Most previous research treated perceived service quality unidimensionally, hence, the measurement of reliability of the measures was not possible within one study. The experimental design of this study concentrated on internal validity, unlike the other hospitality studies, such that stronger inferences may be made.

It has been argued in the literature that consumers will have higher preference for products that have higher price. This study supported the positive relationship between price and perceived service quality, but there was also a negative relationship between price and perceived service value. Moreover, the relationship between price and willingness to stay was also negative.

There has been controversy as to the effect of price on product evaluations when other extrinsic cues are present. In this study, price generates a strong effect than either brand name or level of advertising on consumers' service evaluations. These results corroborate the results of Wheatley and Chiu (1977), who found that quality perception of carpeting was directly related to price. The store information ranked second in importance, and color information ranked third in importance. However, the results of the current study are in conflict with Gardner (1971) and Gotlieb and Sarel (1992), who found when other cues were present price had a significant effect on purchase intention but not on perceived quality. The results of the current study are also in conflict with C. Hite, R. Hite, and Minor (1991), who found brand information significantly influenced perceptions of quality of both wieners and colas, while price information did not. It is important to note that all of

the above mentioned studies, except the current study, used tangible products in their research.

The results of this study indicate that there is a significant interaction effect of price and brand name on consumers' evaluations of item six (when you have problems, this lodging facility is sympathetic and reassuring), item nine (this lodging facility keeps its records accurately), and item eighteen (this lodging facility does not give you individual attention) of the SERVPERF scale. These results are consistent with the work of Dodds, Monroe, and Grewal (1991), who found that price and brand name had a significant interaction effect on quality perceptions of stereo headset player. However, in the same study, Dodds, Monroe, and Grewal (1991) did not find a significant price and brand name interaction effect on quality perceptions of calculators. The significant interaction effect of price and brand name in this study also corroborates the work of C. Hite, R. Hite, and Minor (1991), who found the interaction effect of price and brand information on the quality perception of wieners and colas was significant.

There has been controversy as to whether perceived quality or perceived value has a stronger influence on consumers' purchase intention. As proposed in the model used in this study, perceived service value had direct influence on the respondents' willingness to stay, while perceived service quality had both direct and indirect influence on the respondents' willingness to stay. The relationship between perceived service value and willingness to stay was strongly confirmed in this study. However, the relationship between perceived service quality and willingness to stay was relatively moderate. Findings indicate that perceived service value has a much greater influence on consumers' willingness to stay. Bolton and Drew (1991) also suggest that perceived service value

seems to be a “richer”, more comprehensive measure of consumers’ overall evaluation of a service than perceived service quality. While the weight of evidence in this study and the results from Dodds, Monroe, and Grewal (1991) tend to support the notion that the relationship between quality and purchase intention is relatively weak, additional research should be undertaken to further clarify the theoretical propositions.

The use of scales that have been developed and used in previous research also makes a methodological contribution to the research. A possible explanation for the variation in results of previous price-perceived quality research has been the use of many different scales. By using the same scales developed by Dodds, Monroe and Grewal (1991) in programmatic research, this source of variation is reduced.

This was the first empirical testing of the conceptual model proposed in this study, some of the theoretical propositions have received strong empirical support, while other propositions have to be rethought and investigated through additional research.

5.3.2 Contribution to Management

There are substantial managerial implications of this study, some of which are mentioned here. First, price is positively related to perceived service quality and negatively related to perceived service value and willingness to stay. This implies that before deciding on appropriate prices for target markets, marketing managers should be aware that consumer patronage may not be determined by price or perceived service quality alone. Decisions are made regarding the best price/quality mix, and consumers are likely to form service value perceptions based on this mix. Moreover, the unexpected direct links from price to

perceived service quality, perceived service value, and willingness to stay indicate that price alone may be a sufficient determinant of willingness to stay at a lodging facility for some consumers. The findings are consistent with Tellis and Gaeth's (1990) three consumer choice strategies—best value, price seeking, and price aversion.

Second, the results suggest that brand name is not related to perceived service quality or perceived service value but positively related to consumers' consideration to stay at a lodging facility. Findings suggest that consumers will give more consideration to staying at a lodging facility with a national brand name than staying at a lodging facility with a local brand name. Marketers of national brand names may notice that success depends not only on a well-established national brand name but also on maintaining a consistent level of service quality. In other words, development of a strong brand name without delivering a correspondingly high level of service quality may result in disconfirmation and depress the perceived service quality of national brands. This makes marketers of national brands with franchisee stores especially vulnerable if quality monitor and/or control systems fail, and/or some franchisees' individual management style and philosophy lead to service quality variation. When there is no difference from a service performance point of view or there is great service performance variation among different stores within a national brand name, consumers may not be willing to pay the premium for national brands.

Further, lodging facilities with a local brand name need not be at a disadvantage relative to lodging facilities with a national brand name in the marketplace. In order to penetrate the marketplace, lodging facilities with a local brand name need to match or even beat the service quality of lodging facilities with a national brand name, and effectively communicate quality information to consumers through word-of-mouth, information

boards, and public relations campaigns. When prices are relatively low for local brands and there is no difference between national brands and local brands from a service performance point of view, consumers may be willing to stay at lodging facilities with a local brand name.

Surprisingly, research findings indicate a positive relationship between giving employees adequate support and consumers' perceptions of service value and their willingness to stay. This finding corroborates the conceptual argument of Brymer (1991), who suggests that employee empowerment is a guest-driven strategy. It is important for managers to give employees adequate training to perform professionally, and substantial leeway in making decisions about their jobs.

Finally, when marketers attempt to measure consumers' evaluations regarding service offerings, the findings suggest clearly that it is important to know that the factor which is selected as the basis of the evaluation (price, value, or purchase intention) can have significant impact on the evaluations that consumers make and the kinds of benefits and costs that are salient in the consumers' service evaluations.

Taken collectively, research findings indicate a complex relationship between the management decision variables of price, brand name, and level of advertising, and the constructs of perceived service quality, perceived service value, and willingness to stay. The direct influence of price on perceived service quality, perceived service value and willingness to stay is very high. However, the direct influence of brand name and level of advertising on perceived service quality, perceived service value, and willingness to stay is relatively low.

5.4 Limitations

This study furthers our understanding of the effects of price, brand name, and level of advertising on service evaluations; however, it is not without limitations. There are several caveats to this study that should be mentioned and discussed.

5.4.1 Independent Variables

There are four potential limitations in this study discussed within this section. First, with the decision to use three independent variables, there was a limit to the number of manipulations that could be set for each of the variables given the limited sample size due to resource limitations.

Second, this research only examined one dimension of brand name-national brand name versus local brand name. Future research can explore the impact of brand name on service evaluations by manipulating other dimensions of brand name, for example, brand recall, favorability of brand name, strength of brand name, or uniqueness of brand associations.

Third, the use of actual brand names represents additional differential information available to the respondents. The magnitude and direction of the impact of this differential information in individual respondents may vary because of previous experience with the brands. To diminish the potential of this source of confounds, three examples of brand names were given to both levels of brand name treatment, namely, national brand name and local brand name. While manipulation checks were made, it must be noted that confounds were allowed into the study.

Fourth, the concept of level of advertising should be explored further. In the past, inconsistent results have caused many researchers to despair of advertising, which may be in need of justification at its basic level, a point contended by D'Souza and Rao (1995) and Stewart (1992). Because advertising effects are generally weak, as in this study, a careful and sensitive design is essential to measure advertising effects.

5.4.2 Dependent Variable Measurement

The measurement of the indicators of the constructs of perceived service value and willingness to stay (purchase intention) was achieved through the use of seven point scales developed for goods by Dodds, Monroe, and Grewal (1991). As suggested by Berry (1980) and Lovelock (1983), service experience is rather complex. The use of such instruments developed for goods may not fully tap the true meaning of consumer behavior in the product (including both goods and services) perceptions research domain. The five-dimension structure of the SERVQUAL scale proposed by Parasuraman, Zeithaml, and Berry (1988) was not strongly confirmed in this study, indicating that the five dimensions, namely, Tangibles, Reliability, Responsiveness, Assurance, and Empathy, of the SERVQUAL scale may not be as stable as expected.

5.4.3 Order Bias

A question-order effect is said to operate when responses are influenced by the question's placement within a survey. Most research on order effects pertains to the situation in which people's responses to one item in a survey are consciously or unconsciously influenced by their responses to a previous item; had the order of the items been reversed, or had the first one not been asked, their responses to the later questions would have been different (Sigelman 1981; p. 199).

Sigelman (1981) contends that the potential biasing effect of question order is less pronounced than that of some other sources of response bias. Sudman and Bradburn (1974) argue that question-order effects are especially pronounced among less educated respondents. McFarland (1981) suggests that the more specific the content of a question and the more concrete the required response, the less susceptible the question is to order effects.

This study did not consider the impact of question-order effects. The respondents of this study were relatively well educated and were relatively experienced travelers, hence, should be less influenced by the effect of question order. Most importantly, the questions asked in this study are very specific due to the use of multiple-item scales to measure each construct and concrete responses were required for all questions. Whether there are question-order effects was not determined in this study, but should be addressed in future research.

5.4.4 Sample Limitations

The sample of this study was drawn from residents in Atlanta, Georgia and its surrounding areas who had an annual household income of \$30,000 or more. The relatively low response rate of 19% causes concern as whether the respondents in this study were representative of the original sample. Generalizability of the results in this study must be tempered with the realization that the analysis was based on this sample and the respondents of this study may not be representative the original sample.

5.4.5 Statistical Limitations

The analysis of the results went beyond the five dimensions of perceived service quality and the total average scores of perceived service value scale and willingness to stay scale to explore the wealth of information in this study. However, application of repeated measures analysis of variance on individual items of perceived service quality scale, perceived service value scale, and willingness to stay scale may generate inflation of experiment-wide error rate.

5.4.6 Summary of Limitations

In summary, despite the above limitations, the results of this study further our insight into the impact of price, brand name, and level of advertising on consumers' evaluations of service. The research design based on the conceptualization seemed to be carried out without serious limitations beyond the philosophical debates about experimental designs. Some of the actual tradeoffs that had to be made were decided with complete knowledge of what was being given up. The results of this study not only provide replication of prior laboratory research results, but they also extend our knowledge of the effects of multiple extrinsic cues on service evaluations. Most importantly, this research was conducted with the popular belief that there is no such thing as a perfect research design, but if carefully designed, research can accomplish objectives with a minimum of limitations if these liabilities are recognized early in the research.

5.5 Directions for Future Research

As in the case of most marketing research, this study generated more questions than it answered. The directions for future research in the product perception paradigm is discussed in both general and specific terms. The future objective of this research paradigm should be to better understand the conceptual model through a series of replications where price, brand name, level of advertising, and other extrinsic cues not tested in this study, such as location, are manipulated. The purpose of these studies could be to conduct a robustness analysis to determine for what services, populations, and situations the general findings hold, and a boundary test to determine to what threshold of independent variables the general findings apply. The issue of external validity will only come after a series of research studies that completely explore the boundaries and robustness of this research domain.

Some ideas for further research are suggested by the limitations of the study. For example, further research can be conducted to address how price, brand name, and level of advertising affect consumers' evaluations of service for the restaurant or tourism industries. Specifically, the following areas need special research attention.

1. To echo the call of Pechmann and Stewart (1989) and D'Souza and Rao (1995), it is imperative to explore the effects of different advertising formats, weight, and levels under ecologically valid experimental conditions. The concept of level of advertising could be explored further. Moreover, different operational methods should be applied to explore the effect of advertising further. For example, a pre-post exposure

experimental design may be used to assess the influence of level of advertising on consumers' product evaluations.

2. More research is needed to further explore the antecedents of perceived service quality, perceived service value, and willingness to stay (purchase intention). First, there are many measurement issues that need to be addressed with respect to these constructs. This study employed the multiple-item scales developed by Dodds, Monroe and Grewal (1991) for tangible products to measure perceived service value and willingness to stay, whereas multiple-item scales developed specifically for service products would be more appropriate. Chang and Wildt (1994) also urge the need for improved understanding, definitions, and measurements of the investigated constructs of this research domain. Second, experimental research needs to be employed to further explore the linkages among the constructs of perceived service quality, perceived service value, and willingness to stay (purchase intention).
3. Future research could include additional traveling situations, additional segments of the lodging industry and additional service industries as examples and different extrinsic cues as factors. Although price and value seem to be of central importance, future research could examine extrinsic cues other than brand name and level of advertising.

5.6 Conclusion

The final chapter of this dissertation presented conclusions of this research effort and discusses them in light of major findings, significance of the research, limitations of the research, and future research directions.

Generalizability of the results presented in this study must be tempered with the realization that the analysis was based on hotel rooms. It is possible that price, brand name, or level of advertising may affect service evaluations differently for other service industries.

The overall conclusion is that price produces a stronger effect than either brand name or level of advertising on consumers' service evaluations. These results are partially consistent with the work of Andrews and Valenzi (1971) and Render and O'Conner (1976), who found that price had a stronger effect than either brand or store information. Perceived service value has a greater influence on consumers' purchase intention than perceived service quality. Thus, perceived service value seems to be a more comprehensive measure of consumers' overall evaluation of a service and a better predictor of purchase intention.

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APPENDIX

QUESTIONNAIRES

QUESTIONNAIRE A:

National Brand Name x Low Level of Advertising

Questionnaire A

Picture yourself in Orlando, Florida on a summer leisure vacation. You are looking for a hotel room to stay in. The following set of statements relate to **your feelings about a mid-scaled lodging facility with a brand name like Quality Inn, Days Inn, or Howard Johnson and with a small amount of advertising on various media**. For each statement, please show the extent to which you believe that this lodging facility will have the feature described by the statement. Please indicate how much you agree or disagree with the following statements by **circling** the number that most closely describes what you believe under each price level. There are no right or wrong answers-all we are interested in is a number that best shows **your PERCEPTIONS** about the lodging facility described above.

lodging room rate **\$95.00** **\$70.00** **\$45.00**

1. This lodging facility has up-to-date equipment.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7
2. This lodging facility's physical facilities are visually appealing.	Moderately Disagree	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7
3. This lodging facility's employees are well dressed and appear neat.	Undecided	1	2	3	4	5	6	7	Moderately Agree	1	2	3	4	5	6	7
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.	Moderately Disagree	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7
5. When this lodging facility promises to do something by a certain time, it does so.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7
6. When you have problems, this lodging facility is sympathetic and reassuring.	Moderately Disagree	1	2	3	4	5	6	7	Moderately Agree	1	2	3	4	5	6	7
7. This lodging facility is dependable.	Undecided	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7
8. This lodging facility provides its services at the time it promises to do so.	Moderately Disagree	1	2	3	4	5	6	7	Moderately Agree	1	2	3	4	5	6	7
9. This lodging facility keeps its records accurately.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7
10. This lodging facility does not tell its customers exactly when services will be performed.	Moderately Disagree	1	2	3	4	5	6	7	Moderately Agree	1	2	3	4	5	6	7
11. You do not receive prompt service from this lodging facility's employees.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree	1	2	3	4	5	6	7

lodging room rate \$95.00 \$70.00 \$45.00

Strongly Disagree
Moderately Disagree
Slightly Disagree
Undecided
Slightly Agree
Moderately Agree
Strongly Agree

12. Employees of this lodging facility are not always willing to help customers.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
13. Employees of this lodging facility are too busy to respond to customers' requests promptly.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
14. You can trust employees of this lodging facility.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
15. You can feel safe in your transactions with this lodging facility's employees.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
16. Employees of this lodging facility are polite.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
17. Employees get adequate support from this lodging facility to do their jobs well.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
18. This lodging facility does not give you individual attention.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
19. Employees of this lodging facility do not give you personal attention.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
20. Employees of this lodging facility do not know what your needs are.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
21. This lodging facility does not have your best interests at heart.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
22. This lodging facility does not have operating hours convenient to all its customers.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
23. At the price shown, this lodging facility appears to be a bargain.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
24. At the price shown, this lodging facility is considered to be a good buy.

1	2	3	4	5	6	7
---	---	---	---	---	---	---
25. You would consider staying at this lodging facility.

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Over, Please!

Questionnaire A

Again, picture yourself looking for a place to stay in Orlando, FL on a summer leisure trip. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like Quality Inn, Days Inn, or Howard Johnson and with a small amount of advertising on various media. For each statement and room rate shown, please circle the number that best shows your perceptions and feelings as you are on a summer leisure vacation in Orlando, Florida.

1. At the room rate shown, this lodging facility would be:

very poor value	1	2	3	4	5	6	7	very good value
for the money								for the money

 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

2. At the room rate shown, this lodging facility would be: **very uneconomical** 1 2 3 4 5 6 7 **very economical**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

3. At the room rate shown, this lodging facility would be: **very unacceptable** 1 2 3 4 5 6 7 **very acceptable**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

4. The likelihood of staying at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

5. The probability that you would consider staying at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

6. At the room rate shown, your willingness to stay at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

Over, Please!

The following statements relate to **YOUR PERCEPTIONS ABOUT MID-SCALED LODGING FACILITIES in Orlando, Florida**. There is no right or wrong answers-all we are interested in is a **number** that best shows your perceptions about the lodging facility.

At the room rate shown, you consider the room rate for a mid-scaled lodging facility to be: very low 1 2 3 4 5 6 7 8 9 very high

- at room rate: \$45 1 2 3 4 5 6 7 8 9
- at room rate: \$70 1 2 3 4 5 6 7 8 9
- at room rate: \$95 1 2 3 4 5 6 7 8 9

At the amount of advertising shown, you consider the level of advertising for this lodging facility to be: very low 1 2 3 4 5 very high

- a lot of advertising on various media 1 2 3 4 5
- a small amount of advertising on various media 1 2 3 4 5

You consider Quality Inn, Days Inn, and Howard Johnson to be: ____ (1) national brand names (2) local brand names.

You consider Westgate Towers, Wynfield Inn, and Larson's Lodge to be: ____ (1) national brand names (2) local brand names.



To complete the survey, please provide us with some demographic information about yourself by **circling** the appropriate category for each question.

1. I am: (a) male (b) female
2. My age is: (a) less than 18 (b) 18 to 24 (c) 25 to 34 (d) 35 to 44 (e) 45 to 54 (f) 55 to 64 (g) 65 or older.
3. I am: (a) single (b) married (c) divorced (d) other (widowed, etc.)
4. My highest education level is: (a) high school (b) technical school/junior college (c) college (d) graduate school.
5. My annual household income is: (a) less than \$30,000 (b) \$30,000 to \$39,999 (c) \$40,000 to \$49,999 (d) \$50,000 to \$59,999 (e) \$60,000 to \$69,999 (f) \$70,000 or more.
6. My household leisure travel expenditure for the past 12 months is: (a) less than \$1,000 (b) \$1,000 to \$1,999 (c) \$2,000 to 2,999 (d) \$3,000 or more.
7. The number of children under age 18 at home is: ____
8. The number of times I have been to Orlando in Florida is: ____
9. The number of leisure trip(s) I've taken in the past 12 months is: ____

Name: _____
Address: _____

Thank You Very Much!!...

QUESTIONNAIRE B:

National Brand Name x High Level of Advertising

Questionnaire B

Picture yourself in Orlando, Florida on a summer leisure vacation. You are looking for a hotel room to stay in. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like **Quality Inn, Days Inn, or Howard Johnson** and with a lot of advertising on various media. For each statement, please show the extent to which you believe that this lodging facility will have the feature described by the statement. Please indicate how much you agree or disagree with the following statements by **circling** the number that most closely describes what you believe **under each price level**. There are no right or wrong answers-all we are interested in is a number that best shows your **PERCEPTIONS** about the lodging facility described above.

	<u>\$95.00</u>	<u>\$70.00</u>	<u>\$45.00</u>
1. This lodging facility has up-to-date equipment.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
2. This lodging facility's physical facilities are visually appealing.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
3. This lodging facility's employees are well dressed and appear neat.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
5. When this lodging facility promises to do something by a certain time, it does so.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
6. When you have problems, this lodging facility is sympathetic and reassuring.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
7. This lodging facility is dependable.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
8. This lodging facility provides its services at the time it promises to do so.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
9. This lodging facility keeps its records accurately.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
10. This lodging facility does not tell its customers exactly when services will be performed.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
11. You do not receive prompt service from this lodging facility's employees.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7

Questionnaire B

lodging room rate \$95.00 \$70.00 \$45.00

	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Moderately Agree	Strongly Agree	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Moderately Agree	Strongly Agree
12. Employees of this lodging facility are not always willing to help customers.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
13. Employees of this lodging facility are too busy to respond to customers' requests promptly.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
14. You can trust employees of this lodging facility.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
15. You can feel safe in your transactions with this lodging facility's employees.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
16. Employees of this lodging facility are polite.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
17. Employees get adequate support from this lodging facility to do their jobs well.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
18. This lodging facility does not give you individual attention.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
19. Employees of this lodging facility do not give you personal attention.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
20. Employees of this lodging facility do not know what your needs are.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
21. This lodging facility does not have your best interests at heart.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
22. This lodging facility does not have operating hours convenient to all its customers.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
23. At the price shown, this lodging facility appears to be a bargain.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
24. At the price shown, this lodging facility is considered to be a good buy.	1	2	3	4	5	6	7	1	2	3	4	5	6	7
25. You would consider staying at this lodging facility.	1	2	3	4	5	6	7	1	2	3	4	5	6	7

Over, Please!

Again, picture yourself looking for a place to stay in Orlando, FL on a summer leisure trip. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like Quality Inn, Days Inn, or Howard Johnson and with a lot of advertising on various media. For each statement and room rate shown, please circle the number that best shows your perceptions and feelings as you are on a summer leisure vacation in Orlando, Florida.

- | | | | | | | | | | |
|--|-----------------|---|---|---|---|---|---|---|-----------------|
| | very poor value | | | | | | | | very good value |
| | for the money | 1 | 2 | 3 | 4 | 5 | 6 | 7 | for the money |
1. At the room rate shown, this lodging facility would be:

at room rate: \$45	.....	1	2	3	4	5	6	7
at room rate: \$70	.....	1	2	3	4	5	6	7
at room rate: \$95	.....	1	2	3	4	5	6	7

 2. At the room rate shown, this lodging facility would be: very uneconomical

at room rate: \$45	.....	1	2	3	4	5	6	7	<u>very economical</u>
at room rate: \$70	.....	1	2	3	4	5	6	7	
at room rate: \$95	.....	1	2	3	4	5	6	7	

 3. At the room rate shown, this lodging facility would be: very unacceptable

at room rate: \$45	.....	1	2	3	4	5	6	7	<u>very acceptable</u>
at room rate: \$70	.....	1	2	3	4	5	6	7	
at room rate: \$95	.....	1	2	3	4	5	6	7	

 4. The likelihood of staying at this lodging facility is:

at room rate: \$45	.....					<u>very low</u>	1	2	3	4	5	6	7	<u>very high</u>
at room rate: \$70	.....						1	2	3	4	5	6	7	
at room rate: \$95	.....						1	2	3	4	5	6	7	

 5. The probability that you would consider staying at this lodging facility is: very low

at room rate: \$45	.....					<u>very low</u>	1	2	3	4	5	6	7	<u>very high</u>
at room rate: \$70	.....						1	2	3	4	5	6	7	
at room rate: \$95	.....						1	2	3	4	5	6	7	

 6. At the room rate shown, your willingness to stay at this lodging facility is: very low

at room rate: \$45	.....					<u>very low</u>	1	2	3	4	5	6	7	<u>very high</u>
at room rate: \$70	.....						1	2	3	4	5	6	7	
at room rate: \$95	.....						1	2	3	4	5	6	7	

Over, Please!

Questionnaire B

The following statements relate to **YOUR PERCEPTIONS ABOUT MID-SCALED LODGING FACILITIES in Orlando, Florida**. There is no right or wrong answers-all we are interested in is a **number** that best shows your perceptions about the lodging facility.

- At the room rate shown, you consider the room rate for a mid-scaled lodging facility to be: very low 1 2 3 4 5 6 7 8 9 very high
- at room rate: \$45 1 2 3 4 5 6 7 8 9
 - at room rate: \$70 1 2 3 4 5 6 7 8 9
 - at room rate: \$95 1 2 3 4 5 6 7 8 9
- At the amount of advertising shown, you consider the level of advertising for this lodging facility to be: very low 1 2 3 4 5 very high
- a lot of advertising on various media 1 2 3 4 5
 - a small amount of advertising on various media 1 2 3 4 5

You consider Quality Inn, Days Inn, and Howard Johnson to be: ____ (1) national brand names (2) local brand names.
 You consider Westgate Towers, Wynfield Inn, and Larson's Lodge to be: ____ (1) national brand names (2) local brand names.



To complete the survey, please provide us with some demographic information about yourself by **circling** the appropriate category for each question.

1. I am: (a) male (b) female
2. My age is: (a) less than 18 (b) 18 to 24 (c) 25 to 34 (d) 35 to 44 (e) 45 to 54 (f) 55 to 64 (g) 65 or older.
3. I am: (a) single (b) married (c) divorced (d) other (widowed, etc.)
4. My highest education level is: (a) high school (b) technical school/junior college (c) college (d) graduate school.
5. My annual household income is: (a) less than \$30,000 (b) \$30,000 to \$39,999 (c) \$40,000 to \$49,999 (d) \$50,000 to \$59,999 (e) \$60,000 to \$69,999 (f) \$70,000 or more.
6. My household leisure travel expenditure for the past 12 months is: (a) less than \$1,000 (b) \$1,000 to \$1,999 (c) \$2,000 to 2,999 (d) \$3,000 or more.
7. The number of children under age 18 at home is: ____
8. The number of times I have been to Orlando in Florida is: ____
9. The number of leisure trip(s) I've taken in the past 12 months is: ____

Name: _____
 Address: _____

Thank You Very Much!!...

QUESTIONNAIRE C:

Local Brand Name x Low Level of Advertising

Questionnaire C

Picture yourself in Orlando, Florida on a summer leisure vacation. You are looking for a hotel room to stay in. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like **Westgate Towers, Wynfield Inn, or Larson's Lodge** and with a small amount of advertising on various media. For each statement, please show the extent to which you believe that this lodging facility will have the feature described by the statement. Please indicate how much you agree or disagree with the following statements by **circling** the number that most closely describes what you believe **under each price level**. There are no right or wrong answers-all we are interested in is a number that best shows your **PERCEPTIONS** about the lodging facility described above.

	lodging room rate			\$95.00	\$70.00	\$45.00
1. This lodging facility has up-to-date equipment.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
2. This lodging facility's physical facilities are visually appealing.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
3. This lodging facility's employees are well dressed and appear neat.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
5. When this lodging facility promises to do something by a certain time, it does so.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
6. When you have problems, this lodging facility is sympathetic and reassuring.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
7. This lodging facility is dependable.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
8. This lodging facility provides its services at the time it promises to do so.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
9. This lodging facility keeps its records accurately.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
10. This lodging facility does not tell its customers exactly when services will be performed.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree
11. You do not receive prompt service from this lodging facility's employees.	Strongly Disagree	Moderately Disagree	Slightly Disagree	Undecided	Slightly Agree	Strongly Agree

Questionnaire C

lodging room rate **\$95.00** **\$70.00** **\$45.00**

Strongly Disagree Slightly Disagree Undecided Slightly Agree Moderately Agree Strongly Agree
 1 2 3 4 5 6 7 1 2 3 4 5 6 7 1 2 3 4 5 6 7 1 2 3 4 5 6 7 1 2 3 4 5 6 7 1 2 3 4 5 6 7

- 12. Employees of this lodging facility are not always willing to help customers.
- 13. Employees of this lodging facility are too busy to respond to customers' requests promptly.
- 14. You can trust employees of this lodging facility.
- 15. You can feel safe in your transactions with this lodging facility's employees.
- 16. Employees of this lodging facility are polite.
- 17. Employees get adequate support from this lodging facility to do their jobs well.
- 18. This lodging facility does not give you individual attention.
- 19. Employees of this lodging facility do not give you personal attention.
- 20. Employees of this lodging facility do not know what your needs are.
- 21. This lodging facility does not have your best interests at heart.
- 22. This lodging facility does not have operating hours convenient to all its customers.
- 23. At the price shown, this lodging facility appears to be a bargain.
- 24. At the price shown, this lodging facility is considered to be a good buy.
- 25. You would consider staying at this lodging facility.

Over, Please!

Questionnaire C

Again, picture yourself looking for a place to stay in Orlando, FL on a summer leisure trip. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like Westgate Towers, Wynfield Inn, or Larson's Lodge and with a small amount of advertising on various media. For each statement and room rate shown, please circle the number that best shows your perceptions and feelings as you are on a summer leisure vacation in Orlando, Florida.

1. At the room rate shown, this lodging facility would be:

very poor value	1	2	3	4	5	6	7	very good value
for the money								for the money

 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

2. At the room rate shown, this lodging facility would be: **very uneconomical** 1 2 3 4 5 6 7 **very economical**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

3. At the room rate shown, this lodging facility would be: **very unacceptable** 1 2 3 4 5 6 7 **very acceptable**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

4. The likelihood of staying at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

5. The probability that you would consider staying at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

6. At the room rate shown, your willingness to stay at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

Over, Please!

The following statements relate to **YOUR PERCEPTIONS ABOUT MID-SCALED LODGING FACILITIES in Orlando, Florida**. There is no right or wrong answers-all we are interested in is a **number** that best shows your perceptions about the lodging facility.

Questionnaire C

At the room rate shown, you consider the room rate for a mid-scaled lodging facility to be: very low 1 2 3 4 5 6 7 8 9 very high

- at room rate: \$45 1 2 3 4 5 6 7 8 9
- at room rate: \$70 1 2 3 4 5 6 7 8 9
- at room rate: \$95 1 2 3 4 5 6 7 8 9

At the amount of advertising shown, you consider the level of advertising for this lodging facility to be: very low 1 2 3 4 5 very high

- a lot of advertising on various media 1 2 3 4 5
- a small amount of advertising on various media 1 2 3 4 5

You consider Quality Inn, Days Inn, and Howard Johnson to be: ____ (1) national brand names (2) local brand names.

You consider Westgate Towers, Wynfield Inn, and Larson's Lodge to be: ____ (1) national brand names (2) local brand names.



To complete the survey, please provide us with some demographic information about yourself by **circling** the appropriate category for each question.

1. I am: (a) male (b) female
2. My age is: (a) less than 18 (b) 18 to 24 (c) 25 to 34 (d) 35 to 44 (e) 45 to 54 (f) 55 to 64 (g) 65 or older.
3. I am: (a) single (b) married (c) divorced (d) other (widowed, etc.)
4. My highest education level is: (a) high school (b) technical school/junior college (c) college (d) graduate school.
5. My annual household income is: (a) less than \$30,000 (b) \$30,000 to \$39,999 (c) \$40,000 to \$49,999 (d) \$50,000 to \$59,999 (e) \$60,000 to \$69,999 (f) \$70,000 or more.
6. My household leisure travel expenditure for the past 12 months is: (a) less than \$1,000 (b) \$1,000 to \$1,999 (c) \$2,000 to 2,999 (d) \$3,000 or more.
7. The number of children under age 18 at home is: ____
8. The number of times I have been to Orlando in Florida is: ____
9. The number of leisure trip(s) I've taken in the past 12 months is: ____

Name: _____
Address: _____

Thank You Very Much!!...

QUESTIONNAIRE D:

Local Brand Name x High Level of Advertising

Questionnaire D

Picture yourself in Orlando, Florida on a summer leisure vacation. You are looking for a hotel room to stay in. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like **Westgate Towers, Wynfield Inn, or Larson's Lodge** and with a lot of advertising on various media. For each statement, please show the extent to which you believe that this lodging facility will have the feature described by the statement. Please indicate how much you agree or disagree with the following statements by **circling** the number that most closely describes what you believe **under each price level**. There are no right or wrong answers-all we are interested in is a number that best shows your **PERCEPTIONS** about the lodging facility described above.

	<u>\$95.00</u>	<u>\$70.00</u>	<u>\$45.00</u>
1. This lodging facility has up-to-date equipment.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
2. This lodging facility's physical facilities are visually appealing.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
3. This lodging facility's employees are well dressed and appear neat.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
4. The appearance of the physical facilities of this lodging facility is in keeping with the type of service provided.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
5. When this lodging facility promises to do something by a certain time, it does so.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
6. When you have problems, this lodging facility is sympathetic and reassuring.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
7. This lodging facility is dependable.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
8. This lodging facility provides its services at the time it promises to do so.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
9. This lodging facility keeps its records accurately.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
10. This lodging facility does not tell its customers exactly when services will be performed.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7
11. You do not receive prompt service from this lodging facility's employees.	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7	Strongly Disagree 1 2 3 4 5 6 7

Questionnaire D

Lodging room rate \$95.00 \$70.00 \$45.00

12. Employees of this lodging facility are not always willing to help customers.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
13. Employees of this lodging facility are too busy to respond to customers' requests promptly.	Moderately Disagree	1	2	3	4	5	6	7	Strongly Agree
14. You can trust employees of this lodging facility.	Slightly Disagree	1	2	3	4	5	6	7	Strongly Agree
15. You can feel safe in your transactions with this lodging facility's employees.	Undecided	1	2	3	4	5	6	7	Strongly Agree
16. Employees of this lodging facility are polite.	Slightly Disagree	1	2	3	4	5	6	7	Strongly Agree
17. Employees get adequate support from this lodging facility to do their jobs well.	Moderately Disagree	1	2	3	4	5	6	7	Strongly Agree
18. This lodging facility does not give you individual attention.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
19. Employees of this lodging facility do not give you personal attention.	Slightly Disagree	1	2	3	4	5	6	7	Strongly Agree
20. Employees of this lodging facility do not know what your needs are.	Undecided	1	2	3	4	5	6	7	Strongly Agree
21. This lodging facility does not have your best interests at heart.	Slightly Disagree	1	2	3	4	5	6	7	Strongly Agree
22. This lodging facility does not have operating hours convenient to all its customers.	Moderately Disagree	1	2	3	4	5	6	7	Strongly Agree
23. At the price shown, this lodging facility appears to be a bargain.	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
24. At the price shown, this lodging facility is considered to be a good buy.	Slightly Disagree	1	2	3	4	5	6	7	Strongly Agree
25. You would consider staying at this lodging facility.	Undecided	1	2	3	4	5	6	7	Strongly Agree

Over, Please!

Questionnaire D

Again, picture yourself looking for a place to stay in Orlando, FL on a summer leisure trip. The following set of statements relate to your feelings about a mid-scaled lodging facility with a brand name like Westgate Towers, Wynfield Inn, or Larson's Lodge and with a lot of advertising on various media. For each statement and room rate shown, please circle the number that best shows your perceptions and feelings as you are on a summer leisure vacation in Orlando, Florida.

1. At the room rate shown, this lodging facility would be:

very poor value	1	2	3	4	5	6	7	very good value
for the money	1	2	3	4	5	6	7	for the money

 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

2. At the room rate shown, this lodging facility would be: **very uneconomical** 1 2 3 4 5 6 7 **very economical**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

3. At the room rate shown, this lodging facility would be: **very unacceptable** 1 2 3 4 5 6 7 **very acceptable**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

4. The likelihood of staying at this lodging facility is:

very low	1	2	3	4	5	6	7	very high
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 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

5. The probability that you would consider staying at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

6. At the room rate shown, your willingness to stay at this lodging facility is: **very low** 1 2 3 4 5 6 7 **very high**
 - at room rate: \$45 1 2 3 4 5 6 7
 - at room rate: \$70 1 2 3 4 5 6 7
 - at room rate: \$95 1 2 3 4 5 6 7

Over, Please!

The following statements relate to **YOUR PERCEPTIONS ABOUT MID-SCALED LODGING FACILITIES in Orlando, Florida**. There is no right or wrong answers-all we are interested in is a **number** that best shows your perceptions about the lodging facility.

Questionnaire D

At the room rate shown, you consider the room rate for a mid-scaled lodging facility to be: very low 1 2 3 4 5 6 7 8 9 very high

- at room rate: \$45 1 2 3 4 5 6 7 8 9
- at room rate: \$70 1 2 3 4 5 6 7 8 9
- at room rate: \$95 1 2 3 4 5 6 7 8 9

At the amount of advertising shown, you consider the level of advertising for this lodging facility to be: very low 1 2 3 4 5 very high

- a lot of advertising on various media 1 2 3 4 5
- a small amount of advertising on various media 1 2 3 4 5

You consider Quality Inn, Days Inn, and Howard Johnson to be: ____ (1) national brand names (2) local brand names.
 You consider Westgate Towers, Wynfield Inn, and Larson's Lodge to be: ____ (1) national brand names (2) local brand names.



To complete the survey, please provide us with some demographic information about yourself by **circling** the appropriate category for each question.

1. I am: (a) male (b) female
2. My age is: (a) less than 18 (b) 18 to 24 (c) 25 to 34 (d) 35 to 44 (e) 45 to 54 (f) 55 to 64 (g) 65 or older.
3. I am: (a) single (b) married (c) divorced (d) other (widowed, etc.)
4. My highest education level is: (a) high school (b) technical school/junior college (c) college (d) graduate school.
5. My annual household income is: (a) less than \$30,000 (b) \$30,000 to \$39,999 (c) \$40,000 to \$49,999 (d) \$50,000 to \$59,999 (e) \$60,000 to \$69,999 (f) \$70,000 or more.
6. My household leisure travel expenditure for the past 12 months is: (a) less than \$1,000 (b) \$1,000 to \$1,999 (c) \$2,000 to 2,999 (d) \$3,000 or more.
7. The number of children under age 18 at home is: ____
8. The number of times I have been to Orlando in Florida is: ____
9. The number of leisure trip(s) I've taken in the past 12 months is: ____

Name: _____
 Address: _____

Thank You Very Much!!...

CELL MEANS AND STANDARD DEVIATIONS

Cell Means and Standard Deviations for Perceived Service Quality (SERVPERF)^a of Lodging Facilities with a National Brand Name

Level of Advertising		National Brand Name					
		Price					
		Low		Medium		High	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
1	Low	3.467	1.479	5.433	0.898	6.200	1.157
	High	4.344	1.945	5.500	1.524	6.187	1.091
2	Low	3.933	1.639	5.700	1.179	6.367	1.129
	High	4.312	1.712	5.531	1.107	6.250	0.880
3	Low	4.167	1.642	5.700	0.877	6.433	0.728
	High	4.437	2.015	5.437	1.523	5.906	1.329
4	Low	5.367	1.426	5.933	1.081	6.300	0.915
	High	5.469	1.586	5.750	1.295	5.906	1.489
5	Low	4.207	1.424	5.207	1.048	5.655	1.173
	High	5.062	1.703	5.562	1.243	5.937	1.134
6	Low	3.900	1.605	5.500	1.408	5.867	1.306
	High	4.469	1.741	5.344	1.428	5.656	1.260
7	Low	4.533	1.570	5.700	0.915	6.100	0.960
	High	4.935	1.711	5.806	1.167	6.032	1.197
8	Low	4.600	1.429	5.533	1.332	5.900	1.322
	High	4.781	1.913	5.562	1.294	5.781	1.237
9	Low	4.800	1.448	5.733	1.081	6.167	0.986
	High	5.219	1.718	5.844	1.167	6.062	1.045
10	Low	4.233	1.695	4.633	1.497	4.833	1.663
	High	4.344	1.842	4.625	1.773	5.125	1.718
11	Low	3.667	1.647	4.533	1.756	5.100	1.863
	High	4.375	1.792	4.812	1.786	5.375	1.718
12	Low	3.867	1.613	4.900	1.539	5.233	1.612
	High	4.516	1.823	5.129	1.708	5.516	1.630
13	Low	4.133	1.592	5.067	1.337	5.500	1.635
	High	4.656	1.825	5.031	1.656	5.281	1.727
14	Low	4.400	1.632	4.700	1.822	4.933	1.929
	High	4.719	1.727	5.219	1.385	5.344	1.516
15	Low	5.200	1.750	5.867	1.224	6.167	1.053
	High	5.125	1.694	5.469	1.344	5.844	1.247
16	Low	5.200	1.375	6.000	0.983	6.100	1.125
	High	5.125	1.185	5.750	1.107	5.906	1.088
17	Low	5.500	1.815	5.300	1.343	5.533	1.592
	High	4.531	1.685	5.125	1.519	5.531	1.524
18	Low	3.963	1.629	5.037	1.344	5.444	1.577
	High	4.250	1.814	5.656	1.734	5.125	1.862
19	Low	3.700	1.822	5.333	1.269	5.700	1.368
	High	4.562	1.813	4.937	1.645	5.219	1.718
20	Low	3.900	1.689	5.400	1.221	5.667	1.269
	High	4.531	1.849	4.844	1.743	5.000	1.646
21	Low	4.172	1.794	4.897	1.698	5.276	1.730
	High	4.656	1.945	4.937	1.722	5.281	1.746
22	Low	4.533	1.852	5.233	1.716	5.467	1.570
	High	4.812	1.991	5.250	1.814	5.812	1.533

^a Measures are on a 7-point scale, 1 being strongly disagree and 7 being strongly agree.

**Cell Means and Standard Deviations for Perceived Service Quality
(SERVPERF)^a of Lodging Facilities with a Local Brand Name**

Level of Advertising		Local Brand Name					
		Price					
		Low		Medium		High	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
1	Low	3.867	1.814	5.600	0.932	6.200	1.157
	High	3.968	1.888	5.613	0.919	6.187	1.091
2	Low	4.133	1.925	5.900	1.029	6.500	0.630
	High	4.367	1.299	5.600	0.932	6.267	0.868
3	Low	4.897	1.372	5.931	0.799	6.448	0.783
	High	4.967	0.999	5.700	0.915	6.200	0.961
4	Low	5.500	1.167	5.833	0.874	6.467	0.571
	High	5.167	1.117	5.367	0.964	6.067	0.785
5	Low	4.900	1.936	5.567	1.357	6.133	0.860
	High	4.533	1.756	5.300	1.535	5.567	1.455
6	Low	5.033	1.752	5.667	1.061	6.167	0.747
	High	4.600	1.476	5.033	1.351	5.267	1.574
7	Low	5.241	1.704	6.034	0.981	6.100	0.960
	High	4.667	1.561	5.600	1.248	6.032	1.197
8	Low	4.933	1.639	5.900	0.923	6.333	0.606
	High	4.500	1.408	5.267	1.230	5.567	1.104
9	Low	5.567	1.223	5.867	1.042	6.267	0.691
	High	4.900	1.539	5.267	1.285	5.500	1.548
10	Low	3.633	1.847	4.200	1.937	4.167	2.102
	High	3.967	1.426	4.600	1.522	5.100	1.539
11	Low	4.506	1.654	5.667	1.184	5.900	1.322
	High	4.067	1.799	4.467	1.833	4.967	1.771
12	Low	4.133	1.634	5.067	1.741	5.500	1.757
	High	4.552	1.804	5.138	1.663	5.690	1.312
13	Low	4.267	1.721	5.100	1.749	5.367	1.771
	High	4.241	1.786	5.138	1.620	5.552	1.298
14	Low	4.633	1.586	5.067	1.574	5.233	1.654
	High	4.452	1.457	4.935	1.459	4.903	1.399
15	Low	5.133	1.432	5.600	1.303	5.767	1.331
	High	5.000	1.438	5.419	1.205	5.774	1.203
16	Low	5.567	1.165	5.867	1.196	6.200	0.887
	High	5.323	1.249	5.774	1.257	6.226	0.884
17	Low	4.700	1.393	5.200	1.540	5.567	1.591
	High	4.677	1.514	5.484	1.151	5.871	1.088
18	Low	3.633	1.564	5.167	1.577	6.067	0.944
	High	3.933	1.660	4.767	1.547	5.300	1.535
19	Low	3.900	1.583	5.333	1.295	5.767	1.305
	High	3.833	1.783	4.667	1.493	5.367	1.450
20	Low	3.897	1.611	4.241	1.806	4.483	1.920
	High	4.133	1.655	4.733	1.530	5.167	1.487
21	Low	4.828	1.733	5.414	1.637	5.345	1.738
	High	4.467	1.592	4.967	1.629	5.467	1.408
22	Low	5.034	2.061	5.414	1.783	5.586	1.722
	High	4.267	1.946	4.733	1.760	5.000	1.640

^a Measures are on a 7-point scale, 1 being strongly disagree and 7 being strongly agree.

Cell Means and Standard Deviations for Perceived Service Value of Lodging Facilities with a National Brand Name

		National Brand Name					
		Price					
Level of Advertising		Low		Medium		High	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
1 ^a	Low	5.700	1.368	4.300	1.705	3.433	1.942
	High	4.937	2.015	3.812	1.786	3.344	1.753
2 ^a	Low	5.833	1.289	4.933	1.363	3.900	1.826
	High	5.062	1.848	4.156	1.609	3.437	1.684
3 ^b	Low	5.379	1.781	4.655	1.173	3.828	1.910
	High	5.781	1.718	5.187	1.203	4.312	1.857
4 ^c	Low	6.467	1.196	4.433	1.278	2.900	1.647
	High	6.156	1.668	4.594	1.241	3.062	2.031
5 ^d	Low	5.600	1.545	5.100	1.398	4.067	1.818
	High	5.344	1.911	4.906	1.422	3.937	2.094

^a Measures are on a 7-point scale, 1 being strongly disagree and 7 being strongly agree.

^b Measures are on a 7-point scale, 1 being very poor value for the money and 7 being very good value for the money.

^c Measures are on a 7-point scale, 1 being very uneconomical and 7 being very economical.

^d Measures are on a 7-point scale, 1 being very unacceptable and 7 being very acceptable.

Cell Means and Standard Deviations for Perceived Service Value of Lodging Facilities with a Local Brand Name

		Local Brand Name					
Level of Advertising		Price					
		Low		Medium		High	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
1 ^a	Low	5.241	1.618	4.000	1.793	3.207	1.820
	High	5.133	1.570	4.400	1.694	3.667	1.583
2 ^a	Low	5.000	1.732	4.448	1.703	3.276	1.730
	High	4.767	1.633	4.267	1.680	3.667	1.493
3 ^b	Low	5.452	1.630	4.806	1.276	4.000	1.789
	High	5.600	1.003	4.433	1.357	3.433	1.455
4 ^c	Low	6.129	1.455	4.387	1.202	3.226	1.802
	High	6.200	1.270	4.767	1.501	3.367	1.542
5 ^d	Low	5.065	1.788	4.645	1.333	4.581	2.335
	High	5.333	1.373	4.500	1.624	4.067	1.929

^a Measures are on a 7-point scale, 1 being strongly disagree and 7 being strongly agree.

^b Measures are on a 7-point scale, 1 being very poor value for the money and 7 being very good value for the money.

^c Measures are on a 7-point scale, 1 being very uneconomical and 7 being very economical.

^d Measures are on a 7-point scale, 1 being very unacceptable and 7 being very acceptable.

Cell Means and Standard Deviations for Willingness to Stay of Lodging Facilities with a National Brand Name

		National Brand Name					
		Price					
Level of Advertising		Low		Medium		High	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
1 ^a	Low	5.533	1.795	5.600	1.545	4.967	2.042
	High	5.250	1.723	4.906	1.907	4.687	1.908
2 ^b	Low	5.581	1.608	4.806	1.558	3.065	1.672
	High	5.656	1.771	4.906	1.422	3.406	2.153
3 ^b	Low	5.710	1.677	4.839	1.530	3.387	1.838
	High	5.781	1.718	4.906	1.353	3.156	1.919
4 ^b	Low	5.323	1.739	4.903	1.491	3.710	1.736
	High	5.719	1.818	4.937	1.523	3.594	2.046

^a Measures are on a 7-point scale, 1 being strongly disagree and 7 being strongly agree.

^b Measures are on a 7-point scale, 1 being very low and 7 being very high.

**Cell Means and Standard Deviations for Willingness to Stay of the
Lodging Facilities with a Local Brand Name**

Level of Advertising		Local Brand Name					
		Price					
		Low		Medium		High	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
1 ^a	Low	5.276	1.750	4.690	2.020	4.138	1.885
	High	5.033	1.189	4.900	1.768	4.300	1.841
2 ^b	Low	5.065	1.999	4.387	1.407	3.452	1.947
	High	5.133	1.978	4.833	1.440	3.733	1.818
3 ^b	Low	5.097	1.955	4.452	1.588	3.677	2.065
	High	5.133	1.697	4.700	1.442	3.833	1.783
4 ^b	Low	5.065	2.016	4.581	1.523	3.903	2.071
	High	5.133	1.592	4.600	1.734	3.933	1.982

^a Measures are on a 7-point scale, 1 being strongly disagree and 7 being strongly agree.

^b Measures are on a 7-point scale, 1 being very low and 7 being very high.

VITA

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EDUCATION

- 1993 - 1995 Virginia Polytechnic Institute & State University, College of Human Resources
Blacksburg, Virginia 24061
Doctor of Philosophy in Department of Hospitality and Tourism Management
Specialization: Marketing
Designated Minors: Statistics/Methodologies and MIS
- 1988 - 1991 Purdue University, College of Consumer and Family Science
West Lafayette, Indiana 47907
Master of Science in Department of Restaurant, Hotel, Institutional, and Tourism Management
- 1984 - 1988 Providence University
Taichung, Taiwan, R.O.C.
Bachelor of Science in Department of Foods & Nutrition

EXPERIENCE

- 1994 - 1995 Virginia Polytechnic Institute & State University, Blacksburg, VA
Teaching Assistant
- Aid in teaching, grading, assignment of homework for undergraduate level and graduate level marketing classes
 - Act as a research assistant for consumer surveys
- 1994 - 1995 Virginia Polytechnic Institute & State University, Blacksburg, VA
Tutor
- Teach a blind Ph.D. student statistics, including techniques such as Multiple Regression, Anova, Manova, Multiple Discriminant

Analysis, Canonical Correlation, Factor Analysis, Cluster Analysis, and Multidimensional Scaling

- Teach and assist in SPSS usage and operation.
- Teach the blind student how to design and conduct research

1991 - 1993

Howard Plaza Hotel, Taipei, Taiwan

Marketing & Sales Supervisor of Food & Beverage Department

- Was fully responsible for all of the market surveys, special promotions and sales of nine restaurant outlets
- Directed a staff of 4, including 2 sales representatives and 2 office clerks
- Established the first computer data base system for restaurant clientele
- Planned and executed a large scale consumer and market survey resulting in a complete restructuring turning the food and beverage department back into a profitable organization
- Supervised and coordinated food & beverage activities during important banquet events and special promotions
- Managed the hiring, orientation, training, and evaluation of sales representatives
- Initiated reports to General Manager, President, and Board of Directors

1992 - 1993

Taipei National Junior College, Taipei, Taiwan

Part-time Instructor

- Taught to over 100 students Restaurant & Hotel Management classes

1990 - 1991

Purdue University, W. Lafayette, IN

Teaching Assistant

- Maintained computer lab including instruction, administration, and security for more than 1000 students

1989 - 1991

Purdue University, W. Lafayette, IN

Research Assistant

- Planned and executed a school lunch program research grant sponsored by the Department of Agriculture. This research included nutrient-content analyses and a consumer survey aimed at finding out consumers' preferences of different turkey meat products

HONORS

1994 to 1995

department delegate of GSA (Graduate Student Assembly)



Yu-Hua Christine Sun