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THE ROLE OF BRANDING IN ENHANCING  
CONSUMER PURCHASE INTENTION IN  
HOTEL INDUSTRY

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## APPROVAL

I/We, hereby declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the

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THE ROLE OF BRANDING IN ENHANCING CONSUMER PURCHASE  
INTENTION IN HOTEL INDUSTRY

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This Report Submitted In Partial Fulfillment of The Requirements For The Award  
Bachelor Degree of Technology Management (High-Technology Marketing) With  
Honors

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## DECLARATION

“I hereby declared that this thesis entitled  
**“THE ROLE OF BRANDING IN ENHANCING CONSUMER PURCHASE  
INTENTION IN HOTEL INDUSTRY”**

is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in the candidature of any other degree.

Signature :

Name : AZMIRA SHUHADA BINTI ADNAN

Date : .....

## DEDICATION

I would like to appreciate the dedication to my precious parents; Mr Adnan bin Puteh and Mdm Anahayati binti Abdul Hamid who educated me, motivate me and supported me from spiritually and financially until this level, also do not forget to my siblings for their endless love and prayers, beloved supervisor Dr Nurulizwa binti Abdul Rashid and panel Mr Albert Feisal @ Muhd Feisal bin Ismail who guided me throughout the research also friends that help me a lot in giving opinion, support, advice, and information throughout the research. Without their blessing and encouragement, this research is impossible to complete in short period of time

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## ABSTRACT

Customers are becoming increasingly important in the lives of most organizations as competition increases. Hence, many companies begin to determine the important role of branding in enhance customer purchase intention. Customer purchase intention is the willingness of a customer to buy a certain product or a certain service is known as purchase intention. Purchase intention is a dependent variable that depends on several external and internal factors which is the cue that triggers a buyer towards considering a product or a brand to be included in their consideration set. Branding and consumer purchase intention are important especially for hotel industry because in business for services people will judge the performance based on the number of people use, talk and aware of it. In hotel industry service there are consists of economy, ecology and social. Several studies conducted over the years have proven that there is a direct connection between corporate reputation and customer purchase intention and least conducted based on hotel industry. In addition, substantial researches have been conducted on the role of brand loyalty, brand awareness, perceived quality and brand image yet concepts and definitions of element or brand vary from one another. For that reason this study is investigated on the role of branding in enhancing consumer purchase intention in hotel industry. Quantitative methods are utilized by distributing survey questionnaire to 150 respondents to examine customer purchase intention in hotel industry at Port Dickson, Negeri Sembilan. The researcher found that all there are four variable role of branding that have relationship in enhancing consumer purchase intention in hotel industry which is brand loyalty, brand awareness, perceived quality and brand image. The value of significant which is 0.000 and that was less than 0.05 ( $p < 0.005$ ). In conclusion, brand loyalty, brand awareness, perceived quality and brand image have given impact toward enhancing consumer purchase intention in hotel industry.

**Keywords:** *Brand loyalty, Brand Awareness, Brand Image, Perceived Quality, Value, Purchase Intention, Hotel Industry, Brand Equity, Brand identity*

## ABSTRAK

*Pelanggan menjadi semakin penting dalam kehidupan kebanyakan organisasi apabila peningkatan persaingan. Oleh itu, banyak syarikat mula menentukan peranan penting dalam penjenamaan dalam meningkatkan niat pembelian pelanggan. Niat membeli pelanggan adalah kesediaan seorang pelanggan untuk membeli produk tertentu atau perkhidmatan tertentu dikenali sebagai niat pembelian. Niat pembelian adalah pemboleh ubah bergantung yang bergantung kepada beberapa faktor luaran dan dalaman yang merupakan isyarat yang mencetuskan pembeli ke arah mempertimbangkan produk atau jenama yang akan dimasukkan dalam set pertimbangan mereka. Niaga membeli penjenamaan dan pengguna adalah penting terutamanya untuk industri hotel kerana dalam perniagaan untuk perkhidmatan orang akan menilai prestasi berdasarkan bilangan orang yang menggunakan, berbual dan menyedarinya. Dalam industri perkhidmatan hotel terdapat terdiri daripada ekonomi, ekologi dan sosial. Beberapa kajian yang dijalankan sepanjang tahun telah membuktikan bahawa terdapat hubungan langsung antara reputasi korporat dan niat pembelian pelanggan dan paling kurang dijalankan berdasarkan industri hotel. Di samping itu, penyelidikan substansial telah dijalankan ke atas peranan kesetiaan jenama, kesedaran jenama, kualiti imej dan imej jenama namun konsep dan definisi elemen atau jenama berbeza antara satu sama lain. Atas sebab itu kajian ini disiasat mengenai peranan penjenamaan dalam meningkatkan niat pembelian pengguna dalam industri hotel. Kaedah kuantitatif digunakan dengan mengedarkan soal selidik kaji selidik kepada 150 responden untuk mengkaji niat pembelian pelanggan dalam industri hotel di Port Dickson, Negeri Sembilan. Penyelidik mendapati bahawa terdapat empat peranan pemboleh ubah yang mempunyai hubungan dalam meningkatkan keinginan pembelian pengguna dalam industri hotel yang merupakan kesetiaan jenama, kesedaran jenama, kualiti imej dan imej jenama. Nilai signifikan yang 0.000 dan yang kurang daripada 0.05 ( $p < 0.005$ ). Sebagai kesimpulan, kesetiaan jenama, kesedaran jenama, kualiti imej dan imej jenama telah memberi impak ke arah meningkatkan minat pengguna dalam industri hotel.*

**Kata kunci:** Kesetiaan Jenama, Kesedaran Jenama, Imej Merah, Kualiti, Nilai, Niat Pembelian, Industri Hotel, Ekuiti Jenama, Identiti Jenama.



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**LIST OF ABBREVIATIONS**

<b>ABBREVIATION</b>	<b>MEANING</b>
ANOVA	Analysis of Variance
UTeM	Universiti Teknikal Malaysia Melaka
FYP	Final Year Project
PSM	Projek Saujana Muda
H0	Null (rejected)
H1	H one (accepted)
SPSS	Statistical Package for Social Science
%	Per cent
<	Greater-than
>	Less-than
=	Equals



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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

This research objective is to categorize the drivers as evidence that related with a role of branding in enhancing customer's purchase intention in the hotel industry. In details, it will determine the factors of branding that can give impact towards customer behavior in decision making. This chapter encloses the review of research background, problem statement, research objectives, research inquiry, significant and area of study.

## 1.2 Research background

Nowadays, consumer plays an important role towards economic development in a country, especially in the hotel industry. In order to keep the business sustain in the market, it is important to meet customer expectations and satisfaction. A successful organization will make sure that they fully understand what customer need in term of all services attribute that may contribute to customer value. Customer needs and satisfaction are the most important aspect that organization needs to consider because it will affect the consumer purchasing intention. In order to improve customer purchase intention, bear in mind about the organization brand because they need to analyze their important role.

Consumer purchase intention is the willingness of purchaser to buy, pay or use certain products and services. A consumer will always make a decision based on internal and external factors of the products and services. The consumer preference in decision making while purchasing and using the products or services is very important because some of the factors do follow purchasing intention. The main purpose of this research is to analyze how the role of brandings such as brand loyalty, brand awareness, perceived quality and brand image affect consumer purchasing intention towards hotel industry. Hence, this research aim is to explore the critical factors that give the same impact towards hotel industry.

Branding is an effective tool for a company to identify and differentiate products or services in the consumer mind. According to Kotler (2000) brand is a name, term, sign, symbol, design or combination of all these that is projected to recognize the product or service of a person or group of seller. In this era, branding are used as a marketing strategy in order to improve company performance (Hsu, Oh,&Assaf, 2011; Liu et al.,2012; Mizik, 2014). This study fill the gap by explaining how brand loyalty, brand awareness, perceived quality and brand image affect consumer purchase intention.

### **1.2.1 Tourism Industry In Malaysia**

On 10 August 1971 Tourism Malaysia was established as a Tourist Development Corporation of Malaysia and in 1992 became Malaysia Tourism Promotion Board. The government has pushed to increase tourism activity in Malaysia in order to diversify Malaysia's economy and make less dependent on exports. Besides that, government aim market Malaysia as a premier destination of excellence in the region also want the tourism industry to be a prime contributor to the socio-economic development of the nation region. Tourism campaign launched in the year 1999 focus on diversity which is Asia's major races, diversity of cultures, festivals, traditionalism and customs, and biodiversity.

Ministry of Tourism of Malaysia has an agency named as Malaysia Tourism Promotion Board or Tourism Malaysia. Tourism Malaysia focuses on the specific task of promoting Malaysia at a local and international level. In the other words, tourism Malaysia aim is to shows uniqueness of Malaysia wonders, charms and values, grow national tourism and improve Malaysia's share of the market for meetings, incentives, conventions and exhibitions (MICE). In addition of decisive goal of tourism, Malaysia is to upsurge the number of foreign tourist to Malaysia, extend their traveling period and also increase the revenue of Malaysia's Tourism.

Ministry of Culture, Arts and Tourism has been restructured into the Ministry of Tourism and was officially established on March 27, 2004 in accordance with the establishment of a new Cabinet in 2004. The ministry implements tourism policies, conduct studies and offers an incentive for industry players. Malaysia's first main effort at developing the tourism industry in a concerted and strategic manner. After focusing on the commodities, manufacturing and industrial sectors Malaysia decided to focus on the development of service sector including tourism in order for nation to continue growing and position its self as a connection into Asia.

### 1.2.2 National Policy of Tourism Industry in Malaysia

The Ministry's Policy declaration is the direction to drive economical plus workable in the tourism industry and culture industry sectors towards the socio-economic enlargement of the countries. According (Nair and K.Thomas, 2013) Global Sustainable Tourism Criteria (GSTC) mainly focus on representing that effective sustainable management exploits social and economic benefits to the local community and reduce negative impacts to the environment. Malaysia has adopted the PATA code for environmentally responsible tourism within a legal and institutional framework as concerns the environmental protection and tourism development.

Indicators above are not only can manage tourist destination but also the performance that influenced by visiting of tourist and nature of the visit. Therefore, the sustainability of effectiveness must be operated in micro and macro levels. Figure 1 shows that the representation of the tourism system which is the traveler-generating regions play an important role in policies limit the policy at the destination level. The figure 1 indicates that it can be major reasons for dropping the expected level of benefits on practicing sustainable tourism in many tourist destination.



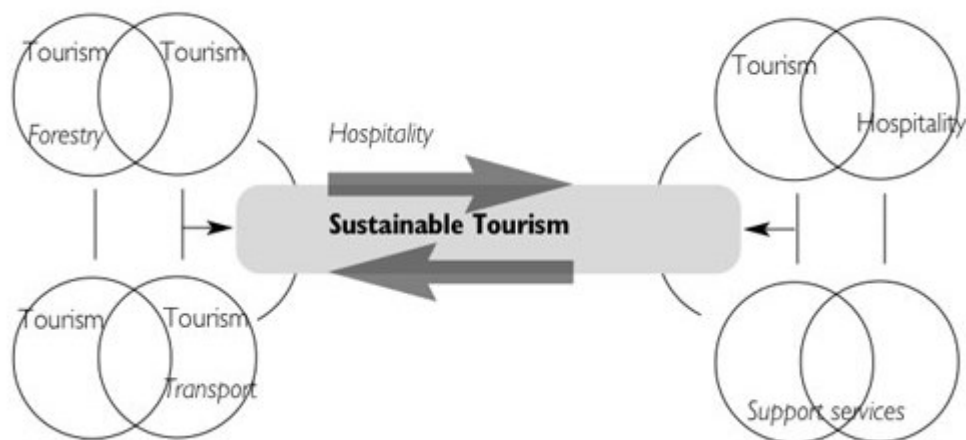
**Figure 1.1** : Structuring Sustainable Tourism Policy in the Tourism System

According to figure 1.1 the micro and macro level approach of development sustainable of tourist destination. For strengthen the stability of destination development and management will planning internally at the micro level. Internal policy and planning on sustainable tourism development are almost at all destination. Due to lack of control of

the development authority, the efficiency drops frequently to the macro level tourism system which is the effective of implementation also affected. A policy framework only within the micro level at the tourist destination is half-hearted and isolated. It will offer less effectiveness in the overall practice of sustainability in the entire tourism system.

Tourism ownership falls frequently below dissimilar capabilities. For instant national park has high value in the potential tourism market and the utilizing of the park resources could trigger economic development. In many countries, national parks and biosphere reserves are directly under control of wildlife authorities or forest department. Their ultimate aim is not about a monetary benefit but more on the conservation and preservation effort. Potential conflict among the ownership resources are within the total sustainable management of the tourist destination and there will be a conflict of interest in policy implementation or one policy does not comply with the policy of the other.

On the other side, macro level of the tourist has other difficulties which is the tourist's arrogance and view varies highly from one market to another. Tourism focuses less on sustainability aspects and becomes more consumer-centered because their visit is in short period and highly influenced by the factors such as modernity, rationalization, alienation and romanticism. The solution for destination sustainability is not only depend on destination policy and planning. Figure 1.2 illustrated the issue that occur.



**Figure 1.2 :** Tourism, shared service industry

### 1.2.3 Tourism Statistics

In tourist arrivals context Malaysia aimed ranked 11<sup>th</sup> in the world and 2<sup>nd</sup> in. In the strength to spread the economies, the management was pushed to grow tourism in Malaysia. Such as an outcome, tourism has developed Malaysia as the third major basis of foreign argument revenue and accounted for 7% of Malaysia's economies as in 2005.

Government agency controls the stimulating tourism industry in Malaysia which are Tourism Malaysia or the Malaysia Tourism Promotion Board (MTPB). According to (Wikipedia tourism Malaysia , 1972) proceeding 20 May 1987, the Ministry of Culture, Arts and Tourism (MOCAT) in Malaysia were recognized and TDC encouraged to this innovative organization. TDC had been from 1972 to 1992, once it became the Malaysia Tourism Promotion Board (MTPB), over the Malaysian Tourism Promotion Board Act, in 1992.

Figure 1.3 shows the increasing number of tourist arrivals to Malaysia over the past decade. In 2015, the figure shows that the total number of visitor dropped about 6% but in 2016 it gently recovered by 4%. Malaysia aims to attract about 31.8 million to its shores and contributing RM118bil worth of tourist receipts in the year 2017. There were top 10 tourist generating markets to Malaysia in 2016 which are Singapore, Indonesia, China, Brunei, Thailand, India, South Korea, Philippines, Japan and Australia shows by figure 1.1 and figure 1.3.

One of the fastest growing sub-sectors in Malaysia Tourism Industry was Ecotourism. In addition, tourist guides who was licensed by Malaysia are categorized into city and nature guides according to the type of tourist place guide. City licensed guide are to shows the visitors place of interest in the city meanwhile nature licensed guide to lead the tourist within the natural areas chosen by the department..

**Table 1.1 : Tourist Arrivals in Malaysia by Country of Nationality, 2015-2016**

Country of Nationality	2015	2016	Growth (%)
Singapore	12,930,754	13,272,961	2.6
Indonesia	2,788,033	3,049,964	9.4
China	1,677,163	2,124,942	26.7
Brunei	1,133,555	1,391,016	22.7
Thailand	1,343,569	1,780,800	32.5
India	722,141	638,578	-11.6
South Korea	421,161	444,439	5.5
Philippines	554,917	417,446	-24.8
Japan	483,569	413,768	-14.4
Australia	486,948	377,727	-22.4

Source: Tourism Malaysia with the cooperation of the Immigration Department.

**Figure 1.3 : Tourist Arrivals to Malaysia, 2006-2016**