



# The influence of service brand orientation on hotel employees' attitude and behaviors in China

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## ABSTRACT

As foreign hotel brands continue to roll out their investment in China, the competitive landscape intensifies. Central to the success of these hotel brands is their ability to offer the unique features of their service offering, as reflected in the brand, in which employees play a key role. However, in the Chinese market, where the introduction of foreign hotel brands is in its initial stages, employee brand knowledge may be limited resulting in service behaviors that are inconsistent with the brand. Therefore, the adoption of a service brand orientation to guide employee attitudes and behavior is considered to be necessary. In an effort to realize productive service employees, this study examines the consequences of adopting a service brand orientation. Results suggest that a service brand orientation is imperative for positive employee brand-oriented behaviors as well as customer-oriented behaviors that are a consequence of an employee customer orientation.

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## 1. Introduction

The tourism industry in China is growing at a faster rate than both world tourism and China's GDP (Kong and Baum, 2006), with the World Tourism Organization forecasting China to become the world's leading tourist destination by 2020 (Pine and Phillips, 2005). The tremendous growth of tourism activities in this market has led to a substantial increase in hotel development, with the number of hotels rising from 137 hotels in 1978 (Pine and Phillips, 2005) to 7847 hotels in 2010 (CNTA, 2010). China's rapid economic growth, as well as political and social stability, has attracted the world's top hotel brands to this emerging market (Heung et al., 2008).

While research demonstrates that foreign-run hotels in China, such as Marriott and Starwood, are more profitable than domestic ones (Okoroafo et al., 2009), the long-term success of these foreign brands depends on their ability to satisfy China's international and domestic tourists. However, the provision of good service is insufficient to achieve a market leadership position that is reflected in strong consumer loyalty and large market share. Foreign hotel brands in China also need to convince both their customers and their employees of the unique and distinctive features of their

service offering, as reflected in the brand, to achieve such an outcome.

With the dominance of foreign hotel brands in the China hotel development landscape (Guillet et al., 2010), the need for effective brand management practices is emphasized. This need arises because, in the increasingly competitive Chinese marketplace, foreign brands rely heavily on their brand equity (Guillet et al., 2010). To build on this brand equity, these hotel brands are focused on issues such as the service concept and culture (Guillet et al., 2010). The delivery of a successful hotel brand experience relies heavily on service employees to solidify customer perception of the brand and, subsequently, develop brand equity, making attention to management of the human capital within the organization essential (So and King, 2010; Tsang et al., 2011).

As the service provider plays a critical role in forming customer perceptions of a service brand, hotel employees in China must understand the service brand standards and, more importantly, bring the brand to life through their thoughts and actions. Successful achievement of this objective requires an organizational culture characterized by a dedication to the delivery of service quality and a strong brand ethic (i.e., a service brand orientation). Therefore, this study takes a dyadic view of customer-oriented and brand-oriented behaviors of hotel employees. We examine employee behavior (i.e., brand building behavior) that results from a customer-oriented attitude which is in keeping with an organizational strategy that seeks to provide a superior, brand aligned, service experience. Given that customer expectations form as a result of the communicated brand promise, as well as experience

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with the brand, focusing on employee brand-building behaviors ensures satisfied customers (Zeithaml et al., 1993). Furthermore, employee brand-building behavior will also strengthen the foreign hotel brand's identity through consistency that transcends geographical boundaries.

To realize productive employee behavior, this paper first considers the central role of the employees' customer oriented attitude. In seeking to influence this attitude and subsequent behavior, we examine two organizational orientations, namely service and brand orientation, concluding that foreign hotel brands should adopt a hybrid approach (i.e., service brand orientation). This is followed by a description of the research procedures adopted to test the proposed hypotheses. In addition to the presentation of the results, the final section discusses the research findings along with limitations and directions for future research.

## 2. Literature review

### 2.1. Employee customer orientation

In a hotel environment, the service offering is an intangible element in the exchange between the customer and service provider. Furthermore, the service is generated and typically consumed with the employee present (Susskind et al., 2000). Therefore, service delivery can be significantly affected by the service providers involved in the interaction (Rafaeli et al., 2008), leading both marketing and management scholars to conclude that individual differences contribute significantly to service employee behaviors (Grizzle et al., 2009). In particular, employee customer orientation, which is "a statelike individual difference variable (attitude) reflecting a worker's posture toward satisfying customers' needs" (Grizzle et al., 2009, p. 1228), is positively related to outcomes such as business performance (e.g., Tajeddini, 2010; Yoon et al., 2007), customer identification with the organization (Homburg et al., 2009), employee customer-oriented behaviors (Grizzle et al., 2009), and customer satisfaction (Stock and Hoyer, 2005; Susskind et al., 2003). In a hospitality setting, service-oriented employees can project a positive image of the organization to the customer (Dienhart et al., 1992).

While employee customer orientation has been conceptualized in both behavioral and attitudinal terms, examining it from an attitudinal perspective rests on the assertion that attitude leads to behavior, since long-term customer-oriented behavior requires employees to possess an attitude that supports a customer-orientation strategy (Reychav and Weisberg, 2009). If managers "can establish a high level of customer orientation in the employees' attitudes, this will generate a higher level of stability in behavior as compared to only training employees to behave in a customer oriented way" (Stock and Hoyer, 2005, p. 537). While short-term change in behavior is possible, the change may not last unless an enduring attitude drives the behavior (Reychav and Weisberg, 2009; Stock and Hoyer, 2005).

Consideration of employee customer orientation as an individual attitudinal variable should acknowledge that the situational environment may moderate individuals' motivations (Grizzle et al., 2009). Individuals' beliefs and attitudes are influenced by a number of environmental factors, such as family and reference groups. Environmental influence extends to the work environment, where the organizational culture and employment context shape the way people think and ultimately behave. This influence is particularly important in the Chinese hotel market since the majority of hotel employees may be unfamiliar with the foreign values embedded in the hotel brand that they work for: "cognition does not occur in isolation from the larger cultural context; all cognitive activities are shaped by the culture and by the context in which they occur"

(Galotti, 2004, p. 33). In other words, service employees behavior is consistent with their particular situational context, which may lead them to alter their behavior to conform to the organization's culture or climate expectations (Grizzle et al., 2009). Understanding how to influence a hotel employee's attitude, and subsequent behavior, therefore, requires insight with respect to the orientation of the organization within which the employee works. The provision of service excellence as well as a consistent brand experience is important for foreign hotel brands operating in China. Therefore, consideration is first given to the established concept of service orientation before examining the emerging idea of brand orientation.

### 2.2. Service orientation

Driven by a consensus that providing good service to customers requires an organizational focus on customers as well as the capacity to provide employees with relevant information (Perryer, 2009), hotel firms increasingly adopt an organizational orientation that champions service excellence (Pizam, 2012) as it has been shown to be a contributor to hospitality firms success. For example, service orientation in a restaurant setting directly affects customer perceptions of service quality and indirectly affects customer satisfaction (Kim, 2011). In addition, service orientation enhances hotel employee job satisfaction and service image, which in turn elevates business performance (Lee et al., 1999).

Service orientation requires "the adoption by the whole organization of a basic set of lasting organizational policies, practices and procedures, directed at supporting and rewarding service behaviors which create and provide excellent service" (Lytle et al., 1998, p. 459). However, a continuing and sustainable growth in customer satisfaction is becoming increasingly difficult to achieve, forcing organizations to think of alternatives to achieve a competitive advantage (Homburg et al., 2009). One alternative is relationship building: "In their quest for sustained success in a market place... more and more companies are attempting to build deep, meaningful, long-term relationships with their customers" (Bhattacharya and Sen, 2003, p. 76). These relationships develop through a meaningful connection between the customer and the brand, an approach that underscores the importance of brand strategy as a cornerstone for sustained business practices. Therefore, in contrast to simply providing generic good service, employees need to be aware of customers' expectations of the brand, so that they are able to enhance the customer-brand relationship through the provision of a brand-aligned service experience. For this reason, employee brand awareness, as a result of an organization's brand orientation, comes to the fore.

### 2.3. Brand orientation

Brand orientation "is an approach in which the processes of the organization revolve around the creation, development, and protection of the brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages" (Urde, 1999, p. 117). The focus here is on employees' awareness of, and support for, the brand's identity through work-related behaviors (Burmman et al., 2009). The importance of brand orientation in a hotel is twofold. First, research has firmly established that service employees' actions play a critical role in shaping customers' service experiences and feelings toward the hotel brand (Tsang et al., 2011). Internal branding seeks to train and motivate employees to behave in a manner that is intended by the organization and communicated externally to its customers. Second, achieving customer loyalty and a defensible competitive advantage requires employees to consistently meet and satisfy customers' expectations of the brand. Without brand awareness,

employee exhibition of such brand aligned behavior is unlikely (King and Grace, 2009).

When considering service orientation, a sole focus on the provision of service excellence may actually undermine the consistency and management of the organization's brand (Urde et al., 2013), the ultimate purveyor of value and an organization's competitive advantage. Therefore, while a brand orientation is concerned with achieving customer satisfaction, its priority is maintaining the integrity of the brand identity through its interactions with customers (Urde et al., 2013). That is, customer satisfaction does not occur at the expense of the organizationally agreed-on brand strategy.

For organizations that require a customer focus (e.g., service brands, such as hotels), the adoption of a service orientation is the ideal. However, as market share increases, the integration of a brand orientation may be advisable, because as the organization grows and becomes more successful, it experiences a greater need to effectively manage customers' experience with the brand in a cohesive and coherent manner (Urde et al., 2013). Strong brand management contributes to the organization's sustainability, as reflected in satisfied customers and a compellingly differentiated brand. For foreign hotel brands in China, the deliberate adoption of a hybrid *service brand orientation* is, therefore, considered essential. Hotel employees know they must provide good service (i.e., service orientation). They also need to know, however, how the customers, and the organization, define good service with respect to that particular brand (i.e., brand orientation). Chinese hotel employees' comprehension of brand-induced customer expectations, however, may be lacking because of limited exposure to foreign hotel brands. Therefore, a service brand orientation (SBO) is necessary to guide employee attitude and behaviors for the provision of a superior brand experience.

#### 2.4. Service brand orientation

Considering the interaction between market orientation and brand orientation helps with understanding the conceptualization of SBO. While "market orientation is a central notion in the marketing discipline and might be called its foundation" (Urde et al., 2013, p. 118), its external focus is on the satisfaction of customer needs and wants, consistent with service orientation. Still, organizations can adopt an internally focused brand orientation, whereby the brand, as a strategic resource or asset of the organization supersedes the needs and wants of customers and customer satisfaction is sought only to the extent that it fits within the framework of organizationally agreed upon brand identity. In essence, the difference between the two orientations is that the former is market-driven (i.e., responder) whereas the latter is market-driving (i.e., innovator).

In reality, however, while their initial orientation maybe strongly rooted in ideals that align with either orientation, organizations inevitably evolve to a hybrid form, with elements of both orientations guiding decision making in response to changes within the operating environment (Urde et al., 2013). Such an integrated approach to brand management is also reflected in brand management paradigms, which suggest that organizations' approach to brand management is based on the centrality of customers and brands (Louro and Cunha, 2001). Fundamentally, both conceptualizations posit that in reality, organizations reflect, to some extent, both external and internal orientations.

Despite the intuitive appeal of a hybrid approach to market and brand orientations, the strategic orientation literature tends to emphasize relationships between the orientations (e.g., Mulyanegara, 2011; Reid et al., 2005) or be limited to conceptual argument as to the value of a hybrid approach (e.g., Urde et al., 2013). Given that brand orientation research is still in its

infancy (Gromark and Melin, 2011; Mulyanegara, 2011), the lack of empirical investigation is not surprising. However, with scholars emphasizing that a hybrid market and brand orientation is "more realistic and fruitful, both for advancing theory and for business practice" (Urde et al., 2013, p. 17), empirical investigation is warranted.

In conceptualizing SBO, this study, therefore, seeks to advance the hybrid approach to strategic orientation by building on both the well-established literature of service orientation and the emerging brand orientation literature. As a result, consistent with Louro and Cunha's (2001) relational brand management paradigm, SBO accounts for the requirement to consider consumers, as well as the role of the organization in constructing brand value, for brand success to be realized. Adoption of SBO by foreign hotel brands in China is considered to be important in realizing market leadership, as such a coveted outcome is suggested to require a market/service and brand orientation (Urde et al., 2013). An SBO meets the need for a holistic, consistent, and integrated approach to service brand management. An SBO rests on synergy between the organizational culture and the brand as well as on a focus on excellent and personalized customer service. SBO results in a culture that "stimulates employees' actions and the delivery of high quality [competitively distinct] service" (Yoon et al., 2007, p. 373). On this basis, we hypothesize that

**H1.** Service brand orientation has a positive effect on employee customer orientation.

To engage in service behavior that is aligned with the brand promise, hotel employees need to be motivated to perform their customer service duties (Susskind et al., 2000) and have "a genuine desire to willingly deliver the brand promise" (King and Grace, 2009, p. 133). Therefore, service brand leadership, reflected in a high level of responsiveness to change, ability to differentiate and challenge the industry norm, is an important element in service brand success (de Chernatony and Cottam, 2006), with leadership considered a foundational element in maintaining service vigilance (Lytle et al., 1998). In addition, human resource practices can stimulate staff interest in delivering the hotel brand promise (Punjaisri et al., 2008). As such, service brand HR practices are also considered an effective way to operationalize SBO.

Service brand success is predicated by consistency (de Chernatony and Cottam, 2006; McDonald et al., 2001), as an inconsistent brand experience adversely affects customers' relationship with the service brand (Punjaisri et al., 2008). Therefore, a SBO also emphasizes the communication of service brand standards in order to achieve such consistency. Interestingly, in addition to brand consistency, a malleable internal brand management approach is also advocated for service brands. For service brand success, a "loose" branding approach, enabled through employee empowerment, is required to fulfill the brand potential (de Chernatony and Cottam, 2006, p. 624). Service brand employees need to be responsive to customers and the service environment, as the nature of the service encounter often requires a non-scripted response (King and Grace, 2006). Therefore, the final dimension used to operationalize SBO is service brand empowerment. The previous discussion, therefore, leads to a definition of SBO as *an organizational climate that stimulates employees' attitude and behaviors to provide a superior service brand experience, as reflected in service brand leadership, service brand HR practices, service brand standards, and service brand empowerment.*

Having conceptualized SBO, attention turns to the employee outcomes of such an organizational orientation that goes beyond a positive attitude, reflecting the actual behaviors of the employees. In contrast to employees that have merely been trained to behave in a customer-oriented way, who have neutral or weak attitudes toward customers (Reychav and Weisberg, 2009), employees

with a positive customer-oriented attitude consistently exhibit customer-oriented behaviors (e.g., Stock and Hoyer, 2005). As an organization's brand is now generally considered to be a critical route to sustainable competitive advantage, the behavior of employees, which lies at the heart of any service brand, is highlighted.

### 2.5. Employee brand-building behavior

Indisputably, one requirement for sustained competitive advantage is the ability of an organization, or, more specifically its employees, to satisfy customer needs better than competitors do. Therefore, customer-oriented behavior is a desirable outcome for many hotel organizations. Customer-oriented behavior is the ability of employees to help customers satisfy their needs through behaviors such as identification, comprehension, analysis, and responsiveness (Reychav and Weisberg, 2009; Stock and Hoyer, 2005). Therefore, we advance the following hypothesis.

**H2.** Employee customer orientation has a positive effect on customer-oriented behavior.

The well-established service orientation/customer orientation work of Saxe and Weitz (1982) is not considered sufficient, however, to deliver a superior brand experience. Like service orientation, employee customer-oriented behavior is generically focused and makes no attempt to promote behaviors that are brand-aligned. This characteristic highlights the need for a more holistic appreciation of service employee behaviors that contribute to a competitively distinct brand experience.

We suggest that, collectively, employee customer-oriented behaviors and brand-oriented behaviors, combined, more holistically articulate SBO employee outcomes. In contrast to generically good service, brand-oriented behavior (i.e., brand endorsement, brand allegiance, and brand-consistent behavior) specifically reflects an employee's desire to participate and contribute to the brand's success (King et al., 2012). As a reflection of employee commitment to the brand (King et al., 2012), brand-oriented behavior is organizationally affiliated and, when combined with customer-oriented behavior, brings the brand to life.

Importantly, service employees' behavior must actively demonstrate brand values, thereby acting as brand ambassadors (Wallace and de Chernatony, 2009). Therefore, the behaviors of employees working in a hotel that promotes a SBO are termed employee brand-building behavior. As employee customer orientation has a significant positive effect on employee behaviors (e.g., Donavan et al., 2004; Stock and Hoyer, 2005), we hypothesize that

**H3.** Employee customer orientation has a positive effect on brand-oriented behavior.

Customers form expectations of a service organization from the brand promise. Therefore, previous investigators have encouraged research that explores alternative behaviors of customer-contact employees, beyond those that are simply customer oriented (Bell and Menguc, 2002). The inclusion of brand-oriented behavior in this study responds to this call. Brand-oriented behavior is a discretionary employee performance outcome that, consistent with organizational citizenship behavior, influences the provision of superior service quality. In contrast to employee customer-oriented behavior, which only certain individuals may be predisposed to engage in, brand-oriented behavior is an organizationally motivated behavior that is influenced by customer-oriented behavior (e.g., Chang and Chang, 2010; Chien et al., 2008; Donavan et al., 2004; Farrell and Oczkowski, 2009) because "employees who are inclined to meet customer needs will go beyond the call of duty" (Donavan et al., 2004, p. 131). Therefore,

**H4.** Customer-oriented behavior has a positive effect on brand-oriented behavior.

While influencing employee attitudes is not as easy as influencing their behavior (Stock and Hoyer, 2005), employees are capable of performing as the organization intends if they know what is expected of them and have appropriate skills. Empirical evidence shows that in a hotel context, internal branding, coordinated training, and internal communication influence employees' behaviors in delivering the brand promise (Punjaisri et al., 2009a,b). In addition, organizational climates, such as a service orientation, affect employee service behaviors (Liao and Chuang, 2004). On this basis, we hypothesize that

**H5.** Service brand orientation has a positive effect on customer-oriented behavior.

**H6.** Service brand orientation has a positive effect on brand-oriented behavior.

The six hypotheses posed in this study seek to test the relationship between an organization's service brand orientation and the employee outcomes of a customer-oriented attitude and brand-building behavior, as reflected in the constructs of customer- and brand-oriented behavior. Fig. 1 provides a graphic depiction of the proposed model.

## 3. Methodology

### 3.1. Data collection

Research data came from a survey that assessed employees' perceptions, attitude, and behaviors with respect to the foreign hotel brand they worked for. Specifically, data were collected from hotel employees in a five-star foreign-branded hotel (opened in 2008) in Guangzhou, the third largest city in China. This property has approximately 400 guest rooms and around 600 staff. The hotel provides services to customers at multiple touch points, including three restaurants, two bars, six conference rooms and a boardroom, and a business center, as well as a fitness center with a pool and spa. Hotel development in this city has increased rapidly, with seven new foreign hotel brands opening within a 12-month period in the same business district in 2010, two opening in 2012, and an additional two forecasted to open in 2013. In response to this competitive landscape, the hotel was actively pursuing internal service brand management activities to enhance its competitive advantage. All of the hotel's employees were invited to complete the self-administered survey during work time, seal it in an envelope, and pass it to the hotel's training manager.

The survey was translated from English to Chinese and then back-translated to check for accuracy. Specifically, all items and instructions were initially translated into simplified Chinese by a bilingual academic (Wang, 2010), through a process that included consistent dialogue between the translator and the principal investigator to discuss translation interpretations (Byrne and van De Vijver, 2010). A different bilingual scholar conducted the back translation, creating a team-based environment to dispel individual subjectivity of what translation was "best" (Harkness et al., 2003). Several of the hotel's management committee served as subjects in a pretest of the survey. These participants were bilingual but were familiar with the language capabilities of their employees and were thus considered an appropriate sample for the survey pretest.

Of the 322 returned surveys, 31 were removed owing to substantial incompleteness, leaving a total of 291 usable surveys and a response rate 48.5%. Female respondents accounted for 52% of the sample, with 53% of respondents under the age of 25, 46% between 25 and 45, and 1% over the age of 45. In terms of job status, 89% of respondents were full-time, with position levels varying from

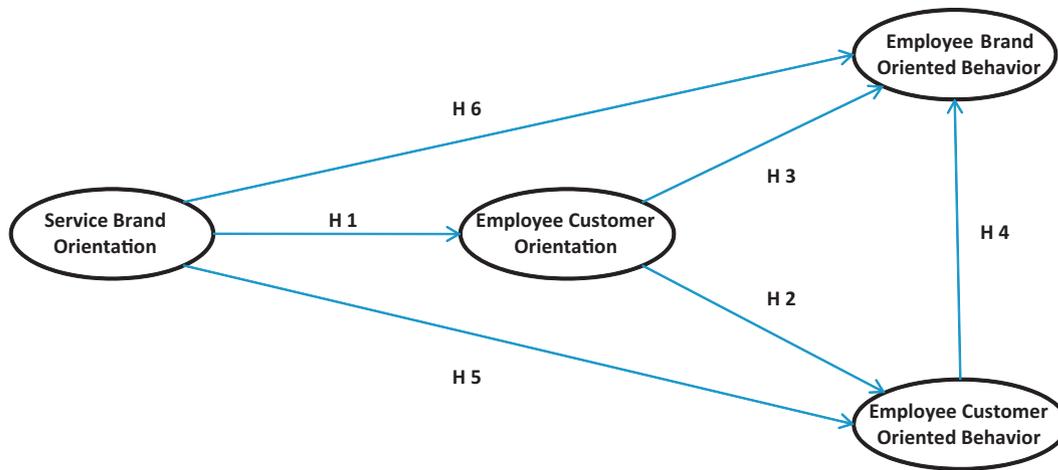


Fig. 1. Conceptual model.

53% entry level, 25% supervisor, 20% middle management, and 2% senior management.

3.2. Measurement

Multi-dimensional scales were used to measure SBO. In particular, the 35-item SERV\*OR scale (Lytle et al., 1998) and the 35-item scale measuring brand-centered HR management, brand communication, and brand leadership (Burmam et al., 2009) formed the basis of this examination. Two academics with expertise in services management and scale development reviewed the 70 items to identify which items strongly reflected the intention of SBO, and selected a total of 25 items for use in this study (see Appendix A).

Thirteen items measured employee customer orientation (Donavan et al., 2004; Yavas and Babakus, 2010). In addition, a six-item scale measured employee customer-oriented behavior (Stock and Hoyer, 2005), while the 11-item employee brand equity scale measured brand-oriented behavior (King et al., 2012).

4. Analysis

4.1. Preliminary analysis

Preliminary data analysis included correlation analysis, exploratory factor analysis (EFA), and reliability analysis to assess the performance of scale items. Bivariate correlations were computed to identify items that did not fall within the acceptable range of .30–.90 (Hair et al., 1998). Items pertaining to each of the key variables were subjected to individual EFAs. The results of all analyses appear in Table 1.

Table 1 Preliminary statistics (n = 291).

Construct	Factor loadings	Variance explained	Cronbach's alpha
<b>Service brand orientation</b>			
Leadership	.69–.84	56.28%	.84
HR practices	.66–.81	56.01%	.87
Standards	.65–.90	60.86%	.88
Empowerment	.78–.86	71.88%	.73
<b>Brand oriented behavior</b>			
Brand allegiance	.83–.91	77.37%	.85
Brand endorsement	.84–.92	78.77%	.86
Brand-consistent behavior	.83–.91	77.34%	.84
<b>Customer orientation (Attitude)</b>			
	.67–.95	68.56%	.88
<b>Customer orientation (Behavior)</b>			
	.79–.87	70.47%	.86

As Table 1 indicates, all factor loadings were well above the acceptable level of .50 (Hair et al., 1998). In addition, the variance explained for each of the latent variables was well in excess of .50 (Fornell and Larcker, 1981) and internal consistency was good, with all Cronbach's alphas exceeding .70 (Nunnally, 1978). Composite variables were computed via mean estimation. The results appear in Table 2. Notably, the data are not normally distributed, as indicated by the skewness and kurtosis of the variables, which affects the selection of subsequent analysis techniques.

4.2. Validity checks

Validity checks ensured the convergent and discriminant validity of the measured constructs. Convergent validity is supported as all loadings were significant (>.50) (Gerbing and Anderson, 1988), all AVEs were greater than .50 (Fornell and Larcker, 1981) (see Table 1). In addition, as the square root of the AVE for each factor is greater than its correlations with other factors, discriminant validity is established (Chin, 1998; Fornell and Larcker, 1981). Having established the validity of the data, we employed partial least squares (PLS) analysis to address the hypotheses of the studies.

4.3. PLS analysis

PLS is a general technique for estimating paths involving latent constructs indirectly observed by multiple indicators (Bontis, 1998). As the preliminary analysis revealed, the data were not normally distributed, necessitating PLS analysis. The composite variables were modeled in SmartPLS (Ringle et al., 2005). Firstly, the results of the measurement models associated with SBO and brand-oriented behavior were examined (see Table 3). Standardized loadings associated with SBO dimensions ranged from .68 to

Table 2 Descriptive statistics for composite variables (n = 291).

Composite variable	Mean	SD	Skewness	Kurtosis
<b>Service brand orientation</b>				
Leadership	5.97	0.94	-1.31	1.66
HR practices	5.82	1.00	-1.16	1.19
Standards	6.01	0.85	-1.07	1.13
Empowerment	4.87	1.02	.42	-4.2
<b>Brand oriented behavior</b>				
Brand allegiance	5.14	1.46	-.56	-.32
Brand endorsement	6.39	0.92	-2.31	6.71
Brand-consistent behavior	6.23	0.81	-1.63	4.40
<b>Customer orientation (Attitude)</b>				
	6.30	0.68	-1.50	3.01
<b>Customer orientation (Behavior)</b>				
	6.34	0.78	-2.31	6.52

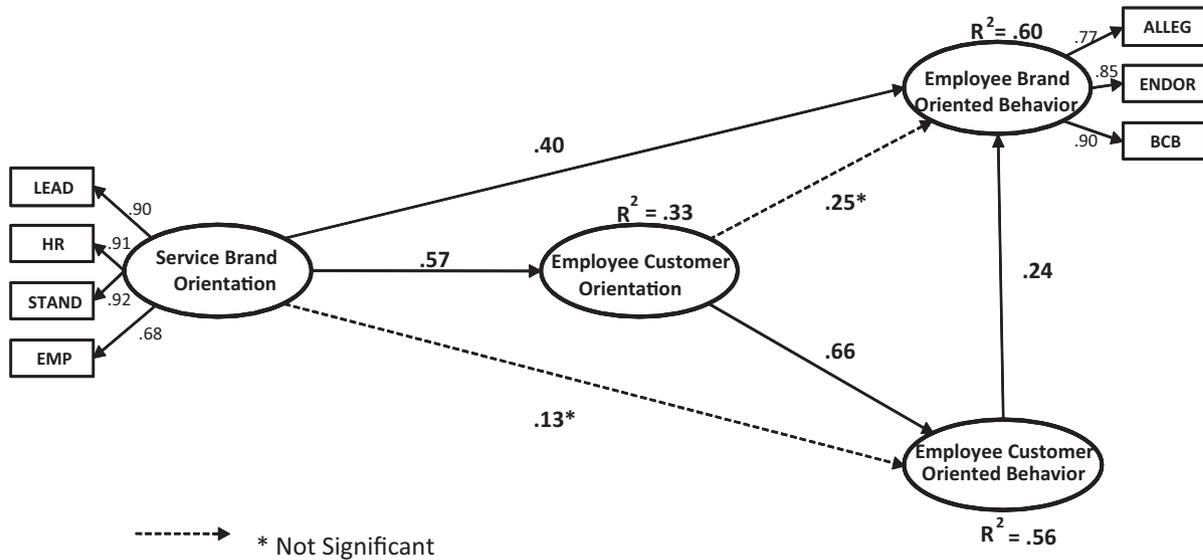


Fig. 2. PLS results (n = 291).

.91 and were all significant, with the lowest *t*-value being 11.36. The AVE was well over .50 and the composite reliability greater than .70 (Fornell and Larcker, 1981). In relation to brand-oriented behavior dimensions, all standardized loadings were significant (lowest *t*-value of 14.03), with the AVE being .71 and the composite reliability computed at .88.

4.4. Hypotheses testing

Table 4 shows the path coefficients between the exogenous and endogenous variables, critical ratios, R<sup>2</sup>, and average variance accounted for (AVA), which are the focus of the hypotheses. As the individual R<sup>2</sup>'s are greater than the recommended level of .10 (Falk and Miller, 1992), an examination of the paths' significance associated with these variables was undertaken. With the exception of H3 and H5, all path coefficients were significant as the bootstrap critical ratios were greater than ±1.64 (one-tailed test). The AVA

for this model was .50, indicating that the predictive power of the individual paths (Fornell and Bookstein, 1982) and structural model demonstrate the conceptual model's theoretical soundness. Fig. 2 shows results of hypotheses testing graphically.

5. Discussion

In conceptualizing SBO, this study promotes an organizational philosophy that affords a hotel the opportunity to offer exceptional service that corresponds to the brand promise. This philosophy is particularly relevant for foreign hotel brands entering the Chinese market. As customer expectations are based on the promoted brand values, employees must embrace these values to bring the brand promise to life. As "strong brands aren't given [and] must be earned over and over again...brand building is not a project but a process" (Gromark and Melin, 2011, p. 394), the promotion of SBO emphasizes a conscious approach to service brand management to enable employees to provide competitively sustainable service experiences.

Although the adoption of a service orientation in isolation may result in superior customer service, a competitive advantage for the organization may not follow. In fact, providing an unconditional response to customers' needs and wants may neglect the strategic intent of the brand, potentially limiting the organization's attainment of a competitive advantage through long-term brand development (Urde, 1999).

Alternatively, the sole adoption of a brand orientation may result in a too inwardly focused organization that, over time, isolates itself from the evolving needs of the customer (Urde et al., 2013). The result is potentially limited attention to managing the service brand development process, in which customer interaction and

Table 3  
PLS results of measurement model (n = 291).

Variable	Factor loading	t-Value	AVE	Composite reliability
<b>Service brand orientation</b>				
Leadership	.90	28.16		
HR practices	.91	54.75		
Standards	.92	67.71		
Empowerment	.68	11.36	.74	.92
<b>Brand oriented behavior</b>				
Brand allegiance	.77	14.03		
Brand endorsement	.85	19.26		
Brand-consistent behavior	.90	37.01	.71	.88

Table 4  
PLS results of structural model (n = 291).

DV	IV	Hypothesis	Coefficient	t-Value	Significance	R <sup>2</sup>
<b>BOB</b>	SBO	H6	.40	3.32	p < .01	.60
	ECO	H3	.25	1.61	n/s	
	ECOB	H4	.24	1.83	p < .05	
<b>ECOB</b>	SBO	H5	.13	1.50	n/s	.56
	ECO	H2	.66	7.97	p < .01	
<b>ECO</b>	SBO	H1	.57	6.67	p < .01	.33
<b>AVA</b>						<b>.50</b>

satisfaction are central. By advancing a hybrid orientation that engenders a strong brand that is aligned with customer needs, the organization achieves a conditional (brand) response to customers rather than providing unconditional service that may be unsustainable (Urde et al., 2013).

Given that many front-line employees may not be familiar with foreign hotel brands or their espoused values, an SBO could be extremely important in the Chinese hotel market. For example, while the Grand Hyatt's brand essence may be "authentic luxury," understanding how to provide such luxury could be challenging for a hotel employee who has not experienced such luxury or does not understand luxury as defined by a Western market. Even a customer from China will have expectations based on the Western values promoted in the brand. Therefore, to deliver a competitively distinct and sustainable customer experience, a hotel that promotes Western brand values must adopt an SBO that enables employees to fully comprehend brand values, not just memorize them. This study has operationalized SBO as a multi-dimensional construct comprising service brand leadership, service brand HR practices, service brand standards, and service brand empowerment. The results suggest that these four dimensions are significant indicators of SBO and the latent construct accounts for 74% of the variance in these dimensions, providing support for the promoted organizational orientation.

However, organizational intent or orientation in isolation is insufficient for a hotel to realize its goals. Previous research suggests that in a hotel environment, service brand image formation and sustainability depend on employee attitudes and behavior (Kimpakorn and Tocquer, 2010). Therefore, this investigation considered how SBO, as an organizational orientation, can influence the employees' attitude and behavior. SBO was found to have a significant positive effect on the employee's customer-oriented attitude (H1), as well as brand-oriented behavior (H6). Individuals possessing a high internally generated customer orientation are more likely to recognize and be influenced by an organization's service orientation because of the congruence in values (Jung and Yoon, 2013). Furthermore, those shared values are also manifested in brand-oriented behavior. Prior research found that "a service orientation motivated individuals to enhance the fitness between themselves and the organization, thereby boosting their partiality to the organization" (Jung and Yoon, 2013, p. 15). Such a perceived fit is organization-specific and is reflected in brand-oriented behaviors. Therefore, the results of this study suggest that the adoption of a SBO leads employees to specifically identify with that hotel's brand and be motivated to demonstrate brand-oriented behaviors.

While SBO positively influenced employees' customer-oriented attitude and brand-oriented behavior, it did not directly affect their customer-oriented behavior (H5). In contrast, customer-oriented behavior was only affected by the employees' customer-oriented attitude (H2), a finding consistent with the literature promoting attitude as a precursor to behavior. This finding provides further support for the need to engender positive customer-oriented attitudes within all employees, since exceptional customer service cannot be fabricated. Furthermore, it supports the assertion that while recruiting good employees may be difficult in a market where hotel development is fierce, hotel management in China must be persistent in pursuing customer-oriented employees. While all employees can receive the same training and may have similar work experience, not all will perform in the way the organization intends, as individuals possess personality characteristics that predispose them to behaving in a certain manner (Donavan et al., 2004).

In contrast, the direct effect between SBO and brand-oriented behavior (H6) seems to arise from employees' identification with the organization as a result of the SBO. When employees join an organization, the brand is the first introduction to their relationship

with that organization. The process of application, recruitment, and selection provides repeated exposure to the brand and reinforces the potential employee's role within that brand. In contrast, exposure to the organization's customer begins later and may be somewhat sporadic. While the hotel brand is a common denominator for all employees that work within the hotel, certain service employees may not directly identify with customers because of the nature of their job. For example, while kitchen workers are service employees, they do not directly serve customers and therefore may not believe they exhibit customer-oriented behavior. However, if they are committed to the hotel brand, they demonstrate brand-oriented behavior. The support for H6 in contrast to the lack of support for H3 is significant. It demonstrates that adoption of only a service orientation does not allow the service brand to realize its potential because the organizational intent (i.e., service excellence) may only resonate with customer-facing employees. In contrast, adopting a hybrid SBO enables all employees of the organization to identify with the brand and subsequently demonstrate employee customer-oriented behavior and brand-oriented behavior that, collectively, advance the organization.

While SBO had a direct effect on employees' brand-building behavior (H6), this behavior was not influenced by the employee's customer-oriented attitude (H3), perhaps because of the relative infancy of this foreign hotel brand in China. Attitude formation develops over time. In China, that the hotel industry is about serving people is a well-established concept (Zhang and Lam, 2004). As a result, hotel employees' customer-oriented attitude directly influences their customer-oriented behavior (H2). The relationship between attitude and behavior toward customers in H2 is not context- or brand-specific, whereas in H3 the relationship is underpinned by the specific hotel brand. The majority of the sample (56%) had been with the hotel for a period of only 12 months at the time the data were collected. Therefore, the results may suggest that a positive association between the employees' attitude and the brand had yet to form. Over time, as the employee tenure increases and the SBO continues, internalization will occur, linking employees' customer-oriented attitude to the brand.

Endeavoring to engender future support for H3 – employee customer orientation has a positive effect on brand-oriented behavior – is very important for retaining and motivating good employees. Many hotels covet employees with a strong customer orientation who exhibit customer-oriented behaviors. In the Chinese hotel market, with the ever-increasing hotel development pipeline, management is concerned about turnover of good employees and its impact on service quality. Specifically, service capabilities may be depleted by new hotel developments that steal good employees. Therefore, a priority should be to expose employees with a high customer orientation to brand-specific customer insights so that their strong internal customer orientation (attitude) becomes associated with that particular brand. In other words, they have a strong desire to serve the customers of Ritz Carlton, as opposed to a generic group of customers who can be served in any hotel setting. As employees become committed to providing exceptional customer service as defined by the hotel's distinct brand values, they become less likely to defect to another hotel brand.

## 6. Conclusion

To have any chance at surviving the increasingly competitive landscape, hospitality organizations must provide quality service. However, good service is insufficient to establish a competitive advantage, particularly in the Chinese hotel market where all competitors hold service excellence to be a strategic priority. To deliver the brand promise, hotels need to emphasize the unique features of their service offering as reflected in the brand and their employees.

In drawing on both organizational actions (e.g., brand) and individual (e.g., service) contributions, Pizam (2012) promotes service orientation as being key in hospitality organizations success. However, within the hospitality literature, this dual perspective appears to be underdeveloped.

In addressing the need for a service brand orientation, this study makes a number of contributions. First, this article develops the organizational-level construct of SBO, advancing dialogue with respect to measuring the elusive hospitality organizational service orientation. Second, this study builds on prior work (Burmam et al., 2009; Lytle and Timmerman, 2006) to establish SBO as an antecedent to employee customer orientation, the individual-level manifestation of service orientation.

Third, by examining brand-building behaviors that are competitively distinct consequences of a SBO, this study considered the behaviors that provide a superior brand experience. In addition to providing insight into organizational actions that engender SBO, this study also investigates SBO's consequences as reflected in individual employee's customer-oriented attitudes and brand-building behaviors. Future research might assess the relative alignment of employee attitudes toward customers and the brand as a result of adopting a hybrid SBO. Lastly, in adopting a case study approach, this study continues the dialogue regarding the emerging Chinese hotel market, which represents an interesting research platform given its relative infancy in the industry life cycle. Further research would illuminate the unique challenges presented in an industry that is dominated by Western cultural values but is developing in an eastern cultural context.

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### Appendix A.

#### Service Brand Leadership

1. There is a true commitment to service.
2. It is believed that, fundamentally, the organization exists to serve the needs of its customers.
3. Management does not just talk about good service, it provides resources to enhance employee ability to provide excellent service.
4. Managers give personal input and leadership into creating quality service.
5. Our management internally and externally lives the brand in an authentic way and is a good brand role model.
6. My direct supervisor manages to motivate me and my team to additional efforts by making clear to us the high customer expectations of our brand.

#### Service Brand HR Practices

7. Management provides excellent incentives and rewards at all levels for service quality, not just performance.
8. We spend much time and effort in training activities, which helps us provide higher levels of service when actually encountering the customer.
9. When I started in this organization, they took great care to give me an understanding of the brand.
10. In all education and training programs the relevance of the particular training topic to the brand is demonstrated.
11. In our organization, promotion depends on whether you behave according to the brand and enhance the brand image.

#### Service Brand Standards

12. Management is constantly measuring service quality.
13. Every employee understands all of the service standards that have been established by all departments.
14. Service performance measures are communicated openly with all employees regardless of their position or function.
15. I know the values our brand stands for.
16. I feel well informed by head office about what our brand stands for.
17. I feel well informed by my direct supervisor about our brand.
18. In our organization, there are stories that circulate, expressing what our brand stands for.
19. I know how I am expected to behave to ensure our brand has a positive image with our customers.
20. I have written guidelines with detailed instructions on how to behave according to our brand.
21. Whether I behave according to our brand identity is regularly controlled.

#### Service Brand Empowerment

22. Employees often make important customer decisions without seeking management approval.
23. Employees have the freedom and authority to act independently in order to provide excellent service
24. With my work I can contribute to a positive brand image for our organization.
25. I have influence on how my department/team translates what the brand stands for into actions.

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