

Impact of brand image on customer loyalty with special reference to Sri Lankan hotel industry

I.S Jayasinghe and W.M.H.U Wijethunga*

Department of Marketing Management, Faculty of Management, University of Peradeniya, Sri Lanka
**heshani114@yahoo.com*

Brand Image (BI) is being recognized as an important factor influencing customer loyalty in many industries, where many companies try to attract more customers through creating a positive brand image in consumer minds. Hotels as a player in the hospitality industry, which is one of the highest competitive industries today, try to establish a strong and impressive BI in order to stay ahead the competition and to gain a competitive advantage within the present intensified competition in the hotel trade. However, it is evidenced that there is only a handful of researches conducted to study the impact of BI on CL in the hotel industry, especially in the Sri Lankan context. Hence, in order to fill the existing knowledge gap, the researchers are interested in studying the Impact of Brand Image on Customer Loyalty in relation to the hotel industry in Sri Lanka. The objectives of the study have been set accordingly, to identify the level of BI as well as the level of CL of Hotels in Sri Lanka and to identify the impact of BI of hotel customers on CL of hotels in Sri Lanka. The study is descriptive and correlational in nature. The customers who consume the hotel service of star grade hotels in Sri Lanka were the population of the study and an individual customer who consumes the hotel services of star grade hotels in Sri Lanka was considered as the sampling element as well as the unit of analysis. A sample of 100 respondents was selected on convenience and judgment which is under the non-probability sampling techniques. Hypotheses were tested by using one sample T-test, mean values and regression analysis. According to the findings, the levels of BI and CL were high among customers who consume the hotel services of star grade hotels in Sri Lanka; whereas it there is a positive relationship between BI and CL. Moreover, the R^2 value of 20.1 indicates that approximately 20% of variance of CL is explained by BI, which means maintaining high level of BI is a critical factor to maintain high level of CL. However, there are other important variables which account for 80% of the variance of the dependent variable which future research can be directed at. Marketers can adopt the findings of the study when they set relationship marketing strategies and when designing promotional strategies for their hotels to stay ahead the competition.