ASHESI UNIVERSITY COLLEGE

AN INVESTIGATION OF THE BRANDING
PRACTICES OF GHANAIAN OWNED
HOTELS IN ACCRA.

By

SUSAN SASU

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Science degree in Business Administration

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DECLARATION

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this university or elsewhere.

Candidate’s Signature:.................................................................

Candidate’s Name: Susan Sasu

Date: 8th April, 2011

I hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by Ashesi University College.

Supervisor’s Signature:.................................................................

Supervisor’s Name: Anthony Ebow Spio

Date: 8th April, 2011
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ABSTRACT

This dissertation investigated the branding practices of Ghanaian owned hotels in Accra. This was done through a combination of qualitative and quantitative studies of fifty (50) selected hotels, which are owned by Ghanaians. Aaker’s Seven Ps model, developed in 1996, states that a business must address seven Ps (Product, Price, Place, Promotion, Process, People and Physical environment) in its business in order to achieve effective branding. Dobree and Page (1990) also postulated a service branding model which asserts that in branding a service, five key steps should be followed. A combination of Aaker’s model and Dobree and Page’s model served as the theoretical framework for this study.

The use of interviews and questionnaires were instrumental in determining which branding practices were adopted by the selected Ghanaian owned hotels and the findings of this research were used to make generalizations about the entire Ghanaian hotel industry. Interesting relationships were found among some of the variables in this study. Such direct relationships found were between the extent to which branding is used by the hotels and their occupancy rates. Additionally, a direct relationship was found between how the hotel has positioned itself and the extent to which branding is used. Some challenges of these hotels were also examined and recommendations were made to that effect.

This research was indeed successful in establishing that many Ghanaian owned hotels engage in some branding practices as put in the context of the theoretical framework adopted in this study.
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CHAPTER ONE

INTRODUCTION OF STUDY

1.1 Background to the study

Hotels have always been an integral part of tourism efforts in Ghana. In fact, one of this country’s first attempts at enhancing tourism was the construction of a one star hotel in 1956, furnished with 110 rooms and providing accommodation for visitors who came to participate in Ghana’s independence celebrations in 1957. (Asiedu, 1997). The tourism sector is a major earner of foreign exchange for the economy of Ghana and by 2007; it was touted to have contributed 6.3% to our GDP. (world travel and tourism council, 2007). As at 2002, accommodation providers, (including hotels) accounted for 32% of the total revenue obtained from the tourism sector (Ghana Tourist Board, 2010).

The tourism industry is projected to grow at an average of 4.1% over the next two decades. (Ghana Investment Promotion Center, 2010). This growth suggests a growth in the business of hotels because the more tourists who come to Ghana, the more hotels they will need to lodge in. This growth also implies a growth in the revenue of the entire hotel industry, especially since hotels account for about a third of the total revenue from tourism. By 2007, the number of hotels in Ghana was thousand four hundred and thirty (1430), (Ghana Tourist Board, 2007), with this number increasing rapidly. It is quite alarming that with so many hotels in the country, so few of them are well known. The researcher believes that this is due to poor branding on the part of these hotels.

Unfortunately, most of the hotels that are well known are foreign owned hotels. There are many other Ghanaian owned hotels, which have made little effort to build
a hotel brand that is well known in Ghana. Consequently, when tourists and investors come, they do not patronize many of these Ghanaian owned hotels as much as they do the foreign owned ones, although some of the Ghanaian owned hotels have very good facilities. This could be attributed to the lack of strong brand images of these hotels.

1.2 Trends in the Ghanaian hotel industry

- **Ongoing Expansions in many hotels:** Increasing demand for hotel facilities, especially accommodation and conferencing facilities, had led to the implementation of expansion strategies by various hotels across the country. These hotels are expanding in terms of more rooms and more conferencing facilities. The oil exploration is also expected to bring in more investors and tourists, who will patronize the services of these hotels, hence, their expansion. (Travel and Tourism in Ghana, 2010).

- **Influx of more international hotels:** Big brand names in the international hotel industry are expected to appear in Ghana very soon. Such brands include: Movenpick Hotel and Resort, Hilton, Sheraton and the Ambassador. These hotels are either being built or refurbished to meet the increasing demand for hotel facilities in Ghana. (Travel and Tourism in Ghana, 2010).

1.3 Problem Statement

Looking at the trends in the Ghanaian hotel industry, although the hotels already existing in Ghana, especially the Ghanaian owned ones are expanding, they are not putting a lot of emphasis on branding. Nonetheless, with the establishment of these international brand hotels in Ghana, the Ghanaian owned ones would have to put in
more effort in order to compete with the international ones, and this is the role which branding is expected play.

Essentially, this research sought to find out if Ghanaian owned hotels are using branding practices as a business tool, and if they are not, to recommend what can be done to change that. A Ghanaian hotel is defined for the purposes of this research, as: a hotel that is owned by a Ghanaian(s), head quartered in Ghana, and which may or may not have branches in other countries.

1.4 Justification for the study

With the recent oil discovery in Ghana, it is important to note that the initial exploration of oil will bring many foreign investors and tourists into the country, at least for the period of the oil production. These foreign investors and tourists will have to be accommodated in various hotels in Ghana, whether Ghanaian or otherwise. The question is, with the diverse hotels to choose from, how does one decide on a particular hotel? It is the opinion of the researcher that the best answer to this question is branding. The branding practices of the various hotels will play a huge role in deciding which hotels are more patronized than others. An investigation into the branding practices of Ghanaian hotels is significant because it will bring to bare what Ghanaian hotels are doing right now in terms of branding, and what can be done in order to help them take full advantage of opportunities in both the Ghanaian and global economies.

1.5 Objectives of the study

Essentially, the main objective of this study is to find out the branding practices presently employed by Ghanaian hotels. The specific objectives include:
• To understand the factors responsible for success in the hotel business.
• Examine the extent to which Ghanaian owned hotels apply branding as a business tool.
• To ascertain challenges hotels face in applying branding practices in business.

1.6 Research Questions

The research questions include the following:

• What are the branding practices of the hotel industry in Ghana?
• Do Ghanaian owned hotels use branding as a business tool?
• How can the branding challenges of Ghanaian hotels be resolved?

1.7 Methodology

This research was a combination of both qualitative and quantitative research. The qualitative aspect of it was concerned with exploring the branding practices of Ghanaian owned hotels (exploratory research) and then describing what is being done by these hotels in terms of branding (descriptive research). The quantitative aspect of it involved finding the number of Ghanaian owned hotels that brand their businesses and those that do not. In conducting this research, the researcher employed various methods of collecting data, including interviews and questionnaires. The sample hotels were chosen using purposive and convenience sampling and data collected was analyzed with both SPSS and Microsoft Excel programs.
1.8 Outline of Dissertation

Chapter 1: Introduction

This chapter will give a background to the dissertation and provide a general insight into the research. It will also provide an introduction to the other chapters of the study.

Chapter 2: Literature review

This chapter will look at various researches done by various people in areas related to the area of study. Such areas include:

- Brands and branding: definitions
- Benefits of branding
- The differences between products and services
- The branding process
- Brand management practices
- Models of marketing a service brand
- Branding and Hotels in Ghana

Chapter 3: Methodology

This chapter will outline the research design of the study, including its sampling processes. It will also talk about the consistency and validity of the research instruments used and will also discuss the validity and consistency of the entire study.
Chapter 4: Presentation of Data

This chapter will present the findings of the primary data collected, in relation to the objectives of this research. Graphs and tables will aid in the visual representation of the findings.

Chapter 5: Discussion, recommendations and conclusion.

This chapter will present a discussion of the findings in view of the literature that has already been reviewed. This will revolve around branding practices in relation to Ghanaian owned hotels. Finally, this would be followed by recommendations of possible solutions to challenges identified and a conclusion pointing to future researches based on this.
CHAPTER TWO:

LITERATURE REVIEW

2.1 Brands & Branding: Definitions

There have been various definitions of a brand in previous works. A brand is a name, a term, a sign, symbol or design or an amalgam of these to make the products and services of one seller or producer, distinct from those of others. (American marketing association, 1960). This definition has, however, been criticized as being too focused on the visual attributes of a product, such as its symbol, as the things that differentiate one seller from another. (Arnold, 1992; Crainer, 1995).

A brand is again defined as the set of attributes that the consumer buys to provide satisfaction; these attributes being real or illusory; rational or emotional and tangible or intangible. (Ambler, 1992). This is the reason brands such as Rolex stand out. They have built a brand around the promise of prestige and exclusivity, which are intangible attributes that provide satisfaction to customers.

Aaker (1995) opines that a brand is an asset of differentiating promise that links products to its customers. Aaker goes on further to say that “...an effective value proposition should lead to brand-customer relationship and drive purchase decision”. (1995).

Basically, a brand is said to be not just a name, symbol or any other feature that distinguishes one product or service from another, but rather both tangible and intangible benefits that are perceived to be of value by the customer, which help in
establishing an emotional connection between the customer and the product or services. (De Charnatony, 1996; King, 1991; Murphy, 1990).

One thing stands out from these definitions of what a brand is. That is: that sellers of products and services use various features, both tangible and intangible to differentiate themselves and shape customer perceptions of value.

2.2 Benefits of branding

One benefit of branding is that it builds up sales through customer brand loyalty. In this case, brand loyalty is described as “a motivated difficult-to-change habit of purchasing the same product or service”. (Dibb and Simkin, 1991).

Berry (2000), also believes that a brand increases customer trust for the brand and it enables them to visualize and comprehend the otherwise intangibles of products or services.

Another advantage of a strong brand is that it has reduced costs, as a result of scale economies in marketing spend. (Doyle, 1989).

According to Holverson and Revaz (2006), the following are some benefits of branding to the company:

**Clear recognition by customers:** In the face of many producers of the same products, with little time to choose, branding helps customers to know which products offer which features and functions and thus makes choosing much easier.

**Management and employees are trained to live the brand:** employees of a company are its brand ambassadors. This is because they interact with the customers and sell them the product or service. To be able to effectively sell the brand to customers, they need to live the brand.
It helps grow the value of the company: the actual value of the brand lies with its customer base and the recognition of the brand. For example, people are willing to pay three or four times more the store price for a bottle of Coke. They are not only buying the coloured water, they are buying the brand Coke. The brand of a company, thus, drives its revenues and profits.

Essentially, a brand is beneficial to both the company and the customer in various ways. The importance of branding to the company cannot be understated because it helps to create value for both its products or services and also its customers.

2.3 Service versus Product: Differences between products and services

A service differs from a product in many ways. One way in which services differ from products is the issue of inseparability. Services cannot be separated from their providers. For example, a doctor cannot be separated from the medical service he provides. A product, on the other hand, can be separated from its maker. It can be made in one place, and even sold in another. Additionally, there is some perceived risk concerning services. This is because the intangibility of services and the lack of technical know-how of customers make it difficult to effectively assess the quality of the service. Contrarily, products are tangible, and have functional features, which can be used to assess them. (Aaker, 1996).

The researcher does not completely agree with Aaker when he says there is more perceived risk with services than there is with products. This is because there is always the risk that there are defects with products. Thus, she is of the opinion that both products and services have some risks attached to them. Aaker, however, failed to mention another difference between a service and a product, which is that products can be mass produced and stored over a period of time. On the contrary,
generally, services can neither be mass produced, nor stored over a period of time. Services are consumed as they are provided and are thus perishable.

Wolak et al, (1998) address the issues of perishability and heterogeneity. In terms of perishability, services are, generally, highly perishable because they cannot be produced and stored for later use. Products, on the other hand, may be produced and stored for later use. The issue of heterogeneity concerns the fact that there are differences among the various individuals who provide service and these may result in varying levels of service quality. This makes it difficult for services to be standardized and they are thus, heterogeneous. Products, can however, be standardized.

Due to the differences between products and services, branding is especially important in services because of its nature of intangibility and varying service quality levels. Hotels, as services, imbibe the characteristics of services such as intangibility, perishability, heterogeneity and separability. It is thus, imperative that hotels, as service providers, incorporate branding as a business tool for their business.

2.4 The process of branding

Branding encompasses the processes of: designing, planning and communicating the name and the identity of a brand. This process is geared at building or managing the image of the brand. (Anholt, 2007).

The five phases of branding services include: (Dobree and Page, 1990)

- **Building a brand proposition**: This involves positioning the service in a certain way in the minds of consumers so that consumers perceive it a
service that delivers value. For example, the Ritz Carlton hotel has succeeded in positioning itself as a high quality luxury hotel. This hotel has been able to do this through the unique customer service rendered to its clients.

- **Overcoming internal barriers**: This phase involves what is done internally, in the company, to make sure that the value that the service is perceived to render is actually rendered. This encompasses the seven Ps (product, place, promotion, price, physical environment, process and people), proposed by Aaker (1996). Strategies have to be put in place internally to make sure that all the seven Ps are in order, consistent and are geared towards customer satisfaction. The choice of brand elements such as the brand name, logo and slogan also come into play at this step. The peculiar feature of a service of customer interaction with the service provider makes it extremely important to ensure that the employees of the service provider are highly trained. This is so that when customers do come into contact with them, they have good experiences.

- **Measuring delivery against the proposition**: This step involves consistently assessing how effectively the service is being rendered, keeping in mind, its value proposition. Ways of checking this is to perform brand audits, where the entire brand will be evaluated to determine whether the brand is performing well or not. Sales or revenue is an important indication of this, because if the brand is delivering on its value, it would be translated into sales. In the hotel industry, occupancy rate is one determinant of whether or not the service is delivering on its value proposition. The more customers perceive value in the service that is delivered, the more they patronize the services by lodging there (leading to higher occupancy rate).
• **Continual improvement**: This step is concerned with making sure that value is always delivered to the customer. This means that customer needs have to be considered and used as a basis for improving services. Providing services is all about customer satisfaction through the delivery of value. Thus, when improving services, customer expectations and wants should form the basis of such improvements. Ways of improving services include training employees and re-engineering processes to deliver services faster and more efficiently.

• **Expansion**: After positioning the service in the mind of consumers as one that delivers value, and putting in strategies to deliver that value, the service may expand to include other supplementary services. Additionally, the service factory may expand to other geographical locations. For example, the Marriott group of hotel hotels has expanded to several cities all over the world, and is globally recognized as a very strong brand in the hotel industry.

Keller (1998) also proposes that the process of branding encompasses the following, as shown in fig 2.1

- Identifying and establishing brand positioning
- Planning and implementing brand marketing programs
- Measuring and interpreting brand performance
- Growing and sustaining brand equity

Keller (1998)
1. Identifying and establishing brand positioning

This entails designing the brand’s offer and promise in such a way that it occupies a unique place in the mind of customers. In doing this, the brand should succeed at convincing customers of its points of difference (features that make the brand different from its competitors) and also its points of parity (features that make it similar to other products or services on the market).

2. Planning and implementing brand marketing programs

In planning and implementing brand marketing programs that make customers aware of the brand and eventually grow loyal to it, the following considerations are made:

- **Choosing brand elements:** Such brand elements include brand name, logo, slogans and symbols. These are chosen to augment brand awareness and helps in building strong brand-customer relationships.

- **Integrating the brand into marketing activities and the supporting marketing program:** This is concerned with how the brand is communicated to customers, using the product or service strategy, pricing strategy and channel strategy.

- **Leveraging secondary associations:** This involves associating the brand with other entities such as the country of origin, other brands and channels of distribution. For example, the Benz brand is also associated with Germany, a country widely known for producing good cars.

3. Measuring and interpreting brand performance

This step involves such issues as brand audits, which basically refers to an extensive assessment of the health of the brand, to determine whether the brand is
performing well or not. A tool for conducting the brand audit is the brand value chain, which is a way of enhancing the understanding of how marketing expenditures and investments affect the brand financially, by tracing the value creation process of the brand. In order to better manage brands, it is advised that brand managers implement brand equity measurement system. This system consists of a set of research steps that are meant to provide timely, accurate action bound information, which help marketers make decisions about the brand.

4. Growing and sustaining brand equity

In order to grow and sustain the brand over a long period of time, the following must be put in place:

- **Defining the branding strategy:** the firm must outline the specific strategy it plans to use and this includes taking such decisions as what products or services to produce, and the number of products or services that should be included under each brand.

- **Managing the brand equity over time:** this involves taking a long term overview of the brand. This includes taking a proactive approach to meeting customer needs by preempting those needs and fulfilling them before customers even realize they need them.

- **Managing brand equity over geographic boundaries, cultures and market segments:** In managing the brand equity, it is important to consider customer differences (in terms of such issues as culture) in building up branding programs.

Keller’s branding process is undeniably very useful in determining the process a product goes through in branding. However, Dobree and Page focus more on how
services are branded. The two models are similar in that they both outline the steps needed to undergo branding. These outlined steps contain basically the same elements in both models. Although the two models discuss the same issues, they differ in that Dobree and Page focus on the process of services branding, while Keller centers on product branding. Dobree and Page’s focus on services is, thus, more relevant here as this study centers on how Ghanaian owned-hotels, being service providers, brand themselves. The service branding model will, thus, serve as a framework for determining how the sample hotels in this study set themselves towards branding.

2.5 Brand management practices: Building strong brands

A strong brand is created by giving the brand a personality that people can identify with. (Beckwith, 2000). For example, the Apple brand is said to have a creative personality, which its customers can identify with. This author goes on further to say that there is nothing like brand loyalty, rather, a firm should endeavor to build a brand that is preferable to other brands. Aaker (1996) disagrees with the position that there is nothing like brand loyalty, and argues that brand loyalty is indeed attainable and even leads to sustainability. He states: “A brand that captures your mind gains behavior, a brand that captures your heart gains commitment.”

The gap in Beckwith’s book is that he fails to acknowledge the effect that strong awareness has on brand equity. In Ghana, awareness counts a lot in building a strong difference. For example, in Ghana, MTN does not necessarily provide the best communication service, but it has managed to build a strong brand by creating massive awareness in the Ghanaian market. Also, as much as the researcher agrees with most of Beckwith’s arguments on branding, she disagree with his
assertion that it is prudent to desert clients who may have chanced upon the firm through the yellow pages because they can never be loyal to the brand. This disagreement is based on the belief that even such clients can be turned into loyal ones by building strong relationships with them.

Creating a strong brand also includes: understanding customer needs, exceeding customer expectations on quality, overall cost leadership and efficient brand positioning. (Gale, 1994).

**The drivers of brand equity according to** Aaker, (1996) are:

**Brand awareness**: Brand awareness refers to how strongly a presence that a brand has in the mind of the target customer and whether or not the brand has top of mind awareness. This is effectively achieved through advertisement.

**Perceived quality**: This refers to the customer’s belief that the product or service is truly of quality. Quality in this sense involves consistently meeting the customers’ expectations.

**Brand loyalty**: This refers to repeat purchases by customer. It is also a driver of sustainability.

**Brand associations**: At the most basic level, this is concerned with the functional features of the brand. It also refers to the emotional ties that connect customers to the brand and serves as a driver of brand loyalty.

**Brand identity**: This refers to the unique set of brand associations that establishes a relationship with the customers. Under this, Aaker outlines some benefits that are derived from the brand:
• **Brand as a product**: This is concerned with the functional aspects of the brand, including its quality and value, as well as its uses.

• **Brand as an organization**: This is concerned with the brand image of the parent organization itself and how it affects the individual brand.

• **Brand as a person**: This refers to the personality of the brand that helps to build a customer-brand relationship.

• **Brand as a symbol**: This provides solidity and structure to a brand identity. Each time the symbol is seen, the brand is easily identified. An example is the Nike symbol of the “swoosh”, which helps make the Nike brand more identifiable.

### 2.6 Models for marketing a Service brand

Aaker, (1996) put forth a framework for branding services, which is often referred to as the seven Ps of services branding. They are:

**Product**: Economists classify goods into 3 categories and services marketing is based on the same principles:

- **Search goods**: customers have to go through a lot of information to get what they want. For example, before a customer will buy a scooter, he has to obtain information on it concerning fuel consumption, maintenance and so on, before deciding on which scooter to buy.

- **Experience goods**: For such goods, satisfaction is got from the total experience of the service, e.g. a restaurant or a hotel.

- **Credence goods**: this is chosen for its reputation, e.g. a consultant.
Services are usually experience or credence goods, while products are usually search goods. Services, thus, have characteristics of experience and credence goods. Hotels, specifically, are experience goods and thus have traits of experience goods, being that the customer gets satisfaction from the entire experience of the service.

**Price:** In pricing, customer expectations of value must be taken into consideration. Customers usually have a high perception of credence goods and premiums can be charged on those. In terms of experience goods, if the customer expects the experience of the service to be of great value, he would pay premium for it, but if he does not place value on the service, he would not pay premium for it.

**Place:** Proximity of service to the customer is not really an issue in service branding. This is because for the right service, customers are willing to travel distances. For example, people travel long distances to go to Disney World to experience their services. Also, due to the fact that services cannot be produced and stored but can only be produced and distributed simultaneously, there are usually no or very few intermediaries in services. The service usually goes directly from the provider to the customer.

**Promotion:** In communicating experience and credence goods, it is important not to over promise the service. Word of mouth communication is also important here because the more people who attest to the quality of the service, the more people would want to try it out. Word of mouth is especially important in the hotel industry because people want to try it out if it has been recommended by someone who has already lodged there and enjoyed the experience.
**Physical environment:** This refers to the actual place where the service is provided. For experience goods such as hotels, the physical infrastructure such as the buildings, the rooms and the facilities play an important role in enhancing the service. The aesthetics of the surroundings also matter here. Beautiful surroundings help to make the experience of the service more memorable.

**Process:** This is concerned with the process of delivering the service to the customer. The time taken to perform certain activities should be standardized to minimize waiting and increase efficiency. For example, the time used to attend to a customer at the front desk could be marked at three minutes. This means that the whole process in serving a customer at the front desk should take a standard of three minutes or less. Anything beyond three minutes would be considered unacceptable.

**People:** The people required to provide the service to the customer should be well trained to get the requisite skills needed to perform their duties. The types of people needed, especially in the hotel service, are people who can effectively handle customers and who have a broad knowledge base about the business.

**2.7 Branding and Hotels in Ghana**

A lot of research done in the area of branding in Ghana has been on nation or country branding (Akotia, 2009; Agyemang Duah, 2010; Ofori, 2009). Studies on hotels in Ghana have also revolved around environmental practices of hotels in Ghana (Mensah, 2006) and tourism development (Sirakaya, Teye, Sonmez, 2002). However, the researcher found little studies done on branding of hotels in Ghana, and this is the gap she sought to fill in this particular research.
Essentially, a review of the literature has shown that there are accepted general branding practices, as well as a framework for services branding. Aaker’s seven Ps model was examined. In addition, the branding process was also examined. Keller’s and Dobree and Page’s branding processes were particularly helpful in determining what exactly goes into branding. Unfortunately, a gap found in most of the literature is that they were not placed in the Ghanaian context. Thus, in conducting this study, a combination of Dobree and Page’s service branding process model and Aaker’s Seven Ps model will be applied to the Ghanaian context and this served as the theoretical framework for determining whether Ghanaian owned hotels in Accra are engaging in branding practices or not.

The next chapter looks at the methodology of the research. This shows how primary data was collected from a sample of Ghanaian owned hotels in the Accra area.
CHAPTER THREE

METHODOLOGY

3.1 Introduction

The preceding chapter saw a review and discussion of literature related to the subject of study. This present chapter follows up with the research design, including: data collection methods and the actual process of collecting the data.

3.2 The Research Process Adopted

A sound research design is essential because it helps to obtain reliable and consistent research findings. (Saunders et al, 1997). The same authors also argue that the methodology chapter of a research document should thoroughly outline the research process, in order to make the research as valid and consistent as possible.
The research process encompasses a set of steps, as proposed by Kinnear and Taylor (1997). These steps are shown in figure 3.1 below:

3.3 Establishing the need for information:

This step was covered in chapter one. The study seeks to explore the branding practices of Ghanaian owned hotels in Accra.

3.4 Specify research objectives and information needs

The research objectives were also outlined in chapter one. Basically, this study aims:

- To understand the factors responsible for success in the hotel business.
• To examine the extent to which Ghanaian owned hotels apply branding as a business tool.
• To ascertain the challenges hotels face in applying branding practices in business

3.5 Determine research design and sources of data

A research design constitutes a "basic plan that guides the data collection and analysis phases of the research project. It is the framework that specifies the type of information to be collected, the sources of data and the data collection procedure. A good design will make sure that the information gathered is consistent with the study objectives and that the data are collected by accurate and economical procedures." (Kinnear and Taylor, 1997).

The objectives of this study invariably guided the choice of the elements in the research design. This research was an amalgam of exploratory and descriptive research. According to Kinnear and Taylor (1997), exploratory research is appropriate when the objectives of the research consist of: gaining perspective into variables in a situation as well as identifying problems or opportunities. This research is thus exploratory because in line with its objectives, it seeks to gain perspective into the situation of branding of Ghanaian owned hotels in Accra, and also identify some of the challenges faced by these hoteliers.

Furthermore, Kinnear and Taylor (1997) argue that descriptive research is relevant “when the research objectives include portraying the characteristics of phenomena and determining the frequency of occurrence”. This research is thus descriptive because in line with its objectives, it sought to portray the branding practices of Ghanaian owned hotels in Accra.
3.5.1 Sources of Data:

**Secondary data:**

Secondary data refers to “already published data collected for purposes other than the specific research needs at hand”. (Kinnear and Taylor, 1997). Already published works on branding were found in journals, books and online and these formed the literature review of this study. The areas covered include: definition of a brand and branding, benefits of branding, the differences between products and services, brand management practices, frameworks for services branding and branding and hotels in Ghana.

**Primary data**

This was carried out in the field when the researcher conducted in-depth interviews (exploratory research) and administered questionnaires to the selected hotels in Accra (descriptive research).

3.6 **Develop the data collection procedure:**

The primary data was collected from a selection of Ghanaian owned hotels in Accra via in-depth interviews and questionnaires. The focus was on hotels in Accra because the researcher found those more accessible in terms of proximity. First, ten hotels were selected from the list of Ghanaian owned hotels in Accra, which was acquired from the Ghana Tourist Board. These ten hotels were selected via the judgment or purposive sampling technique. In using this technique, some expert judgment was made as to which sampling units will contribute the best to answering the research questions at hand. (Kinnear and Taylor, 997). What the researcher did here was to pick one hotel from the list of
hotels, and ask the manager of the hotel (deemed an expert in the hotel industry) to recommend which other hotels to interview. This technique was chosen based on time constraints in this research and also because the researcher believed that the expert who was interviewed (the hotel manager) was in a better position to recommend other hotels to interview. The specific people who were interviewed were either the managers or the marketing officers of the various hotels, who are well-informed about the business and its branding practices.

The responses obtained from the interviews were used to draw up the questionnaires. Convenience sampling was then used to select fifty hotels to administer questionnaires to. Conveniences sampling here means that the particular hotels selected were done at the convenience of the researcher. (Kinnear and Taylor 1997). The choice of hotels was based on their proximity to the researcher and the researcher having a contact person at the hotel. This was due to the limited time available to the researcher for data collection.

**In-depth interviews**

An in-depth interview is “an unstructured, direct personal interview, in which a single respondent is probed by a highly skilled interviewer to uncover underlying motivations, beliefs, attitudes and feelings on a topic” (Malhotra, 1994). These were conducted in order to get a general overview of what the hotel industry is like in Accra, in terms of branding. The primary aim of these interviews was to find out if Ghanaian hoteliers engage in branding practices. The challenges that they face in terms of branding were also sought. In setting the interview guide,
the researcher took the objectives of the research into consideration and set questions that would address those objectives accordingly.

According to Kinnear and Taylor (1997), an advantage of the in-depth interview is that the interviewer can develop a rapport with the interviewee, which can make the interviewee comfortable enough to divulge information, which they would otherwise not divulge. This was particularly relevant in this study, as some sensitive questions about the hotels needed to be asked. Due to the rapport that this researcher developed with the respondents at the various hotels, she was able to collect the information she needed from them.

**Questionnaires**

“A questionnaire is a formalized schedule for collecting data from respondents”. (Kinnear and Taylor 1997, pg 353). In their study on “measuring hotel brand equity from the customer’s perspective, Kan Fung So and King (2009) used questionnaires as a method of data collection in order to get as many individual respondents from across as many locations as they could . Likewise, in this study, the researcher used questionnaires as a means of data collection because it was a quicker means of obtaining information from as many hotels as possible. The use of questionnaires is also advantageous because data collected can be quantified to draw some useful conclusions. The information obtained from the interviews with the ten hoteliers, as shown above, was used to draw up the questionnaires. The questions on the questionnaire were placed in the context of Aaker’s seven P’s model as well as Dobree and Page’s services branding process model. The questionnaires were personally administered by the researcher to fifty Ghanaian owned hotels which were purposively sampled from the list of all Ghanaian owned hotels in Accra.
3.7 Design the sample

The first thing that was done here was to decide on the sample size. This decision was based on several factors as proposed by Sarantakos (2005). According to him, one factor that affects the decision of the sample size is the homogeneity of the population. The more homogenous the target population, the smaller the sample size. In this study, hotels the target population, consisting of Ghanaian owned hotels in Accra are homogenous in that they offer very similar services, and have very little differentiating features.

Additionally, Sarantakos (2005), states that, if the nature of the data collected is more qualitative, then a smaller sample size is satisfactory. Again, in this study, the researcher investigated the branding practices of hotels, which is qualitative in nature. Furthermore, the more intensive and in-depth the study is, the less sample size is needed. In this particular study, the researcher conducted in-depth interviews and administered questionnaires, in acquiring the data. The response rate in this study was also very high because the researcher personally went to each hotel to either conduct an interview or administer questionnaires. The choice of a sample size of fifty (50) Ghanaian owned hotels is appropriate here due to the reasons outlined above.

3.8 Collect the data

Firstly, letters of introduction were obtained from Ashesi University to introduce the researcher to the selected hotels. This was followed by the conduct of the in-depth interviews of the ten selected hotels. The in-depth interviews were conducted by the researcher herself. The people who were interviewed were the people in charge of managing and taking decisions about the hotel’s business
and branding. The interviews were conducted within the last two weeks of January, 2011. Administering the questionnaires followed this, and was done within the first two weeks of February, 2011.

3.9 Process the data

The data collected was processed using Excel spreadsheets as well as SPSS. This section will be tackled in chapter four of this study.

3.10 Analyze the data.

Findings of the research were presented with the aid of visual tools such as graphs and tables. The findings were analyzed in relation to the literature reviewed and also in relation to the objectives of the study. This was done to bring to bare what branding practices that Ghanaian hoteliers in Accra engage in. This section will be expanded upon in the fifth chapter of this study.

3.11 Operationalization

*Branding Practices:* In this study, this phrase is used to refer to a hotel’s use of the Ps examined in this study, as outlined in Aaker’s model (1996) or the use of any of the steps in the branding process proposed by Dobree and Page (1990). The specific practices examined in this study include: Positioning, Place, Promotion, People and Price.

*Hotel star ratings:* This is a system of rating hotels on the basis of quality of service and the kind of services provided, where a number of stars ranging from one to five are assigned to hotels. Ghana hotels are rated using the international star rating system. (Ashitey, 2008).

According to a report on the quality standards of AA recognized hotels (2006), the criteria for the AA international star ratings are:
**One star:** Hotels in this class provide an informal, yet competent service. Most of the rooms have ensuite bath or shower rooms and a designated eating area.

**Two star:** All rooms have ensuite bath or shower facilities and a designated eating area.

**Three star:** Staff are professionally dressed, all rooms have ensuite facilities and the restaurant is open to both residents and non-residents.

**Four star:** Staff are professionally dressed in uniforms and attend to every need of the customer. Restaurant is open to both residents and non-residents and lunch is served in a designated eating area.

**Five star:** Luxurious accommodation, a range of extra services and multilingual services available. High quality wine and menu list in restaurant.

### 3.12 Validity and Consistency of data

Validity is concerned with ensuring that the process of measurement is free from both systematic and random error. (Kinnear and Taylor 1997). Content validity involves expert subjective assessment of the suitability of the measurement. Content validity was satisfied in this research when the researcher’s supervisor agreed to the method of measurement.

Internal validity in this research was dealt with through the discussion of the various frameworks for branding services including Aaker’s seven Ps and Dobree and Page’s services branding process. External validity was also assured by placing the findings of this research in the context of the discussed models. (Kinnear and Taylor 1997).

The subsequent chapter presents the data that the researcher collected, with the aid of tables and graphs.
CHAPTER FOUR

PRESENTATION OF DATA

Data for this study was obtained from a sample of fifty Ghanaian owned hotels situated in Accra. Ten of the sample hotels were first interviewed, and based on the answers they gave; questionnaires were drawn and administered to the entire sample.

The data that was collected was done in order to address the research questions of this study, as well the research objectives, which are as follows:

- To understand the factors responsible for success in the hotel business.
- Examine the extent to which Ghanaian owned hotels apply branding as a business tool.
- To ascertain the challenges hotels face in applying branding practices in business

4.1 Qualitative Analysis

After the interviews, responses obtained were used as basis for drawing up the questionnaires. These are summarized below in fig 4.1:
<table>
<thead>
<tr>
<th>Issue</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Factors contributing to success in the Ghanaian hotel industry:</strong></td>
<td></td>
</tr>
<tr>
<td>Affordable pricing</td>
<td>Charging affordable prices makes your service cheaper for all.</td>
</tr>
<tr>
<td>Good employees</td>
<td>It is really important to get good employees to provide good service.</td>
</tr>
<tr>
<td>Good facilities/services</td>
<td>Providing good facilities/services contribute to success in this industry.</td>
</tr>
<tr>
<td>Good customer service</td>
<td>Excellent customer service will make you successful in the hotel industry.</td>
</tr>
<tr>
<td><strong>2. Basis for pricing</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>We look at the prices that our competitors, and price our services accordingly. We conduct market surveys to ask customers what they would be willing to pay for our various services, and price</td>
</tr>
<tr>
<td>3. Media of communication</td>
<td>accordingly. Before we price, we look at our costs and add a little premium to that to make up the price.</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>We use many means to communicate to our customers: Advertisements, brochures, website and brochures.</td>
</tr>
<tr>
<td></td>
<td>We go directly to our target customers and market to them.</td>
</tr>
<tr>
<td></td>
<td>We dwell on word of mouth referrals.</td>
</tr>
<tr>
<td></td>
<td>We have a website, where customers can make online reservations.</td>
</tr>
<tr>
<td>4. Reason for choice of media of communication</td>
<td>We want as many people as possible to know about our hotel.</td>
</tr>
<tr>
<td></td>
<td>We do not want to spend</td>
</tr>
</tbody>
</table>
| 5. How the hotel's name was chosen | too much on communication, so we look for the ones that are economical.  
We want to make sure that our target customers know about us.  
To build a better relationship with our customers.  
The owner of the hotel came up with the name.  
We feel the name appeals to our target customers.  
The hotel is part of a franchise, and we used the name of the parent brand. |
| 6. How the logo of the hotel was chosen | The owner of the hotel came up with the logo.  
One of the hotel’s employees came up with the logo.  
We did a sample of them, |
7. **The motivation behind the slogan of the hotel**

- Our slogan is aimed at satisfying our customers.
- Our slogan motivates our employees to work harder.
- Our slogan makes our customers know that we are here to make them happy.
- Our slogan impresses our customers.

8. **Basis for location strategy**

- This building was initially the residence of the owner.
- We located close to the airport to be close to our customers.
| 9. What are the points of differentiation for the hotel | We are located here so that we are close to our customers. We provide the best food, compared to our competitors. Our customer service is unmatched. We have the best services in the hotel industry. We provide really good services to our customers. We provide better customer service than other hotels. |
| 10. Positioning of brand | We provide really great customer service. We position our hotel as a very affordable hotel. Our customers like us because of our great location. We provide more luxury in |
### 4.2.1 Determinants of success in the hotel business

More than half the hotels: fifty seven percent (57%) said that success in the hotel industry was predominantly determined by the services/facilities offered by the hotel. Such services include accommodation, restaurants and bars, conferencing, and terms of our facilities. Since the customer is our focus, we strive to please him or her.

11. Challenges faced by hoteliers

In this area alone, there are about four or five hotels competing with us.

Some of the bigger international hotels charge rates similar to what we charge here.

Employees keep moving from hotel to hotel.

Most of the hotels offer similar services, and it is difficult to differentiate our services.

---

Quantitative Analysis

**11. Challenges faced by hoteliers**

- More than half the hotels: fifty seven percent (57%) said that success in the hotel industry was predominantly determined by the services/facilities offered by the hotel. Such services include accommodation, restaurants and bars, conferencing, and terms of our facilities. Since the customer is our focus, we strive to please him or her.

- In this area alone, there are about four or five hotels competing with us.

- Some of the bigger international hotels charge rates similar to what we charge here.

- Employees keep moving from hotel to hotel.

- Most of the hotels offer similar services, and it is difficult to differentiate our services.
facilities and gyms, among others. This was followed by thirty four percent (34%) of the hotels saying that good customer service played a huge role in the determination of success in the hotel industry. Well trained employees and rates offered by the hotels were chosen by ten percent (10%) and two percent (2%) hotel respectively as the biggest factor of success in the hotel industry. The data is presented in appendix C.

The average monthly occupancy rate was also used to gauge how well the accommodation services of the various hotels were patronized, thus their success. Fifty two percent (52%) of the hotels had average monthly occupancy rates of between 35-64%, which is average. Forty six percent (46%) of the hotels had average monthly occupancy rates of 65%, which is quite high and only two percent (2%) of the hotels had an average monthly occupancy rate of between 10-34%, which is low. Appendix C exhibits the data.

**4.2.2 Use of branding as a business tool and the branding process**

*Positioning of the brand*

Thirty six percent (36%) of the hotels had positioned themselves as “the hotel with great customer service”, while twenty six percent (26%) of them had the positioning of “the more affordable hotel”. “The hotel with more luxurious facilities” made up eighteen percent (18%), whereas the hotels that positioned themselves as having great locations made up fourteen percent (14%) of the sampled hotels. However, six percent (6%) of the hotels had no defined positioning.
Pricing strategy

A majority of fifty six percent (56%) of the hotels answered that they based their pricing strategy on market research done on how much customers are willing to pay for services. This was followed by thirty two percent (32%) of hotels admitting that they based their pricing on costs they incurred in delivering the service, while twelve percent (12%) of hotels claimed they based their prices on competitor prices. This data is shown in appendix C.

Location strategy (place)

Sixty eight percent (68%) of the hotels chose their location to be closer to their target customers. Twenty six percent (26%) of hotels, however, initially meant for the hotel to be a residence and thus, did not have their target customer in mind when locating the hotel. Six percent (6%) of the hotels cited other reasons for their location including to be closer to the airport, to be closer to the city centre and to be closer to the sea side or the beach. Ultimately, many of these reasons were given because they wanted to be closer to their target market. The data is presented in appendix C.

Use of brand elements by the hotels

The brand elements that were tested for in this study include: the brand name, logo and slogan. Seventy percent (70%) of the hotels chose their name simply because it appealed to the owner of the hotel, while eighteen percent (18%) chose the name after market research into customer preferences on what would be appropriate brand names. Twelve percent (12%) of the hotels also chose their names due to other reasons such as it being a franchise, so they had to maintain the name of the parent company (franchisor).
Out of the fifty hotels, eighty eight percent (88%) of them had logos. Sixty six percent (66%) of them chose the logos because they appealed to the owners of the hotel, while eighteen percent (18%) got their logos through market research. The remaining hotels either did not have logos at all or had other reasons such as the hotel being a franchise, thus, they having to use the logo of the parent brand. Additionally, sixty six percent (66%) of the hotels had slogans, while the remaining thirty four percent (34%) did not have any slogans.

**Media of communication**

Thirty percent (30%) of the total sample of hotels uses the internet as their main media of communication through the use of websites and emails sent out to customers. Another thirty percent (30%) of the sample also use brochures, in addition to the internet as the way in which they communicate to both existing customers and potential customers. Twelve percent (12%) also use all the means of communication listed in the questionnaire, including: advertisement, billboards, brochures, internet (websites and emails) and direct marketing. Another twelve percent (12%) also use all the above listed media of communication, as well as other media of communication such as word of mouth referrals. Six percent (6%) of the hotels use only other means of communication such as word of mouth referrals. The rest of the hotels use either only one of the media of communication listed or some combination of them. Refer to appendix C for details.

**Training of employees**

Fifty eight percent (58%) of the hotels under review believe that employee training is extremely important. Twenty eight percent (28%) of them also agree that employee training is important, while twelve percent (12%) of them consider
employee training as somewhat important. Only two percent (2%) of the hotels think that employee training is not at all important. Refer to appendix C for details.

**Differentiation strategies**

Sixty two percent (62%) of the hotels differentiated themselves from competitors through excellent customer service, while twenty percent (20%) of hotels believed that charging more affordable prices made them distinct from other hotels. Furthermore, ten percent (10%) of hotels differentiated themselves from other hotels through the diverse services and facilities they provide to customers. Excellent cuisine was used by only four percent (4%) of the sample hotels.

**Extent to which branding is used as a business tool.**

To ascertain the extent to which a hotel used branding as a business tool, the researcher looked at the extent to which the branding practices of positioning, pricing, promotion, people and the use of brand elements such as brand names, logos and slogans, were used by the hotels. The hotels that used branding to a very large extent used all the branding practices mentioned extensively. The hotels that used branding as a business tool to a large extent used more than half of the branding practices extensively. Those that used branding to some extent used at least two or three of the branding practices but not very extensively, while those that did not use branding at all did not use any of the branding practices extensively.

Forty six percent (46%) of the hotels use branding as a business tool to some extent, thirty percent (30%) of them use branding as a business tool to a very large extent, twenty percent (20%) use branding as a business tool to a large
extent and only four percent (4%) of hotels do not use branding as a business tool at all. Refer to appendix C for details

4.2.3 Challenges faced by Ghanaian hoteliers

Sixty four percent (64%) of the hotels under review believe that stiff competition from other hotels, especially in the same area; pose a serious threat to their business. This is followed by twenty two percent (22%) of the hotels who are also challenged by employees moving from one hotel to the other. Other challenges such as insufficient funds, rising utility prices and high market prices of commodities take up 10% are faced by hoteliers, while only four percent (4%) of the hotels are challenged by multi-national hotels offering similar rates as the smaller Ghanaian owned hotels.

4.3 Summary of findings

<table>
<thead>
<tr>
<th>Objective</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Factors responsible for success in the hotel business</td>
<td>The services/facilities offered by hotels, including comfortable accommodation, restaurants and conferencing facilities, serve as the biggest determinant of success in the Ghanaian hotel industry. Most hotels have an average occupancy rate of between 35-64%, which is average.</td>
</tr>
<tr>
<td>2. Extent to which branding is being used as a business tool</td>
<td>Most Ghanaian owned hotels use branding as a business tool at least to some extent. Majority of hotels choose locations that are</td>
</tr>
</tbody>
</table>


### 3. Challenges faced by hoteliers

- Many hotels find the training of employees extremely important.
- Majority of hotels have slogans geared at customer satisfaction.
- Majority of hotels have logos that just appeal to the owners of the hotel, and do not take customer perceptions into consideration.
- Many hotels have some form of positioning in terms of affordability, great location, great customer service or luxurious facilities.
- Many hotels were given names that mean something to the owners (such as their own name) and may mean nothing to the customer.
- A lot of hotels based their prices on how much value the customer places on their services.

Some of the biggest challenges that face hoteliers include: stiff competition from the many hotels springing up across town, employees moving from one hotel to the other and the bigger international hotels charging similar rates as the smaller Ghanaian ones, little differentiating features among hotels.
4.4 Other relevant findings

It was interesting to note that the following relationships were noticed between some of the variables:

- **A relationship between the average monthly occupancy rate and the hotel star rating:** The higher the hotel star ratings, the more services the hotels offer and the higher the quality of service expected. It is thus, no surprise that this study revealed that the higher the star rating of the hotel, the more people who lodged there. It was noticed that all of the three star and all but one of the two star hotels had average monthly occupancy rates of 65% or higher. The one star hotels, however, mostly had average monthly occupancy rates of between 34-65%, which is average. This data suggests that the higher the star of the hotel, the higher the average monthly occupancy rate. This is seen in appendix D.

- **Relationship between location strategy and training of employees:** Cross tabulation of these two variables showed that most of the hotels that chose their locations to be closer to their target customers, also thought that training of employees was extremely important. On the other hand, those that initially meant for the hotel to be a residence thought that training of employees was only somewhat important. Refer to appendix D for details.

- **Relationship between extent to which branding is used as a business tool and importance of employee training:** It was also noticed here that the hotels that saw employee training as extremely important also used branding as a business tool to a very large extent. Not surprisingly, those that did not think employee training was important at all also did not use branding as a business tool at all. Refer to appendix D for details.
• **Relationship between average monthly occupancy rate and using branding as a business tool:** It was noticed that all the hotels that used branding as a business tool had average monthly occupancy rates of 65% or over, while those that did not use branding as a business tool had average monthly occupancy rates of either 10-34% or 35-64%. Additionally, in relating this to the relationship between hotel rating and occupancy rate, it would imply that the higher rated hotels have higher occupancy rates because they use branding to a larger extent. Refer to appendix D for details.

• **Relationship between average monthly occupancy rate and employee training:** It was again noticed that all the hotels that saw employee training as extremely important, had average monthly occupancy rates of 65% or above. Contrarily, those that did not view employee training as very important had average monthly occupancy rates of between 10-64%. Refer to appendix D for details.

• **Relationship between brand positioning and extent to which branding is used as a business tool:** Cross tabulation of these two variables revealed very interesting findings. The hotels that positioned themselves as those that provide great customer service as well as those that positioned themselves as having more luxurious facilities tended to use branding as a business tool to a very large extent. On the other hand, the hotels that fell in either the set of hotels that were positioned as having great locations or those that were more affordable used branding as a business tool to some extent. Not surprisingly, the hotels that that had no defined positioning did not use branding as a business tool at all.

4.5 Kurtosis and Chi-square tests
To check for any outliers in the distribution of the data, kurtosis tests were performed on the data. For each of the variables, the kurtosis statistic was less than + or − 3, which means that the data is normally distributed. Using a significant level of 95%, the asymptotic significance of the Chi-square tests shows values of less than 0.05 for all the variables mentioned above. This indicates that there is a strong relationship between all the variables as established above.

In summary, this chapter presented the findings of this study, in relation to the research objectives. Data collected via questionnaires were analyzed with the use of SPSS and Excel, and served as the quantitative aspect of the study. A thorough discussion of the findings and other relevant findings is done in the context of the research questions and the reviewed literature in the next chapter.
CHAPTER FIVE

DISCUSSION, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

The previous chapter focused on the presentation of the data collected in this study. The data was analyzed using SPSS and presented with the aid of tables and graphs. This chapter centers on discussing the data findings in relation to the research question and objectives, while placed in the context of the literature reviewed.

This study revolved around research questions of:

- What are the branding practices of the hotel industry in Ghana?
- Do Ghanaian owned hotels use branding as a business tool?
- How can the branding challenges of Ghanaian hotels be resolved?

The discussion of the findings will seek to answer the above mentioned research questions.

5.2 Discussion

The model in which this discussion will be placed is an amalgam of Aaker’s 7Ps model (which looks at the actual elements of branding practices) and Dobree and Pages services branding process model (which looks at the process that branding goes through). Thus, branding practices, as used in this research, means either the hotel’s use of any of Aaker’s 7Ps measured in this research: (Product, Price, Place, Promotion, People) or going through some of the service branding steps outlined by Dobree and Page or some combination of both. The use of branding as a business tool was measured in terms of the extent to which branding is used as a tool. This
sought to ascertain whether a conscious effort was made to integrate branding into the management of the business. This study succeeded in establishing that some Ghanaian owned hotels do indeed engage in branding practices while others put in little effort with branding.

5.2.1 The branding practices of Ghanaian owned hotels in Accra

Building a brand proposition

According to Dobree and Page (1990), the first step in service branding is building a brand proposition. This is concerned with defining the positioning of the brand. The findings of this research show that ninety four percent (94%) of the Ghanaian owned hotels have various positioning, with only six percent (6%) not having any defined positioning at all. The various positioning that make up the ninety four percent (94%) are: the more affordable hotel (26%); the hotel with great location (14%); the hotel with more luxurious facilities (18%) and the hotel with great excellent customer service (36%). This is clearly an indication that a majority of Ghanaian owned hotels subscribe to the first step in the branding process.

Overcoming internal barriers

The second step in the service branding process is overcoming internal barriers. This entails focusing on what is done internally to facilitate the delivery of the service in order to deliver value to the customer. This means that everything that is done at this step should be customer focused. (Dobree and Page, 1990). The 7P model (Product, Price, Place, Promotion, People, Physical environment and Process) also comes into play here. (Aaker, 1996). Due to time constraints, four of the Ps were examined in this study. The four Ps used are: price, place, promotion and people.
Price

Aaker (1996) argues that in setting prices, customer expectations of value should be taken into consideration. This study emphasized that several hotels indeed take the customer’s perception of value into consideration when setting prices because fifty six percent (56%) of the hotels based their pricing on market research into the value the customer places on the service. The remaining forty four percent (44%) based pricing on other reasons such as competitor pricing and costs incurred in providing the cost. This implies that more than half of the hotels take are customer focused in terms of their pricing strategies.

Place

Again, Aaker (1996) asserted that in choosing a location for the service factory, proximity to the customer is not really a big issue because if the service is of high quality, customers will travel even long distances to access it. The findings of this study contradicts this theory in that it reveals that many hotels do in fact site their hotels to be easily accessible to their target customers. More than half of the hotels (68%) choose their sites to be closer to their target customers. The remaining thirty two percent (32%) of the hotels sited their hotels at its present location either because it was initially meant to be a residence or for other reasons such as to be closer to the city centre.

Promotion

Aaker (1996) also argues that in promoting services, it is especially important to employ the use of word of mouth referrals because if people who have tried out the service attest to the quality of the service, other people would want to patronize the service. However, the findings of this research indicate that only about six percent
(6%) of the hotels use word of mouth referrals in promoting their brands. Rather, the most commonly used media of communication are a combination of brochures and the internet (30% of the hotels use them). Again, Aaker (1996) states that advertisement is a powerful tool in creating brand awareness. This research is, thus, in line with Aaker’s second assertion that advertisement increases brand awareness because the findings of this study show that many hotels use both print and internet advertisement to increase their awareness.

People

Aaker (1996), again, stipulates that people required to provide service to customer must be adequately trained in order to acquire the skills they need to perform their duties. This study, in line with Aaker’s stipulation, revealed that many hotels placed a lot of importance on employee training. Fifty eight percent (58%) of the hotels said they deemed employee training very important, important or somewhat important and as such trained their employees regularly to ensure that they deliver the right service to customers. Only two percent (2%) of the hotels did not think that training employees was at all important. The remaining hotels either deemed employee training as important or somewhat important.

Brand elements

Aaker (1996) also asserted that brand elements such as brand name, logo are drivers of brand equity because they provide solidity and structure to brand identity. The research revealed many hotels had these drivers of growth. Eighty eight percent (88%) of them have logos, while sixty six percent (66%) of them have slogans.
**Extent to which branding is used as a business tool**

This factor was measured as a means of finding a response to the second research question of this study: do Ghanaian owned hotels use branding as a business tool? A vast majority of hotels used branding as a business tool to some extent, at the very least and some even used branding as a business tool to a very large extent. Only four percent (4%) of the hotels do not use branding as a business tool at all. This means that ninety six percent (96%) of the hotels do use branding as a business tool at least to some extent.

**Measuring delivery against the proposition**

A way of measuring the service delivery against its proposition is through the occupancy rates of the various hotels. It was revealed that most hotels (52% of them) had average monthly occupancy rates of between 35-64%, which is pretty average. Some of the remaining hotels (46% of them) had pretty high average monthly occupancy rates of 65% or above, while only two percent (2%) of the hotels had low occupancy rates of below 35%. These findings indicate that the hotels do measure how well they are doing and generally, they have average occupancy rates.

**5.3 Discussion of other findings**

A relationship between the average monthly occupancy rate and the hotel star rating: This research revealed that there is a direct relationship between the average monthly occupancy rate and the hotel star rating. The higher the star rating, the higher the average monthly occupancy rate. Most of the three and two star hotels had average monthly occupancy rates of 65% or more, while the lesser star hotels (one and budget) had average monthly occupancy rates of less than
64%. This indicates that customers probably prefer the services of the higher star hotels to the lesser star one. This information could also imply that the higher star put in more effort (perhaps in terms of branding) in drawing customers.

**Relationship between average monthly occupancy and extent to which branding is used as a business tool:** Dibb and Simkin (1991) are of the opinion that a benefit of branding is that it builds up sales through customer loyalty. This position is clearly confirmed in this study’s findings, as all the hotels that used branding as a business tool had higher average monthly occupancy rates of 65% or more. On the other hand, those that did not use branding as a business tool had lower occupancy rates. Sales in this research were measured by the average monthly occupancy rate.

**Relationship between brand positioning and extent to which branding is used as a business tool:** Literature reviewed in this research suggests that another benefit of branding is that it builds up the value of the business. (Holverson and Revaz, 2006). Findings in this study emphasized this position because the data collected revealed that the hotels that needed to build up their value in the eyes of the customer: the hotels positioned as having more luxurious facilities and those that were positioned as providing great service, used branding as a business tool to a large extent. Furthermore, the hotels that were focused on affordability and location used branding as a business tool to some extent. However, the hotels that had no defined positioning did not use branding as a business tool at all.

**5.4 Limitations**

Due to time constraints during the course of this research, the researcher was unable to randomly select the sample hotels, and thus had to use convenience
sampling. Time constraints also limited the research’s examination of Aaker’s 7Ps to four Ps instead. This limitation was made up for by choosing various hotels with various star ratings in order to get a representative state of the entire hotel industry. Another limitation of this research was the smaller sample size. This challenge was also addressed by the use of in-depth interviews and by the personal administering of the questionnaires, in order to make sure that each questionnaire was filled.

5.5 Recommendations

The researcher recommends that the following be done to address some of the problems raised by the hoteliers:

- **Train both management and employees in hotel branding**: There is the need to provide both the management and employees of the various hotels with information on the need for branding and how to go about branding their hotels. Armed with this information, the hotels would make better choices when they embark on the branding process and the choice of branding practices.

- **Find creative ways of communicating the brand**: Hoteliers are encouraged to find more ingenious ways of communicating their brand to customers that does not involve spending so much money. To create awareness and increase patronage, they could invite people to try out their services for free. If the service is good, the brand would be communicated via word of mouth referrals. The hotels could also get good reviews about them published online or in popular newspapers and magazines. Additionally, the hotels could leverage on secondary associations such as partnerships.
with airlines and corporate institutions to create awareness about their brands.

- **Find creative ways of differentiating**: As a result of the stiff competition in the industry, it is imperative that hotels find innovative ways to stay different. One way this could be done is by planning fun itineraries for occupants such as candle lit dinners for couples and group activities for tourists. The hotels could also organize fun events such as music festivals or food festivals in that would draw people to the hotels.

- **Benchmarking against international hotel giants**: The researcher recommends that the Ghanaian owned hotels pay attention to the branding practices of some of the international giants in the hotel industry such as the Ritz Carlton and the Hilton and try to emulate them. By benchmarking their activities against those of these international brands, Ghanaian owned hotels would endeavor to deliver equal or even superior customer service value to all manner of customers in a standard that is internationally recognized.

- **Incorporate feedback into service delivery system**: When feedback is incorporated into the process of service delivery, hoteliers get to know exactly what customer expect and want. This will ensure that customer expectations are met and surpassed to be able to consistently delight and impress customers.

- **Ample compensation for employees**: The Ghana Hoteliers Association could implement a standard compensation package for employees and this would be executed by member hotels. This is to ensure that there is no incentive for employees to move from one hotel to the other because all the hotels would give similar compensation packages. The compensation packages should, however be very good so that this strategy does not result
in disgruntled employees in the Ghanaian hotel industry. When the employees are well compensated, they would facilitate the better branding of the hotels.

5.6 Conclusion

The findings in this study have been used to make generalizations about the branding practices of the general population of Ghanaian owned hotels in Ghana. It has effectively succeeded in determining that some Ghanaian owned hotels engage in some branding practices in terms of positioning, pricing, training of people, choice of place and promoting their business. This was done in the context of a combination of Aaker’s 7Ps and Dobree and Page’s services branding process model. This research further revealed that there was a direct relationship between branding and occupancy rates. A proportional relationship was also struck between branding and building the value of the hotel business.

This research has undoubtedly emphasized the importance of branding in the hotel industry in order to increase occupancy rate (determinant of success) and also to be build value for the brands of the various hotels.


Appendix A: Interview Guide for Managers of hotels

ASHESI UNIVERSITY

INTERVIEW GUIDE

A. Background of company

1. Ask respondents to give brief background of their hotels in terms of:
   a. How the hotel was started and by whom

B. Determination of success in the hotel industry

1. Ask respondents what factors contribute to success in the industry
2. Ask respondents how they are doing in terms of sales, occupancy rates and rates charged for services provided

C. First step in branding process: Building a brand proposition

1. How is the hotel is positioned and its target group?
2. How does the hotel brand itself?
3. How does the hotel differentiate itself from other hotels?

D. Second step in branding process: Overcoming internal barriers

Determination of 7Ps:

1. Product/service: what services are provided by the hotel?
2. Price: What prices are charged for various services and how are prices determined?
3. Promotion:
   - How do they communicate their services to customers (marketing activities) (ads, bill boards, etc)
   - How were brand elements (name, logo, slogan, etc) coined and what do they mean?
• Do they have any secondary associations such as associations with other brands, celebrities, sponsorships, well-known clients, distributors)

• How do customers get access to the hotel? E.g through travel and tours

4. Place: are there any branches of the hotel, what determined location for the hotel and its branches (if any)

5. People: what kind of people work at the hotel, how are they recruited and trained?

6. Process: what is the sequence of events that goes into servicing customers, are there any operational standard times set and how do they deal with waiting by customers.

7. Physical environment: what physical structures are put in place to enhance the service (e.g. how rooms are decorated and what facilities are provided in the conference room)

E. Third and fourth steps in branding process: Measuring delivery against the proposition and Continual improvement

1. How do they check whether the hotel is doing well or not (brand audit)? E.g. by looking at sales, occupancy rates, etc

2. How often do they check on the health of the hotel?

F. Fifth step in branding process: Expansion

1. What is the long term plan of the hotel (e.g. plans of expansion into new geographical areas)?

2. What do they do to ensure continual improvement of the service?

G. Challenges faced by respondents

1. What are some of the challenges the hotels face in terms of branding?

2. How can these challenges be addressed?
Appendix B: Sample Questionnaire for hotels

ASHESI UNIVERSITY COLLEGE

QUESTIONNAIRE

Questionnaire No.....

This is a survey to find out the Branding practices of Ghanaian owned-hotels in Accra.

Kindly circle any of the options that best answers the question and fill in the gaps where necessary

Name of hotel: 

No of stars:

A. Determination of success in the Ghanaian hotel industry
   1. Which of the following is the biggest determinant of success in the Ghanaian hotel industry?
      ☐ Services/ facilities offered by the hotels
      ☐ Rates offered by the hotels
      ☐ Well trained employees (through motivation)
      ☐ Good customer service
      ☐ Other(please list)………………………………………………………………………………

   2. What is the average monthly occupancy rate?
      ☐ 10%-34% 
      ☐ 35%-64%
      ☐ 65% and above

B. The branding process
   1. What is the positioning of the hotel?
      ☐ The more affordable hotel
      ☐ The hotel with more luxurious facilities
      ☐ The hotel with great location
      ☐ The hotel with great customer service

   2. Apart from accommodation, what other services/ facilities are provided by the hotel? (please circle as many as apply here)
      ☐ Restaurant (s)
      ☐ Conference room (s)
      ☐ Business centre
      ☐ Swimming pool
      ☐ Gym
      ☐ Others (please list)…..
3. How does the hotel decide on prices to charge for services provided?
   - [ ] Based on prices charged by competitors
   - [ ] Based on market research on how much customers are willing to pay for services.
   - [ ] Based on costs incurred in providing the service
   - [ ] Other (please list other)

4. What media is used to communicate your services to customers? (Please circle as many as apply)
   - [ ] Advertisements (television, radio, newspapers)
   - [ ] Billboards
   - [ ] Brochures
   - [ ] Internet (Websites, emails)
   - [ ] Direct marketing
   - [ ] Other (please list)

5. What are the reasons for using the chosen media of communication? (Please circle as many as apply)
   - [ ] For easy access to target market
   - [ ] To reach a wider audience
   - [ ] They are the cheapest media of Communication
   - [ ] Other (please list)

6. How was the hotel’s name chosen?
   - [ ] Through market research into customer wants/preferences
   - [ ] Name appeals to owner(s) of the hotel
   - [ ] Other (please mention)

7. Do you have a logo for the hotel?  [ ] Yes  [ ] No

8. If yes, how was the logo chosen?
   - [ ] Through market research into customer wants/preferences
   - [ ] Logo appeals to owner(s) of the hotel
   - [ ] Other (please mention)

9. Do you have a slogan for the hotel?  [ ] Yes  [ ] No

10. If yes, what is the motivation behind the slogan
Geared towards customer satisfaction □               Geared towards motivating workers □
Slogan just sounds nice □                          Other (please list).................................

11. Why was the hotel’s present location chosen?

□ Initially meant to be a residence               □ To be closer to target customers
□ Other (please list other).................................................................

12. To what extent is branding used as a business tool in the hotel?

□ To a very large extent                          □ To a large extent
□ To some extent                                  □ Not at all

13. How important do you think that training of employees is in the delivery of your services?

□ Extremely important                           □ Important
□ Somewhat important                           □ Not at all important

14. What do you do to make the hotel unique and preferred to competitors?

□ Charge affordable rates for services           □ Excellent cuisine
□ Excellent customer service                    □ Excellent facilities
□ Other (please list).................................................................

C. Challenges faced by hoteliers

1. What are some of the challenges faced in the hotel industry?

□ Stiff competition from other hotels in the same area
□ Multi-national hotels offering similar rates as Ghanaian owned-hotels
□ Employees moving from one hotel to the other
□ Others (please list).................................................................

2. What do you recommend can be done to address some of these problems?

.............................................................................................................................
.............................................................................................................................
.............................................................................................................................
.............................................................................................................................

Thank you for your time and co-operation.
Appendix C: Frequencies and graphs of all the factors and variables

Determinants of success in Ghanaian hotel industry

<table>
<thead>
<tr>
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<td>Well trained employees</td>
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<td>10.0</td>
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<td>good customer service</td>
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Average monthly Occupancy rate:

![Average monthly occupancy rate](image-url)
### Determinants of pricing

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</thead>
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<td>based on market research</td>
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<tr>
<td>based on costs incurred in providing the service</td>
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### Pricing Strategy

![Pricing Strategy Chart](chart.png)
### Reasons for location

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### How the name of the hotel was chosen

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### Do you have a logo?

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<th>Cumulative Percent</th>
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### How the logo was chosen

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### Do you have a slogan?

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### Extent to which branding is used as a business tool

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### Differentiation Strategies

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### Brand positioning

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</tr>
<tr>
<td></td>
<td>The hotel with more luxurious facilities</td>
<td>9</td>
<td>18.0</td>
<td>18.0</td>
<td>64.0</td>
</tr>
<tr>
<td></td>
<td>The hotel with great customer service</td>
<td>18</td>
<td>36.0</td>
<td>36.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Challenges faced by hoteliers</td>
<td>Frequency</td>
<td>Percent</td>
<td>Valid Percent</td>
<td>Cumulative Percent</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------</td>
<td>---------</td>
<td>---------------</td>
<td>--------------------</td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td>32</td>
<td>64.0</td>
<td>64.0</td>
<td>64.0</td>
<td></td>
</tr>
<tr>
<td>stiff competition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>multi-nationals offering</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>68.0</td>
<td></td>
</tr>
<tr>
<td>similar rates as the Ghanaian owned ones</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>employees moving from one hotel to the other</td>
<td>11</td>
<td>22.0</td>
<td>22.0</td>
<td>90.0</td>
<td></td>
</tr>
<tr>
<td>other</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix D: Results of Cross tabulations

### Average monthly occupancy rate * Hotel star rating Cross tabulation

<table>
<thead>
<tr>
<th>Hotel star rating</th>
<th>Budget</th>
<th>One star</th>
<th>Two star</th>
<th>Three star</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly 10-34%</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>35-64%</td>
<td>1</td>
<td>13</td>
<td>12</td>
<td>0</td>
<td>26</td>
</tr>
<tr>
<td>65% and above</td>
<td>1</td>
<td>0</td>
<td>17</td>
<td>5</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>13</td>
<td>30</td>
<td>5</td>
<td>50</td>
</tr>
</tbody>
</table>

### Reason for choice of location * Importance of employee training Cross tabulation

<table>
<thead>
<tr>
<th>Importance of employee training</th>
<th>Extremely important</th>
<th>Important</th>
<th>Somewhat important</th>
<th>Not at all important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for choice of initially meant to be a residence</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>to be closer to target customer</td>
<td>23</td>
<td>10</td>
<td>1</td>
<td>0</td>
<td>34</td>
</tr>
<tr>
<td>other</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>14</td>
<td>6</td>
<td>1</td>
<td>50</td>
</tr>
</tbody>
</table>
### Extent to which branding is used as a business tool * Importance of employee training Cross tabulation

<table>
<thead>
<tr>
<th>Count</th>
<th>Importance of employee training</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>extremely important</td>
<td>important</td>
<td>somewhat important</td>
<td>not at all</td>
<td>import</td>
</tr>
<tr>
<td>Extent to which branding is used as a business tool</td>
<td>to a very large extent</td>
<td>12</td>
<td>3</td>
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<td>0</td>
</tr>
<tr>
<td></td>
<td>to a large extent</td>
<td>4</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>to some extent</td>
<td>13</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>not at all</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>29</td>
<td>14</td>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

### Average monthly occupancy rate * Extent to which branding is used as a business tool Cross tabulation

<table>
<thead>
<tr>
<th>Count</th>
<th>Extent to which branding is used as a business tool</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to a very large extent</td>
<td>to a large extent</td>
<td>to some extent</td>
<td>not at all</td>
<td>Total</td>
</tr>
<tr>
<td>Average monthly occupancy rate</td>
<td>10-34%</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>35-64%</td>
<td>6</td>
<td>3</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>65% and above</td>
<td>9</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>15</td>
<td>10</td>
<td>23</td>
<td>2</td>
</tr>
</tbody>
</table>
## Average monthly occupancy rate * Importance of employee training Cross tabulation

<table>
<thead>
<tr>
<th>Importance of employee training</th>
<th>not at all</th>
<th>somewhat important</th>
<th>important</th>
<th>extremely important</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average monthly occupancy rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-34%</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>35-64%</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td>65% and above</td>
<td>19</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>14</td>
<td>6</td>
<td>1</td>
<td>50</td>
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</tbody>
</table>

## Extent to which branding is used as a business tool * Brand positioning Cross tabulation

<table>
<thead>
<tr>
<th>Brand positioning</th>
<th>No positioning</th>
<th>The more affordable hotel</th>
<th>The hotel with great location</th>
<th>The hotel with more luxurious facilities</th>
<th>The hotel with great customer service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent to which branding is used as a business tool</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>8</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>to a very large extent</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>to a large extent</td>
<td>1</td>
<td>13</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>23</td>
</tr>
<tr>
<td>to some extent</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>not at all</td>
<td>3</td>
<td>13</td>
<td>7</td>
<td>9</td>
<td>18</td>
<td>50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Count</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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</tbody>
</table>

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