

The Role of Brand Affiliation in Business Performance: An Investigation into the Hotel Industry

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For hotel operators, whether to stay affiliated with a brand is an important decision. Prior studies suggest a seven-to eight-fold increase in the number of independent hotels that have adopted chain-affiliated brands. Although research shows positive effects of brand affiliation on hotel performance, the magnitude of such effects needs more attention to warrant associated costs. We, therefore, propose to investigate the financial returns of brand affiliation in the hotel industry. Using a sample of hotels in Texas, USA, our goal is to estimate the impact of brand affiliation on hotel revenues.

We are also interested in studying how various hotel features (e.g., location, market segments, etc.) interact in the brand revenue relationship. The empirical strategy will include fixed effects regressions, controlling for observed hotel features and quality (i.e., guest ratings).

