

# The Impact of Perceived Brand Localness on the Booking Intentions of Consumers in Acquired Hotels

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**Abstract:** This study adopts a mixed-methods approach, focusing on twelve hotel brands acquired by Chinese companies. Grounded in the consumer-based brand equity model, it examines how perceived brand localness influences consumers' booking intentions through the mediating roles of brand image, brand emotions, brand identification, and brand credibility. Qualitative findings suggest that the acquired hotel brands have undergone localization to better align with the preferences of Chinese consumers. Quantitative results reveal that perceived brand localness positively affects brand image, brand emotions, and brand credibility, which in turn enhance booking intentions. Theoretical and practical implications of the findings are also discussed.

**Keywords:** Perceived Brand Localness; Booking Intention; Cross-border Acquisition.

## 1. Introduction

Branding is an effective tool for companies to identify and differentiate their products or services in consumers' minds. It is one of the most significant trends in the hospitality industry. The remarkable growth of hotel branding is based on the concept that brands provide value to both consumers and hotel companies, primarily because they foster brand loyalty [1]. An often-overlooked strategic benefit of mergers and acquisitions (M&As) is their impact on brand equity. M&As can influence consumer brand preferences, which in turn affect booking intentions.

M&As influence consumers' brand preferences in several ways. Firstly, after an M&A, the integration of brands and product lines typically occurs, which can lead to either positive or negative spillover effects on consumers' perceptions of the acquiring and acquired brands [2]. Secondly, the acquiring company can leverage the technology of the acquired firm to enhance product quality. Thirdly, if a lesser-known brand acquires a more renowned one, it may signal to the market its technological capabilities, management skills, and product quality. Fourthly, cross-border M&As may even stimulate national pride among consumers of the acquiring company [3]. These potential consequences of M&As can increase consumers' booking intentions for certain brands [4].

Recently, the notion of consumer-based brand equity (CBBE) has increasingly captivated scholars and managers [5-6]. Efforts to identify the drivers of brand preference have spurred much empirical research [7-8]. However, the current understanding of CBBE effects on service brands remains limited [5]. Empirical results suggest that brand equity does influence consumers' purchase intentions [9] and that brand reputation mediates the relationship between brand credibility and consumer behavior [10]. Nevertheless, the evidence is limited to the restaurant sector and is not applicable to luxury hotels. Existing research on hotel brand equity either neglects to discuss the effects of brand equity on consumers' booking intentions or merely explores brand equity within the context of luxury hotel brands [11].

Against the backdrop of globalization, the hospitality

industry boasts several prominent global brands, such as Marriott, Hilton, and InterContinental. Each hotel company endeavors to enhance its brand awareness, which helps consumers better visualize and comprehend the intangible nature of hotel services [12]. However, in many instances, local brands have successfully maintained their unique appeal by responding more effectively to localized needs and preferences [13]. Local brands are defined as "only in specific geographic regions" or "concentrated markets" [14], while foreign brands must strengthen their local relevance to penetrate local markets, primarily by building local identity to create brand value, supporting local culture, and adapting the brand to local tastes and needs [13,15]. Consequently, foreign hotel brands acquired by domestic companies can achieve brand localization by establishing strong ties with local culture and lifestyle, thereby better integrating into the domestic market [16]. The trend of cross-border acquisitions by Chinese hotel companies is evidenced by examples such as Jin Jiang Hotels' acquisition of Louvre Hotels Group and Huazhu Group's acquisition of Deutsche Hospitality. Many foreign hotel brands enter new markets through acquisitions, and a localization strategy becomes crucial for these brands to successfully integrate into new markets and gain consumer recognition [17]. For instance, when Radisson Hotel Group was acquired by Jin Jiang Hotels, it renamed its brands in Chinese, such as "Campanile" and "Yu Jin Xiang" to align with the language preferences of Chinese consumers [18]. The localization strategy is a key mechanism for the acquired hotel brands to effectively integrate into new markets and enhance competitiveness. By implementing rebranding, optimizing services, and expanding market presence, the acquired foreign hotel brands can better adapt to new markets, fulfill consumer demand, and improve brand competitiveness [18].

Currently, studies on hotel acquisitions primarily focus on motives and target selection, while few scholars have examined how to integrate the acquired brand, particularly how brands originally established in developed economies adapt to the environment of emerging economies such as China. Fifteen years have passed since the first cross-border acquisition launched by a Chinese hotel company in 2009.

After years of integration, it is essential to address whether the acquired hotel brands retain their authenticity or are modified to meet the needs of the Chinese local market. Additionally, the impact of perceived brand localness on consumers' booking intentions remains unclear.

To address these research gaps, this study has two primary objectives. First, it aims to determine whether the acquired hotel brands have been modified in China, and if so, what changes have occurred from the perspective of hotel consumers. Second, it seeks to examine the impact of perceived brand localness (PBL) of acquired overseas hotel brands on the booking intentions of hotel consumers. Overall, this study employs mixed-methods research to explore the relationship among perceived brand localness, brand image, brand identification, brand emotion, brand credibility, and consumers' booking intentions in the context of cross-border acquisitions by Chinese hotel companies.

From an academic perspective, this study contributes to the existing research on consumers' booking intentions in relation to foreign hotel brands acquired by Chinese companies. Additionally, it expands upon the examination of the impact of perceived brand localness on consumers' booking intentions within the context of cross-border acquisitions. Furthermore, it enhances the applicability of the Consumer-Based Brand Equity (CBBE) model in emerging economies. Practically, this research aids hotel managers in better understanding brand localness from the consumers'

perspective and clarifies how perceptions of brand localness influence consumer booking intentions. This understanding will enable hotel managers to adjust their marketing strategies to derive greater benefits for their companies.

## 2. Literature Review and Hypotheses Development

### 2.1. Customer-based Brand Equity

The concept of consumer-based brand equity (hereafter referred to as "CBBE") is grounded in two main theoretical frameworks: Aaker's brand equity model and Keller's consumer-based brand equity theory. In Aaker's framework, CBBE is defined as a combination of several brand attributes, including brand awareness, brand loyalty, perceived brand quality, and various brand associations, while the interrelationships among these constructs are not explicitly addressed. Keller expanded upon Aaker's brand equity concept and offered the first official definition of CBBE as "the differential effect that brand knowledge has on consumer response to the marketing of that brand" [19]. He posited that CBBE can be largely captured through four blocks that form a hierarchical pyramid, which, from the lowest to the highest level, are: identity, meaning, response, and relationships (see Figure 1).

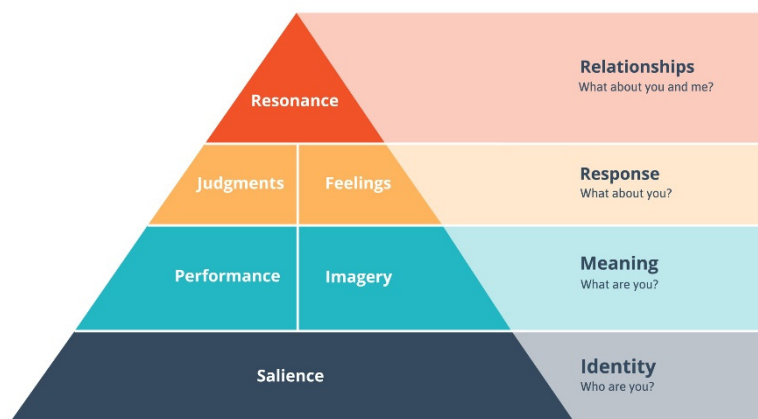


Figure 1. Consumer based brand equity model [20]

This model provides a framework for independent brand building. In this context, salience corresponds to brand identity, performance and image correspond to brand meaning, judgment and feeling correspond to brand response, and resonance corresponds to brand relationships [20]. Based on this model, Keller emphasizes a four-step process for building brand equity. First, marketers must understand consumers and identify the brand that meets their needs. Once the brand is identified, consumers are likely to attribute meaning to the brand based on its performance and their personal characteristics, thereby reaching the second stage, which generates image associations. Marketers should create appropriate brand meaning through strong, favorable, and unique brand associations, which include product features, functions, and values. The third stage involves forming judgments about brand quality and feelings of brand personality through cognitive and emotional responses. Judgment can encompass aspects such as quality and credibility, while feelings may include warmth, fun, excitement, and safety. When the first three steps are repeated,

consumers will ultimately develop attachment, engagement, commitment, and loyalty to the brand, known as brand resonance. However, these three components typically do not occur sequentially; instead, they tend to interact reciprocally, especially when consumers are relatively unfamiliar with the brand. Through continuous positive reinforcement, consumers eventually reach the fourth stage—brand resonance [21]. Thus, CBBE represents a form of equity that encompasses brand image, brand identification, brand associations, brand emotion, brand credibility, and various other measures [22].

### 2.2. Application of CBBE Model in Hospitality Sector

Research on Consumer-Based Brand Equity (CBBE) has gained traction in the tourism and hospitality disciplines, with demand for further study growing rapidly in recent years. Hospitality researchers and operators need to consider the new dimensions of brand equity [23]. The CBBE model was applied to delineate the structure of brand equity in China's

economy hotel sector, revealing that, unlike upscale hotel consumers, economy hotel consumers were less concerned about the uniqueness of brand image among economy hotel brands [24]. A Chinese consumer-based brand equity model specifically for U.S.-based multinational hotel brands was developed, and the findings indicated that Chinese middle-class consumers strongly perceive such brands as reliable and associate them with symbolic values that satisfy their needs for belonging, self-esteem, and societal acceptance [5]. An investigation into the effect of consumer-based brand equity (CBBE) on consumer loyalty within the hotel industry further examined the mediating roles of consumer satisfaction and trust. The results revealed that CBBE comprises brand awareness, physical quality, staff behavior, and brand image, and that it enhances consumer satisfaction and trust [25].

The relationship between hotel brand equity and consumers' perceived value and revisit intention was examined, revealing that brand loyalty, perceived quality, and brand awareness/association positively influenced perceived value, while brand loyalty and brand awareness/association increased revisit intention [26]. Focusing on hotels in North Cyprus, a study examined the interrelations among four brand equity components: brand awareness, brand loyalty, perceived quality, and brand image. The research identified a three-dimensional structure comprising loyalty, image, and quality dimensions, a finding consistent with earlier research on luxury hotels [26]. This outcome also aligns with the observation that possessing a brand name alone does not guarantee success in the hotel industry [27-28].

### 2.3. Perceived Brand Localness and Consumers' Booking Intentions

Perceived brand localness refers to the extent to which a brand is "being recognized as a local player and a symbol or icon of the local culture" [29]. Brands considered "local" are characterized by cultural originality, national identification, and support from local communities [13]. Local brands viewed as cultural icons within the domestic market are evaluated more positively and can significantly influence consumer behavior [15]. In many cases, brands with localized characteristics have successfully maintained their unique appeal by effectively responding to localized needs and preferences [13], which can enhance consumer purchase intentions. Localized brands appear to be more closely connected with local consumers, as evidenced by their in-depth understanding of local preferences [30]. Importantly, the positive impact of brand localization on brand preference is particularly strong not only in developed countries but also in many emerging markets (e.g., China, India) [15,29]. Therefore, the higher the degree of perceived brand localness, the stronger the consumers' purchase intentions for that brand will be. In the context of hotels, we propose the following hypothesis:

**H1:** Perceived brand localness significantly influences consumers' booking intentions.

### 2.4. Perceived Brand Localness and Brand Image

Most previous studies have investigated local brands under the assumption that they provide benefits solely through their local image [31]. However, this perspective does not consider that some foreign brands may be connected to the local market through cultural affiliation, domestic procurement, or production. For instance, supporting local communities or

engaging in typical local practices (such as McDonald's in the European market) can lead consumers to favor successful local brands [31]. Some scholars have suggested that brand localness may exist within brand image and jointly influence consumers' purchase intentions [14, 30].

Image is a vital element in the hotel industry, as a brand acts as the most influential factor in services due to its inherent characteristics, such as perishability, inseparability, tangibility, and heterogeneity. Some hotel operators have noted that a strong brand image can enhance financial performance, occupancy rates, average price, and revenue by improving booking rates [32]. In hospitality research, brand image has been identified as a critical factor influencing consumers' booking intentions. Studies indicate that brand image significantly affects consumers' perceived quality and trust in hotels, which in turn drives their booking decisions [33]. In specific markets such as Taiwan's hotel industry, brand image has been ranked as one of the three core determinants directly affecting booking intentions [34]. Furthermore, brand image has also been shown to exert a slight moderating effect on consumers' booking intentions [35].

**H2:** Perceived brand localness significantly influences brand image.

**H3:** Brand image significantly influences consumers' booking intentions.

Brand identification refers to the extent to which a consumer's self-image overlaps with the brand image [36]. It is a psychological state reflecting consumers' perceptions, feelings, and emphasis on brand belonging, encompassing three dimensions: perceiving, feeling, and valuing [37]. A considerable amount of evidence indicates that consumer brand identification is a crucial factor influencing booking intentions and word-of-mouth communication [38]. It positively affects consumer judgments and behaviors, thereby impacting booking intentions [39]. Brand identification has become the most important antecedent for explaining consumer booking intentions [38], with a high level of brand identification leading to a stronger purchase intention [40]. In the context of perceived brand localness, brand identification is created by integrating local elements into the brand. Consumers' identification with a specific culture influences their attitudes toward products that incorporate elements of that culture (e.g., global brand products featuring Chinese cultural elements), thereby enhancing their sense of cultural belonging and purchase intentions [41]. For example, consumers with a local identity tend to favor and purchase brand products that incorporate local elements, often due to their appreciation for local traditions and customs and a desire to support local communities [42]. This inclination aligns with observations that such consumption behaviors reinforce cultural identity and community connection [43].

**H4:** Perceived brand localness significantly influences brand identification.

**H5:** Brand identity significantly influences consumers' booking intentions.

Research indicates that consumers' product choices are frequently shaped by emotional factors, which facilitate a sense of connection with particular products or brands. Once such emotional linkages are formed, they can further stimulate purchasing desire and ultimately drive buying behavior [44-45]. Additionally, some scholars believe that when a brand possesses localized characteristics, it becomes more closely connected with local communities and values,

potentially generating positive emotional responses, even if such feelings are relatively mild rather than intense [16]. Whether the resulting emotions are high-arousal or low-arousal in nature, both can help establish a stronger emotional bond between brands and consumers. Therefore, brands should fully harness and leverage these emotional connections to differentiate themselves in a competitive market.

**H6:** Perceived brand localness significantly influences brand emotion.

**H7:** Brand emotion significantly influences consumers' booking intentions.

Numerous studies have established the relationship between brand credibility and purchase intention. Research consistently indicates that brand trust exerts a direct and positive influence on purchase intention. This relationship is

particularly relevant in contemporary markets, where the diminishing novelty of global brands has led to increasingly rational consumer demand [46-47]. Many consumers may prefer brands that are highly localized because these brands are more responsive to their needs and convey authentic local culture. Existing research indicates that consumers prefer brands that embed local elements, termed "local icons." Brands that incorporate local elements can better fulfill consumers' needs for cultural identification [47]. To gain deeper consumer trust, brands must establish a connection at this level [48]. Therefore, perceived brand localization affects brand credibility.

**H8:** Perceived brand localness significantly influences brand credibility.

**H9:** Brand credibility significantly influences consumers' booking intention.

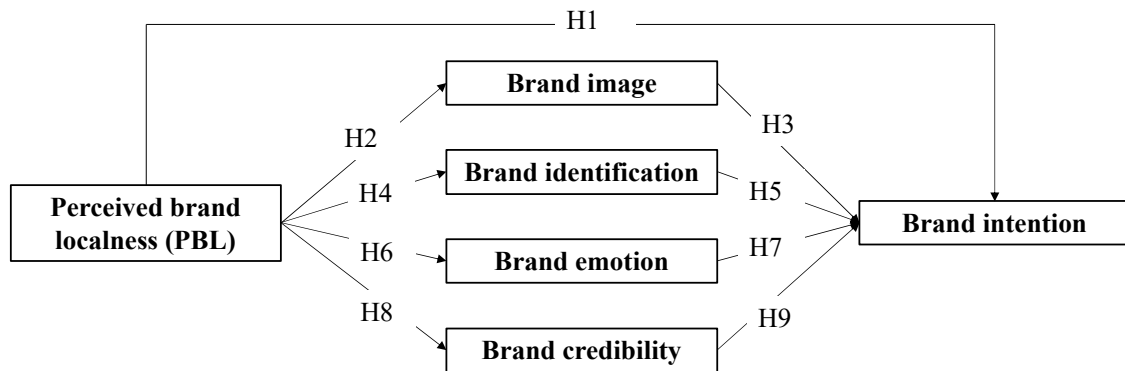


Figure 2. Research framework

### 3. Methodology

#### 3.1. Research Context and Data Collection

This study utilizes a mixed-methods approach. Based on prior research and public news, we selected twelve hotel brands as our research sample [49] (see Table 1). Following a purposive sampling approach, hotel consumers who had stayed at the hotels listed below within the past year were invited to participate in the interview and questionnaire survey. The purpose of the secondary data analysis and in-depth interviews is to provide background information on

hotel brand localness and to contextualize the quantitative research. Interview questions included: "Do you think this hotel has implemented Chinese localized integration? If so, how does it work?" and "How have these localized integrations affected your booking intentions?" The interviews were conducted from October 17, 2023, to November 27, 2023, with each interview lasting approximately 40 minutes. Ultimately, we obtained 30 interview transcripts. Based on the open, axial, and selective coding of the interview transcripts as well as previous literature, we modified the questionnaire scales to better address the research questions.

Table 1. Chinese hotel companies' cross-border acquisitions.

No.	Brand	Scale	Affiliation	Original Country	Enter China Year
1	Club Med	Luxury	Fosun	France	2010
2	Radisson	Upscale	Jin Jiang	United States	2010
3	Golden Tulip	Upscale	Jin Jiang	France	2017
4	Park Plaza	Upscale	Jin Jiang	United States	2019
5	Radisson Red	Upscale	Jin Jiang	United States	2019
6	MAXX by Steigenberger	Upscale	Huazhu	Germany	2021
7	Steigenberger	Upscale	Huazhu	Germany	2021
8	Park Inn by Radisson	Mid-to-Upscale	Jin Jiang	United States	2019
9	InterCity Hotel	Mid-to-Upscale	Huazhu	Germany	2021
10	Campanile	Mid-range	Jin Jiang	France	2016
11	Kyriad Marvelous Hotel	Mid-range	Jin Jiang	France	2017
12	Kew Green	Mid-range	HKCTS	United Kingdom	2016

The questionnaire consists of three parts. The first part includes screening items designed to ensure the quality of the questionnaire, such as "Which hotel and city on the list have you stayed in?" The second part contains 34 questions related to perceived brand localness, brand image, brand

identification, brand emotion, brand credibility, and booking intention. The third part collects interviewees' personal information. A five-point Likert scale was used, with 1 indicating complete disagreement and 5 indicating complete agreement. The questionnaire survey was conducted via a

professional data collection platform—Credamo. The online survey ran from December 17, 2023, to March 15, 2024, and resulted in a total of 503 completed questionnaires. Out of these, 362 were valid, resulting in an effective response rate of 72%.

### 3.2. Data Analysis

In this paper, SPSS and AMOS were utilized to analyze the data. The scale development process followed Churchill’s approach [50]. We employed both qualitative and quantitative methods to ensure the validity and reliability of the scale. The initial item pool was derived through a combination of literature review, deductive reasoning, and in-depth interviews. The data analysis was conducted using the

established two-step methodological approach [51]. First, we conducted a confirmatory factor analysis (CFA) to verify the measurement model, followed by structural equation modeling (SEM) to test our hypotheses.

## 4. Findings

### 4.1. Descriptive Statistics

As shown in Table 2, 37% of participants are female, 77.6% are between the ages of 19 and 53, more than 70% are full-time employees with a bachelor’s degree or above, and 61.6% have an annual income between 80,000 yuan and 300,000 yuan.

**Table 2.** Profile of participants.

	N	%
<b>Age</b>		
19-35	281	77.6
36-55	68	18.8
Above 56	13	3.6
<b>Gender</b>		
Female	134	37
Male	228	64
<b>Education</b>		
Under Highschool	3	0.8
Highschool	29	8.0
Bachelor	275	76
Master and above	55	15.2
<b>Yearly Income (thousand)</b>		
30-80	20	5.5
80-300	223	61.6
300-1000	112	30.9
Above 1000	7	1.9
<b>Occupation</b>		
Student	46	12.7
Part-time employee	0	0
Full-time employee	289	79.8
Freelancer	22	6.1
Others	9	2.3
<b>Marriage</b>		
Single	87	24
Couple	52	14.4
Married without Children	22	6.1
Married with Children	196	54.1
Divorce	5	1.4

### 4.2. Data Analysis and Results

In this research, the measurement model (see Table 3) was generated by conducting a confirmatory factor analysis (CFA) using AMOS 24. The result of the measurement model (see Table 4) showed goodness-of-fit Statistics:  $\chi^2 = 226.600$ ,  $df = 125$ ,  $\chi^2/df = 1.813$ ,  $p < .001$ ,  $RMSEA = 0.069$ ,  $CFI = 0.931$ ,  $IFI = 0.933$ , and  $TLI = 0.915$ . The standardized factor loading for each item ranged from 0.601 to 0.934 above the threshold of 0.5. The average variance extracted (AVE) values for all the constructs varied from 0.927 to 0.576, which is greater than 0.5, supporting convergent validity. Moreover, all the square roots of AVE values for each dimension are greater than the square of the correlation between the variables, indicating clear discriminant validity.

The diagonally italics text indicates the square root of AVE.

Below the square root of AVE is correlation between constructs.

### 4.3. Assessment of Structural Model and the Hypothesis Testing

Structural equation modeling (SEM) was performed to test the proposed conceptual model. The results revealed that the developed structural model exhibited an acceptable level of goodness-of-fit statistics. Specifically, the findings indicate that Hypotheses 4 and 9 are not supported, while the others are supported.

Hypothesis 1 (H1) demonstrates that the standardized coefficient of perceived brand localization on consumer booking intention is 0.482 ( $P < 0.001$ ), indicating a significant positive impact of perceived brand localization on booking intention. Hypothesis 2 (H2) shows that the standardized

coefficient of perceived brand localization on brand image is 0.706 ( $P < 0.001$ ), suggesting a significant positive impact of perceived brand localization on brand image. Hypothesis 3 (H3) indicates that the standardized coefficient of brand image on consumer booking intention is -0.288 ( $P = 0.017$ ),

revealing a certain negative impact of brand image on consumer booking intention, although the effect is not strong. Hypothesis 4 (H4) shows that the standardized coefficient of perceived brand localization on brand identification is -0.077 ( $P = 0.185$ ), indicating that this hypothesis is not supported.

**Table 3.** Confirmatory factor analysis of measurement items (n=362).

Factors	Estimate	AVE	CR
<b>Perceived brand localness</b>			
A1: I think the overall decoration style of the hotel contains Chinese elements.	0.846	0.681	0.842
A2: I think hotel operation contains Chinese element.	0.790		
A3: I think the hotel's activities during Chinese traditional festivals contain Chinese elements.	0.762		
A4: I think the hotel contains Chinese elements in the design of the entertainment activities.	0.818		
A5: I think the hotel has Chinese elements in the food design/menu design.	0.766		
A6: I think the name of the hotel brand contains Chinese elements.	0.726		
A7: I think the hotel brand has made partial improvements according to the needs of local consumers.	0.688		
A8: I think the hotel brand can be seen all over China.	0.601		
A9: I think the marketing of the hotel brand caters to local culture and consumer preferences.	0.658		
<b>Brand image</b>			
B1: I think the hotel has a good reputation.	0.795	0.702	0.817
B2: I think the hotel provides a high standard of service.	0.668		
B3: I think the hotel is clean and tidy.	0.622		
B4: I think the hotel is worth the price.	0.815		
B5: I think the staff are friendly.	0.677		
B6: I think the facilities here are well-prepared.	0.765		
<b>Brand identification</b>			
C1: I think staying at the hotel reflects my social status.	0.783	0.699	0.837
C2: I think staying at the hotel makes me different.	0.861		
C3: I think staying at the hotel help me have a more positive understanding of the brand.	0.724		
C4: I think my personality is very similar to the personality of the hotel brand.	0.805		
C5: I identify with the values represented by the hotel brand.	0.801		
C6: I identify with the lifestyle represented by the hotel brand.	0.695		
<b>Brand emotion</b>			
D1: Staying at the hotel makes me feel happy.	0.934	0.927	0.949
D2: Staying at the hotel makes me feel interesting.	0.807		
D3: Staying at the hotel makes me feel comfortable.	0.930		
D4: Staying at the hotel makes me feel excited.	0.777		
D5: Staying at the hotel makes me feel convenient.	0.889		
<b>Brand credibility</b>			
E1: I think the hotel brand can deliver on its claims.	0.728	0.576	0.789
E2: I think the hotel brand has positive value.	0.779		
E3: I think the hotel brand is reliable.	0.674		
E4: I think the hotel brand has a good reputation.	0.766		
E5: I think the hotel brand has no fake advertisement.	0.648		
<b>Booking intention</b>			
F1: I will stay at this hotel again.	0.779	0.627	0.889
F2: I will encourage friends and relatives to stay at the hotel.	0.775		
F3: I would recommend this hotel to friends and relatives.	0.800		

**Table 4.** Results of measurement model and correlations.

	PBL	BI	BID	BE	BC	BINT
PBL	0.825					
BI	0.591	0.838				
BID	0.541	0.802	0.836			
BE	0.108	0.001	0.064	0.963		
BC	0.459	0.9	0.701	0.095	0.759	
BINT	0.512	0.803	0.796	0.032	0.736	0.792

Note: PBL = perceived brand localness, BI =brand image, BID =brand identification, BE =brand emotion, BC = brand credibility, BINT=booking intention.

Hypothesis 5 (H5) presents that the standardized coefficient of brand identification on consumer booking intention is 0.345 ( $P = 0.012$ ), which indicates a certain positive impact of brand identification on consumer booking intention, though moderate. Hypothesis 6 (H6) reveals that the standardized coefficient of perceived brand localization on brand emotion is 0.668 ( $P < 0.001$ ), indicating a significant positive impact of perceived brand localization on brand emotion. Hypothesis 7 (H7) shows that the standardized coefficient of brand emotion on consumer booking intention

is 0.592 ( $P < 0.001$ ), suggesting a significant positive impact of brand emotion on consumer booking intention. Hypothesis 8 (H8) indicates that the standardized coefficient of perceived brand localization on brand trust is 0.625 ( $P < 0.001$ ), signifying a significant positive impact of perceived brand localization on brand trust. Finally, Hypothesis 9 (H9) shows that the standardized coefficient of brand trust on consumer booking intention is -0.068 ( $P = 0.176$ ), indicating that this hypothesis is not supported.

**Table 5.** Results of the SEM.

No.		Estimate	P	Verification
H1	PBL → Booking intention	0.482	***	Supported
H2	PBL → Brand image	0.706	***	Supported
H3	Brand image → Booking intention	-0.288	0.017	Supported
H4	PBL → Brand identification	-0.077	0.185	<b>Not supported</b>
H5	Brand identification → Booking intention	0.345	0.012	Supported
H6	PBL → Brand emotion	0.668	***	Supported
H7	Brand emotion → Booking intention	0.592	***	Supported
H8	PBL → Brand credibility	0.625	***	Supported
H9	Brand credibility → Booking intention	-0.068	0.176	<b>Not supported</b>

Note: \*\*\* refers to  $P < 0.001$ .

## 5. Discussion and Implications

### 5.1. Conclusion

This study employs a mixed-methods approach, utilizing secondary data collection, in-depth interviews, and a questionnaire survey, focusing on 12 hotel brands acquired by Chinese companies to explore the impact of perceived brand localness on consumers' booking intentions through brand image, brand emotions, brand identification, and brand credibility, based on the consumer's brand equity model.

The interview transcripts indicate that the hotel brands acquired by Chinese companies underwent local adjustments when operating in China. For example, InterCity, a hotel brand under the Deutsche Hospitality Group, entered the Chinese market after being fully acquired by Huazhu Hotel Group. To better cater to the unique needs of the Chinese market, InterCity launched a series of localization innovations. In terms of room design, the brand gained insights into the living habits and aesthetic preferences of Chinese consumers, skillfully incorporating Chinese cultural elements, which not only showcased the allure of Chinese culture but also enhanced the warmth of the rooms. Additionally, regarding facility configurations, the hotel added several convenient amenities based on the living preferences of Chinese consumers, striving to provide a more comfortable and convenient accommodation experience.

In terms of service, InterCity implemented targeted optimizations, as managers recognized that Chinese consumers prioritize service details; thus, they provided more thoughtful and personalized services. For hotel brands acquired from overseas, local adjustments are crucial. The hotel adapted its catering menu to align with Chinese consumers' taste preferences, introducing a variety of local delicacies. Furthermore, the room layouts and facilities were optimized based on local consumers' habits, aiming to create a more comfortable accommodation environment. By deeply understanding the characteristics and needs of the local market and combining these insights with their own brand

advantages and service concepts, the hotel continually innovated and improved to better adapt to the changes and development of the Chinese market.

The empirical results support Hypothesis 1, indicating that perceived brand localness exerts a significant positive influence on consumers' booking intentions. This finding is consistent with prior research conducted in emerging markets, which also establishes a direct positive relationship between perceived brand localness and consumer purchase intentions [31, 48]. Hypothesis 2 shows that perceived brand localness has the most significant impact on brand image, indicating that in the process of localization, brands can combine local cultural features and market environment to shape unique brand images. This unique brand image helps the brand form differentiated competitive advantages in the market and enhance its brand awareness and reputation. Meanwhile, a unique brand image can also enhance consumers' memory of the brand, laying a solid foundation for the long-term development of the brand. Hypothesis 3 indicates that brand image has a certain negative impact on consumers' booking intentions, which may be due to the fact that the hotel brand image does not match consumers' expectations. A mismatch between a brand's image and consumer expectations, values, or lifestyles can lead to disappointment or dissatisfaction, thereby negatively influencing booking intentions [2]. The brand image should be consistent with consumers' expectations to establish positive brand relationships and promote consumer booking behavior. Hypothesis 5 proves that brand identification has a positive impact on consumers' booking intentions, indicating that when consumers identify with a hotel brand, they tend to have more favorable judgments about the brand overall service excellence or superiority, and the overall assessment of the brand utility. This positive hotel brand evaluation, in turn, determines the consumer's loyalty to the brand and triggers booking intentions [46]. According to Hypothesis 6 and 7, perceived brand localness has a significant positive impact on brand emotions, and brand emotions has a significant impact on consumers' booking intentions. From the perspective of

consumers, the brand emotions built into the Chinese cultural context can clearly differentiate foreign and domestic brands and win the resonance of consumers [52], which is consistent with the research of previous scholars. The results support hypothesis 8, which states that localized brands represent higher authenticity [15], which has a huge impact on consumers in the Chinese consumption environment. The results show that hypothesis 4 and hypothesis 9 are not supported. In fact, most literature and studies have shown that brand credibility has a positive impact on consumers' booking intentions [53], and perceived brand localness has a significant impact on brand identification rather than no impact [54]. This may be because this study includes but is not limited to sample characteristics, market changes, industry-specific features, etc.

## 5.2. Theoretical Implication

From a theoretical perspective, this study verifies the impact of perceived brand localness on the booking intentions of consumers of acquired hotel brands, based on the consumer-based brand equity model. This research not only enriches the theoretical literature on brand management and consumer behavior but also provides a theoretical reference for companies—especially overseas hotel brands acquired by Chinese enterprises—implementing localization brand strategies in the context of globalization. Additionally, this study complements the applicability of the brand equity model in the context of acquired hotel brands, particularly those advanced brands acquired by companies from emerging economies. By further validating the research of previous scholars, this model has been expanded and supplemented, resonating with the components of brand equity proposed in Keller's model and providing a reference for scholars studying perceived brand localness.

The findings confirm that perceived brand localness is positively correlated with brand image, brand emotion, and brand credibility, demonstrating that brand localness is not only a marketing strategy but also an effective means of penetrating consumer psychology to influence brand cognition and emotional responses [16]. The results indicate that perceived brand localness, brand emotion, and brand identification have positive correlations with consumers' booking intentions, while there is a negative correlation between brand image and consumers' booking intentions. While previous studies have focused on the direct impact of brand image on consumer behavior, this study explores the relationship between brand image and intermediary variables such as brand emotion, brand identification, and brand credibility, thereby enriching the existing theoretical framework. Moreover, it addresses the research gap regarding the influence of brand image, brand emotion, brand identification, and brand credibility on booking intentions in the context of overseas hotel brands acquired by Chinese companies.

## 5.3. Practical Implications

This study offers feasible suggestions for managers of overseas hotel brands acquired by Chinese companies. First and foremost, acquiring other hotel brands through cross-border acquisitions demonstrates clear advantages, such as rapidly expanding market share and enhancing the brand portfolio. However, given the fundamentally different nature of the Chinese and foreign hotel industries, managers must carefully consider the integration and reorganization of

brands while being mindful of the potential for increased internal friction. In an increasingly competitive market, whether the hotel brand is local or international, the focus remains on deepening consumers' impressions of the hotel, improving return rates, retaining consumers, and providing exceptional service.

Secondly, a successful brand often promotes a unique lifestyle, encouraging consumers to identify as members of a specific group after using its products, thereby strengthening the connection between the brand and its consumers. Therefore, during operations, the hotel industry should pay special attention to enhancing the brand's unique characteristics and continuously boosting consumer loyalty and attachment through increased communication and interaction with consumer. Hotel managers need to consistently innovate and improve services, integrate brand concepts into consumers' daily lives, and establish a deep connection between brands and consumers.

Finally, cultural integration is a crucial aspect of localization. Given the significant impact of perceived brand localness, managers should focus on enhancing brand localness by incorporating local characteristics into their branding strategies. Additionally, managers can design various communication initiatives that align with local culture and consumer interests to strengthen brand localization. Acquired hotel brands should strive to integrate Chinese cultural elements, such as incorporating traditional Chinese art into hotel interior design or hosting activities related to Chinese culture, to enhance the emotional connection with Chinese consumers.

## 5.4. Limitations and Future Research

This study has three limitations. First, this research relies on online questionnaire data collection, which may be affected by specific regional, cultural, or language backgrounds, further complicating data collection and potentially leading to lower quality in some samples. Therefore, it is recommended that future studies focus on various types of hotels within a particular region, conducting field visits and surveys to enhance sample quality. Second, the model in this study does not include moderating variables. Individual characteristics of consumers, such as ethnocentrism, and market factors, such as the degree of globalization, could alter the relative impact of perceived brand localness on booking intentions. These aspects warrant exploration in future studies. Finally, part of this research modifies the scale of previous scholars based on interview results; however, the final data quality is not optimal, necessitating improvements in the qualitative research component. Subsequent studies should aim to increase sample sizes and conduct more small-scale experiments to provide a more comprehensive and objective analysis.

## Conflicts of Interest

The authors declare no conflicts of interest.

## Acknowledgments

**Funding:** This research was funded by Shenzhen Polytechnic University Research Initiation Program, grant number is "6023312003S".

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