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Better together? A Hospitality Case for Umbrella Branding

Kaouther Kooli, Huifen Cai, Cornelia Beer and Len Tiu Wright

Abstract

Purpose: While the topic of 'umbrella branding' (UB) strategies for manufacturers' products in the business-to business literature has received attention, much less has been written about UB strategies in the hospitality industry. With the aid of a theoretical framework this paper explores three types of behavioural characteristics: alliance attribute; communication behaviour; and alliance management to examine cost and service benefits for alliance success within one umbrella organisation in the German hospitality industry. The theoretical framework of the paper built on the model of Vanpoucke and Vereecke (2010), incorporating a top management perspective to test and extend an umbrella brand.

Design/methodology: Semi-structured interviews with a sample of senior managers were undertaken in Germany at the headquarters of Ringhotels v.E. Content analysis of the data collected was implemented to increase understanding of the research phenomenon with regard to relationships and the conceptual framework applied. The results were presented in the tables with discussions about the qualitative research

Findings: The results of the study showed that behavioural characteristics played a significant role in explaining overall alliance success on cost and service benefits. A good level of quality presented in Ringhotels' services, marketing, risk and coordination were found to be a better predictor of success when absence of management and lack of trust hampered good performance.

Originality/Contribution: The study offers insights into the management of relationships within Ringhotels v.E. and how these can be better managed. The main contribution of the

work fills in a gap currently existing in the literature about umbrella branding within the hospitality industry.

Keywords: Umbrella branding, German hospitality industry, Association attributes, Communication behaviour, Association Management

Introduction

The tourism market presents opportunities for large, medium and small businesses and is one of the fastest growing sectors (Liu et al, 2015). However, it is also challenged by a huge variety of uneven provisions from the excellent to the basic depending on the types of businesses offering hospitality from sophisticated large hotel groups and lower priced economy chains to a plethora of small players in bed and breakfast proprietorships and individuals offering room lettings. Large hotel chains have their own product variants by keeping their individual hotel brands under one group name and offering incentives to returning customers in the form of the group's rewards to customers for points accumulated for each stay. For example, the Intercontinental Hotels Group (IHG) has nine hotel branded names including Crowne Plaza and Holiday Inn. Smaller hotels wishing to keep their independence can look for greater synergies by coming together in a brand alliance to help each other to build further strengths. Or they could join in a brand alliance under the umbrella of an organisation e.g. a hotel association, in order for it to develop greater synergies in exchange for their membership fees, so as to take advantage of specialised marketing and information services in a combined operation with scale economies. This paper presents a study of such an umbrella hotel association, Ringhotels v.E. by examining an aspect in-depth that has been under-researched in the literature, namely the behavioural characteristics

influencing the success of a brand alliance. A qualitative approach was adopted in that personal interviews were conducted with its senior staff accompanied by a list of interview topics (as given in Appendix 1). The information collected was content analysed with results shown in the tables and discussed.

This paper makes a contribution to the literature concerning the implementation of *alliance attributes* with their subthemes of trust, coordination, interdependence; *communication behaviour* with its subthemes of information quality, information sharing and information participation; and *association management* with its subthemes of performance measurement and leadership. These aspects in examining an alliance within an umbrella association with their associated benefits are underplayed in the literature. As Lanseng and Olsen (2012) have pointed out, while brand alliance is a growing marketing strategy, the literature does not provide clear insights about the likely success of brand alliances given that there are also low product category fits between firms in alliances. Berthon et al (2009) stated that the knowledge base about brands or the interpretation of brand communications differ between consumers. Ottenbacher (2009) added that the hospitality industry has great potential for development and innovation, but that small businesses do not have the budget and very often the know-how to cover all the required business fields. Given the complexity of the hospitality environment (Miao, et al., 2011, Okumus, 2004), to be able to survive amongst competitors a hotelier not only has to manage the daily business such as conferences, restaurants, front office, housekeeping and a plethora of other facilities within the hotel, but also to be present at trade fairs, represent the company, design and develop brochures, manage the customer relationship, deal with complaints and possess skills to market the hotel online. For a small entity this breadth is difficult to manage. Independent hotel businesses feel vulnerable to being unfavourably compared in the marketplace e.g. in customer reviews, if they do not have the resources that large hotel chains can draw on. The scope of activities

that needs attention to be drawn to, therefore, rises constantly (Sigala 2007). This is why hoteliers who wish to keep their own identity and philosophy may prefer to join hotel associations and benefit from a 'Headquarters and Services Centre'.

The advantage of such a centre is that it can specialise in marketing and promoting services under one umbrella brand in a profitable way while the individual hotel businesses would be free to implement their daily tasks. Accordingly, Ringhotels v.E. is chosen as the case example for study due to the fact that it stands out as the largest umbrella association in Germany with a 'Headquarters and Services Centre' and is one of Europe's largest growing umbrella associations. Moreover, in Germany small players are often privately owned or family run businesses that have been built from generation to generation (Hotelier 2012). They often do not have the skills and business knowledge to compete aggressively with large hotel chains that have bigger resources to build alliances e.g. within the travel industry when consumers are booking combinations of flights and hotels with airlines or to maintain a strong website presence. Over three decades ago to book a travel experience customers had to make an appointment with a travel agency which had links with hotel businesses overseas. With the advent of the internet and search engine customers can not only book an entire holiday online, but also compare prices with hundreds of other providers and look into the travellers' reviews of hotels visited.

Literature review

The success of an umbrella brand can be explained as the effective implementation of a consistent brand identity across product and service variants with clear advertising and/or word of mouth messages designed to produce positive outcomes with consumers by leading them to trust the quality or essence of the umbrella brand, time and again. Therefore,

umbrella branding can be a successful marketing strategy and accepted as a common approach in portfolio management, when a parental brand name is applied for a range of products to create a 'halo effect' (http://millwardbrown.com, 2014). This 'halo effect' asserted by the Millward Brown company, is about consumers developing familiar and positive associations with the credible parent brand, which in turn would benefit the 'kick-start' of other variants e.g. via a programme of planned and executed advertising. Widely applied in the product and service contexts, an umbrella brand ties several products together to generate an efficient vehicle for communication (Wernerfelt 1988).

However, umbrella branding is more commonly associated with brand extension. Brands are extended beyond their original categories to reduce the cost and risk of entering a new product category (Aaker 1991). Reducing costs is a primary management imperative in a competitive environment that encourages growth through brand leverage (Tauber, 1988). Hence, an umbrella brand is also referred to as a family brand because of carrying with it a range of different but related products to build rapport with customers. This common practice of selling several products under the same brand name is to try to convince consumers that new and existing products are of similar quality (Aaker, 2004; Kapferer, 1997).

The success of the brand extension depends highly on the transfer of the parent brand awareness and association of the potential extension. Aaker and Keller (1990) investigated the 'fit' between the original brand and the extension as the crucial factor of success. The success can be noted only if the parent brand evaluation is also transferred to the perceived quality of the extension (Aaker and Keller 1990, Bousch and Loken 1991; Reddy et al. 1994). Wernerfelt (1988) called the transfer of the quality perceptions between the brands the key to umbrella branding, as the same brand name can be successfully used for several products. In addition, extension of brands is trusted and the already established reputation of the parent brand is reflected in all of them (Montogomery and Wernerfelt, 1992). Erdem (1998) listed

the advantages of companies that own one brand which they can extend and hence use the reputation of the original product for the new one. It makes the outcomes of marketing programmes more effective when consumer quality perceptions across product categories are raised with more choice provided. If a brand offers a wide range of products, the expectations of consumers are increased for one product because they already have a good experience with a cross-branded product (Erdem, 1998). This phenomenon of cross branding is very common and only possible if brands are offered and marketed adequately.

Umbrella brands are known to reduce consumer uncertainty and perceived risk and can add value to companies' marketing mixes (Wernerfelt, 1988). However, if one product does not live up to consumer expectations, then it could automatically associate the entire brand name with poor quality (Hakenes and Peitz 2008). Moreover, umbrella branding might not turn out to be the right choice if relations between the different product players do not lead to an increase in profits (Amrouche and Zaccour 2009). Cabral (2008) shows the example in private label branding when the retailer and manufacturer do not have the necessary strategic interactions and are thus limited in establishing umbrella brands.

Associations due to their nature could be considered a particular type of alliance. Yoshinoe and Rangan (1995) argue that strategic alliances should consist of and require the following circumstances to fulfil the requirements of a strategic alliance i.e. independence of parties, shared benefits among the parties and on-going participation in one or more key strategic areas. Furthermore, "alliances create value through the pooling of resources to provide alliance partners with competitive advantages over rivals" (McCarter et al, 2011, p 621). Alliances or acquisitions are important organisational activities to gain access to external resources or synergies, which each company individually could not achieve (Wang and Zajac, 2007). Other authors have examined brand alliances from different viewpoints, such as product categories (Keller, 1993), brand orientations (Baumgarth, 2010) and the ability of

consumers to evoke brand associations and inherent self-representations (Martin et al, 2005, Loken et al, 2008). Therefore, the building of brand equity is a complex process and needs to be considered carefully.

Strategic alliances are inter-organisational agreements between at least two parties and alliances include the exchange, sharing or the co-development of products, technologies or services (Gulati, 1998). Farok and Sumit (1998) claimed that there were two types of inter-firm collaboration i.e. equity joint ventures and contractual modes. Examples include management service contracts that are popular in the hotel sector, where service firms can charge for providing specialised levels of control. There are hotel associations that run management service contracts, where they enter into contracts with the legal owners of hotel properties or bed and breakfast establishments to run and operate them on a day to day basis, usually under the hoteliers' recognized name. Typically, quality control, daily management and senior staffing principally rest with the hotel associations and not the property (Farok and Sumit 1998).

There is a need for professional branding and promotion, especially with an increasingly competitive tourism environment. The suitability of the Ringhotels v.E. for study took into account the existence of a professional association with a strong national umbrella brand in a leading European economy. The German government tried to encourage the tourism economy and to help it maintain its sustainability gave a tax reduction in 2011 (Bundestag 2012). Due to the savings in VAT, the hoteliers looked for chances to join associations and to subscribe to their umbrella brand philosophies (DZT 2012). While there are several hotel associations already acting as umbrella brands in Germany in order to market and distribute a number of hotels, the largest one is Ringhotels v.E.

The combination of several family-owned and privately run hotel businesses that often have a long history of individual existence is challenging. Such hotels normally want to keep their

own traditions, mentalities and philosophies, but would like to be part of an umbrella brand association to take advantage of greater synergies, previously discussed. Thus, it is important to create a balance between umbrella branding several hotels under one philosophy and at the same time allowing enough independence to each hotel to maintain its individuality. Such umbrella branding is different from other types of large hotel brands built up into international hotel chains by other countries e.g. Hilton Hotels, La Quinta Inn and Swissôtel brands. For instance, La Quinta Properties Inc, a real estate investment trust in the USA has over 700 budget-type limited service hotels under different brand names in the USA, Canada and Mexico. FRHI Holdings Limited in Canada has 101 hotels and resorts worldwide under the Raffles, Fairmont and Swissôtel brands (Market Wired, 2012).

Marketing a hospitality business is costly, challenging and demands time and effort (Ottenbacher 2009). Moreover, differentiation for smaller SMEs is difficult to achieve where intangibility, perishability, inseparability and variability (Jobber and Fahy, 2006) make the marketing of services progressively challenging. For SMEs in the hospitality business there is an urge to act professionally and knowledgeably in several different business fields, such as sales, marketing, distribution or service quality in order to compete with each other and with the large hotel chains. Another challenge is how to stay ahead in educating employees to respond to client needs in a dynamic and changing marketing environment (Sigala 2007). Recent advances in information and communication technology have increased the challenges for the hospitality industry. A bad experience could tempt a consumer to spread this information online in poor reviews compared to a more satisfied consumer. Getting visibility with consumers in a crowded marketplace and to stand out with standards and reputation (Sigala, 2007) is a complex marketing process. Therefore many hotels tend to establish brands to carry their slogans and impressions of quality. Apart from several global hotel chains, which already place high value on their brand equity, many individual, privately

owned hotels join hotel associations in order to belong to and operate under an umbrella brand (Olsen et al. 1994). If umbrella brands are used in hospitality marketing, success of extensions can only be benefited from if there is a fit between the original product and the extended one (Rotemberg, 2010; Volckner, et al., 2008). Every new joining hotel has to comply with the umbrella brand or association's philosophy.

Research aim and objectives

The aim of this paper is to evaluate top management perception and expectation of the umbrella brand within the German hospitality industry following the debate in the literature concerning alliances' outcomes. Zollo, Reuer and Singh (2002) build on Dyer and Singh (1998) to highlight the challenge of developing and refining relational capabilities embedded in the tacitness of inter-organizational cooperative routines, which could improve the causal linkages between decisions, actions and performance outcomes. However, the difference between an alliance and an umbrella association for hotels, lies in the structure which involves different levels of control (Luo, et al., 2008). Dekker (2004) built on transaction cost economics and organisational theory to identify two control problems that arise when firms engage in inter-organizational relationships: the management of appropriation concerns and the coordination of tasks. Alliance associations within the umbrella branding type are different by being much more driven by the members of their boards and while exchange of information between members is encouraged, the umbrella alliance headquarters conducts the major creation of value, i.e. marketing on behalf of all its members.

Ringhotels e.V. was chosen for study as it represented Germany's biggest hotel association with around 130 members since its foundation in 1973. Its main philosophy was to establish an umbrella brand following the theme of "Personal. Private. Because we care for you". This

philosophy covered all the privately or family owned member hotels with a personal touch and atmosphere and extended to the hoteliers' care of their customers. Customer satisfaction and the facilities for guests, their well-being and comfort in the hotels constituted the major aim and inner core of Ringhotel's philosophy.

To become a member a hotel business has to fulfil certain criteria. It should be family-owned or at least privately managed. It meant that the personal touch and attitude of the owner or the family stayed within the hotel. The hotel's character and its philosophy are embodied by the owners and reflected in the way they treat their customers. Ringhotels' members tend to have a long history of existence due to being managed from generation to generation by their specific individual families. Hence, a son or daughter could watch how their parents managed the hotel. On the one hand, this is a major asset and includes a lot of experience. On the other hand, often it implies resistance to change with activities and processes in how the hotel is managed being rooted in obsolete methods, hardened over time. Often a lot of persuasion has to be done in order to convince the Ringhotel manager of a new implication, especially when it comes to modern IT tools or social media. The ambience in a Ringhotel has to reflect the personal atmosphere of being friendly and familiar to staff and hotel guests. Ringhotels are classified with at least 3-GEHOGA (GErman HOtel and GAstronomy association) stars (of 5) and need to fulfil such Ringhotels' internal quality criteria.

Therefore, the research objectives are to:

(1) explore relevant literature on umbrella branding with a view to finding an applicable model;

(2) investigate Ringhotels e.V.'s top managers' perceptions in terms of their association's contribution in implementing the hotel umbrella brand in the German hospitality market;

(3) arrive at conclusions about the effects of behavioural characteristics from the

implementation of a model for the success of the umbrella brand.

Initially developed for the production industry, the model of Vanpoucke and Vereecke (2010) appeared to be appropriate for the study of this paper, given a gap in the literature in the contribution of behavioural characteristics of umbrella branding within the hospitality industry. Hence the research adopted Vanpoucke and Vereecke's (2010) three alliance behavioural characteristics: (1) association attributes; (2) communication behaviour; and (3) alliance management. These are shown in the following Figure 1 with reference to the different behavioural characteristics of alliance attributes, communication behaviour and alliance management that could contribute to costs or services benefits.

Figure 1. Themes associated with alliance success in the German hospitality business
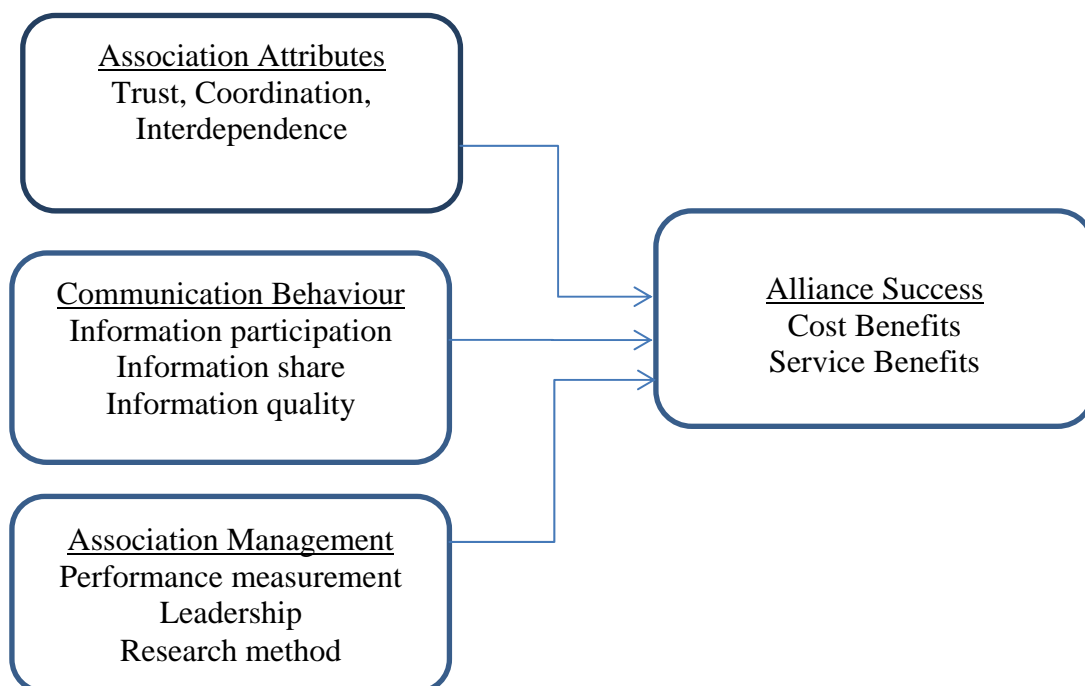
Desk research covered the general environment in the German hospitality industry, alliances and umbrella brands in general, as well as the marketing structure and umbrella brand of

Ringhotels v.E. more specifically. In the background the effects of the tax reduction (Bundestag 2012) and the general structure of a majority of privately owned hotels were taken into account to understand the German hoteliers' need for alliances and the guidance of umbrella headquarters in supporting their member hoteliers with required expertise. A literature review was carried out to research the features of associations as a form of alliance and the impact of umbrella branding.

This field research used a semi-structured questionnaire during interviews to collect data. Interviews seeking the perspectives of all the fourteen managers in the headquarters of Ringhotels in Germany were not possible due to some of them being unavailable or out of the country. Eight senior decision-makers were interviewed in their normal working places in August to September 2012 in the association's headquarters. These individuals are selected for their knowledge of the brand 'Ringhotels' and management decisions about their activities for the member hoteliers. All respondents took part in decision-making and were able to provide rich perspectives at the top management level. The interviews lasted between 45 minutes to an hour each. Triangulation of data (Wright, 2008; Cresswell, 2013) was ensured through the use of different sources of data from desk research to in-depth interviews with different key decision makers working in the organisation and the observation of the association's facilities and staff.

Interview themes were developed based on the literature review to cover 1) association attributes (trust, coordination and interdependence), 2) communication behaviour (information quality, information sharing and information participation) and 3) alliance management (performance measurement and leadership). For the details, see Table 1 in Appendix 1.

The interviews were conducted by the same interviewer to reduce bias. The interviewer was able to react to individual interviewee's (employee's) criticism, ideas or comments and to

probe deeper. The interview guide allowed similar questions to be covered in each interviewing situation. The interviews were transcribed and returned to respondents to check the accuracy of transcription and to invite respondents to add anything. To ensure accuracy of the translation the information translated to English was translated back to German by two experts. The resulting textual data was coded. The coding was checked by two experts with 90% conformity to the original coding, which is acceptable in accordance to Thietard (1999)'s approach. Recurrent themes emerged from the identification of phrases. Time was spent observing all the departments: marketing and public relations, reservation, sales department, distribution department and with the Chief Executive Officer (CEO).

Our process uses inductive reasoning, by which themes and categories from the initial codes to the core themes emerge from the data through the authors' careful examination and constant comparison based on factors associated with alliance and partnership success in the German hospitality business. For the details of the appearance of particular words within the data collected we have focused on frequencies shown in the tables. When using a theme as the coding unit we were primarily looking for the expressions of an idea (Minichiello et al, 1990). Thus, we assigned a code to a text chunk of any size or a single theme of relevance. Hence, our initial qualitative content analysis goes beyond merely counting words or extracting objective content from texts to the quantitative element in examining frequencies and extracting meanings and patterns from the tables generated. This mixed-methods approach to analysis allows the generation of thematic perspectives and at the same time is flexible in understanding social reality (Hsieh, & Shannon, 2005). The inductive nature of inquiry is appropriate where a single case study will be used to draw a general assumption on a metaphase level (Stanford Encyclopedia of Philosophy, 2012) and where there are no agreed regulations or specific standards available on how to implement an umbrella brand.

Findings and discussion

Association Attribute: Trust.

Trust, as described by Vanpoucke and Vereecke (2010), is a basic element of either an association or an alliance. As shown in Figure 2 receiving a constant level of trust from member hoteliers and giving association managers providing adequate advice as a professional experience for hoteliers followed by their Marketing activity on behalf of hoteliers were critically important.. This builds on Sako (1992) to emphasise goodwill trust as necessary for long-term relationships. Within Ringhotels e.V. this goodwill trust should be in existence and traceable back to the attitude and understanding of each individual member and the association's headquarters.

Figure 2. Trust: the appearance of different particular codes/subthemes based on frequencies of the data
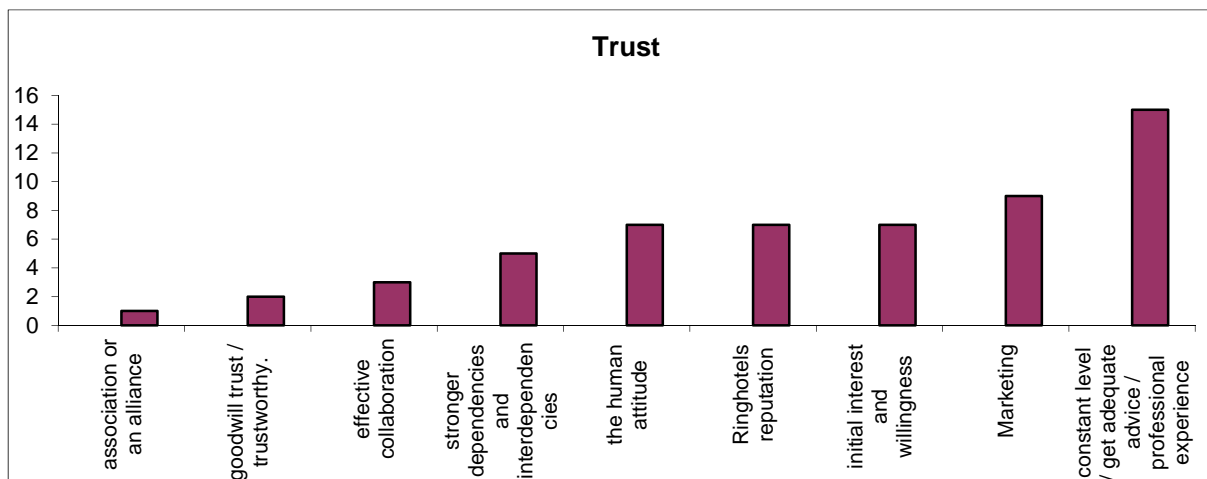
Source: Compiled by the authors according to interview themes
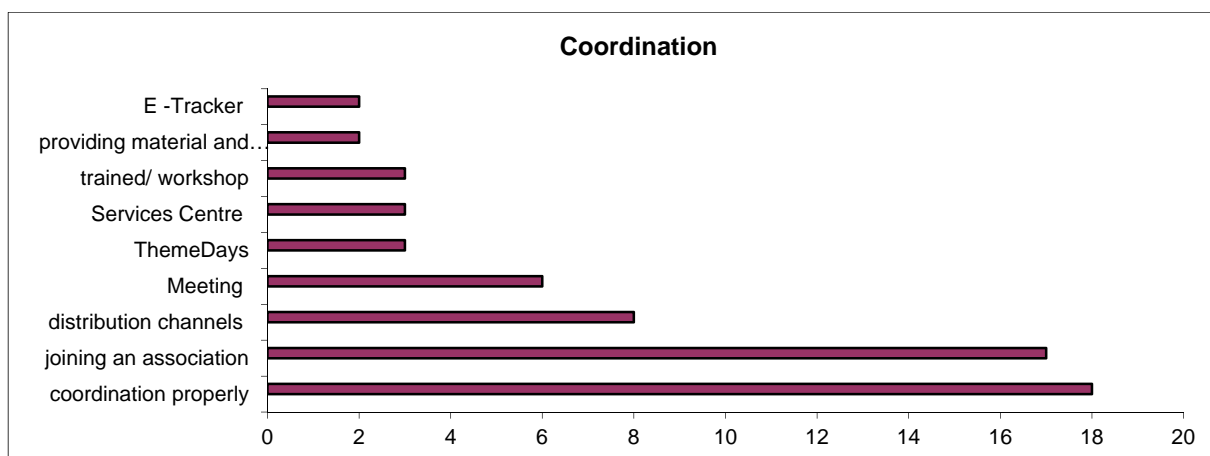
Notes: 1. Theme: Trust

*   2.   Code/Subthemes: association or an alliance, goodwill trust/trustworthy, effective collaboration, stronger dependencies and interdependencies, the human attitude, Ringhotels reputation, initial interest and willingness, Marketing, constant level/getting adequate advice/professional experience*

Association Attribute: Coordination

Coordination within an association appeared to be most important as seen in Figure 3. For Ringhotels many stakeholders were involved and each department needed to supervise the

different activities shown in Figure 3 in a proper manner. With the association providing the headquarters responsible for the coordination within the departments to make it all work for the individual hotels and Ringhotels, the structure became more complex. Hence, if the Marketing department coordinated wrongly, the entire association would suffer from the consequences. As a conclusion, it can be remarked that coordination might be more complex in an association, but is an essential element of both the forms of association and alliance.

Figure 3. Coordination: the appearance of different particular codes/subthemes within Coordination focusing on frequencies

Source: Compiled by the authors according to interview themes
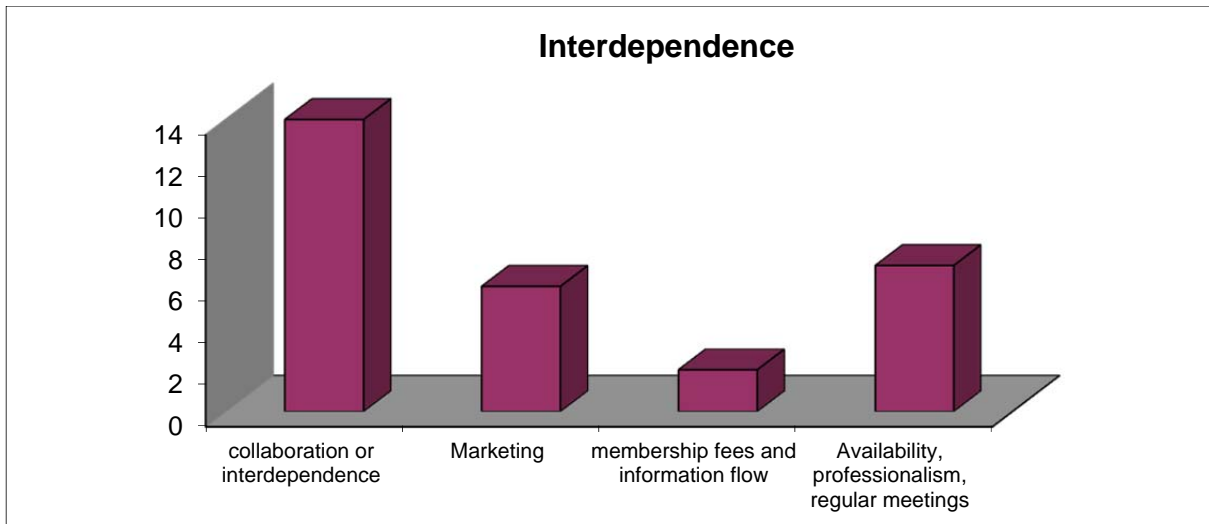
Notes: 1. Theme: Coordination

2. Code/Subthemes: coordination properly, joining an association, distribution channels, Meeting, ThemeDays, Services Centre, training/workshop, providing material and information, E – Tracker

Alliance attributes: Interdependence

If there were no collaboration or interdependence and the information flow was not efficiently given, Ringhotels e.V. would not be able to operate at all, see Figure 4. The availability of the association's senior managers and professionalism exhibited at meetings were considered highly important to facilitate the activities for generating collaboration with member hoteliers.

Figure 4. Interdependence: The appearance of different particular codes based on frequencies of the data

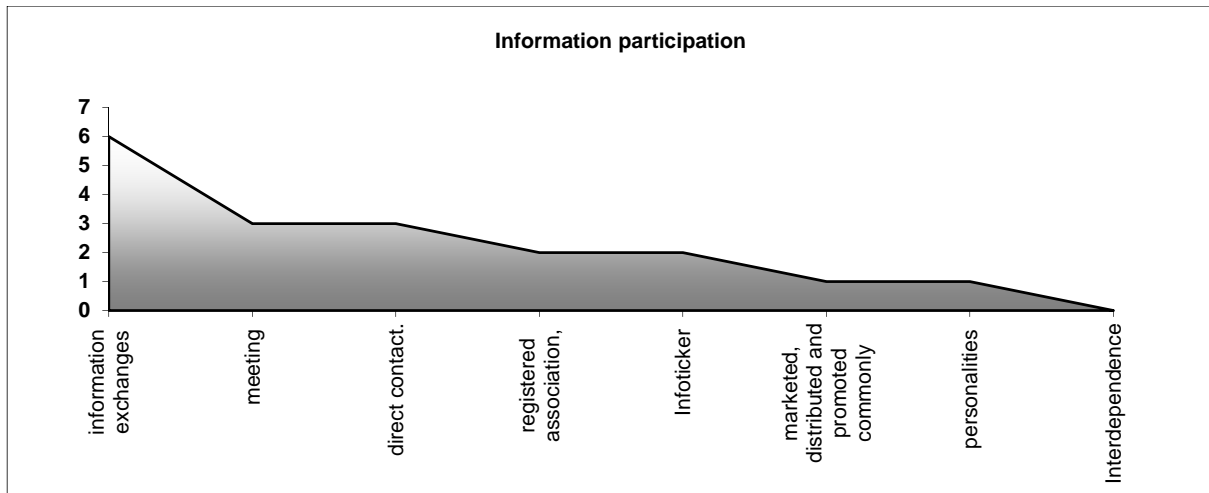Source: Compiled by the authors according to interview themes

Notes: 1. Theme: Interdependence

*   2.   Code/ Subthemes: collaboration/interdependence, marketing, membership fees and information flow, availability, professionalism, regular meetings*

Communication behaviour: Information participation

For an alliance as well as for an association, the participation of the members within the information exchanges is important, as shown in Figure 5. In terms of information participation, hoteliers would maximise their participation when information was coming from the association to increase their benefit for the fee they pay to the association. However, the closer they were to competing with each other, the interdependence factor became lower, in contrast to the previous Figure 4. Hence, encouragement from the association needed to be taken to maintain the participation of each member. A registered association, according to legal requirements in Germany, can be founded with a minimum of seven members, where participation can be managed easily. There is no maximum number and with 130 members participating in the association, the more difficult it was to get cross-participation of information.

Figure 5. Information participation: The appearance of different particular codes/subthemes within Information participation focusing on frequencies

Information participation

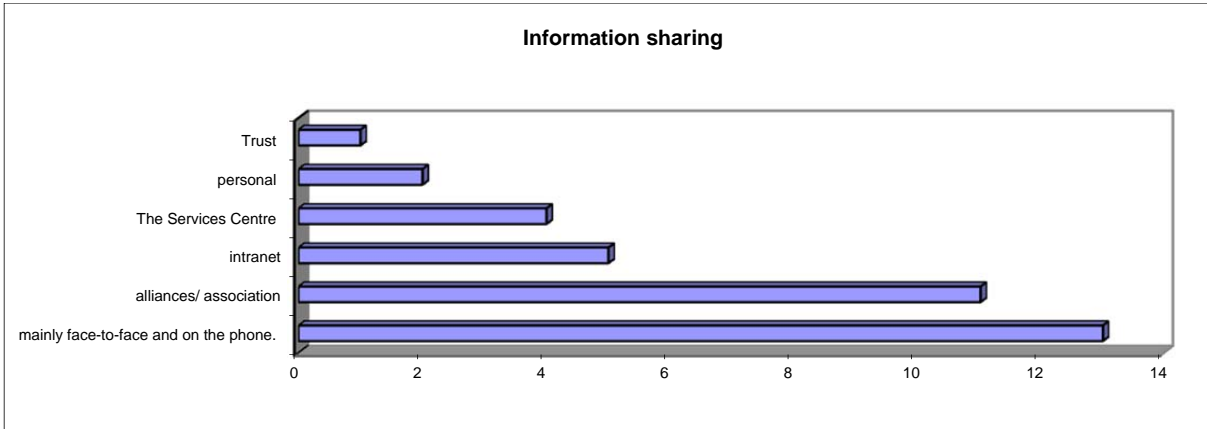Source: Compiled by the authors according to interview themes

Notes: 1. Theme: Information participation

   2.Code/ Subthemes: information exchanges, meeting, direct contact, registered association, Infoticker, marketed, distributed and promoted commonly, personalities, Interdependence

Communication behaviour: Information sharing

It could be speculated that bigger alliances would have formal meetings where information could be shared, such as keep track of hoteliers' financial performances and to investigate problems to help their financial improvement. As it was pointed out during the interviews, the member Ringhoteliers were encouraged to share the information within the association and with the newer joining hotels, hence benefitting from the pool of expertise provided, be it from the headquarters or the other colleagues within the association. This was based on the understanding of the values and philosophy of the association, but no formal guidelines were given to share information. Therefore, individual face to face meetings and phone contacts were preferred over large formal meetings for information sharing.

Figure 6. Information sharing: the appearance of different particular codes/subthemes within information sharing focusing on frequencies

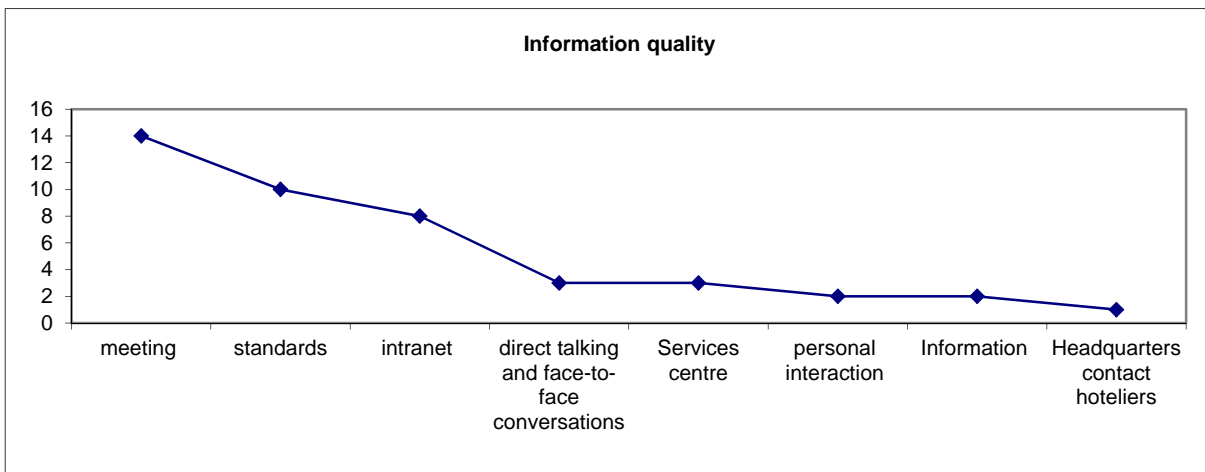Source: Compiled by the authors according to interview themes

Notes: 1. Theme: Information sharing

2.Code/ Subthemes: mainly face-to-face and on the phone, alliances/association, intranet, The Services Centre, personal aspect, trust

Communication behaviour: Information quality

In order to guarantee a consistent flow and quality of information, standards should be introduced. However, the standard of information quality shared at a collaborative level was uneven as direct talking and face-to-face conversations appeared to share the same level of importance as the services centre, personal interaction, information and headquarters contacting hoteliers personally, see Figure 7. Member hoteliers appear to value highly information quality at meetings when supported by standards and provisions on the intranet.

Figure 7. Information quality: the appearance of different particular codes/subthemes within Information quality focusing on frequencies

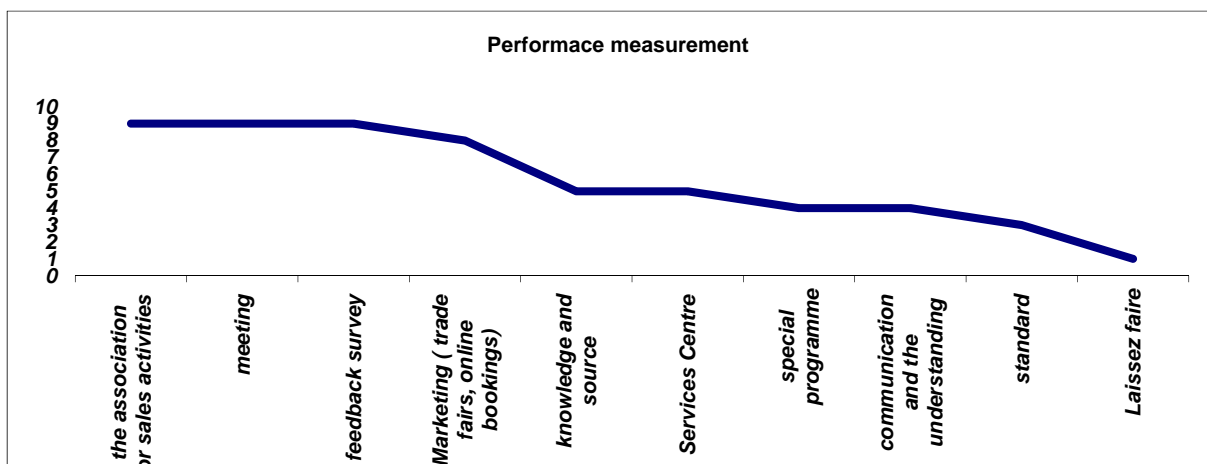Source: Compiled by the authors according to interview themes

Notes: 1. Theme: Information quality

2.Code/Subthemes: meeting, standards, intranet, direct talking and face-to-face conversations, Services centre, personal interaction, information, personal interaction, Headquarters contact hoteliers

Association management: Performance measurement

For the German registered association, protecting the independence of each individual member meant that no individual hotelier performance could be measured or controlling could be enforced. This was a major barrier to ensuring long-term success or stable financial performance. The subject of the lassez faire attitude of individual hoteliers was not seen as a significant contribution to performance measurement in contrast to the association's marketing and sales activities, which were perceived reciprocally. The association's headquarters could monitor its own activities and trace where the membership fees were been invested, to prove to the hotels which bookings had been achieved by the association and sales activities created. Another obstacle for monitoring performance was the lack of knowledge of some member Ringhoteliers. Control by the association was at a minimum, as stated by the CEO and long-term success could not be forecast at any stage. This is why workshops and further education needed to be introduced if performance was to be improved along with meetings and standards.

Figure 8. Performance measurement: the appearance of different particular codes/subthemes within Performance measurement focusing on frequencies

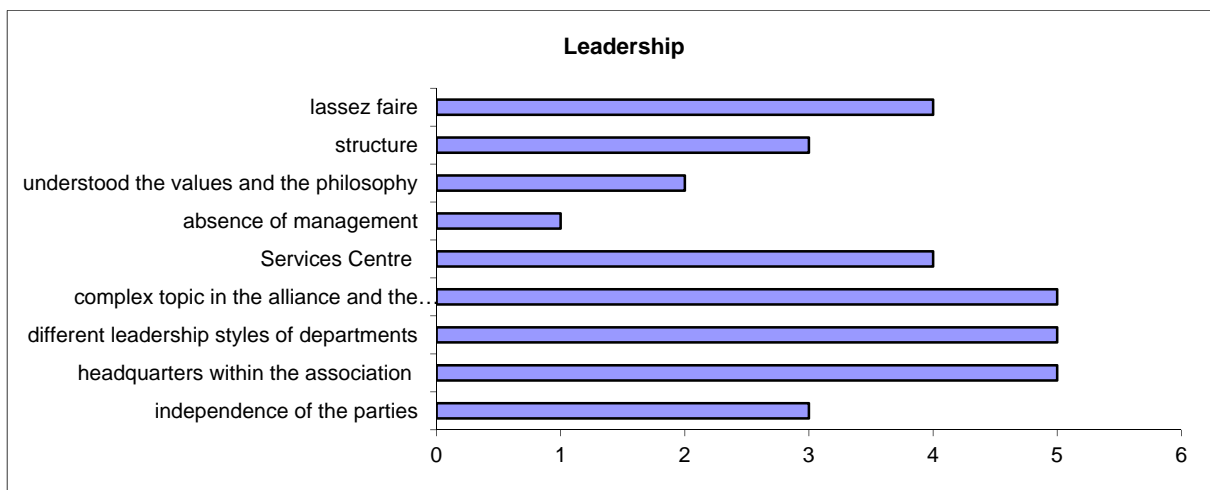Source: Compiled by the authors according to interview themes

Notes: 1. Theme: Performance measurement

      2.Code/Subthemes: the association or sales activities, meeting, feedback survey, Marketing (trade fairs, online bookings), knowledge and source, Services Centre, special programme, communication and understanding, standard provision, laissez faire provision

Association management: Leadership

Leadership was a complex topic in any alliance and for the association, as indicated in the results for Figure 9. The complex topic of association business was what member hoteliers got out of their membership and what value the association provided. Leadership in the way each party ran their own affairs led to a high regard for the lassez faire element. Getting hoteliers to collaborate effectively was a key success factor to measure whether the right leadership style had been implemented, as pointed out by the CEO of the association investigated. Within the structure of the association, hoteliers' understanding and taking on board the association's philosophy created an appropriate condition for their positive attitude towards the leadership of the association.

Figure 8. Performance measurement: the appearance of different particular codes/subthemes within Performance measurement focusing on frequencies

Source: Compiled by the authors according to interview themes

Notes: 1. Theme: Performance measurement

      2.Code/Subthemes: independence of the parties, headquarters within the association, different leadership styles of departments, headquarters within the association, complex topic in the alliance and the association, Services Centre, absence management, understood the values and the philosophy, structure, laissez faire provision

Conclusions and managerial implications

The results showed the impact of three types of behavioural characteristics in this form of alliance success under an umbrella brand within the context of Germany's biggest association hotel. Not only did the association serve as a pool of knowledge with expertise provided to the Ringhoteliers within the departments of Sales, Marketing, PR, Business Development, Quality Care, Finance and Distribution, but it was the main contact point and consulting platform for any issues occurring for the senior managers of member establishments within Ringhotels v.E.

When it came to passing on the actual meaning of the philosophy and what the association stood for, it was more important to focus on how the association was perceived by its stakeholders. So the intangible attribute of association perception about the services element contributed by people, processes and physical evidence had to be understood for the model of Vanpoucke and Vereecke (2010) to be improved. The values, processes and the philosophy needed to be understood by all from the Head Office managers to its employees, to member hoteliers and their employees and put into action in serving their guests. The concept of the Ringhotels' umbrella brand was important in upholding values and quality that had to be perceived in the correct way in order to reflect on all the other members of an association.

The implications were that association attributes, such as trust and the willingness to establish trust were provided once the commitment towards the association was developed. Coordination and the involvement of not only the different stages within the Ringhotel, but also the headquarters and an open mind towards criticism and changes were important factors too. Interdependence and the acceptance of mutual dependencies from the side of the association headquarters, as well as from the Ringhoteliers and the willingness to collaborate were crucial. The results and the support from the literature in management, marketing

science and services industries (e.g. Borsch, 1994; Newmeyer et al, 2014; O'Farrell & Wood, 1999) respectively, would bear out the view that alliances could deliver synergistic benefits, such as economies of scale amongst businesses. Trust, collaboration and information sharing were important elements to make the contractual relationship work with success. In extrapolating the results to the wider field, the issue of collaborative relationships by being in an alliance as part of an umbrella brand, appear to hold positive benefits for members.

Appendix 1

Table 1. Summarising the interview themes/subthemes based on the literature review

Themes/ Subthemes	Definition	Authors	Questions
Association Attributes			1) Please describe the attributes of the association with its key characteristics: trust, collaboration or interdependence and coordination.
Trust	"Trust is the willingness to rely on an exchange partner in whom one has confidence" "Perceived credibility and benevolence of the partner in the relationship"	Moorman, et al. (1992) Geyskens et al. (1998)	How do you create trust? How willing are Ringhotels HQ, Ringhoteliers etc. to establish trust? What happens if there is a break in trust between the stakeholders and how would you try to fix it?
Coordination	„Coordination is a managerial task" "Set of tasks each party expects the other one to perform is directed at mutual objectives that are consistent across organisations"	(Malone and Crowston 1994) Anderson and Narus (1990)	What does coordination mean to Ringhotels? Who are involved in the coordination process: between Ringhotels HQ and hoteliers; between Ringhoteliers and between the Ringhoteliers and their hotel guests? What type of data do you collect to secure, measure, monitor and manage control? How often do you collect the data e.g. for reports?
Interdependen	"A situation in which	Lusch & Brown	What tasks are interdependent and

ce	"none of the business partner is more dependent on the other one" "Interdependence exists when one actor does not entirely control all the conditions necessary for achievement of an action or a desired outcome" "Symmetry of dependence"	(1996) Pfeffer (1988) Buchanan (1992)	which are dependent for Ringhotels and their managerial actions to be executed? How much interdependence, collaboration help is requested at Ringhotels between: Ringhotels HQ and itsmember hoteliers; and amongst the hoteliers? How does Ringhotels try to secure this relationship between: Ringhotels HQ and its member hoteliers? What are the hoteliers' opportunistic behaviour?
Communication: Behaviours	"Human conduct that links people together and creates relationships and exchange " "The level of information sharing, the quality of this information and how it is used and translated into the business processes of the partner(s)" "Information is a message, usually in the form of a document or an audible or visible communication"	Duncan and Moriarty (1998), Vanpoucke and Vereecke (2012:6270) Davenport and Prusak (2000)	How can communication behaviour at Ringhotels be described: between: Ringhotels HQ and the member hoteliers; and between the members? How often do Ringhotels HQ and Ringhoteliers meet? How well would you describe the behaviour of the Ringhoteliers with regard to communications and exchange of information?
Information: Participation	"The degree to which all participants are equally involved in planning and goal setting"	Anderson et al. (1987)	How is participation of all 130 Ringhoteliers managed? What happens if Ringhoteliers show lack of interest in participation?
Information: Quality	"The degree to which the information shared meets the requirements of the other members."	Petersen (1999)	How is high quality of information shared? In what kind of environment do Ringhoteliers meet? Are standards and regulations of information reports e.g. annual reports, following common standards e.g.IOS standards ? How are quality standard processes standardised and shared between more and less experienced hoteliers?
Information Sharing	"Sharing the knowledge one possesses and putting it forward to another	Lamming et al. (2004)	How is information shared in general (face-to-face meetings, online, email, intranet and

			telephone)? Who do Ringhotels' clients contact in case of an emergency? Could you name crucial examples? How can it be secured that hoteliers share the information they have got, i.e. confidential data when they are in financial trouble?
"member."			
Association Management			1) Please describe the management of the association with its key characteristics (leadership styles, strategy, structure, controlling).
Performance Measurement	"Business environment requires management accounting information to provide relevant measures of performance, reflectingthe strategic goals of a modern firm" "Management accounting systems need formulation of a clear competitive strategy supported by an appropriate organizational structure... to gain competitive advantage and ensure high performance".	Abushaiba & Zainuddin (2012) Chenhall & Langfield-Smith (1998)	Would you describe how performance is measured and used for taking strategic decisions: between Ringhotels HQ and hoteliers; between hoteliers and their guests? Where would you place the value added, i.e. what do you think do members benefit most from? What is most challenging and where would you suspect a lack in performance?
Leadership	"An influence in the relationship between leaders and followers who intend real changes that reflect their mutual purposes" Five functions: planning, organising, command, coordinate, control	Rost (1993) Fayol (1939)	How would you characterise leadership in the Ringhotels HQ? How are the different types of leadership combined under one umbrella? Do you think, the leadership style influences the way performance is measured? If so, how?

Source: Compiled from a review of the literature

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