

**AN EMPIRICAL STUDY ON THE CAUSALITY RELATIONSHIP BETWEEN
INNOVATION AND BRANDING IN THE HOSPITALITY INDUSTRY OF GHANA: A
FINANCIAL PERFORMANCE PERSPECTIVE**

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ABSTRACT

This paper investigated the causality relationship between branding and innovation from the viewpoint of financial performance of firms in the hospitality industry in Ghana. A self-administered questionnaire was used to solicit information from 600 participants who were senior employees in hotels, guest houses and pubs and leisure centres in the 10 regions of Ghana. Ordinary least squares regression was used as the main statistical tool for data analysis. It was found that innovation and branding have a causality relationship with a variance of about 80.5%. Branding and innovation make an interaction effect on return on investment with a variance of 59.2%. Yet, innovation alone significantly predicts return on investment with a variance of 46.3% while branding alone accounts for less than 40.6% variance on return on investment. Moreover, both innovation and branding significantly predict return on investment. Evidently, innovation and branding have causality relationship and the two variables significantly predict return on investment.

KEYWORDS: Innovation, Branding, Hospitality Industry, Financial Performance, Return on Investment, Causality Relationship