How can integrated marketing communications and advanced technology influence the creation of customer-based brand equity? Evidence from the hospitality industry

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ABSTRACT

As the most recent approach of communication management, the integrated marketing communication (IMC) programmes, enhanced by the advancements in information and communication technology (ICT), are considered an important contribution to the brand equity building. However, hardly any research has been done on the role of this new communication practice in the hospitality industry. Moreover, previous studies have mainly focused on managers’ opinions, overlooking customers’ perceptions of both marketing communications and advanced technology. Therefore, the objective of this paper is to examine, from the customer perspective, the impact of integrated marketing communications on hotel brand equity, considered as a multidimensional construct composed of brand image, perceived quality, and brand loyalty. In addition, the moderating role of advanced technology on these relationships is tested. While the findings show positive relationships between the studied constructs, the moderating role of technology is not corroborated.

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1. Introduction

Changes produced in the market have led to changes in the practice of marketing and communication management, as one single marketing communication tool could not achieve marketing communication purposes by itself (Kitchen et al., 2004). Accordingly, the integrated marketing communications (IMC) approach appeared as a more efficient and sophisticated communication discipline that quickly responds to the increasingly changing market conditions (Kim et al., 2004).

Although the idea of integration and coordination has a long history, what is new about IMC is that technological developments have made possible to put this idea into operational practice (Kliatchko, 2005). In fact, advancements in information and communication technology (ICT) are considered as one of the most significant background factors of IMC (Kitchen et al., 2004; Gurà, 2008; Kliatchko, 2009). The unique ability of the advanced technology to provide two-way, customised, one-to-one, database-driven communication programmes enabled firms to move towards the IMC paradigm (Kim et al., 2004). Thus, owing to advanced technology solutions, IMC programmes are able to capture precise data on customers. This means that database management is of crucial importance for the IMC approach, as it centres on a well-defined target (Kliatchko, 2005).

Whereas the acceptance of IMC is growing rapidly (Edmiston-Strasser, 2009; Kitchen and Schultz, 2009), the literature suggests that further contributions are needed to consolidate the concept (McGrath, 2005). In particular, the research on IMC is pretty neglected within the hospitality industry (Šerić and Gil-Saura, 2011, 2012a, 2012b), where the need for integration has proven to be as necessary as in other industries (Hudson, 2008). In addition, it seems that consumers’ perceptions of marketing communications are often forgotten in IMC research (Gould, 2004). This might be surprising as IMC advocates for an "outside-in" approach, meaning that it is first looking at the integration from the customer or prospect view, rather than a traditional inside-out perspective (Schultz, 1993; Anantachart, 2004; Kliatchko, 2005, 2009). In this sense, Shultz (1994) pointed out that consumers’ perceptions of the integration of marketing communications need to be considered in order to measure efficiently the return on investment of IMC campaign. Actually, the great change in the communication process

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refers to the fact that the consumers are currently taking control of it, as they decide whether and when to receive the message (Gürpü, 2008; Kilatchko, 2009; Keller, 2009; Kitchen and Schultz, 2009).

In recent years, there has been an increasing interest in the effectiveness of marketing communication considered as a key benefit of building a strong brand (Keller, 2009). Accordingly, the literature has emphasised the importance of research of customer-based brand equity concept, as it represents the result of marketing communication activities (Duncan and Moriarty, 1997; Reid, 2002; Keller, 2009) and a key driver of business’s success (Prasad and Dev, 2000). However, as Keller (2009) stated, these marketing communications activities have to be integrated to deliver a consistent message and accomplish the strategic positioning. Thus, academics and practitioners in the field of marketing and branding have supported the notion that IMC plays an important role in building and maintaining stakeholder relationships, and in leveraging these relationships to create customer-based brand equity (Keller, 1993; Duncan and Moriarty, 1997; Reid, 2002, 2005; Anantachat, 2004; Madhavaram et al., 2005; Baidya and Maity, 2010; Kerr and Drennan, 2010; Delgado-Ballester et al., 2012; Šerić and Gil-Saura, 2012b).

If we focus on the hospitality industry, three brand equity dimensions were found significant in this specific context: (1) brand image, (2) perceived quality, and (3) brand loyalty (e.g., Kim et al., 2003; Kim and Kim, 2005; Kayaman and Arasli, 2007). Although there has been considerable research on these dimensions and their inter-relationship within the hotel sector, scholars have paid hardly any attention to the role that IMC might play in the creation of customer-based hotel brand equity (e.g., Šerić and Gil-Saura, 2012b).

Thereby, in this study, we intend to fill the existing gap in the literature by empirically testing the impact of perceived IMC on creation of brand equity, specifically on the dimensions of customer-based brand equity that were found significant within the hotel context. In addition, the relationships between the three customer-based hotel brand equity dimensions are considered, as well as the moderating role of advanced technology on the relationships between IMC and brand equity.

2. Conceptual framework

2.1. Integrated marketing communications in the tourism and hospitality industry

Due to the high fragmentation of tourism markets and the media, consumers find themselves with fragmented images in a confusing marketing environment. This is why marketers operating in this sector must coordinate all communication messages and sources in order to deliver a consistent, unified message through their promotional activities (Hudson, 2008). The integrated marketing communications (IMC) approach is an appropriate response to this need, as it adopts the holistic view of marketing communications in order to deliver a consistent message and achieve major impact through the integration of all elements of promotional mix (Keller, 2009).

After reviewing 60 empirical studies on IMC published since 2000, we found only a few of them applied in the tourism sector in general (e.g., Skinner, 2005; Elliott and Boshoff, 2008; Wang et al., 2009; Dinnie et al., 2010) and in the hospitality industry in particular (e.g., Kulluvara and Tornberg, 2003; Šerić and Gil-Saura, 2011, 2012a,b) (see Table 1). For example, Skinner (2005) analysed the messages that the nation’s key stakeholders sent out on websites and in key documents while promoting Wales. The results indicated that the “one-voice” principle of IMC was not respected, due to the inconsistent promotion of the country based on different images and weak messages. Elliott and Boshoff (2008) interviewed 316 managers in small tourism enterprises in South Africa in order to analyse the impact of different business orientations on IMC. The findings revealed a positive impact of: (1) market orientation, (2) entrepreneurial orientation, and (3) pro-active competitor orientation on IMC implementation. In addition, Wang et al. (2005) studied the role of IMC on selection of a heritage destination among 197 visitors of Lukang. The authors identified three factors of IMC: (1) public relations, (2) advertisement, and (3) direct sale and promotion and showed that the influence of each factor changed within different demographic groups. Finally, Dinnie et al. (2010) examined the extent to which the key organisations engaged in nation branding activities (i.e., promotion organisations, investment agencies, national tourism organisations, and embassies) follow the principle of coordination that characterises the IMC approach. Seven key dimensions of inter-organisational coordination emerged from their findings (i.e., sector, organisation domicile, mode, strategy formulation, nature, frequency, and target audience).

The study of Kulluvara and Tornberg (2003) was the first to examine IMC in the hotel context, although limited to a case study of Icehotel (i.e., a hotel built of ice and snow and a Swedish tourist attraction) and a description of its successful IMC strategy. Nevertheless, the IMC research within the hospitality industry was initiated by Šerić and Gil-Saura (2011, 2012a,b), in particular, in their studies conducted in high-quality hotels of Croatia. They first investigated the level of implementation of IMC and ICT from the managers’ point of view. The findings showed a high degree of IMC and ICT implementation in first-class and luxury hotels in Dalmatia, the largest region on the coast of Croatia. However, whereas the ICT application increased with the hotel category, the IMC implementation decreased (Šerić and Gil-Saura, 2011). In addition, the authors compared managers’ and guests’ perceptions of IMC, finding small but significant differences between the two compared groups. They concluded that managers believed that the IMC implementation was greater than the hotel guests actually perceived it (Šerić and Gil-Saura, 2012b). This gap is in line with previous research and might be explained by the fact that receiving the message is always a creative process that cannot be planned, executed, nor controlled by the sender. In other words, marketers should be aware that messages sent do not necessarily equal messages received, as nowadays customers frequently redefine corporate messages and symbols, and modify or even pervert their meanings in ways not imagined by their creators (Christensen et al., 2009). Finally, in their most recent study, Šerić and Gil-Saura (2012a) tested the relationships among ICT, IMC, and brand equity from the customer perspective. The findings revealed positive relationships between the studied variables. Still, the authors focused only on the mediating role of IMC between ICT and brand equity and did not analyse the inter-relationship among brand equity dimensions. Moreover, no attempt was made to examine the moderating role of technology on the IMC impact.

The main limitation of this sequence of studies provided by Šerić and Gil-Saura (2011, 2012a,b) is a small sample size. This is why the authors suggested reconsidering the perception of IMC and its role in brand equity creation among a greater number of respondents, approaching, moreover, the countries with more developed hotel industries.

2.2. Customer-based brand equity in the hospitality industry

Customer-based brand equity is considered as one of the top issues in the hospitality industry (Kim et al., 2008), showing currently considerable empirical evidence in this specific area (e.g., Kimpakorn and Tocquer, 2010; So and King, 2010; Hyun and Kim, 2011; Malik and Naeem, 2011; Nam et al., 2011; Tasci and Denizci-Guillet, 2011; Dioko and So, 2012; Hsu et al., 2012a,b; Šerić and
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