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## **Research** Paper

# Internal brand management of destination brands: Exploring the roles of destination management organisations and operators



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#### ABSTRACT

Achieving a consistent brand experience across a destination and all brand-touch points is a major challenge in destination branding efforts. Strategies to manage the complexity of coordination across multiple network stakeholders are therefore critical for destination management organisations. However, theories to inform these strategies are limited. This paper proposes that internal brand management theory provides a framework to explore strategies that may increase operator buy-in to the destination brand, thus creating a more consistent brand experience for visitors. Semi-structured interviews with members of a destination brand network indicate that highly centralised networks hinder operator buy-in to the destination brand. Informal communication via more personalised subnetworks rather than directive leadership appear to facilitate knowledge sharing and create support mechanisms that promote brand citizenship behaviours. This study advances destination brand management theory and provides practical insights into destination brand management practices.

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### 1. Introduction

Delivering a consistent brand experience for visitors across the multiple brand touch-points is a major challenge for tourist destination brand managers. Destination branding involves the coordination of multiple supply-side stakeholders in a network brand (Manente & Minghetti, 2006). Network brands can be defined as a network of independent organisations working through relational ties towards the delivery of consistent experiences within the structure of a brand (Rowley, 1997). Destination network branding is a major challenge due to a multitude of products and services that are on offer to consumers in a destination. These experiences are marketed together as one product, that is the destination, under the network brand name (Morgan, Hastings, & Pritchard, 2012). Given its complexity, the development of theories to understand destination network brands is a topic of increasing scholarly interest. For example, recent studies have explored power relationships within destination network brands and the internal brand management of the brand coordinator (Hankinson, 2007; Marzano & Scott, 2009). Internal brand management is important to consider in network brands, as a consistent brand experience is dependent on the alignment of multiple internal, but independent, stakeholders within the network brand. The

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http://dx.doi.org/10.1016/j.jdmm.2014.01.004 2212-571X © 2014 Elsevier Ltd. All rights reserved. consistency of network brand is dependent on member interactions and behaviours that are aligned with brand values. The multiple independent stakeholders involved in the delivery of destination network brands distinguish them from corporate brands. For corporate brands, internal, contractually and culturally bound stakeholders (employees) deliver the brand promise. In contrast, destination network brands are manifested through interactions of multiple independent internal stakeholders. These stakeholders may include destination marketing organisations (DMO) that operate at national, state, regional and local levels, as well as, local network members being tourism operators, hoteliers and restaurateurs. All of these stakeholders need to market under a common network brand for effective marketing. For that reason, a greater focus on increasing internal stakeholder buy-in to the brand by both the brand custodian (being DMO) and local network members is needed to align stakeholder behaviours with brand values. The term "stakeholder buy-in" is frequently used (see Phillips, Freeman, & Wicks, 2003; Virgo & de Chernatony, 2006) to refer to the stakeholders' understanding and acceptance of the brand and their willingness to operate in a way that supports and delivers the brand vision and values. It is important that the stakeholders demonstrate understanding of the brand as it indicates purposeful buy-in rather than accidental adoption of brand vision and values. This paper aims to explore influences on network stakeholder buy-in to destination network brands.

DMOs are the guardian of the destination brand. They are responsible for the development, coordination and implementation of the destination network brand, working to induce images

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in the minds of consumers of destination experience (Marzano & Scott, 2009). Nonetheless, it is the internal network stakeholders the tourism and hospitality operators - that deliver the brand promise through the consumer experiences. Operators are often focused on their own business objectives rather than the destination branding goals thereby causing a contradiction in the network brand visions and values (Hanna & Rowley, 2011). Due to the independent focus of operators, DMOs often find it difficult to develop a brand that meets the values of all network stakeholders (Yilmaz & Gunel, 2009). Consequently, when DMOs and stakeholder values and expectations are not matching, it reduces stakeholder buy-in to the network brand vision and values (Morgan, Pritchard, & Pride, 2011), Unlike corporate brands, DMOs have no formal control over the operations of the network stakeholders to ensure that their behaviours (e.g. operating systems) support the network brand. Despite this, DMOs need to deliver a consistently high quality experience that clearly represents the brand to the consumers (Byrd & Gustke, 2007).

This paper employs a social network and identity perspective to study network brand management. In doing so, challenges faced in achieving consistent tourist experiences that represent the destination network brand are identified. Internal brand management is applied to investigate how the DMO can overcome these challenges. Internal brand management has previously been used to understand destination marketing and understand the employees' role in delivering the brand experience (Hankinson, 2007). The authors therefore argue that internal brand management principles provide a theoretical framework to understand how to promote multiple stakeholders' commitment to a destination network brand. The study draws upon previous research (e.g., Hankinson, 2007; Naipaul, Wang, & Okumus, 2009) that highlights the importance of communication and leadership in effective internal brand management. In doing so, the paper advances network brand management theory and practice and, thus, has relevance to destination marketers as well as other network brand managers. This article begins with a review of relevant literature on stakeholder networks and internal brand management. Following this, study methods and results of a typical destination brand are presented. The paper concludes with a discussion of findings and implications.

#### 2. Literature review

### 2.1. Stakeholder networks in relation to network brands

Stakeholder network theories are extensively discussed in the literature (Arya & Lin, 2007; Merrilees, Getz, & O'Brien, 2005; Roloff, 2008; Rowley, 1997). Stakeholder network theory identifies the role of multiple stakeholders in the delivery of mutual outcomes. Yet these theories have not previously been applied to network brands through a relational – exploring the relationships between the DMO and network stakeholders - and identity examining how to facilitate brand buy-in through shared values in the network - lens (Heding, Knudtzen, & Bjerre, 2009). The importance of stakeholders delivering on the brand experience and, therefore, the positive impact on consumers is evident within both relational and identity brand literature (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Vallaster & de Chernatony, 2006). It is important that stakeholders buy-in to the vision and values of the network brand in order to deliver a consistent brand experience (Cox & Wray, 2011). Yet, stakeholders within destination network brands can work independently and interdependently of the brand network. They have their own business marketing strategy and activities that they undertake independently of other businesses and network members. However, they are also interdependent on other businesses, such as other suppliers, and network marketing entities, such as DMOs, to market and deliver their product. Despite the complexity, network brand success is reliant on the coordination of all stakeholders (Keast, Mandell, Brown, & Woolcock, 2004). There are varying levels of dependency within the network brand (Rowley, 1997). Some stakeholders are highly embedded in the network and share multiple links within the network, actively leveraging these relationships. Others act almost autonomously with limited linkages to other stakeholders (Rowley, 1997). Diversity of stakeholder attachment to the network can cause relationship management problems that need to be nurtured over time: consequently, understanding the relationships within a network brand is a key part of internal brand management. An additional complication within destination network brands is stakeholders are not always motivated to cooperate (Cook, 1977; Hanna & Rowley, 2011). Stakeholders may have values that do not support the vision and values of the network brand, and are often motivated by self-interest rather than in the interests of the destination network brand (Roloff, 2008). Consequently, stakeholders may harm the reputation of the destination network brand by offering an experience that supports their own values rather than those of the network brand, As such, there are varying levels of experience quality within the network brand and, thus, the overall brand experience may not deliver the brand promise to consumers. Understanding the network structure may therefore provide guidance on how to address this issue.

#### 2.2. Network structure

Understanding power and communication among stakeholders in the network structure is important to identify opportunities for knowledge and resource sharing and encourage engagement in the network brand (Dredge, 2006). Stakeholder networks with high levels of interconnectivity are considered "dense" (Rowley, 1997). Dense relational networks can develop strong institutional links over time. Dense networks (Fig. 1) allow for high levels of knowledge and resource sharing and strong levels of consistency across the network (Timur & Getz, 2008). However, dense networks may also create inertia and reduce innovation due to greater levels of cohesion among members (Dredge, 2006). Less dense or "sparse" networks find it more difficult to communicate effectively and share knowledge due to an inability to directly communicate with others, using a "central organisation" to gain information (Rowley, 1997). The central organisation also has control over resources in a sparse network and, therefore, can constrain development (Pavolvich, 2003). Knowledge and resource sharing is considered vital for network consistency and success (Roloff, 2008). For instance, by communicating brand values to stakeholders and sharing resources facilitates a more integrated marketing approach through the development of common values and behaviours (Harris & de Chernatony, 2001).

In addition to density, centrality of the stakeholder network is an important consideration for network success (Scott, Cooper, & Baggio, 2008). The assumption of a "central" position implies that one stakeholder assumes they have a greater level of power than others within the network (Rowley, 1997). Central organisations are defined by the number of links they have within the network, the level of dependency that others within the network have toward the central organisation and the power that dependent stakeholders have within the network (Timur & Getz, 2008).

In centralised networks the central organisation may act as a commander, dictating the norms of the network and the distributing knowledge and resources (Rowley, 1997). Organisations that assume the central role and organisations that are close to the central role benefit from greater access to knowledge and Download English Version:

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