ARTICLE IN PRESS

JBR-08362; No of Pages 11

Journal of Business Research xxx (2015) xxx–xxx

Contents lists available at ScienceDirect

Journal of Business Research

Network position and tourism firms' co-branding practice

Jarle Aarstad [a], Håvard Ness [b], Sven A. Haugland [c]

[a] Bergen University College, Centre for Innovation, PO Box 7030, NO-5020 Bergen, Norway
[b] Buskerud and Vestfold University College, School of Business and Faculty of Social Sciences, Norway
[c] NHH Norwegian School of Economics, Department of Strategy and Management, Buskerud and Vestfold University College, School of Business and Faculty of Social Sciences, Norway

A R T I C L E I N F O

Article history:
Received 25 November 2013
Received in revised form 4 March 2015
Accepted 10 March 2015
Available online xxxx

Keywords:
Destination branding
Tourism destination
Interfirm network
Closeness centrality
Degree centrality

A B S T R A C T

The branding of tourism destinations has received increased attention, with scholars typically focusing at the regional level or on the customer demand side. This study takes the firm as its level of analysis and explores whether interfirm network position is related to the use of the destination brand as an explicit marketing strategy. Firms' use of the destination brand can be described as a co-branding strategy. We apply an unusual combination of survey and social network data across several tourism destinations. The results show that firms with interfirm ties to other central firms in the extended network (closeness centrality) co-brand with the destination brand, but we do not find a similar effect for firms with ties in the local network (degree centrality). The use of instrumental variables indicates that closeness centrality is a cause, and not an effect, of co-branding.

© 2015 Elsevier Inc. All rights reserved.

1. Introduction

Tourism destination branding, defined as "selecting a consistent element mix to identify and distinguish it through positive image building" (Cai, 2002, p. 722), has received increased attention in the literature (Pike & Page, 2014). Research on the demand side has been concerned with customer perceptions of brand personality and image (Fyrberg, 2008; Hosany, Ekinci, & Uysal, 2006; Kneesel, Baloglu, & Millar, 2010), brand equity (Boo, Busser, & Baloglu, 2009; Konecnik & Gartner, 2007; Pike, Bianchi, Kerr, & Patti, 2010), and customer loyalty (Chen, 2010; Yoon & Uysal, 2005; Zhang, Fu, Cai, & Lu, 2014). On the supply side, contributions have focused on logo design (Hem & Iversen, 2004), brand management (Pechlaner, Raich, & Zehrer, 2007), and destination brand strategy at the local, regional, and national levels (Cai, 2002; Konecnik Ruzzier & de Chernatony, 2013; Niininen, Hosany, Ekinci, & Airey, 2007).

In addition, research has addressed stakeholder issues related to destination marketing and branding (García, Gómez, & Molina, 2012; Marzano & Scott, 2009; O'Connor, Flanagan, & Gilbert, 2008). The leveraging of a destination brand is typically facilitated by a destination marketing organization (DMO). It rests on the commitment and active support of local firms and other stakeholders (Balakrishnan, 2009; García et al., 2012; Pike, 2009; Pike & Page, 2014). Firms' internalization and use of the destination brand is important: it signals commitment, creates potential synergies, and transmits positive brand perceptions from employees to consumers.

However, despite the growing interest in tourism destination branding, surprisingly little research focuses on firms' co-branding practices in a destination context. Co-branding is defined as the pairing of two or more constituent brands (Park, Jun, & Shocker, 1996). In this paper, we study co-branding as the extent to which individual tourism firms actively use the destination brand in their own marketing. In Balakrishnan's (2009) extensive review of destination branding, the topic of co-branding, or brand alliances, is more or less absent. Furthermore, Pike's (2009, p. 860) review identifies nine research gaps, one of which concerns "the linkages and synergies in the development of strategies… between the DMO and stakeholders." Specifically, he states that "[t]here has been little attention given to the issue of the extent to which umbrella brand strategies are being implemented…" (p. 860). More recently, Pike and Page (2014, p. 212) assess the importance of destination firms in "harnessing their cooperation in collaboratively supporting the brand positioning required to communicate the brand identity," where there is "a major research gap." Moreover, Pike and Page (2014, p. 217) write that "future research will need to start assessing the synergies and critical relationships which exist between businesses and the DMO." In a similar vein, Hanna and Rowley (2015, p. 100) assert that "limited attention has been directed towards place brand architecture or the wider management of the web of brands associated with a place." Thus, tourism firms' support and use of the destination brand as a co-branding strategy are considered highly important, yet vastly under-researched.

The destination marketing literature identifies stakeholder networks to be of particular interest. Wang and Xiang (2007, p. 82) suggest that networks serve "as the supporting mode of governance" during all stages of the collaborative destination marketing cycle. Similarly, Sheehan,

---

E-mail addresses: jarle.aarstad@hib.no (J. Aarstad), havard.ness@hbv.no (H. Ness), sven.haugland@nhh.no (S.A. Haugland).

http://dx.doi.org/10.1016/j.jbusres.2015.03.025
0148-2963/© 2015 Elsevier Inc. All rights reserved.

Please cite this article as: Aarstad, J., et al., Network position and tourism firms' co-branding practice, *Journal of Business Research* (2015), http://dx.doi.org/10.1016/j.jbusres.2015.03.025

Ritchie, and Hudson (2007, p. 73) call for an "examination of tourism stakeholder network relationships" to advance our understanding of destination marketing. Furthermore, Marzano (2008, p. 142) asks for a network analysis perspective to gain "an understanding of how the centrality of one or more stakeholders within the destination enhances or reduces the ability" of successful destination branding. Despite these shared ideas, empirical studies unpacking the roles of network relationships in destination branding remain exploratory and case-based.

We respond to these calls and take a supply-side perspective on destination branding. Specifically, we focus on individual tourism firms' network position, and examine whether network position impacts the extent to which a firm supports the destination brand through co-branding. The paper contributes to the literature in several ways. First, the firm–destination co-branding nexus is largely unexplored in empirical research. Given the importance of individual tourism firms' support and use of the destination brand for successful destination brand development, the study contributes new knowledge by identifying drivers promoting the adoption of the destination brand. Second, in line with recent calls in the literature, we go beyond the general idea of "networks as important." We adopt a structural perspective and compare the effect on co-branding of different network metrics of centrality. Third, the study makes methodological contributions by combining *survey* and *interfirm network* data from both *within* and *across* several tourism destinations. This enables us to explore how the interfirm network structure beyond a particular destination may influence firms' co-branding strategies. Finally, the study has managerial implications for DMOs and other stakeholder groups. By identifying important drivers of local firms' co-branding strategies, the study can provide managerial guidelines to direct DMOs and other stakeholder groups in how to develop effective destination branding strategies.

Below, we review the literature and develop a network perspective on co-branding. We develop two hypotheses related to individual firms' propensity to use a destination brand as a co-branding strategy. Next, we describe the procedures for data collection and data analysis before presenting the results. Finally, we discuss the findings, address the study's limitations, and suggest avenues for future research.

2. Theory and hypotheses

2.1. The tourism destination context

A tourism destination represents a "geographical, economic, and social unit consisting of all those firms, organizations, activities, areas and installations which are intended to serve the specific needs" of the tourist (Flagestad & Hope, 2001, p. 449). Thus, destinations are coproducing networks, and from a customer's point of view the service or "product" is provided by a multitude of independent agents or firms (Haugland, Ness, Grønseth, & Aarstad, 2011). A common theme in the destination branding literature is the need for interfirm collaboration to develop a destination brand. However, this may be much more challenging than for consumer goods because diverse businesses with different interests are involved (Pike, 2005, 2009). In addition, limited control between firms can hamper destination branding (Niininen et al., 2007; Pike & Page, 2014). Consequently, firms' network relations become important (Ashton, 2014; Konecnik Ruzzier & de Chernatony, 2013) as regards whether they will "accept the brand and communicate it through their communication activities and products" (Bregoli, 2013, p. 215). This reasoning further motivates us to study whether the position of firms in the coproducing destination network impacts their use of the destination brand in their marketing strategy.

2.2. Co-branding in a tourism context

The generic co-branding literature focuses primarily on customer evaluations (cf. Park et al., 1996; Washburn, Till, & Priluck, 2000) and guidelines for developing co-branding strategies (Grossman, 1997; Leuthesser, Kohli, & Suri, 2003). Two primary effects of co-branding have been investigated. First, a transfer effect occurs when positive attributes of one brand are transferred to the other brand (Park et al., 1996). Second, a spillover effect occurs when co-branding creates positive attitudes towards the two individual partner brands (Simonin & Ruth, 1998). Co-branding synergies can be enhanced by brand compatibility based on relatedness, similarity (Dickinson & Barker, 2007), and complementarity (Leuthesser et al., 2003). Furthermore, Washburn et al. (2000) report that low-equity brands can realize larger gains than high-equity brands, but the gain of high-equity brands is not reduced by co-branding with low-equity brands.

In a tourism context, the destination brand represents a collective good for individual firms (Balakrishnan, 2009; Marzano, 2008). As most tourism firms are small and often family-owned ventures (Pike & Page, 2014), the destination brand can be an important resource. Thus, firms that co-brand with the destination brand can benefit from a transfer effect and contribute to positive synergies. Pechlaner et al. (2007, p. 363) provide an illustrative example: "Americans, for instance, are not familiar with a single mountain in the Alps; what they perceive is simply the Alps. This makes it necessary for regional tourism enterprises and organizations to convey that they belong to the Alps as their destination brand and to position themselves by means of the brand the Alps."

Niininen et al. (2007) describe how the branding process of Surrey Hills depended on engaging the local community in a partnership. Although the DMO has little control over firms' use of the brand name, they find that the DMO restricted use of the logo by individual firms to approved purposes. Surrey Hills published guidelines for design elements, use of typeface, and design of promotional materials. Furthermore, Niininen et al. describe how local farmers make use of the destination brand to offer high-quality local food and maintain the landscape. García et al. (2012) compare different stakeholders' perceptions of brand awareness, meaning, and equity. They conclude that local collaboration is very necessary in securing the quality perceived by visitors and their loyalty, because firms and employees transmit their values to the visitors. Consequently, "the key aspect on which DMOs have to work are the involvement and education of local people and the creation of co-branding agreements with entrepreneurs" (García et al., 2012, p. 657).

Recent co-branding studies, focusing on customer or demand-side effects, provide some interesting findings. Tasci and Guillet (2011), in an experimental study on hotel and restaurant co-branding, find positive synergies for both parent brands. Tasci and Denizci (2010) find in a cross-sectional study that co-branding between hotels and retail brands can have positive synergies, but that brand familiarity is important for this outcome. However, the study involved hypothetical and nonexistent brands. Similarly, Dioko and So (2012) conducted a study involving a hypothetical scenario, finding that in the case of hotel and destination co-branding, the destination brand prevails as a key influence on consumer behavior. These studies are interesting as they indicate that both synergies and spillover effects can be realized through destination co-branding. Factors promoting such co-branding are nevertheless largely unexplored.

2.3. Tourism firms in an interfirm network context

We define a network as "a set of nodes and the set of ties representing some relationship, or lack of relationship, between the nodes" (Brass, Galaskiewicz, Greve, & Tsai, 2004, p. 795). In our context, a node represents a firm operating in the tourism industry, and a tie is an interfirm collaborative relationship. Based on the structural characteristics of firms' network positions, a variety of metrics can be calculated. Following Marzano's (2008) suggestion, we explore two network constructs: *degree* centrality and *closeness* centrality.

Degree centrality describes the extent of collaborative activities and the number of direct ties the focal firm has with other firms (Freeman,

Please cite this article as: Aarstad, J., et al., Network position and tourism firms' co-branding practice, *Journal of Business Research* (2015), http://dx.doi.org/10.1016/j.jbusres.2015.03.025

Download English Version:

https://daneshyari.com/en/article/10492974

Download Persian Version:

https://daneshyari.com/article/10492974

Daneshyari.com