Compelling brand storytelling for luxury hotels

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1. Introduction

In a world of hyper-competition due to increased brand choices, hotel marketers invest in servicescape, location, employee training, and advertising to cultivate consumer loyalty (Aaker, 2014; Luck and Lancaster, 2013). Nevertheless, consumers experience confusion in distinguishing brands within the luxury hotel industry (So et al., 2013; Kim et al., 2008). Luxury hotels typically focus more on the quality of hotel facilities and services as a competitive advantage (Shanka and Taylor, 2004). Luxury hotels need to consider a more effective way to showcase their brands in their servicescapes because this segment of consumers tends to spend more time examining the servicescape during their stays (Mossberg, 2008). How luxury hotels present and deliver their brand stories can have a direct effect on consumers’ experience and satisfaction with their hotel stay (Wakefield and Blodgett, 1994). Therefore, it is time to adopt a different approach to compelling brand storytelling to build a strong identity like those of cult brands (Akin, 2004).

Since brand management in luxury hotels is regarded as a dialogue, brand images are bound to a brand’s discursive history and considered from a stakeholder perspective (Melewar and Karaosmanoglu, 2008). Brand stories need to be based on the coherence and consistency between the fundamental brand essence, its history, and its representation (Melewar and Karaosmanoglu, 2008; Mossberg, 2008). Brand stories, however, have not been utilized as strategically as it can be by luxury hotels. For example, although most luxury hotels have a brand story on their official websites, the brand stories aren’t narrated proficiently nor organized effectively. They may be hardly noticed by consumers. Outside the hotel industry, strong brands like Apple, Harley Davidson, and Hello Kitty have a cult-like consumer following. Their brand stories exhibit coherent and compelling brand storytelling in the overall brand experience (Ragas and Bueno, 2002).

This study advocates the adoption of storytelling for building and managing brand identities of luxury hotel brands. It postulates that the concept of a compelling brand storytelling can be developed and utilized in luxury hotel branding. Although previous studies have emphasized the importance of brand storytelling, it is not well understood how storytelling can contribute to luxury hotel branding and be incorporated into servicescape to facilitate an immersive guest brand experience. Against this background, this research had three objectives:

1. To conceptually propose a process of compelling brand storytelling for luxury hotels, and identify key elements of compelling brand storytelling.
2. To understand the current practices of brand storytelling in luxury hotels through exploratory data evidence gathered from brand stories of 118 luxury hotel brands.
3. To explain how compelling brand stories can be applied via an examination of a case of a luxury hotel utilizing compelling brand storytelling, Stein Collection.

2. Literature review

2.1. Brand and storytelling

Brands have used stories to create a brand culture internally and externally (Mossberg, 2008). People tend to believe in fantasies and myths (Jensen, 1999), thus many companies tell their brands with their own stories (Holt, 2003; Holt and Thompson, 2004). A company can develop its story to convey what its brand stands for (Fog et al., 2010). Because stories construct a framework in which brand identity can be embedded, consumers may think the brand within the framework (Kozinets et al., 2010). One such example is to couple luxury brands with archetypal stories. If the brand story is not well presented, hotels may lose a channel to generate connections with consumers (Escalas, 2004).

Storytelling is associated with all elements and stakeholders of brands. There have been various uses of storytelling by organizations. Stories about organizations or brands (Salzer-Mo¨r¨ling, 2004), stories about products (Escalas, 2004), or consumer stories (Woodside, 2010) have been employed. “Consumer stories have been studied in the form of narratives (Delgadillo and Escalas, 2004; Escalas, 2004; Megehee and Woodside, 2010; Schembrli et al., 2010), associations and collages (Koll et al., 2010), nethnography (Hsu et al., 2009), and memorable incidents (Black and Kelley, 2009; Gabbott and Hogg, 1996; Hopkinson and Hogarth-Scott, 2001)” (Lundqvist, Liljander, Gummerus & Van Riel, 2013, p. 285). Brand stories include stories about their brand philosophy (Deighton, 1992; Mossberg and Johansen, 2006) or stories about

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the brand initiation from a well-known company founder (Kent, 2015). The current research makes use of the latter type of story in an attempt to provide insight into storytelling, as the experience industry is focusing on building an entire or parts of a brand around a story (Mossberg, 2008).

2.2. Compelling brand storytelling in luxury hotels

Several research studies argue that there are two different approaches to compelling brand storytelling: a contextual perspective and a structural perspective (Boje, 2014; Dowling, 2006; Kent, 2015; Matthews and Wacker, 2007; McKee and Fryer, 2003; Rossiter and Bellman, 2005). The contextual perspective focuses on specific contextual components such as having brand fundamental values, historical connections, struggles between characters, etc. (Boje, 2014; Dowling, 2006; Matthews and Wacker, 2007; Rossiter and Bellman, 2005; McKee and Fryer, 2003). The structural perspective focuses on structural elements of the compelling brand story by having a plot with a chronology of beginning, middle, and end; once upon a time; format; etc. (Stern, 1995; Kent, 2015; White, 1973). The present study integrates both the contextual and structural views into a compelling brand storytelling model (Fig. 1).

Several studies have been conducted on brand storytelling, but the storytelling by hotel brands has been scarcely researched (Grube et al., 1994). A holistic brand storytelling model is needed to infuse brand values in a story and engage consumers to experience the representation of the story (Baker and Boyle, 2009). Mossberg (2008) introduced the role of servicescape, built on storytelling, to facilitate consumers’ immersion in a brand story and satisfaction in brand storytelling. The compelling brand storytelling model as proposed in this study is a more holistic system of value creation by delivering brand values to consumers through a storytelling. A hotel brand story should consistently maintain the customer-brand experience along with all customer-brand touch points and, during this process, the credibility of the brand will be exhibited to consumers (Passikoff, 2006). In other words, compelling brand storytelling for luxury hotels is about delivering and sharing the compelling brand story consistently, effectively and continuously to guests.

The proposed model involves a process of three steps which work together to create strong brand values to consumers and, ultimately, a successful luxury hotel brand. As shown in Fig. 1, the three steps of compelling brand storytelling, including brand essence, compelling brand story, and servicescape, are elaborated in the next few sections.

2.2.1. Brand essence: the core concept of hotel brand

The core concept of a hotel brand story should consistently hinge upon the brand essence (Boje, 2014; Dowling, 2006; Matthews and Wacker, 2007; McKee and Fryer, 2003; Rossiter and Bellman, 2005). As the fundamental value that an organization pursues or the reason for the brand’s existence, brand essence embodies what brand owners believe the brand is (Drucker, 1974; Kelly, 1998). If the brand essence is not consistently kept in the brand story, the credibility and the overall strength of the brand will suffer (Passikoff, 2006). Therefore, the brand essence is the crucial first step in providing answers to why people should care about the hotel brand or its service (Urde, 2003). As a corporate philosophy, an aspirational vision, mission, and value in the brand essence can inspire and inspire customers who are aligned with the organizational value (Campbell et al., 2001). According to a report by Deloitte (2015), a key to a successful hotel brand is delivering its clear concept of a brand essence to consumers who are able to differentiate the hotel’s offering from its competitors.

This step can lead consumers to look back on a brand’s history to understand its present and look into the future brand vision, which the company wants to achieve (Baker and Boyle, 2009). A story built on brand essence can be a navigational guide to shape the collective efforts of employees, partners, and even consumers as they strive to realize its vision (Baker and Boyle, 2009). In this regard, having a core concept in the brand story not only answers what the brand value is but helps set up the further steps of the realizing brand goal and vision (Hanlon, 2006).

2.2.2. Compelling brand story: designing a hotel brand story

Many characteristics of compelling brand storytelling identified by the leading theories (Boje, 2008; Dowling 2006; Mckee and Fryer, 2003; Matthews and Wacker, 2007; Prusak, 2001; Rossiter and Bellman, 2005). A well-designed and compelling brand story links well with heightening employees’ understanding and commitment to the brand essence. Storytelling is a common term in hotel branding (Kent, 2015), but not all stories are able to reinforce brand identification and commitment to consumers (Burke, 1969).

A compelling brand story enhances the consumer’s brand acceptance (Loebbert, 2005). In order to create the compelling brand story, brands need to take the story structure into consideration (Mckee and Fryer, 2003). When luxury hotel brands communicate brand essence through stories, the brand stories become synonymous with how their guests perceive the brand identity (Fog et al., 2010).

A brand story delivers contents about from where the brand comes, what the brand values are, and why consumers need to use the brand (Mckee and Fryer, 2003). The compelling brand story behind a brand addresses brand values and builds a bridge between the brand and the consumer (Fog et al., 2010). In the brand story, storytellers can be the brand, the founder, or the employees. It can instigate associations with specific plots of stories people learned when they were young (Kelley and Littman, 2005). A compelling brand story is perceived as more convincing than facts, thus, it can help induce brand trust and increase brand uniqueness (Kaufman, 2003; Kelley and Littman, 2005). Furthermore, consumers remember brand stories in memory factually, visually and emotionally (Mossberg, 2008).

Story-based brands are well suited for luxury hotels, because guests of luxury hotels are sensitive to symbolic and experiential benefits (Padgett and Allen, 1997). Luxury hotel consumers prefer story-based messages that stimulate fantasies to functional details (Silverstein and