



## Research paper

## Digital enablement and its role in internal branding: A case study of HUANYI travel agency

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## ABSTRACT

Digitalization has generated new challenges and opportunities for brand communication and relationship marketing. As more and more B2B brands are utilizing digital technology for brand communication with multiple stakeholders, it is worth further investigation how digitalization can empower employees to reach better branding-supportive outcomes at various stages of the internal branding process. Through a case study, we propose a process model framework in which digital technologies promote employees to become Institutional Adaptor, Brand Performer, and Brand Champions. Specifically, our case findings reveal that depending on the degree to which digitalization can be viewed as an add-on service or an ingrained element in the value chains aligned with strategic goals, digital technologies can be associated with different enablement mechanisms relating to operational optimality, better sensing and responding capability, and ultimately ambidexterity. As existing literature largely examines the technological dimension of digital enablement technologies, this study emphasizes the importance of technology-strategy alignment in B2B internal branding context.

## 1. Introduction

Strong brands are considered as important sources of competitive advantage and are vital to a firm's long-term success (Kotler & Pfoertsch, 2007). While there is well-established literature on branding in business-to-consumer markets, the concept is yet to be fully explored in the business-to-business realm (Bendixen, Bukasa, & Abratt, 2004; Leek & Christodoulides, 2011; Zahay, Schultz, & Kumar, 2015). Earlier studies argue that branding is of little value when dealing with a corporate entity that makes buying decisions on rational basis (Rosenbröjer, 2001). However, with the commoditization of industrial products as well as the growing trends of B2B buying and selling via the Internet, there has been increasing academic inquiries into B2B branding that parallel with its growing recognitions from practitioners (Van Riel, De Mortanges, & Streukens, 2005; Cretu & Brodie, 2007; Biedenbach & Marell, 2010; Marquardt, 2013).

Companies engaging in building strong B2B brands face great challenges due to the inherent nature of B2B branding (Tarnovskaya & Biedenbach, 2016). For instance, the multifaceted B2B brand offerings and complex organizational decision-making process require a unifying and integration of brand efforts with all aspects of businesses to

facilitate a long-term relationship between multiple stakeholders, which emphasizes the role of employees who especially have direct contact with customers, distribution-chain partners or other kind of stakeholders (Glynn, 2012; Gyrd-Jones, Merrilees, & Miller, 2013; Mudambi, 2002; Vallaster & Lindgreen, 2011). The challenge is also transformed to as how firms can orchestrate their employees to effectively and consistently deliver brand promises to external stakeholders (De Chernatony, 2010). Particularly, there are escalating calls for employees to become more engaged in facilitating brand-supportive behaviors in the core brand value building process (Punjaisri & Wilson, 2007).

Digitalization has generated new challenges and opportunities for brand value communication in the B2B brands building process. Prior literature on Information Systems has shown that digital technologies such as Information and Communication Technologies (ICTs) have opened more pathways for information flows to reach their rightful beneficiaries, thus is positively related to more efficient working style, time saving, better customer communication and management requirements (Sharma, Fantin, Prabhu, Guan, & Dattakumar, 2016). The studies of internal branding (Asha & Jyothi, 2013; Lai & Hsu, 2015; Papasolomou & Vrontis, 2006; Punjaisri & Wilson, 2007) have shown

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that internal corporate communication technologies can induce better results of employee's brand identifications and commitments. It is noted that B2B firms are utilizing digital technologies to promote employee's attachment and identification with the brand, to communicate with customers and other stakeholders, and to facilitate and maintain their long-term relationships, something that conceptually relates to the different stages of building brand identification.

The goal of the current study is to explore how digital enablement technologies can help with internal branding at different stages during the B2B brand building process in the context of emerging markets. Despite the growing interest in B2B branding, limited attention has been paid to the internal communication tools, which yet may ultimately influence employee's internal branding outcomes (Sharma & Kamalanabhan, 2012). Thus, a comprehensive understanding of how different tools available on Internet can assist branding communication in B2B markets is in great needs (Simmons, Thomas, & Truong, 2010). In addition, as studies concerning small and medium sized enterprises (SMEs) and branding are in general scarce (Merrilees, 2007) and considering that digital enablement technologies are developed in and initially serve for western organizational settings, it worth further examination to see how such communication tactics can benefit SMEs in emerging markets with less developed digital infrastructures (Bakar & Mustafa, 2013). In those regards, our study offers important theoretical and managerial implications. By focusing on a single case study of "HUANYI (Voglia d'Italia)", a newly established Chinese B2B travel agency, we intend to shed light on the role of digital enablement technology on employee's internal branding outcomes in SME of emerging markets.

As is widely known, travel agency market is highly competitive and difficult to establish competitive advantages. Comparing to its competitors, HUANYI made a successful transformation and rose rapidly as a noticeable brand in b2b travel market by integrating digital enablement elements on a daily basis and into the company's internal branding strategy. By analyzing the digital "footprint" of HUANYI's brand explorative and exploitative activities, we aim to understand the transformational effects of digital technology on driving brand innovation. Particularly, we try to build upon internal branding and digital enablement literature to answer how digital technologies can be transformed from resources to capabilities to empower employees to reach successful branding-supportive outcomes in various stages in the internal branding process. Our case is descriptive and explorative and conducted from the internal stakeholders' perspectives. We contribute to the existing B2B branding literature and IS literature by providing critical inputs for understanding the role of digital enablement technologies in the internal branding process.

The reminder of this article is organized as follows: Firstly, we review recent literature on b2b internal branding and digital enablement technologies, followed by the justification of rationale of the current research question. Then, we introduce the case contextual setting, data collection process and analysis methods. Key conclusions and contributions are presented at the end.

## 2. Literature review

### 2.1. B2B branding and internal branding

The company-centered B2B branding approach considers brands as valuable market-based resources that are critical to a firm's performance and to its sustainable competitive advantage (Kozlenkova, Samaha, & Palmatier, 2014). This approach contends that marketing managers have the central role and accountability for communicating and enhancing the brand value of industrial products, however prior studies in this stream have overlooked the interdependencies between multiple stakeholders and their diverse perceptions of brand meaning and activities (Tarnovskaya & Biedenbach, 2016). This lack of comprehensive understanding by multiple stakeholders may further lead to

divergent actions of multiple stakeholders, which in turns may negatively affect B2B brand value (Gyrd-Jones, Merrilees, & Miller, 2013). This is of special relevance to B2B service brands where frontline staff act as "brand ambassadors" to deliver brand promises and predominantly shape customer brand perceptions (Berry, 2000).

On the other hand, by integrating both resource-based and market-based views, the stakeholder-encompassing approach considers branding as a collaborative process that takes place as part of the relationships between the firm and its stakeholders (Mäläskä, Saraniemi, & Tähtinen, 2011). It views B2B branding as an outcome of understanding and responding to the various needs of multiple stakeholders (Tarnovskaya & Biedenbach, 2016), which emphasizes the continuous and dynamic interactions among a broad range of stakeholders (Balmer, 2001; Balmer & Gray, 2003; Leitch & Richardson, 2003; Schultz & De Chernatony, 2002). Because corporate brand value is an explicit promise between an organization and its key stakeholder groups (Foster, Punjaisri, & Cheng, 2010), it is important that such promise is understood internally and delivered consistently by employees when interacting with customers, thereby stressing the roles of internal communication tools and policies that encourage employees to internalize and deliver brand values (Sartori, Mottironi, & Corigliano, 2012).

Within the field of internal branding, a large body of literature has aimed on the alignment of the internal stakeholder's brand supportive behaviors with corporate brand value, however "knowledge on how multiple stakeholders engage in an ongoing dynamic brand discourse and socially co-create brand equity is scarce" (Vallaster & von Wallpach, 2013, p. 1506).

### 2.2. Digital enablement: from resource to capabilities

The concept of digital enablement is originated from empowerment theory, which can be traced back to research decades ago on employee involvement and participation as well as research on organizational change, affirmative action, and the quality of work life (Maynard, Gilson, & Mathieu, 2012). The underlying belief of empowerment theory is that empowerment initiatives enhance employee's job performance, physical and psychological well beings, and positive attitudes of individuals, teams, and organizations (e.g., Hempel, Zhang, & Han, 2012; Maynard et al., 2012). Prior studies on empowerment theory were developed out of two motivational frameworks (Hackman & Oldham, 1976; Bandura, 1977, 1982), which gave rise to two major perspectives of empowerment: psychological and structural (Menon, 2001; Spreitzer, 1995). While psychological perspective focuses on employees' perceptions or cognitive states regarding empowerment, structural empowerment at its core focuses on the decentralization of power and responsibility transfer through a set of formal controls of an organization, such as job designs and other organizational arrangements that instill situations, policies, and procedures etc. (Kanter, 1977; Maynard et al., 2012). Following this argument, we consider digital enablement technologies as a form of structural empowerment as it focuses on the enhancement of organizational efficacy and agility through employee adoptions of information and communication technologies to gain better flexibility of access, interaction, mobility, multimedia capability, participation, informality and feedback etc. (Abbott, 2010).

More specifically, a body of Information System literatures views digital enablement technologies as a source contributing to competitive advantage by focusing on the attributes of information based resources - value, rarity, appropriability, imitability, substitutability, mobility (Mata, Fuerst, & Barney, 1995). There is recognition that digital enablement can be achieved through interactions or bundling between IS and other non-IS resources (Wade & Hulland, 2004). For instance, theory of dynamic capability emerged to explain digital enablement by emphasizing on the congruence of new resources with business strategy in the changing environment, which helps firms to speed up decision-making, facilitate communication, and respond quickly to changing

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