

Utilization of Integrated Marketing Communication Tools for Brand Recognition and Sales in Hotels

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Abstract

The focus of the study was to examine the utilization of Integrated Marketing Communications tool to create brand recognition and sales in selected hotels in Uyo, the capital of Akwa Ibom State, Nigeria. The specific objectives were to determine the effect of advertising, sales promotion, personal selling and direct marketing on brand equity and sale. Primary data were collected using questionnaire distributed to the total of 80 senior staff of the five randomly selected hotels in Uyo, Akwa Ibom State, Nigeria. Multiple Regression was used to analyze the data using the Ordinary Least Squares (OLS) method. The result shows that advertising and direct marketing influenced positively but insignificantly on brand equity and sale of the organization while sales promotion and personal selling has a positive but significant effect on brand equity and sale of the organization. It was recommended that the management of the hotels should consider investing in advertising hotel products via the internet and social media networks like facebook, YouTube and Twitter to supplement newspaper, radio, television and merchandising. The management should develop an advert that has the power to promote the goods and services. Also, the hotels should widen area of coverage of their adverts through variety of media. For this to be actualized the management should make available adequate budget that will guarantee optimal level of awareness in different media.

Keywords: *Integrated Marketing, Communication, Hotel, Brand recognition and Promotion*

Introduction

The business environment of the global economy has become very competitive. The competition is so intense that only those that are properly positioned take advantage of the market. In hospitality industry today, new firms are coming up, the existing ones are going down and only the few existing ones are excelling due to the pragmatic approach they employ in the market environment. Integrated Marketing Communications (IMC) is a marketing tool that is used by organizations to manage marketing communication programs to make sure that hotel guests are given a consistent message about a hotel and its brands. According to American Association of Advertising Agencies (AAAA), IMC is a marketing communications planning concept that recognizes and evaluates the strategic roles of a variety of communication disciplines and combines these disciplines to provide clarity, consistency, and maximum communications impact, (Belch and Belch, 2011). Integrated

Marketing Communications (IMC) seeks to have company's entire marketing and promotional activities that project a consistent and unified image to the market place. It calls for a centralized messaging function so that everything a company says and does communicates a common theme and positioning (Nwankwo, 2007). Integrated Marketing Communications (IMC) concept has been largely regarded as an important marketing management issue since the beginning of the last decade because of the effectiveness of the integration of marketing communication tools (Kotler 2012). Such marketing tools include direct marketing, sales promotion, advertising, personal selling and public relations to maximize the impact of communications on the target consumers.

The essence of IMC is to improve upon the traditional technique of managing the various marketing and communication elements as separate activities as well as recognize the most effective and appropriate techniques to communicate and build relationships with customers and other stakeholders. IMC is a process for managing the customer relationships that drive brand value (Duncan 2014). According to Kotler and Keller (2009), "the marketing communications mix consists of eight major modes of communication namely: advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, interactive marketing, word-of-mouth marketing and personal selling." They further maintain that company communications go beyond those specific communications mix. The communication mix is concerned with price, product (shape and colour of package), place (location), and promotion (salesperson's dress and manner and decoration of the hotel). All these put together communicate something to buyers. Each element of the mix is viewed as Integrated Marketing Communications tool that plays a distinctive role in an IMC programme (Kotler and Keller 2009). Integrated Marketing Communications (IMC) is one of the "new generation marketing approaches being used by companies to better focus their efforts in acquiring, retaining and developing relationships with customers and other stakeholders (Duncan et al, 2014). IMC should be composed of five major elements, cross functional process, creating and nourishing stakeholders' relationships, profitable customer relationships, strategically controlling or influencing all messages, and encouraging purposeful communications between organizations and their customers (Okon, 2009). According to Okezie (2009) consumer's perceptions of a company and its various brands are a synthesis of the bundle of messages they receive or contacts they have, such as media advertisements, price, package, design, direct marketing efforts, publicity, sales promotions, websites, point of purchase displays, and even the type of store where a product or service is sold. Many companies have adopted this broader perspective of IMC. Duncan *et al.*, (2010), note that all messages should be delivered and received on a platform of executioner and strategic consistency in order to create coherent perceptions among customers and other stakeholders. The goal IMC in hotel sector is to identify hotel brand and positioning in a consistent manner as well as create a good image of the hotel and its products. This involves the incorporation of various marketing communication messages and the functions of various promotional activities. The appearance of integrated marketing communication is becoming very sophisticated tool for formulating the marketing strategies. Companies use it as weapon to remain competitive in the digital atmosphere. In 1990 IMC become popular topic in the field of marketing (Olof Holm, 2006). It requires that firms to develop efficient and effective marketing communications programmes that recognize how all of a firm's marketing activities, not just promotion, communicate with its customers (Belch and Belch, 2011). Advocates of IMC argue that it is one way for a company to optimise the return on its investment in marketing and promotion (Thomas, 2012).The move towards Integrated

Marketing Communications approach is one of the most significant marketing developments that occurred in the 1990s, and the shift towards the approach is continuing as we begin the new century (Duncan, 2014).

In today's competitive environment, many factors like increased number of superior brands, acceptance of private brands, low risk in brand switching and low product differentiation have put companies in challenging position (Okon, 2009). It is not easy to pinpoint those factors that influence consumers to choose a particular brand more than others over the years. The one problem that delays the application of IMC in firms was the difficulty of measuring its effects or benefits that can be derived by the companies using it (Ade, 2013). The failure of the marketing managers to effectively measure the impact that IMC can make on the business performance is another disturbing aspect of the IMC application (Olatunde, 2011). Even when some companies are fully aware of the efficacy and prospects inherent in the use of Integrated Marketing Communication (IMC), some are not committed to its application while others lack the financial capacity to apply the IMC in their business operations. There is also wrong choice and usage by non-professionals in the planning, organizing, execution, control and evaluation of the Integrated Marketing Communications (IMC) in marketing activities. In view of the above scenario, the main aim of this study is to examine utilization of Integrated Marketing Communications tool to create brand recognition and sales in Uyo. The specific objectives were to:

- (1) Determine the effect of Advertising on brand equity and sale.
- (2) Ascertain the effect of sale promotion on brand equity and sale.
- (3) Evaluate the effect of personal selling on brand equity and sale.
- (4) Examine the effect of direct marketing on brand equity and sale.

Research Hypotheses

The following hypotheses were tested;

H₁: There is no significant relationship between advertising and sale in hotels operating in Uyo metropolis.

H₂: There is no significant relationship between sales promotion and sale in hotel operating in Uyo metropolis.

H₃: There is no significant relationship between personal selling and sale in hotel operating in Uyo metropolis.

H₄: There is no significant relationship between direct marketing and sale in hotel operating in Uyo metropolis.

Research Methods

Study Area

The study was conducted in Uyo, the capital city of Akwa Ibom State. Akwa Ibom State is located in the coastal South-South region of Nigeria. The region is popularly called the Niger Delta region or the oil rich region of Nigeria. The state is located between latitudes 4°32¹ and 5°33¹North and longitudes 7°51¹ and 8°25¹East. It has a total land area of areas of 7,246km². It is bordered on the East by Cross River State, on the West by Rivers State and Abia State, and on the South by the Atlantic Ocean. Akwa Ibom State has an estimated population of about 4,916,584 as at 2016 extrapolated using an annual growth rate of 2.6 % and 2006 population census figure estimated at 3,902,051. Uyo is one of the 31 Local Government Areas of the State.

Data Collection Methods

The instruments used were both questionnaire and interview schedule which were validated by three experts in the field and tested for reliability using test retest method. A group of five individuals at managerial level drawn from two hotels located in Umuahia were used for the internal consistency of the instruments. The people that responded to the instruments of the study comprised of the management and staff of the selected hotels under study. A sample size of 80 was determined using Taro Yamane formula. A total of 80 copies of questionnaire were conveniently distributed and 78 completed copies of it were retrieved and analyzed at the end. Data collected with questionnaire were analyzed using descriptive statistics such as percentages, frequency distribution and tables. The four Null Hypotheses (HO) formulated were tested using Multiple Regression Analysis. The level of significance of 5% was used. The Decision Rule was to accept the Null Hypothesis (HO) and reject the Alternative Hypothesis (HO) when the t-Cal value is less than (<) the t-Tab value. Or reject the Null Hypothesis (HO) and accept the Alternative Hypothesis (HA) when the t-Cal value is greater than (>) the t-Tab value.

Results and Discussion:

From Table 1, the responses of the study showed that majority of the respondents agreed that advertising (76.92%), and sales promotion (83.33%) have very high effect; personal selling (70.51%) has high effect and direct marketing (64.10%) has low effect on brand equity and sales. This was followed by direct marketing (20%) and advertising (19.23%) which had high effect and personal selling (15.38%) that has very high effect on brand equity and sales.

Table 1: Perception of Staff on the Effect of Advertising, Sales Promotion, Personal Selling and Direct Marketing on Brand Equity and Sales
Rating the effect of advertising on brand equity and sales.

Variables	Frequencies	Percentage
very high	60	76.92
High	15	19.23
Moderate	3	3.85
Low	-	-
very low	-	-
Total	78	100

Rating the effect of sales promotion on brand equity and sales

Variables	Frequencies	Percentage
very high	65	83.33
High	5	6.41
Moderate	-	-
Low	8	10.26
very low	-	-
Total	78	100

Rating the effect of personal selling on brand equity and sale

Variables	Frequencies	Percentage
very high	12	15.38
High	55	70.51
Moderate	8	10.26
Low	-	-
very low	-	-
Total	78	100

Rating the effect of direct marketing on brand equity and sales

Variables	Frequencies	Percentage
very high	-	-
High	20	25.64
Moderate	8	10.26
Low	50	64.10
very low	-	-
Total	78	100

Source: Field Survey, 2016.

While the responses that revealed moderate effect on brand equity and sales were personal selling (10.26%), direct marketing (10.26%) and advertising (3.85%). This agrees with Anietie (2008) who was of the opinion that advertising is the best known and the most widely discussed form of promotion because of it influences sales. Also, Okon (2014) sees direct marketing as a traditional distribution technique used by companies that distribute their products through sale force directly to customers. Staff perception on the effect of sales promotion and personal selling on sales as revealed by the study was supported by the views of Uko (2009); Belch and Belch (2011) that sales promotion stimulate quicker and immediate sales and Okere (2011) that personal selling is the best prospects for a company to market its product.

Therefore, it implies that advertising, personal selling, sales promotion or direct marketing are tools adopted as marketing strategy at one time or the other by hotel organizations in Nigeria to win large market over their competitors because of their much effects on brand equity and sales.

For any hotel to increase its sales revenue, marketing personnel needs to intensify advertising strategy to reach far and wide their potential customers within their target market. Personal selling is also very essential for the growth of hotel which is a service oriented establishment as study shows. This is true because hotels hold dearly the way and manner that hotel workers provide the needed services which later reflect in sales. The effects of sales promotion on brand equity and sales as the study has revealed implies that hotels in Uyo Metropolis employ sales promotion as a tool to attract and retain new and existing customers.

Table 2 shows that majority of the respondents agreed that there is positive relationship between personal selling (78.21%), sales promotion (89.74%) and sales while in the case of direct marketing majority of the respondents representing 76.93% were of the opinion that there is negative relationship between direct marketing and sales.

Table 2: Relationship between personal selling, sales promotion and direct marketing and hotel sales

Relationship between personal selling and hotel sales

Variables	Frequency	Percentage
Positive	61	78.21
Negative	17	21.79
Total	78	100

Relationship between sales promotion and hotel sale.

Variables	Frequency	Percentage
Positive	70	89.74
Negative	8	10.26
Total	78	100

Relationship between direct marketing and hotel sales

Variables	Frequency	Percentage
Positive	18	23.08
Negative	60	76.93
Total	78	100

Source: Field Survey, 2016

Other responses of marketing strategy that indicated negative relationship with sales were personal selling (21.79%) and sales promotion (10.26%). It is inferred from the statistical distribution that direct marketing have not reflected positively on organizational sales mostly on firms that are involve in marketing of services. This simply means that hotel sales cannot be triggered by direct marketing which shows that the relationship between direct marketing and sales is negative.

Test of Hypotheses

In this section the hypotheses stated were tested. Three steps were used to test the hypotheses stated. In step one, the hypotheses were restated in null form. In step two the regression result was analyzed and in step three, decision was made.

Step One: Restatement of Hypothesis 1, 2, 3 and 4.

H₀: Advertising, Sale promotion, Personnel selling and direct marketing has no significant effect on brand equity and sale in hotel in Uyo.

Step Two: Analysis of Regression Result of Hypotheses

The analysis was carried out with multiple regression using the selected variable. The result of the Multiple Regression is presented in table 3. Table 3 reveals that the coefficient of X1 of 1.671802 shows a unit increase in the advertising, holding other variables constant will increase brand equity and sale of the organization by 1.671802 units. The coefficient of X2 of 1.718065 shows a unit increase in the sale promotion, holding other variables constant will increase brand equity and sale of the organization by 1.718065 units. The coefficient of X3 of 0.819202 shows that a unit increase in the personal selling, holding other variables constant will increase brand equity and sale of the organization by 0.819202 units. The coefficient of X4 of 0.890626 shows that a unit increases in the direct marketing in the organization, holding other variables constant will increase brand equity and sale of the organization by 0.890626 units.

The R² which is the coefficient of determination was fairly good with a value of 0.779044 which indicate that about 78% of the changes in the dependent variable can be explained by the changes

Table 3: Regression Result of Hypothesis 1, 2, 3 and 4.

Dependent Variable: Y

Method: Least Squares

Date: 07/20/16 Time: 12:58

Sample: 1 78

Included observations: 78

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	1.671802	1.132111	1.476713	0.3023
X2	1.718065	0.637303	2.695837	0.0165
X3	0.819202	0.400134	2.047319	0.0524
X4	0.890626	0.567057	1.570611	0.2814
C	1.908066	0.371070	5.142065	0.0001
R-squared	0.779044	Mean dependent var		4.500000
Adjusted R-squared	0.723990	S.D. dependent var		0.545777
S.E. of regression	0.600986	Akaike info criterion		1.746839
Sum squared resid	19.08098	Schwarz criterion		1.941756
Log likelihood	-40.98413	Hannan-Quinn criter.		1.820498
F-statistic	5.746745	Durbin-Watson stat		1.695089
Prob(F-statistic)	0.000134			

Source: Researcher's computation using E-version 8.0

In the independent variables while 22% can be explained by the error terms in model. Also, Durbin-Watson Stat is 1.70 and is close to 2, this implies that there is no evidence of first-order autocorrelation. The F- statistic value of 5.75 is significant at 5% with a critical F- statistic probability value of 0.000134.

In Table 4, advertising has a statistic value of 1.476713 with a probability value of 0.3023 at 5% level of significance.

Table 4: Test of Hypothesis One (H₁)

Variable	Coefficient	t-Statistic	Prob.
X1	1.671802	1.476713	0.3023
T- tabulated: 1.66			

Source: Computed from table 3

Since the t-cal value is less than t-tab in absolute term, so, we accept null hypothesis and reject alternate hypothesis and conclude that advertising has no significant effect on brand equity and sale of the organization.

Step Three: Decision

The null hypothesis is accepted while the alternate rejected. Thus, advertising has no significant effect on brand equity and sale of the organization.

Table 5: Test of Hypothesis Two (H₂)

Variable	Coefficient	t-Statistic	Prob.
X2	1.718065	2.695837	0.0165
T- tabulated: 1.66			

Source: Computed from table 3

In Table 5, sales promotion has a statistic value of 2.695837 with a probability value of 0.0165 at 5% level of significance. Since the t-Cal value is greater than t-tab in absolute term, so, we reject null hypothesis and accept alternate hypothesis and conclude that sales promotion has significant effect on brand equity and sale of the organization.

Step Three: Decision

The null hypothesis is rejected while the alternate accepted. Thus, sales promotion has significant effect on brand equity and sale of the organization.

Table 6: Test of Hypothesis Three (H₃)

Variable	Coefficient	t-Statistic	Prob.
X3	0.8192	2.0473	0.0524
T- tabulated: 1.66			

Source: Computed from table 3

In Table 6, personal selling has a statistic value of 2.0473 with a probability value of 0.0524 at 5% level of significance. Since the t-Cal value is greater than t-tab in absolute term, so, we reject null hypothesis and accept alternate hypothesis and conclude that personal selling has significant effect on brand equity and sale of the organization.

Step Three: Decision

The null hypothesis is rejected while the alternate accepted. Thus, personal selling has significant effect on brand equity and sale of the organization.

Table 7: Test of Hypothesis Four (H₄)

Variable	Coefficient	t-Statistic	Prob.
X4	0.890626	1.570611	0.2814

T- tabulated: 1.66

Source: Computed from table 3

In Table 7, direct marketing has a statistic value of 1.570611 with a probability value of 0.2814 at 5% level of significance. Since the t-Cal value is greater than t-tab in absolute term, so, we accept null hypothesis and reject alternate hypothesis and conclude that direct marketing has no significant effect on brand equity and sale of the organization.

Step Three: Decision

The null hypothesis is accepted while the alternate rejected. Thus, direct marketing has no significant effect on brand equity and sale of the organization.

From the above tested hypotheses, advertising and direct marketing have a positive but insignificant effect on brand equity and sales of selected hotels in Uyo, Akwa Ibom State, this shows that effective and attractive advertising and direct marketing technique should be adopted to boost brand equity and sales of the organization. Sales promotion and personal selling had a positive but significant effect on brand equity and sales since the result shows that it creates awareness, generates interest in the services offered as well as differentiating company services from those of the competitors which directly contribute to sales. The study revealed that integrated marketing communication tools play a vital role in the brand equity and sales of selected hotels in Uyo. The finding agrees with Kotler (2012) which states that Integrated Marketing Communications (IMC) concept has been largely regarded as an important marketing management issue because of the effectiveness of the integration of marketing communication tools such as advertising, public relations, direct marketing, sales promotion, and personal selling to optimize the communications impact on target consumers. According to Belch and Belch, (2011), by coordinating marketing communication efforts, companies can avoid duplication, take advantage of synergy among various promotional tools, and develop more efficient and effective marketing communication programmes. Advocates of IMC argue that it is one of the easiest ways for a company to maximize the return on its investment in marketing and promotion (Thomas, 2012). The move towards Integrated Marketing Communications approach is one of the most significant marketing developments that occurred during the 1990s, and the shift towards this approach is continuing as we begin the new century (Duncan, 2014). Therefore, applying holistic approach by utilizing Integrated Marketing Communications tool where different promotional methods in marketing company's products is more cost effective, easiest and fastest way to maximize return on investment and that is more sustainable. This means that higher levels of sales promotion, personal selling, advertising, public relations and direct marketing are associated with higher levels of brand equity and sales and vice versa. The study conclude that the Integrated marketing communication have effect on need recognition, information search, and evaluation of alternatives, decision and post-purchase evaluation offers the possibility to adopt strategic marketing decisions, based on correct understanding of consumer's judgments and actions.

Conclusion

This study examined the utilization of Integrated Marketing Communications tool to create brand recognition and sales in selected hotels in Uyo. It adopted advertising, sales promotion, personal selling and direct marketing as independent variables and dependent variable is brand equity and sales of selected hotels in Uyo, Akwa Ibom State. Based on the above findings, the study conclude that integrated marketing communication tools plays a vital role in the brand equity and sales of selected hotels in Uyo; and without such a tool an organization is bound to have decrease in consumer patronage. Advertising and direct marketing have a positive but insignificant effect on brand equity and sales of selected hotels in Uyo, Akwa Ibom State, this shows that effective and attractive advertising and direct marketing technique should be adopted to boost brand equity and sales of the organization. Sales promotion and personal selling had a positive but significant effect on brand equity and sales since the result shows that it creates awareness, generates interest in the services offered as well as differentiating company services from those of the competitors which directly contribute to sales. There was significant evidence to conclude that there is a strong and positive relationship between sales promotion and personal selling method used by an organization and the level of sale. The management of the hotels should consider investing in advertising on the internet and social media networks such as Facebook and Twitter as they represent the future of Advertising. They should also develop creative adverts that emphasize the benefits a customer will enjoy by using the company services. In the face of fierce competition there is the need for organization to obtain a larger share of the customer with the lowest cost possible. As a result of this, organization that wants to continuously thrive, should coordinate their marketing efforts by adopting Integrated Marketing Communications approach in order to avoid duplication and to take advantage of synergy among promotional tools and develop more efficient and effective marketing communication programmes to maximize returns on its investments.

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