Leveraging on Place brand Architecture for competitive advantage: A mediated regression analysis

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Abstract

The purpose of this paper is to investigate how place brand architecture can be used as a leverage to gaining competitive advantage in the field of tourism noting that it does not operate in a vacuum, three industry players' roles have been introduced as a mediators. This paper is based on a case of three distinct tourist destinations in Kenya: Nairobi City County and Nakuru County, Kisumu County The study used exploratory research design and collected primary data using structure questionnaires and applied mediated regression analysis. The results demonstrated that place branding architecture has a significant mediated relationship with competitive advantage. This paper outlines the benefits of using both types of brand architectures (House of brands and Endorse brand) in projecting what the destination represents and creating an impressionable image in the mind of the consumer. This paper will be helpful for tourism destinations with multiple tourist products who seek to market destination using a singular advert. This will require a Brand architecture that identify and reflect the entire destination. This paper proposes using a combination of all Brand architecture approaches to market a multifaceted destination.

Keywords: - 1. Tourism destination, 2. Tourism product offering, 3. House of brands, 4. Endorsed brands

1. Introduction

As tourism destinations face increased competition, the need to stand out intensifies. A destination with a diversity of tourism offerings has a better advantage. The multidimensionality and complexity of tourism destinations has made it challenging to apply simple messaging to effectively brand a destination (Zelenskyaya & Elkanova, 2019). Managers need to understand that to increase and achieve synergy, understanding the interrelationship is important (Nayyar, 1992). This is because it is largely a service based industry and its intangibility (experiential), inseparability and heterogeneity characteristics, further make constructing a less ambiguous, simplified marketing brand complex. Tourism destinations are endowed with an amalgamation of attractions like nature-based, cultural heritage resources (Zenker, Braun, & Peterson, 2017); accommodation such us hotels, lodges, and tented camps; catering facilities; mode transportation and related amenities.

They all serve different interests and are advertised based on the interests of both the supplier and the target market. However, as Asberg, (2015) and Varadarajan, Defanti, & Busch, (2006) noted, because of the need to ensure significant return, a lot of effort has been put by brand managers to achieve a balance between brand portfolios and invested brand resource tourism destinations have a multiplicity of attributes that appeal to different markets as such, other get more advertisement airtime than others. The idea is to focus and gain more from tourism destination brands and/or resources that have greater impact (Keller, Strategic Brand Management, 2003). This

paper seeks to enrich the discussion on leveraging on Brand architecture to achieve competitive advantage in Tourism destinations.

While cognizant of the fact that destinations do not operate in a vacuum, and that there are different players, the study argues that there is a mediated relationship between brand architecture and competitive advantage. That, for a destination with a diverse target group and tourism product offering, to successfully brand itself, it is not only essential to build and manage an appropriate brand architecture (Ahuja, 2014) but also invest in the creation of a multifaceted tourism products based on their location to present and communicate a desired image in a non-confused way. Brand architecture is very essential as it putting together a complex structure of brands. Application of brand architecture creates a valuable relationship among brands and guarantees success of other sub-brands and the whole destination (Freire, 2016; Harish, 2010). Applying Brand architecture to a destination is complex but not impossible, however it is not to say that implementation challenges do not exist (Zelenskyaya & Elkanova, 2019). Brand architecture is "the process of creating and managing portfolio of brands so that each sub part benefits the whole" (Kapferer, 2001). The study uses four major tourist destinations in Kenya. The study intends to highlight usefulness checking/ assessing of competitive advantage of brand architecture. This paper highlights the application of Brand Architecture in tourism destinations, its relationship with competitive advantage and industry players' contributions as mediating factors namely brand co-creation, brand association, and leadership. The discussion section highlights the benefits and challenges of a sub-brands strategy, and the paper concludes with a discussion of the research implications, limitations and avenues for future research.

2. Literature Review

2.1 Destination Brand Architecture and Competitive Advantage

The strategic competitiveness of a destination is contributed by how it is viewed. Before Tourist chose to visit a destination, there are certain determining factors they take into consideration and one of them is brand image. Central to any tourism policy is competitiveness. Branding is the most important marketing tool to destination marketing while increasing product parity and competition at a tourism market (Korkmaz, Mercan, & Atay, 2014). According to (United Nations World Tourism Organization (UNWTO), 2015), destinations is "a physical space in which visitors spend at least on overnight. It includes tourism products such as support services and attractions and tourism resources within one day's return travel time"

Destinations have unique identifiers and matching them with related identities is vital to achieving understanding of the overall brand strategy. Having one brand to represent a tourism destinations is rare and therefore requiring a combination of multiple brands to establish synergy, efficiency, flow and clarity as a strategy to help consumers relate and understand a destination offering (Brexendorf & Keller, 2017, Aaker, 2004). The definition of brand architecture as a concept describing the structural relationship between brands implies that it can be seen as one attribute presents in the brand portfolio. It attempts to influence tourists perception through understand and control the association. Depending on the brand architecture pursued, this can be evaluated through the assessment of brand equity based on market coverage and image redundancy gained through successful link or distance between tourist products images projected.

Ownership of portfolios are not the sole domain of single companies but also include those owned by competitors, clients and even partners. Brand architecture strategy helps in creating and labeling images in the mind of tourists to which they derive equity (Keller, 2012). Unlike physical goods, how brand architecture is perceive vary, physical goods brands can be measure however, destination or place brands are constructions of realities existing in the mind of individuals (Montero, 2002). Brand Architecture is structures as either, Monolithic also known as branded house (Aaker & Joachimstahler, 2000), Branded identity (Olins, 1989) mono brand (Saunders & Guoqun,

1996) or house of brands (Keller 1999) individual brand (Aaker & Joachimstahler, 2000). A mix of branded house and House of brands, Endorsement strategy, Sub brands endorsement, mixed branding, umbrella branding.

What branding architecture does is to assist in transfer of place or destination image association to the sub-brands and products in its portfolio and any reciprocal feedback effects from them (Brexendorf & Keller, 2017). Ahuja (2004) argued in favor of building an appropriate brand architecture for destinations where there are many divisions and subdivisions. A right architecture or framework would help in branding complex destinations which consists of many units and sub units in a clear and smooth way. Therefore, it is very essential for a destination to brand itself on the basis of some specified architecture which would brand the desired image of a destination in a non-confused way. This would lead to communicate the tourists the appropriate and desired image of the destination as well as what should they expect about the destination before their visit (Chartered Institute of Marketing, 2003, Lu, 2014).

This implies that the architecture should define the different leagues of branding within the firms or destinations; how the corporate brand and sub-brands relate to and support each other; and how the sub-brands reflect or reinforce the core purpose of the corporate brand to which they belong.

Securing visibility of destination brands require a strong correlation between brands as they will influence the general image and create either a positive or a negative image. Having ownership of a variety of brands in one portfolio can enable a firm to retain capacity in brand administration; but at the same time excessive number of brands can confuse the public and create marketing and managerial problems due to contradictions that might erupt among brands (Wang & Chung, 2015) According to (Winzar, Baumann, & Chu, 2018), stated that having a strong and valuable brand will become even more important in the next 10 years as consumer choice increases. But building and sustaining brand strength and value will become more challenging. Furthermore, a brand will need to build its business around a compelling core purpose that can be clearly and persuasively communicated. Success will require a brand to be meaningfully different in ways that are genuine for the brand and relevant to consumers. Brand will need to permeate all parts of the destination and be manifest in everything the destination represents.

Phillips & Hopelain, (2015) found out that, in order for firms to drive value and growth of their products, they need to configure their brands by using Brand architecture by way of enhancing: Clarity: Clarifies what the organization can do for customers by providing a coherent facet other offering and the business strategy. Efficiency: Increases marketing efficiency by ensuring brand leverage without overstretching. Focus: Provides direction for where to focus innovation and marketing investments by distinguishing strategic brands from others in the portfolio. Growth: Opens up new opportunities for growth by lending credibility from existing, successful brands. Equity: Enables equity to flow through the portfolio by defining the relationships between portfolio brands. From a strategic perspective, brands can be designed to deliver greater customer value by building a "brand ecosystem" that includes the value networks and interactions of these value networks at each stage of brand value building.

3. Methodology

3.1 Description of the study sites

Kenya as a tourist destination has an amalgamation of tourist attraction from sea, san and sand, wildlife, Cultural and Heritage, Sports, Meeting, incentives and exhibitions, amongst others. But what is most associated with Kenya is the Big Five personality, the Maasai culture and the coastal beaches. However that is not the limit of the Kenyan place brand.

The Study was based in three distinct Counties with a vast resources for tourism, that is, Nakuru, Nairobi and Kisumu Counties. Nakuru County, lies on the floor of the Great Rift Valley and takes upland coverage of 7,509.5 square kilometres. Nakuru County is home to several national parks, Rivers, geographical viewpoints, lodges and hotels, Golf clubs, Archaeological sites, Public grounds, tours and travel operating companies. It is growing fast and therefore numerous recreational facilities and business malls are being. Accessibility is easy both by road and rail. This makes an ideal study area because tourism contributes to 70% of its income and there are opportunities for further development of tourism facilities and services (KenInvest, 2017)

Nairobi County which turns out as Nairobi City is the capital City of Kenya and the largest city in East and Central Africa. The City has for over 100 years served as the centre of trade for the East African region and a global market for international trade and relations. The city is headquarters to various international agencies and organizations like the United Nations Environmental Programme (UNEP), besides serving as home to international dignitaries.

Nairobi City has the Jomo Kenyatta International Airport, the Wilson Airport amongst other airstrips. The inland dry port is located at Embakasi in Nairobi City. The Kenyatta International Conference Centre (KICC) is used by local, regional and international organizations and entities to hold conferences. The County takes up a total land area of 694.9 square kilometres. The Jomo Kenyatta International Airport and the Wilson Airport have greatly influenced tourism in the county by easing landing and taking off of major flights. Nairobi also has a rail network; which serves various estates in the eastern side of the county.

Kisumu County is situated in the Shores of Lake Victoria, Africa's largest inland lake and the world's second largest fresh water lake. It covers an area of 2,085 sq Km It forms part of the western tourism circuit. It has a lot of cultural and national history dating back to 1901 and lately it has become a favorite destination for conference tourism, alongside other attractions like museums, theatres, rock formations and viewpoints which makes Kisumu a popular tourist destination. Kisumu County can be accessed by road, air through Kisumu international airport and rail.

3.2 Target and Sample Population

The target population included marketing managers from licensed tourism firms obtained from different sources that is; the Kenya travel guide, travel advisor, Kenya association of Hotel keepers and Caterers. In total, the numbers of establishments in the three counties are estimated to be 442. The study did not dwell on the entire population but was be restricted to a sample. To determine the number of respondents needed in order to get results that reflect the target population as precisely as possible Krejcie and Morgan (1970) and Allen (1996) matrix was used to generate a sample of 369 respondents.

3.3 Sampling techniques and Procedures

This study employed purposive sampling and simple random sampling techniques to select the sample. Purposive sampling technique was used to select the travel agencies, tour operators, and tourist attractions. Purposive sampling technique ensures the inclusion of samples based on typicality, and is used to collect focused information. Simple random sampling was used to select hotels and it ensures that each member of the target population has an equal and independent chance of being included in the sample. Marketing managers and or officers employed by the organizations were chosen purposively because they are deemed fit to address the key objectives presented. Snow balling was also used as it appeared that there were new tourism firms within areas which were licensed but not updated in the list. This helped fill the gap of firms which shut down but are still registered.

3.5 *Primary Data collection*

This was collected afresh from the study areas through the use of questionnaires. The data was obtained mainly from the respondents who comprised of, tourism service providers' marketing managers. Questionnaires with semi-structured, questions and were administered to the various groups of respondents. The questionnaire consisted of two sections. Section one contained questions on general profile of respondents. It solicited socio economic and profiles of the respondents that is; gender, occupation, age and education levels, nationality and number of years on the job. Section two consisted of areas representing all the objectives. As suggested by Madrigal (1993), both positive and negative statements were included. A five-point Likert scale was used because it was seen to capture a range of views on most issues and would therefore tell apart individuals effectively with minimum categories (Aaker and Day, 1990).

3.6 *Data Analysis*

In this study, an assessment on the mediated relationship between Brand Architecture is done. Mediation implies that the effect the independent variable hereby known as brand architecture on the dependent variable hereby known as Competitive advantage can be best explained using a third mediator variable hereby known as industry player roles of Leadership, co-creation and brand association. I.e. instead of X causing an effect on Y directly, X is causing the mediator M, and is in turn causing Y. The relationship is said to be indirect. Using the Process v3.5 for SPSS by Andrey Hays (2020) the results indicated that Leadership, Co-creation and Brand Association are partial mediator. Simple Linear regression analysis was conducted to assess each of the components of the proposed models. Fig. 3.1 show the statistical diagram representation depicted by two equations: $M = i1 + aX + eM$ and $Y = i2 + cX + bM + eY$. Where i1 and i2 are regression intercepts, eM and eY are errors in the estimation of M and Y respectively and a, b and c are coefficients. To ensure that the Items are reliable Cronbach alpha test was conducted and it yielded .763 for competitive advantage and .730 for brand architecture. This implied that there was a very strong correlation. Data was collected using structured closed ended questionnaires from marketing managers in various tourism establishment within the study areas.
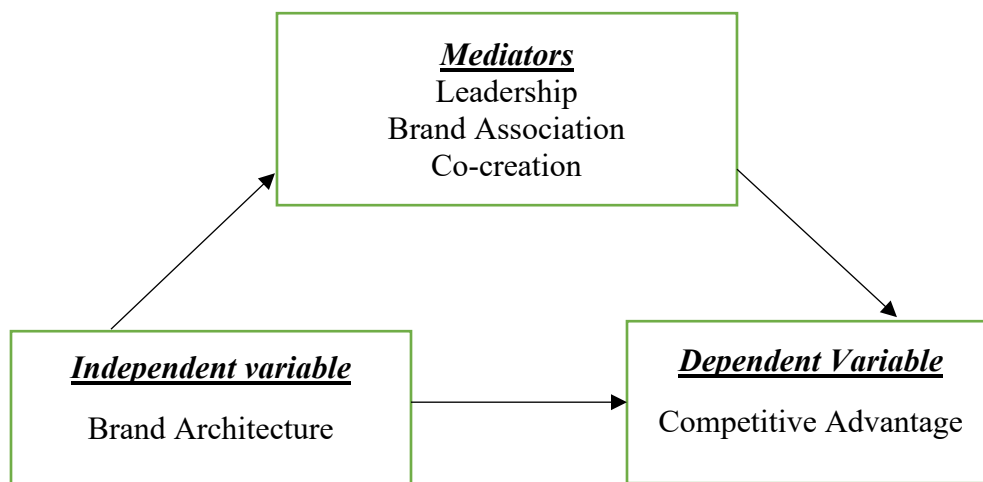

Fig. 3.1 Mediation statistical Diagram

4. Results

4.1 Descriptive Analysis
To set the pace for mediated regression analysis, descriptive analysis indicated that based on   pictorials of images that appeared first from the web on how Kenya is projected and in turn were showed to the respondents who were then asked to evaluate the general impression of the pictures in terms of believable, complete, trustworthiness, unbiased and accurate. The results showed that 90% of the respondents felt that the images were believable, 81% said it was complete, 81% said they were trustworthy, 64% said they were unbiased and finally 74% indicated that they were accurate representation of Kenya as a tourist destination. To assess whether an association exists between the Web Impressions and Competitive advantage variables, Chi-square test of independence was performed. The conclusion was that the variables are not independent of each other and that there is a statistical relationship between the categorical variables with a P=0.001<0.05.

The respondents were require to indicate to what extent they agree with the Brand Portfolio strategy for Kenya noting that House of Brand strategy is where the parent Brand can be on the basis of the attractions available and Endorsed brand strategy is where Kenya is the main brand with key values which are endorsed. The results indicated that 66.9% agree that Kenya should adopt a House of Brand strategy, while 61.4% agree that Kenya should adopt an endorsed brand strategy, while 75.3% agree that Kenya should adopt both strategies. When examining the relation between brand Portfolio and competitive advantage, a Chi-square test of independence was performed. The conclusion was that the variables are not independent of each other and that there is a statistical relationship between the categorical variables with a P=0.038<0.05.

When asked whether, Kenya's existing brand supports the countries position and name 78% agreed. Furthermore, respondents agreed that Kenya's existing brand supports the countries position and name although its brand architecture lacks clarity and focus, (58.1%). Further, to elucidate the relationship between variables on how Kenya is viewed as a brand and its competitiveness, the chi-square test of independence indicated that indeed they are all dependent on each other with P=0.001<0.05 as per the table shown below.

4.2 Mediated Relationship for Brand Architecture and Competitive Advantage
Mediation regression analysis was done to investigate the hypotheses that industry players mediate effect of brand architecture on Competitive advantage of Tourism firms in Kenya. Each mediator was observed separately to determine which one of the mediators under the umbrella of industry player roles had a significant effect. Results indicated that the Destination branding is partially significant predictors of Industry player roles, b=.370, SE= .299, P< 0.05, and the industry player roles are significant predictors of Competitive advantage, b=.233, SE=.036, p<0.05. In general these results support the meditational hypothesis. Specifically Leadership indicated a stronger significance of P<0.05 = 0.004. Approximately 42% (R^2=.423) of the variance was tested using a bootstrap estimation approach with 5000 samples.

5. Discussions

According to Carvallo, (2015) an assessment of the destination image which does not adopt a branding perspective is inevitably reductive, taking into account the competitive context of tourist destinations. Fundamental questions of brand architecture that are vital to note include: What to call new products, whether to give it a descriptive name or a brand name, brand levels to adopt, whether to adopt only one brand name within the company, level of visibility to be given to the corporate name, group name and the company name itself, bring everything together under this one name, more generally, or have a different name for the company and the commercial brand.

As the fourth most competitive destination in Africa, the general web impression given by the Kenya tourism Board, Ken-Invest and Brand Kenya Websites elicit some kind of reaction from those who visit the site. The results as presented, indicated respondent are in agreement that the general impression given by the picture is that

they are believable, trustworthy, accurate, complete and unbiased in that order using a bipolar effect. In website design and management, simplicity is the key. This supports the fact that if a website is full of passages and difficult is to access, visitors do not find creativity, or easiness, to approach information and interest, and they will not come again. Usages of website are to generate equity, brand development and support online sales and marketing. Hence, it is vital to take care of website development.

Freire (2016) argues that branding is a complex concept to apply to a destination. One of the main challenges is the functional definition of the brand and the areas covered by the destination brand. It is relevant to acknowledge that political borders of a destination are not necessarily the same as the destination brand borders. Thereby the need for a Brand Portfolio Strategy for Kenya, noting that House of Brand strategy is where the parent Brand can be on the basis of the attractions available and Endorsed brand strategy where Kenya is the main brand with key values which are endorsed. The respondents indicated their preference to the adoption of both strategies. Ghodeswar, (2008) underscores the fact that a set of brand associations enable a brand to develop a rich and clear brand identity. While some customers may attach greater importance to functional benefits, emotional value helps the brand stand above others. Building brand associations requires a company to understand its brand as well as competitors' brands through customer research.

5.1 Managerial Implication
From this study it is true that marketing managers are lead persons in marketing Kenya's tourism products. It is important to note that the success of Kenya's tourism industry firms such as hotels, tour operators' attraction transportation means the success of Kenya as a tourism destination. The challenges faced by companies in building brands are: to be noticed, to be remembered, to change perceptions, to reinforce attitudes, and to create deep customer relationships (Aaker and Joachimsthaler, 2000). A differentiated, "ownable" brand image can build an emotional and rational bridge from customers to a company, a product, or a service (Knapp, 2000). The intangible factors used in building brand equity include "user imagery", "usage imagery", the type of personality the brand portrays, the feeling that the brand tries to elicit in customers, and the type of relationship it seeks to build with its customers (Keller, 2000). The service providers and the destination marketers are keen to attract the tourists or visitors to their destinations and are participating in a variety of branding initiatives such as the use of taglines and logos in order to attract visitors to their respective destinations.

Therefore is crucial for Kenya to develop a brand portfolio that creates synergy between all tourism offerings across the country and to have a brand architecture that resonates well with all stakeholders. Organizations need to be oriented to the Kenyan brand and be proudly associated with the brand. This will contribute to the overall competitiveness of the destination. Tourism, is one of the fastest growing industries worldwide, it creates opportunities for increased competitiveness of destinations. The more attractive a tourist destinations, the more it attracts tourists which results in the better economic performance of the destination. Moreover, having positive impact on the tourism sector, building and maintaining a powerful destination brand is expected to positively influence other sectors of the economy. The concept of Destination Brand architecture offers destinations a structure in which they can differentiate themselves from other destinations offering similar experiences.

6. Conclusions

Developing a destination brand architecture should involve all player and/or stakeholders. All efforts to promote Kenya as a competitive and attractive destination should be involve all stakeholders under the leadership of the Tourism marketing board which is charged with the responsibility to market Kenya's brand, to create, develop and communicate a national brand that can be the foundation of a positive nuance with Kenya, Kenyan people,

and products of Kenyan origin. Efficient and accessible flow of information to all parties involved in creating a brand image is vital in undertaken activities. Indeed, using the portfolio approach allows companies to re-evaluate their strategy quickly. In the case of Kenya's destination brand Portfolio being efficiently managed, Co-operations are trying to avoid conflicting with the Kenyan the national brand identity. Positioning is related with creating the perception of a brand in the customer's mind and of achieving differentiation that it stands apart from competitors' brands/offerings and that it meets the consumer's needs/expectations. Brand marketer's major objective should be to create the desired perception in the target consumer's mind. A brand position is part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates and advantage over competing brands (Aaker, 1996). Marketers must be able to understand how various entities should best be combined, from a consumer brand-knowledge perspective, to create the optimal positioning in the minds of consumers Destination brand because its individual tourism components are managed to create complete and compelling identity, this is further supported by the fact that due to the globalization around the world the tourist destinations are also becoming highly competitive.

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