

Effect of Integrated Marketing Communication on Marketing Performance: The Difference between Chain Hotels and Independent Hotels in Vietnam

Nguyen Thi Huyen Ngan*, Ho Tung Mau**, Cau Giay**, Ha Noi**, Nguyen Thi Quynh Huong**,
Nguyen Viet Thai***, Vuong Thuy Linh****

Abstract *This paper aims to explore the effect of integrated marketing communication (IMC) on marketing performance in hospitality industry. From firm-wide approach, IMC is viewed more broadly with its integration throughout the organization, not only integration of mass media elements to produce a consistent message. This approach has improved IMC measurements, but many studies have neglected the roles of controlling of the IMC process, the difference in the impacts of IMC on marketing performance between chain hotels and independent hotels has not been examined and evaluated. This paper completes measurement scales and evaluates the effects of IMC on marketing performance in the hospitality industry by using primary data collected from 198 managers of various levels from 4-to-5-star hotels in Hanoi - the capital of Vietnam, including chain hotels and independent hotels. The research findings reveal IMC factors that have an effect on overall marketing performance (including sales-related performance and brand-related performance) and the difference in their effect on 2 groups of hotels. Specifically, with chain hotels, 5 factors affecting the marketing performance in declining order are interactivity, controlling, consistent communication, planning and organizational infrastructure while with independent hotels, the factors with effects in declining order are controlling, planning, consistent communication, interactivity and organizational infrastructure. The study provides some recommendations regarding the IMC process to improve the sales-related performance and brand-related performance of chain hotels and independent hotels.*

Keywords: *Integrated Marketing Communication, Marketing Communication, Marketing Performance, Luxury Hotels*

INTRODUCTION

Communication has been a topic of concern to many researchers and scholars. Marketing communication was developed in the late twentieth century based on integrated marketing communication (IMC) theory, where communication messages, tools, and means are closely integrated to ensure that the messages can be delivered consistently and persuasively. This is considered a more effective mode of communication because it can adapt to market changes quickly. Enterprises can communicate with customers about the advantages and values of their products using IMC, allowing them to create customer recognition and preferences for their products as well as build favorable

images and customer loyalty. IMC becomes increasingly important because the hospitality industry is seasonal, service demand is price elastic, alternative products are available, word-of-mouth information is crucial, the fourth Industrial revolution is booming. Furthermore, customers feel dispersed in the complicated marketing environment in the hotel and tourism market, which has high levels of dispersion. Therefore, all messages and information sources must be combined to provide a consistent message to customers via IMC.

“Several authors have examined a number of interrelated factors that have led to the emergence of IMC as the new paradigm needed to manage communication: technological

* Thuongmai University, Cau Giay, Hanoi, Vietnam. Email: ngan.nth@tmu.edu.vn; ORCID: 0009-0002-4171-1207

** Thuongmai University, Cau Giay, Hanoi, Vietnam. Email: huong.ntq@tmu.edu.vn; ORCID: 0000-0003-1912-6917

*** Thuongmai University, Cau Giay, Hanoi, Vietnam. Email: thainv@tmu.edu.vn; ORCID: 0000-0003-3808-8274

**** Thuongmai University, Cau Giay, Hanoi, Vietnam. Email: linhvuong@tmu.edu.vn; ORCID: 0009-0005-5881-9865

turbulence, competitive intensity, the reduced reliance on mass marketing, communications, the increasing relevance of customized communications needed to adopt the relationship-marketing orientation and the fragmentation of media and audiences" (Porcu, del Barrio-García, Alcántara-Pilar & Crespo-Almendros, 2019). Therefore, many scholars have called for further empirical research to promote the development of IMC theories, emphasizing the importance of researching to measure IMC and its relationships with brands and customers is emphasized (T. Duncan & Mulhern, 2004; Kitchen, Brignell, Li & Jones, 2004). *'In this regard, previous studies addressing the role of IMC in the tourism sector, and especially in the hospitality industry, were performed using extant IMC measurement tools based on a narrow-approach focusing exclusively on the coordination of the marketing mix'* Porcu et al. (2019). Porcu et al. (2019) conducted a recent study that approached IMC from a broad organizational approach, in which IMC is related to integration throughout the organization. However, this study does not consider IMC to be a complete management process with various stages of planning, implementation and controlling. Meanwhile, Porcu et al. (2019) emphasized that *'several scholars have emphasized the need for the usage of measurements that capture the essence of IMC as a firm-wide organizational process'*. Therefore, it is necessary to conduct research to identify the important factors of IMC with positive impacts on marketing performance of hotels. Furthermore, as there exists a considerable difference between chain hotels and independent hotels, it is imperative to investigate if there is any difference in the impacts of IMC on marketing performance of the two groups of hotels and how different they are.

This paper aims to fill in the current research gap of IMC by evaluating the effects of IMC on marketing performance in the hospitality industry. Researching the effects of IMC on marketing performance is important to identifying the main contents that need to be obtained in different steps of marketing communication management to bring the highest values to hotels. To address the research questions, the paper must review research on IMC and its relationships with marketing performance, as well as propose and test a research model to clarify the correlations between IMC and marketing performance of hotels as well as test the differences in the impacts of IMC on marketing performance of chain hotels and independent hotels

LITERATURE REVIEW

Integrated Marketing Communication

IMC has been a topic of concern to many authors. A review of IMC research reveals approaches to IMC from both narrow and broad organizational approaches.

IMC from a Narrow Approach

From the inside out, IMC cares about the integration of mass media elements to produce a consistent message, using various IMC tools and capitalizing on the strengths of each tool to gain synergy. *'For sales promotions to be supported by advertising and direct mail to use advertising themes and imagery. The customer as a recipient of all marketing communications is largely insensitive to discipline type, viewing everything as advertising, and so it makes sense to treat their effect as cumulative and complementary rather than isolated and separate'* (Brown, 1997). IMC is defined as the *'strategic coordination of all messages and means of communications used by an organization to influence the perception of the value of a brand'* (T. R. Duncan & Everett, 1993). This viewpoint emphasized the process of using all IMC tools to maximize communication influences. From this approach, IMC has not yet mentioned customers (T. Duncan & Caywood, 1996; Kitchen & Schultz, 1999), evaluation, customer orientation, and interactivity (Kitchen & Schultz, 1999).

The outside-in approach to IMC has addressed the above problems by focusing on customer orientations. IMC is the process of planning and implementing various forms of communication programs overtime to influence customer behavior (Kotler, 1994; Don E Schultz, 1992). According to Kotler and Keller (2013), IMC is *'the means by which firms attempt to inform, persuade, incite, and remind consumers directly or indirectly – about the brands they sell'*. This viewpoint shows that the IMC process stems from customers, then identifies the form and methods to develop communication programs effectively, with an emphasis on nurturing customer relationships and feedback (Duncan & Caywood, 1996). However, this viewpoint has yet to mention the evaluation in IMC (Duncan & Caywood, 1996).

From a narrow approach, efforts to measure IMC mostly rely on earlier definitions when *'measuring IMC as the mere coordination of marketing communications tools and messages'* (Porcu et al., 2019). The IMC dimension contains *'one voice marketing communication'*, *'coordinated marketing communication'* and *'integrated communications'* (Nowak & Phelps, 1994); public relations, advertising, direct selling, sales promotion (Reindrawati, Suriani & Asmorowati, 2019). In the hotel sector, some research has been done in this approach, but many scholars emphasize the importance of viewing IMC through the lens of a broad organizational approach and management process (Christensen, Firat & Torp, 2008; Don E Schultz, Kim & Kang, 2014).

IMC from Firm-Wide Approach (a Broad Organizational Approach)

IMC is viewed more broadly with its integration throughout the organization, where it is considered as *'a strategic*

business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communication programs over time with consumers, customers, prospects and other targeted, relevant external and internal audiences' (Schultz, 2004). According to Kliatchko (2005), this viewpoint covers almost all of the previous definitions and *'definition supplements other IMC definitions through its employment of the terms business process, evaluation, and measurability'*. This viewpoint illustrates that IMC is an ongoing and interactive process that combines various functions such as planning, implementation, and evaluation, as well as the integration of all communication elements. Approaching from this approach, to measure IMC, many researchers have used and further developed the measurement scales of Duncan and Moriarty (1998), which include five dimensions: mission marketing, planning and evaluation, organizational infrastructure, strategic consistency, and interactivity.

Planning and evaluation is an ongoing process of establishing goals, identifying IMC tools and programs, building criteria, and selecting evaluation methods. Planning and evaluating has one item related to *'using type of tracking study to evaluate the strength of our relationships with customers and other key stakeholder groups'* (Duncan & Moriarty, 1998; Reid, 2005). Završnik and Jerman (2011) believed that this item is not specific and can be confusing. In their opinion, controlling evaluation, measurement, supervision is a dimension mentioned in almost all definitions of IMC and a top concern for many researchers. Therefore, from the management process approach, controlling is a factor that should be added to the measurement scale.

Controlling refers to managers' efforts to have an impact on marketing activities to gain the expected results. *'Within the formal class, Jaworski distinguished between output and process control on the basis of the timing of intervention. Output control is exercised when performance standards are set, monitored, and the results evaluated. Process control is exercised when the firm attempts to influence the means of achieving desired ends'* (Jaworski, Stathakopoulos, & Krishnan, 1993). Organizational infrastructure relates to the strength of the organizational infrastructure model and the cross-functional relationships in the organization (Reid, 2003; Vantamay, 2011). *'Organizational infrastructure is operationalized as a level of participation of representatives of various functions in decisions related to marketing communications brand'* (Završnik & Jerman, 2011), *'alignment of horizontal and vertical communication processes', 'share of corporate values and goals (among managers and employees)', 'cross-functional coordination and collaboration'* (Porcu, Del Barrio-Garcia & Kitchen, 2017).

Consistent communication is a fundamental dimension in IMC that is established in the first stage; it is *'related to the*

coordination of all messages and market mix elements in the promotion of brands' (Reid, 2003). Customers must receive consistent messages that support brand building (Duncan & Moriarty, 1998).

Interactivity is a dimension *'relating to the processes that link customers to the company and its brands'* (Reid, 2003). IMC focuses on interactivity, which means communicating from speakers to listeners and vice versa; it does not aim at one-time persuasion and communication but rather ongoing interactions via the establishment of relationships.

Research from a broad organizational approach has improved IMC measurements. In the hospitality industry, Porcu et al. (2019) looked into IMC dimensions and the relationships between IMC and market performance. This is among the first IMC research from a broad organizational approach in this sector, but the research neglected the roles of controlling, despite its being an important factor in IMC. Our research aims to fill in this research gap by completing measurement scales and evaluating the effects of IMC on marketing performance in the hospitality industry.

Relationships between Integrated Marketing Communication and Marketing Performance

IMC theory reveals that via IMC, enterprises can influence customer behavior to fulfill their targets, including sales and brand-oriented ones. Earlier research all emphasized the roles of IMC in improving results. Literature review reveals that IMC has a positive effect on marketing performance, *'managers and practitioners consider firm-wide IMC as a key competitive advantage and a relevant way to improve performance'* (Porcu et al., 2017). The research by Low (2000) illustrates that IMC is closely linked with marketing performance in terms of revenue, market share, and profits. The research findings indicate that higher IMC is positively related to economic and financial performance (Porcu et al., 2017). *'Greater implementation of integrated marketing communications could be associated with a higher brand performance'* (Završnik & Jerman, 2011). Duncan and Mulhern (2004) stressed that IMC is related to customer satisfaction and loyalty. In the hospitality industry, Šerić, Gil-Saura and Ruiz-Molina (2014) discovered that IMC has a positive and significant effect on brands, including loyalty. However, this research approached from the perspective of customer perception on consistent message but did not evaluate the overall effects of the IMC management process. More recently, Porcu et al. (2019) studied the effects of IMC on market performance, such as sales-related performance, a brand advantage, and customers satisfaction from a firm-wide approach, but their research still neglected the dimensions of planning and controlling. Previous research has not yet

tested the difference in the impacts of IMC on marketing performance between chain hotels and independent hotels.

Planning has a positive effect on marketing performance, including sales-related performance and brand-related performance (Reid, 2003; Vantamay, 2011). There has been no specific evidence of this relationship in the hospitality industry. The following hypotheses are proposed:

H1: Planning has a positive effect on marketing performance.

H1a: Planning has a positive effect on sales-related performance.

H1b: Planning has a positive effect on brand-related performance.

Managers should focus on developing organizational infrastructure because it is an important dimension in IMC (Završnik & Jerman, 2011). Some research has demonstrated that organizational structure has a positive effect on marketing performance (Porcu et al., 2019; Reid, 2003; Vantamay, 2011; Završnik & Jerman, 2011), specifically on sales-related performance and brand-related performance (Reid, 2003; Vantamay, 2011). However, further research is needed to affirm this relationship in the hospitality industry. The following hypotheses are proposed:

H2: Organizational infrastructure has a positive effect on marketing performance.

H2a: Organizational infrastructure has a positive effect on sales-related performance.

H2b: Organizational infrastructure has a positive effect on brand-related performance.

The IMC integration theories indicate that customers integrate their perception of a series of messages that they receive (Moriarty & Schultz, 2000), 'IMC can produce a stronger consistency of message and help build brand equity and create a greater impact sales' (Keller, 2009). 'IMC enables companies to connect their brands with people, places, events, brand, experiences, feelings, and other things. They can contribute to brand equity by embedding the brand in memory and create a brand image and drive sales and even affect shareholder value' (Keller, 2009). Consistent communication has a positive effect on marketing performance (Porcu et al., 2019; Reid, 2003; Vantamay, 2011; Završnik & Jerman, 2011), sales-related performance (Vantamay, 2011), brand-related performance (Reid, 2003; Vantamay, 2011). However, further research on this relationship in the hospitality industry is required. The following hypotheses are proposed:

H3: Consistent communication has a positive effect on marketing performance.

H3a: Consistent communication has a positive effect on sales-related performance.

H3b: Consistent communication has a positive effect on brand-related performance.

Interactivity is important in IMC, 'bidirectional communication has a positive impact on marketing communication effectiveness' (Jerman & Završnik, 2012). This dimension emphasizes 'the importance of communications activities that are intended to generate the customer's behavioral responses and tangible results such as increases in sales and customer retention rates' (Peppers & Rogers, 1993), 'use of databases is critically important to generate purchase actions in the target market' (Caywood & Duncan, 1996; Kitchen & Schultz, 1999). Interactivity has a positive effect on sales-related performance (Reid, 2003), customer satisfaction, and loyalty. More research on this relationship in the hospitality industry is required. The following hypotheses are proposed:

H4: Interactivity has a positive effect on marketing performance.

H4a: Interactivity has a positive effect on sales-related performance.

H4b: Interactivity has a positive effect on brand-related performance.

Control and the effects of controlling on marketing performance are research gaps in IMC empirical research. In broader marketing research, Jaworski et al. (1993) provided evidence that controlling has a positive effect on the business performance of enterprises, such as sales, market share, profitability, and satisfaction. 'Formal controls provide feedback for the marketing department on its performance against the objectives, such feedback helps the department to adjust its marketing strategies or apply efforts to work more efficiently toward these objectives' (Liang & Frösén, 2020). Therefore, it is necessary to confirm whether there is a relationship between IMC controlling and marketing performance. The following hypotheses are proposed:

H5: Controlling has a positive effect on marketing performance.

H5a: Controlling has a positive effect on sales-related performance.

H5b: Controlling has a positive effect on brand-related performance.

Reviewing previous studies indicates that there has not been much research on the impacts of IMC on marketing performance in the hotel sector. One of the first research in this area conducted by Šerić et al. (2014) mentioned 5 components of MCM, including: consistency in communication tools and channels, consistency in vision of the messages, consistency in language of the messages, consistency in brand image and consistency in the long term. Brand equity developed on the basis of measurement criteria

of Kim (2003) includes 3 factors of brand image, perceived quality (satisfaction) and loyalty. These findings match with previous studies, however, this research took an approach from customers perceiving Consistent Marketing rather than investigated other components of MCM.

Question: Is there difference in the impacts of IMC on marketing performance between chain hotels and independent hotels?

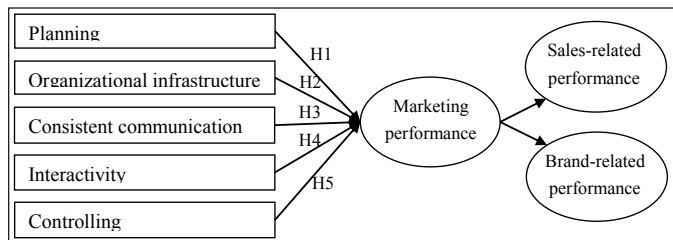


Fig. 1: Proposed Research Models

RESEARCH METHODS

Research Context and Sample

The research was conducted in Hanoi, Vietnam’s capital and the country’s political and economic center, and also a popular tourist destination for both local and international visitors. Hanoi is home to many luxury hotels, and its hospitality industry is booming with the entry of more hotels. In Hanoi, there are 568 accommodation units ranked 1 – 5 stars and standardized level, including 32 luxury hotels accounting for 5.7% of the total number of hotels but representing 34.3% of the total accommodation rate (according to Hanoi Department of Tourism). Among these, 18 hotels belong to world-famous chain hotels such as Accor Hotels, Hilton Worldwide, Hyatt International, Marriott International, Meliá Hotel International, etc. and 14 independent hotels. In comparison with independent hotels, chain hotels receive supports from the groups via franchise contracts, management contracts and enjoy brand advantages so they

can easily access customers, save marketing communication costs, enjoy supports in strategies, procedures, technology and training. By contrast, independent hotels develop in their own ways and are often more flexible in marketing communication decisions.

Hanoi is the country’s capital, a political center with many agencies, organizations, and enterprises, also a popular destination for many local and foreign tourists. During the 2016-2019 period, the number of visitors to Hanoi increased continuously with an annual growth rate of 21.2%, accounting for 39.6% of the entire country; the number of domestic visitors gained a growth rate of 7.5% a year, accounting for 26.4% of the entire country (according to Hanoi Department of Tourism). As such, Hanoi plays an important role in the development of Vietnam’s hospitality industry. In 2020, the impact of the COVID-19 pandemic reduced the capital’s occupancy rate by 25.36% (according to the Hanoi Department of Tourism). The competitive market and the pandemic have posed lots of challenges to Vietnam’s hospitality industry. Therefore, it is significant to evaluate the roles and importance of applying IMC in luxury hotels in Hanoi -the groups of hotels that take the lead in developing hotel sector in Hanoi - to adjust its management and devise solutions to improve hotel marketing performance.

The researched participants were managers from 32 luxury hotels in Hanoi. According to Hair (2009), for EFA, the rate of observation/observation variables is a maximum of 5:1. With multiple regression analysis, according to Tabachnick, Fidell and Ullman (2007), the sample size was $\geq 50 + 8m$ (m is the number of independent variables). This research used 37 observation variables, so the minimum sample size of quantitative research was 185 to ensure the number of collected questionnaires and increase reliability. About 320 questionnaires were delivered using the random sampling method. The survey was conducted from August to December 2020. Questionnaires were delivered directly and via email to managers of Hanoi’s luxury hotels. There were 217 questionnaires collected with 198 of them being valid (equal to 61.88%) (Table 1).

Table 1: Research Sample Descriptions

Indicators		Chain Hotels		Independent Hotels		Total	
		Frequency	%	Frequency	%	Frequency	%
Gender	Female	59	29.80	44	22.22	103	52.02
	Male	42	21.21	53	26.77	95	47.98
	Total	101	51.01	97	48.99	198	100.00
Age	Under 30	15	7.58	17	8.59	32	16.16
	30 - 39	37	18.69	34	17.17	71	35.86
	40 - 50	43	21.72	41	20.71	84	42.42

Indicators		Chain Hotels		Independent Hotels		Total	
		Frequency	%	Frequency	%	Frequency	%
	Over 50	6	3.03	5	2.53	11	5.56
	Total	101	51.01	97	48.99	198	100.00
Qualifications	University, college	89	44.95	87	43.94	176	88.89
	Master	12	6.06	10	5.05	22	11.11
	Total	101	51.01	97	48.99	198	100.00
Years of Working in the Hospitality Industry	Less than 10 years	49	24.75	40	20.20	89	44.95
	10 – 15 years	29	14.65	34	17.17	63	31.82
	15 – 20 years	17	8.59	20	10.10	37	18.69
	Over 20 years	6	3.03	3	1.52	9	4.55
	Total	101	51.01	97	48.99	198	100.00
Years of Working as a Hotel Manager	Less than 10 years	49	24.75	57	28.79	106	53.54
	10 – 15 years	31	15.66	25	12.63	56	28.28
	15 – 20 years	18	9.09	14	7.07	32	16.16
	Over 20 years	3	1.52	1	0.51	4	2.02
	Total	101	51.01	97	48.99	198	100.00
Management Positions	Division manager	80	40.40	82	41.41	162	81.82
	High-ranking manager	21	10.61	15	7.58	36	18.18
	Total	101	51.01	97	48.99	198	100.00

Developing Measurement Scale

Measurement Scale for Integrated Marketing Communication

Measurement scales were established based on previous studies and via in-depth interviews with 9 experts in hospitality, tourism, and marketing.

Planning: Measurement scales for planning was proposed by Duncan and Moriarty (1998) and have been used by various authors. Duncan and Moriarty (1998) emphasized the importance of SWOT analysis in making plans, ‘using a zero-based approach in marketing communication planning’, ‘first priority is given to fully utilizing intrinsic brand contact points before investing in creating new brand contact points’, and ‘maximize the unique strengths of the various marketing communication tools’. Besides, Završnik and Jerman (2011) believed that planning aims to create annual plans in a way that allows customers to interact with brands. In other words, ‘marketing communications strategy is based on a close scrutiny of the stages of the customers’ buying process such as brand awareness, information search, showroom visit, and purchase’ (Lee & Park, 2007). Završnik and Jerman (2011) believed that IMC targets should be built based on the overall goals of enterprises. As such, the measurement scale for planning is established

by adjusting the measurements of Duncan and Moriarty (1998), Reid (2005), Lee and Park (2007), which include 6 items: SWOT analysis; following stages in the buying process of customers; a zero-based approach; IMC goals are established based on target marketing and overall goals of enterprises; first priority is given to fully utilizing intrinsic brand contact points; maximize the unique strengths of the various marketing communication tools.

Organizational Infrastructure: IMC is considered as the responsibility shared by all departments and employees, not just of the marketing department (Duncan & Moriarty, 1998). Organizational infrastructure ‘highlights the role of internal synergy, intended as top-down, bottom-up and horizontal integration at organizational and corporate levels’; ‘the arrangement of organizational process, the expansion of boundaries between departments; encouraging and promoting a collaborative culture and climate is highly relevant in order to activate cross-functional coordination mechanisms’ (Porcu et al., 2017). The roles of managers are emphasized by Duncan and Moriarty (1998) who believed that managers ‘have a good understanding of the strengths and weaknesses of all major marketing communication tools’. Moreover, communication relationships with communication intermediaries must also be maintained frequently, according to Porcu et al. (2017), all functional departments of enterprises, even when outsourcing, must

participate in the communication process. As such, the measurement scale of organizational infrastructure based on adjusting the measurement scale of T. Duncan and Moriarty (1998), Reid (2005), Vantamay (2011), contains 7 items: *IMC is the responsibility of all departments and employees; vertical internal communication by ensuring that the information flows through all the hierarchical levels of the organization; horizontal internal communication by ensuring that all organizational areas acknowledge the goals pursued by the organization; managers have a good understanding of the strengths and weaknesses of all major marketing communication tools; cooperative culture is promoted to activate collaboration in the organization; encouraging and promoting a collaborative culture and climate is highly relevant in order to activate cross-functional coordination mechanisms; training all human resources to enable them to develop cooperation and coordination skills; major communication agencies have at least monthly contact with each other.*

Consistent Communication: Consistent communication refers to the consistency of specific communication images with the brand's big ideas (Jerman & Završnik, 2012), *'big idea is conceptually broad enough to allow for compatible subcampaigns aimed at all key stakeholder groups'* (Duncan & Moriarty, 1998). IMC aims to create brand images by creating consistent messages through various communication tools such as advertising, personal selling, public relations, sales promotion (Lee & Park, 2007), and combining messages from all departments (Porcu et al., 2019). It is necessary to *'maintain consistency in all visual components of communication (e.g., trademarks, logos, models, and color)'* and *'in all linguistic components of communication (e.g., slogans and mottos)'* (Lee & Park, 2007). This was proved by Porcu et al. (2019) via empirical evidence when researching the hospitality industry. As such, the measurement scale for consistent communication based on adjusting measurement scale of T. Duncan and Moriarty (1998), Reid (2005), Lee and Park (2007), Vantamay (2011) contains 5 items: the big ideas are broad enough; the integrated messages are delivered from all departments; the integrated messages are delivered via all IMC tools; maintain consistency in all visual components of communication, maintain consistency in all linguistic components of communication.

Interactivity: *'Media plan is a strategic balance between mass media and one-to-one media'* (Duncan & Moriarty, 1997). *'The consumer information that is generated in the course of marketing communications activities is compiled'* (Lee & Park, 2007), Duncan (2002) believed that it is necessary to control all messages sent to customers and increase conversations with them. To facilitate interaction, it is necessary to develop a mechanism that enables conversations between enterprises and customers as well as

maintain a database, which enables the analysis, extraction, and prompt use of information (Duncan & Moriarty, 1997, 1998). Customer databases not only provide the profile of each customer but also reveal their feedbacks (Lee & Park, 2007), assisting in the identification of more effective means to access customers in various buying stages. Jerman and Završnik (2012) added it is necessary to ensure informative messages, accurate and clear communication process. Jerman and Završnik (2012) also stressed customer feedbacks and responses to customer feedback. As such, the measurement scale for interactivity based on adjusting measurement scale of Duncan and Moriarty (1998), Reid (2005), Lee and Park (2007), Vantamay (2011) has 7 items: messages are accurate, clear, and provide enough information for buying decision; public communication and personal communication tools are combined; customer information is generated in the process of IMC implementation; customer information is integrated into a systematic database which is user-friendly; database enables understanding customer feedbacks and buying behavior; customer feedbacks are tracked and handled; special programs are developed for customers to understand brands.

Control: Control is added to the IMC measurement system to clarify the definition of IMC from the management process approach. *'Process controls enhance processes related to achieving organizational objectives, while output controls help firms specify, monitor, and control their outcomes'* (Liang & Frösén, 2020). This measurement scale is developed based on the scale proposed by Jaworski et al. (1993), Liang and Frösén (2020), has 4 observation variables: supervising IMC performance achieved in comparison with the target; identifying reasons if IMC targets are missed; supervising and evaluating the process of IMC implementation; adjusting IMC activities when performance is not achieved.

The measurement scale of IMC factors used in this research is a five-point Likert scale with 1 being disagreed and 5 being agreed.

Measurement Scales for Marketing Performance

'There are two basic approaches to measuring the effectiveness of the IMC program': 'to merely take on the measurement of each of the promotional tools used in a campaign, trying to measure the effectiveness of each communication tool' and 'take on the measurement of the overall IMC program' (Vantamay, 2011). Upon reviewing related documents on measuring the performance of reach tool, Vantamay (2011) recognized that *'indicators suitable for measuring the overall IMC program should be drawn'*. The most commonly used measurement scale in research aimed at measuring overall IMC performance is the

scale developed by Reid (2003), the items of marketing performance have: sales-related performance, brand advantages, and satisfaction. Sale-related performance is reflected by overall profitability, market share, total sales income; the brand advantage is reflected by brand awareness, the ability to command premium prices, the level of channel cooperation received; customer satisfaction contains customer satisfaction and customer loyalty (Jerma & Završnik, 2012; Porcu et al., 2019; Reid, 2003; Vantamay, 2011). In their research in tourism and hospitality, many authors have used measurement scales for marketing performance including market share, revenue, and profit (Al-Tarawneh, 2019); market share, total sales income, profit in comparison with closest competitors; brand recognition, premium prices, and channel supports; customer satisfaction and loyalty (Porcu, 2019).

Accordingly, in this research, the measurement of marketing performance was developed based on the adjusted measurements of Reid (2003), which contain 2 factors: sales-related performance (overall profitability, market share, total sales income) and brand-related performance (brand awareness, the ability to command premium prices, the level of channel cooperation received, customer satisfaction and loyalty). The subjective measures from managers are used, *‘the subjective measures are considered as the most appropriate for assessing the influence of IMC on performance’* (Einwiller & Boenigk, 2012; Low, 2000; Reid, 2002, 2005). Marketing performance is evaluated by comparing with closest competitors, the five-point Likert scale is used with 1 is much less and 5 is much more.

RESEARCH FINDINGS

Evaluating Measurement Quality

Testing Measurements by Cronbach’s Alpha and EFA

The results of testing measurement reliability reveal that all factors have Cronbach’s Alpha values greater than 0.7. The total number of observed variables is 37, of which three observation variables PLA3, ORG4 and ORG7 have factors loading less than 0.3, therefore deleted, the remaining 34 variables meet the demand. Cronbach’s alpha if item deleted ranges between 0.755 and 0.855 (Table 2).

The EFA results illustrate that factors loading are less than 0.5, and they were therefore deleted. The second EFA provides a rotation matrix with coefficients is shown in Table 2. KMO = 0.863 > 0.5; Barlett test has sig = 0.00 < 0.05, which means that observation variables are correlated with each other; factors with total variance of 64.905 > 50% and Eigenvalue of 1.308. This illustrates that the use of EFA

is appropriate, and there are 7 main factors.

Table 2: Cronbach’s Alpha and EFA Results

Observation Variables	Cronbach’s Alpha	Item–Total Correlation	Factors Loading
PLA	0.850		
PLA1		0.659	0.686
PLA2		0.622	0.713
PLA4		0.673	0.731
PLA5		0.723	0.802
PLA6		0.626	0.704
ORG	0.840		
ORG1		0.650	0.700
ORG2		0.613	0.659
ORG3		0.706	0.764
ORG5		0.637	0.732
ORG6		0.616	0.709
CNS	0.837		
CNS1		0.727	0.872
CNS2		0.640	0.602
CNS3		0.697	0.818
CNS4		0.522	0.650
CNS5		0.609	0.597
INT	0.830		
INT1		0.693	0.693
INT2		0.671	0.694
INT3		0.446	0.517
INT4		0.667	0.613
INT5		0.627	0.785
INT6		0.625	0.745
CTR	0.844		
CTR1		0.707	0.802
CTR2		0.686	0.742
CTR3		0.586	0.569
CTR4		0.742	0.855
BRP	0.855		
BRP1		0.655	0.741
BRP2		0.681	0.594
BRP3		0.643	0.650
BRP4		0.669	0.832
BRP5		0.705	0.748
SRP	0.755		
SRP1		0.593	0.631
SRP2		0.606	0.559
SRP3		0.560	0.606

Testing Measurements by CFA

Two models were inserted for CFA: Model 1 evaluates marketing performance as a second-order factor, representing two first-order factors (sales-related performance and brand-related performance); Model 2 evaluates the direct effects of IMC on sales-related performance and brand-related performance.

The test results of Model 1 indicate that: Chi-square has P-value = 0; CMIN/df = 1.543 < 2; GFI = 0.824 > 0.8; TLI = 0.901 > 0.9; CFI = 0.911 > 0.9; RMSEA = 0.052 < 0.08. Standardized factors loading of all variables are > 0.05; composite reliability (CR) > 0.7; average variance extracted (AVE) > 0.5; MSV < AVE and square root of 2 of AVE is

higher than correlation of the two concepts. The interactivity has AVE = 0.486 < 0.5; MSV = 0.523 > AVE. The analysis results indicate that INT3 is deleted due to small item-total correlation.

The CFA test results after deleting INT3: Chi-square has P-value = 0; CMIN/df = 1.563 < 2; GFI = 0.827 > 0.8; TLI = 0.902 > 0.9; CFI = 0.912 > 0.9; RMSEA = 0.053 < 0.08. Standardized factors loading of all variables are > 0.5, CR > 0.7; AVE > 0.5; MSV < AVE and square root of 2 of AVE is higher than correlation of the two concepts (Table 3). As such, the measurement scales are appropriate with market data, ensure reliability, ensure convergent validity and ensure discriminant validity.

Table 3: Analysis Results of Composite Reliability, Convergent Validity, and Discriminant Validity of Model 1

	CR	AVE	MSV	MaxR(H)	CTR	INT	PLA	ORG	CNS	MP
CTR	0.846	0.582	0.316	0.867	0.763					
INT	0.853	0.538	0.531	0.858	0.340	0.734				
PLA	0.851	0.534	0.527	0.857	0.236	0.578	0.731			
ORG	0.841	0.515	0.223	0.847	0.256	0.289	0.241	0.717		
CNS	0.839	0.515	0.376	0.858	0.181	0.339	0.402	0.166	0.718	
MP	0.720	0.563	0.531	0.720	0.562	0.729	0.726	0.472	0.613	0.750

Testing Model 2 produces similar results. INT3 is deleted from the model to ensure appropriateness, coefficients after INT3 is deleted (Table 4): Chi-square has P-value = 0; CMIN/df = 1.569 < 2; GFI = 0.828 > 0.8; TLI = 0.901 > 0.9; CFI = 0.912 > 0.9; RMSEA = 0.054 < 0.08; standardized

factors loading of all variables are > 0.5, CR > 0.7; AVE > 0.5; MSV < AVE and square root of 2 of AVE is higher than correlation of the two concepts. As such, the measurement scales are appropriate with market data, ensure reliability, ensure convergent validity and ensure discriminant validity.

Table 4: Analysis Results of Composite Reliability, Convergent Validity, and Discriminant Validity of Model 2

	CR	AVE	MSV	MaxR(H)	CTR	INT	PLA	CNS	ORG	BRP	SRP
CTR	0.846	0.582	0.180	0.867	0.763						
INT	0.853	0.539	0.334	0.859	0.340	0.734					
PLA	0.850	0.533	0.334	0.857	0.236	0.578	0.730				
CNS	0.839	0.515	0.260	0.857	0.181	0.340	0.402	0.718			
ORG	0.841	0.515	0.192	0.847	0.256	0.288	0.241	0.166	0.717		
BRP	0.857	0.545	0.316	0.859	0.424	0.526	0.542	0.510	0.287	0.738	
SRP	0.757	0.510	0.325	0.758	0.420	0.570	0.546	0.399	0.438	0.562	0.714

Results of Testing Research Models and Hypotheses

Results of Testing Research Models

The testing results of Model 1: Chi-square has P-value = 0; CMIN/df = 1.567 < 2; GFI = 0.827 > 0.8; TLI = 0.902 > 0.9; CFI = 0.911 > 0.9; RMSEA = 0.054 < 0.08, illustrating that Model 1 is appropriate with the research data. The estimate results indicate that there are positive effects at significant levels of 0.1, 0.05, and 0.01. R² = 0.881; independent

variables impact 88.1% of the variations in marketing performance.

The testing results of Model 2: Chi-square has P-value = 0; CMIN/df = 1.570 < 2; GFI = 0.827 > 0.8; TLI = 0.901 > 0.9; CFI = 0.912 > 0.9; RMSEA = 0.054 < 0.08, illustrating that Model 2 is appropriate with the research data. The estimate results indicate that there are positive effects at significant levels of 0.1, 0.05, and 0.01. The effect of organizational infrastructure on brand-related performance has sig > 0.1, which means no statistical significance. The R² of sales-

related performance is 0.523, indicating that independent variables effect 52.3% of the variations in sales-related performance. The R² of brand-related performance is 0.506,

indicating that independent variables effect 50.6% of the variations in brand-related performance.

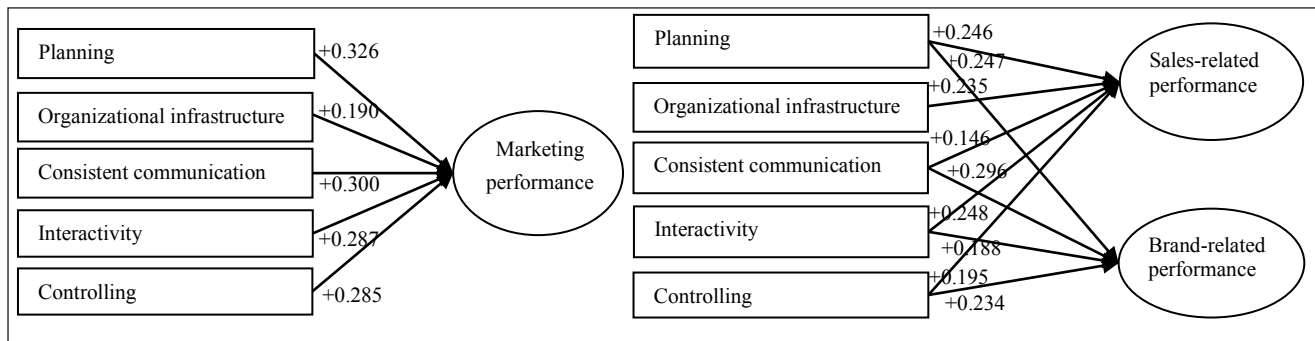


Fig. 2: Model Testing Results

Results of Testing Research Hypotheses

Planning has a positive effect on marketing performance, with the level of effects being quite similar between sales-related performance and brand-related performance. H1, H1a, and H1b hypotheses are accepted.

Although organizational infrastructure has a positive effect on marketing performance and a considerable effect on sales-related performance, there is no statistical evidence that it has a positive effect on brand-related performance. H2 and H2a hypotheses are accepted; H2b is rejected.

Consistent communication has a positive effect on marketing performance, with a lower level of effect on sales-related performance and higher on brand-related performance. H3, H3a, and H3b hypotheses are accepted.

Interactivity has a positive effect on marketing performance, with a higher level of effect on sales-related performance

and a lower effect on brand-related performance. H4, H4a, and H4b hypotheses are accepted.

Controlling has a positive effect on marketing performance, but it has a lower effect on sales-related performance and a higher effect on brand-related performance. H5, H5a, and H5b hypotheses are accepted.

Results of Multi-Group Analysis

Multi-group analysis was conducted to test the difference in the impacts of IMC on marketing performance between hotels and independent hotels. Testing the difference between the unconstrained model and constrained model in both models showed $P > 0.05$ ($P = 0.394$ and $P = 0.605$). As such, there was no difference between the unconstrained model and constrained model, therefore constrained model was used. Analyzing constrained model 1 and 2, the testing results indicated that there is difference in the impacts of IMC on marketing performance between chain hotels and independent hotels (Table 5).

Table 5: Results of Multi-Group Analysis

Relationships Standardized Regression P-Value			Chain Hotels		Independent Hotels	
			Standardized Regression	P-Value	Standardized Regression	P-Value
SRP	<---	PLA	0.188	0.036	0.219	0.036
SRP	<---	ORG	0.207	0.009	0.203	0.009
SRP	<---	CNS	0.151	0.078	0.130	0.078
SRP	<---	INT	0.360	0.002	0.230	0.002
SRP	<---	CTR	0.237	0.005	0.229	0.005
BRP	<---	PLA	0.167	0.025	0.228	0.025
BRP	<---	ORG	0.028	0.670	0.032	0.670
BRP	<---	CNS	0.314	0.000	0.315	0.000
BRP	<---	INT	0.211	0.037	0.157	0.037
BRP	<---	CTR	0.267	0.000	0.301	0.000
MP	<---	PLA	0.254	0.004	0.305	0.004

Relationships Standardized Regression P-Value			Chain Hotels		Independent Hotels	
			Standardized Regression	P-Value	Standardized Regression	P-Value
MP	<---	ORG	0.153	0.048	0.151	0.048
MP	<---	CNS	0.322	0.000	0.286	0.000
MP	<---	INT	0.394	0.000	0.264	0.000
MP	<---	CTR	0.351	0.000	0.347	0.000

For chain hotels, 5 factors affecting the marketing performance in declining order are interactivity, controlling, consistent communication, planning and organizational infrastructure; 5 factors with effects on sales-related performance in declining order are interactivity, controlling, organizational infrastructure, planning and consistent communication; 4 factors with effects on brand-related performance in declining order are consistent communication, controlling, interactivity, planning and there is no statistical evidence that organizational infrastructure has effects on brand-related performance.

For independent hotels, 5 factors affecting the marketing performance in declining order are controlling, planning, consistent communication, interactivity, and organizational infrastructure; 5 factors with effects on sales-related performance are interactivity, controlling, planning, organizational infrastructure and consistent communication; 4 factors with effects on brand-related performance are consistent communication, controlling, planning, interactivity and there is no statistical evidence that organizational infrastructure has effects on brand-related performance.

CONCLUSION AND MANAGEMENT IMPLICATIONS

The research was done to evaluate the effects of IMC in the hospitality industry. The research findings contribute to measuring IMC and provide empirical evidence on the relationships between IMC and marketing performance.

First, the IMC measure scale is developed and confirmed in this research. The earlier measurement scale proposed by Duncan and Moriarty (1998), modified by Reid (2005), Porcu et al. (2019) is suggested to evaluate the level of IMC achieved. This research develops a comprehensive measure scale from a management approach, allowing managers to evaluate the level of implementation and identify problems that need to be addressed in each step of the IMC management process by investigating each factor of the scale.

The research also provides empirical evidence to prove the relationships between IMC and marketing performance. Planning, consistent communication, and interactivity all have a considerable effect on the marketing performance

of Hanoi's luxury hotels. These findings are consistent with those of many researchers (Jerman & Završnik, 2012; Reid, 2005; Vantamay, 2011). Organizational infrastructure has an effect on marketing performance, sales-related performance, which is in line with earlier research by Reid (2003), Vantamay (2011), Jerman and Završnik (2012), and Porcu et al. (2019) in the hospitality industry. However, the relationship between organizational infrastructure and brand-related performance has not been confirmed, which is different from the research of Vantamay (2011) on the weak impact of organizational infrastructure on brands.

The research by Reid (2003) also failed to demonstrate the relationship between organizational infrastructure, customer satisfaction, and loyalty. Interactivity is proved to have a stronger effect on sales-related performance than brand-related performance; this finding contradicts previous research by Reid (2003), Vantamay (2011). This is quite reasonable as the previous research was done when the Internet and handheld devices were not as popular as today. Their development, together with the impact of the COVID-19 pandemic, has triggered changes in customer behavior. This finding goes in line with the findings of Porcu et al. (2019) in the hospitality industry with suitable research context and area. This illustrates the importance of Interactivity in the hospitality industry in the new context. This research also proves that controlling is a constituent of IMC, it has an effect on marketing performance. This is a new finding from earlier research. This finding goes in line with IMC theories, the views of many scholars, including Duncan (2002), Schultz (2004) as well as its important role in IMC.

There is difference in the impact levels of IMC on marketing performance of chain hotels and independent hotels due to the differences in scales, resources and operational modes in these two groups of hotels. The research findings suggest some IMC solutions to hotel managers if different priorities for each group. *For chain hotels:* priority should be given to interactivity, then controlling, consistent marketing, planning and finally organizational infrastructure. If they want to focus on increasing sales-related performance, they need to improve interactivity first, then controlling, organizational infrastructure, planning and consistent communication; in the meantime, to increase brand equity, it is necessary to improve consistent communication first, then controlling,

interactivity and finally, planning. *For independent hotels*: priority should be given to controlling, then planning, consistent mark, interactivity and finally organizational infrastructure. If they want to focus on increasing sales-related performance, they need to improve interactivity, then controlling, planning, organizational infrastructure and consistent communication; in the meantime, to increase brand equity, it is necessary to improve consistent communication, then controlling, planning and finally interactivity.

To improve planning, managers should pay attention to SWOT analysis, establish IMC targets based on general goals; design communication programs towards each group of customers in various stages of the buying process; focus on current brand touchpoints, and fully exploit IMC tools. In terms of organizational infrastructure, it is necessary to identify IMC as the responsibility of all departments and employees; ensure that all departments and employees are aware of IMC targets and programs via horizontal and vertical communication; encourage cooperative culture and training to ensure the collaboration between employees and departments. As for consistent communication, it is necessary to build up the main communication ideas as the foundations for a small communication campaign, all messages must be consistent regardless of the means used to deliver the messages, where the messages come from, and whether they are delivered directly or via language. As to interactivity, the delivered messages must be accurate, clear, and provide sufficient information to buying decisions; besides mass media, it is necessary to use personal communication tools to ensure interactions with customers; build a database to grasp customer feedbacks and behavior to respond to feedbacks and customize services. With regards to controlling, it is necessary to control the achieved results against the target; identify the reasons why the targets are not met; evaluate, supervise and adjust communication activities. To improve sales-related performance, hotels should prioritize interactivity, planning, and organizational infrastructure, while consistent communication, planning, and controlling should be prioritized to improve brand-related performance.

There are still limitations in this research that can be considered as the gaps for further research. First, although subjective measures are seen as appropriate to evaluate the effects of IMC on marketing performance (Einwiller & Boenigk, 2012; Low, 2000; Reid, 2005), it is still better to supplement objective measures from customers to have an overall view and compare results. Second, the research was done in luxury hotels in Hanoi and was limited to luxury hotels only; therefore, further research is required on hotels of various types, sizes, and localities to provide additional evidence on the effect of IMC on marketing performance in the hospitality industry.

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