

# INTEGRATED MARKETING COMMUNICATIONS IN THE HOTEL INDUSTRY: ENHANCING TOURISM AND NATIONAL ECONOMIC DEVELOPMENT

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## Abstract

In recent years, integrated marketing communications (IMC) has gained popularity among academics and marketing practitioners. However, the term is not yet well known in the hotel industry in Ghana. This paper seeks to explain the importance of IMC strategy in the hotel industry as well as discuss the practical issues involved with the implementation of IMC strategy. From a broader perspective, IMC considers not only the promotional tools (advertising, sales promotion, personal selling, direct marketing and public relations), but also every contact with the company, the product, or the brand. IMC strategy should work for all customer-focused organisations, but the strategy is more beneficial for service providers, such as the hotel sector. Services are intangible, hence, the task of communicating or promoting service quality to customers is very challenging indeed. This explains the need for IMC strategy, because IMC seeks to promote the company and its services through other activities. These activities were not considered to be part of marketing communications in the past, but with the introduction of IMC, it has become abundantly clear to marketers that a lot of activities that businesses take for granted actually communicate powerful messages to a company's audience. Hotel industry constitutes a major component of the tourism sector and tourism plays a vital role in the nation's economic development agenda. For this reason, the adoption of IMC concept by the hotel industry will benefit the individual companies in the industry and the nation as a whole.

## Introduction

In 2002, tourism was the third largest foreign exchange earner for the country, after gold, and remittances from Ghanaians living abroad, (Ghana Tourist Board, 2003). This position has virtually remained unchanged since then. The sector has also contributed immensely towards the nation's economic development in terms of tax revenue and employment. Ghana is a relatively peaceful country in Africa, and the nation can take advantage of this opportunity, so that, the tourism sector plays a vital role in the nation's effort to achieve middle income status. The hotel industry constitutes a major and critical component of the tourism sector, and the hotels must be managed in a way that communicates positively with the tourists who come to Ghana. Any hotel operator who wants to benefit from positive, consistent, and clear image must consider adopting integrated marketing communications strategy. It has been observed that most hotel operators use only advertising in their promotional campaign, even if the problem requires public relations. Secondly, the term integrated marketing communications has not been understood fully by most in the industry.

## The Concept of Integrated Marketing Communications (IMC)

Today's highly competitive markets put a lot of pressure on businesses to come out with a stronger marketing communications strategy that will effectively reach consumers, and spur busy, value-conscious consumers to buy, (Bearden, W., Ingram, T. and LaForge, R. 2001). The need to find the right way to send the right message to the right person at the right time compelled marketers to look beyond advertising and the traditional mass media-focused approach to marketing communication to what we now call integrated marketing communication (IMC).

Integrated marketing communications (IMC),

involves coordinating the various promotional elements such as advertising, personal selling, sales promotion, public relations, and direct marketing along with other marketing activities that communicate with a firm's customers. It requires firms to develop a total marketing communications strategy that recognizes how all of a firm's marketing activities, not just promotion, communicate with its customers. For example, a high price may symbolize quality to customers as may the shape or design of a product, its packaging, brand name, or the image of the stores in which it is sold, (Belch, M. and Belch, G. 2004). In the past, communication tools were specialized into functionally separated systems and into rigid classifications of media into 'above-the-line' and 'below-the-line' (Schultz, D. and Kitchen, P. 1997). IMC takes a holistic approach (integrative thinking) to planning and developing marketing communications strategy and this calls for the blending of various communication disciplines to create added effects or synergy. It seeks to have a company's entire marketing and promotional activities project consistent and unified image to the market place.

As Gronstedt, A. (1996) puts it, "Integrating the work of everyone in the company, not only of communication professionals, is necessary because companies communicate with everything they do. The performance of the products and services, accuracy of the billing, and even the treatment of employees - all communicate powerful messages to the stakeholders" (Gronstedt, A.1996: 39). From an academic perspective, it has been argued that IMC is the foundation of new customer-focused marketing efforts for acquiring, retaining, and growing relationships with customers and other stakeholders, (Duncan, T. and Moriarty, S. 1998).

In one sense, IMC states that companies must combine the various promotional elements such as advertising, sales promotion, direct marketing, public relations, and personal selling, rather than just using one tool when developing a communi-

cation campaign. The concept recognises that each promotional tool has unique characteristics and costs, and marketers must understand these characteristics in selecting their tools. For instance, advertising appeals to large and dispersed audiences. It can be used to build long-term image for a product and many people believe that purchasing an advertised product would be easily or readily understood and accepted by the public. However, advertising is impersonal and cannot be as persuasive as a company's sales person.

Personal selling is the most effective tool at certain stages of the buying process, particularly in building up buyers' preferences and convictions. The use of personal selling can also lead to all kinds of relationships, from selling relationship to personal friendship. However, personal selling is usually a company's most expensive promotion tool, and sales people may send conflicting messages to target audience due to the difficulty associated with its supervision. Sales promotion attracts consumer's attention and offers strong incentives to purchase by providing inducements. Limitations are that its effect are short-termed and not effective in building long-term brand preferences.

Public relations can also reach many prospects. It is more believable to readers and listeners than advertising, because Public Relations appears in the form of news report. It is the most effective tool for image building, although its content and timing cannot be controlled by the firm. Direct marketing is used to obtain direct responses from targeted consumers. It is convenient for consumers to buy through direct mail or telephone and it is a very flexible tool for reaching specific consumer groups. However, some argue that direct marketing activities irritate consumers and many consumers still do not like the idea of buying without visiting the shop and physically analysing the products.

The characteristics of the promotional tools explained above clearly demonstrate that each



promotional tool is very different from the others, and each has a unique role to play in the overall marketing communication efforts. To get the best of every tool, there is the need to use more than one tool when developing communication or promotion strategy. This is the advantage of the IMC concept. For example, instead of using only advertising to create awareness for a new product or service, companies can use advertising, public relations, and sales promotion to create the awareness.

Another aspect of IMC, according the experts is that it considers any contact with the company, product, or the brand to be part of marketing communication. This means that the price of a product or service is part of marketing communication, because higher price may indicate quality. The design of a product communicates, the place where the goods or services are sold communicates, the chairs, tables, company letterheads, the building, and even the music all communicate something to the consumers, and hence it is part of marketing communication.

In other words, any marketing activity that can influence customers' purchasing decisions positively or negatively is considered to be part of marketing communication. The logic is that, consumers use all these to assess the quality of a product or service especially if they lack product knowledge. This means that the word "communication" as used here does not necessary mean that the customer is being told to buy a product through advertising message or by sales person; anything associated with the company and its brand could be part of the communication so far it can influence the consumers' perceptions, attitudes, or behaviours. All these marketing activities communicate and must be managed, so that the messages that get to consumers will be consistent. According to Bearden et al (2001), this type of communication that takes place through other marketing activities is called stealth marketing because its intent is not

as blatant. All these activities are components of IMC.

### Tourism and Ghana's Economic Development

In an attempt to attain middle income status, Ghana has realised that tourism must play a key role in its economic development agenda. The nation has huge tourism potential and the growth of tourism over the last decade is a confirmation of this potential.

Table 1. Ghana: International Tourist Arrivals and Receipts

| Year   | No. of Visitors<br>(Thousands) | Receipts<br>(US \$'Millions) |
|--------|--------------------------------|------------------------------|
| 1997   | 325,438                        | 265.59                       |
| 1998   | 347,952                        | 283.96                       |
| 1999   | 372,653                        | 304.12                       |
| 2000   | 399,000                        | 386.00                       |
| 2001   | 438,833                        | 447.83                       |
| 2002   | 482,643                        | 519.57                       |
| 2003   | 530,827                        | 602.80                       |
| 2004   | 583,821                        | 649.37                       |
| 2005   | 428,533                        | 836.09                       |
| 2006   | 497,129                        | 986.80                       |
| 2007** | 1,062,000                      | 1,562.00                     |

\*Provisional Estimates

\*\*Projections

Source: Ghana Tourist Board, 2006

Table 1 shows the number of tourists visiting Ghana from 1997 to 2007 as well as the money they spend during their stay in the country. It shows that Ghana is expected to receive well over 1.5 billion US dollars from the tourism sector during 2007.

**Table 2. Ghana's Foreign Exchange Earnings by Sector (US \$million)**

| SECTOR                  | 1993   | 2002    |
|-------------------------|--------|---------|
| Cocoa                   | 290.5  | 392.25  |
| Gold                    | 451.83 | 658.14  |
| Diamond                 | 17.84  | 21.66   |
| Manganese               | 13.75  | 25.25   |
| Bauxite                 | 8.6    | 13.99   |
| Timber                  | 153.54 | 177.88  |
| Non-Traditional Exports | 71.7   | 504.25  |
| Inward Remittances      | 261.2  | 1,373.9 |
| Tourism                 | 205.62 | 519.57  |

Source: Ghana Tourist Board, 2003

In 2002, tourism was the third largest foreign exchange earner for the country after remittances from Ghanaians living abroad and gold exports – see Table 2. Apart from the fact that tourism is about the third largest foreign exchange earner for the country, it also generates huge employment, both direct and indirect, for the labour force of the country. According to the Ghana Tourist Board Fact Sheet (2005), the country generated 46,502 in direct employment and 115,015 in indirect employment for the nation in 2004 - see Table 3. The sector also provides a lot of tax revenue for the government mainly from the hotel industry, restaurant segment, and recreation segments

**Table 3. The Impact of Tourism on the National Economy**

|  |                           |
|--|---------------------------|
| Contribution to Gross Domestic Product | 4.9% in 2004              |
| Gross foreign exchange earnings        | US \$ 603 million in 2003 |
| Net foreign exchange earnings          | US \$ 483 million in 2003 |
| Multiplier effect on employment        | 3.5                       |
| Multiplier effect on income            | 3.4                       |
| Direct employment                      | 46,502 in 2004            |
| Indirect and induced employment        | 115,015 in 2004           |

Source: Ghana Tourist Board Statistical Fact Sheet (2005)

### The Role of the Hotel Industry in the Tourism Sector

Among the sectors that fall under tourism industry in Ghana, the hotel sector generates most income. When the visitors come, they stay and spend their days and weeks in the hotels. They spend most of their money in the hotels. According to the statistical Hand Book on Tourism (2003), expenditure by visitors showed that visitors spend more than 30% of their funds on accommodation alone (hotels) and 15% on food (a percentage of this is spent in the hotels). It is fair therefore to say that, tourists spend between 40% and 45 % of their money in the hotels. Hotel is the place where they have the first real encounter with the Ghanaian hospitality. They eat, drink, sleep, shower, listen to music, watch television, and interact with staff and other guest in the hotel. This indicates that their experience in the hotels plays a major role in determining their overall satisfaction in the country. Whether visitors come to the country for conference, business, or holidays, they normally stay in a hotel. If the country is to increase revenue from tourism, create more employment from this sector, and attain the anticipated middle income status, then the hotel industry must play the leading role. As the number of tourists or visitors increases, government revenue from this sector will also increase. Since Ghana is relatively a peaceful nation, we must exploit this opportunity fully by providing the right environment for tourists.

### IMC and the Hotel Business

Currently, the biggest portion of the industry's promotion expenditure goes to advertising. This practice is contrary to the tenets of IMC. Also it must be noted that from a broader perspective, IMC considers any contact with the product, the brand, or the company to be part of marketing



communication. The implication for the hotel business is that, apart from the traditional promotional tools (advertising, sales promotion, public relations, direct marketing, and personal selling), which they must blend or integrate in order to have maximum communication impact on their target audience, they must also consider other activities that communicate, and this is where the problem actually is. These other activities have been ignored for so long and it is about time the industry became fully aware about the merits of IMC strategy.

The location of the hotel is part of marketing communication, because if it is located in an unattractive area with bad roads, it sends a negative signal and that is communication. The flowers and green grass on the compound can also shape perception. The availability and layout of parking lot can also influence guests; hence it is part of IMC. The architecture, the painting, the tables, chairs and even the type of plates and glasses used in the hotel communicate positively or negatively to the guests, and this could have an impact on their satisfaction. The price charged for staying and eating in the hotel is part of marketing communication, because price may indicate quality and lower price may be perceived by guests as poor services. The uniform of staff and their attitudes can also affect the image of the hotel.

All these activities are components of IMC and can affect customers' attitudes, purchasing decisions, as well as their overall satisfaction. Management of hotels must therefore manage all these cues in a way that it will communicate positively to guests, and avoid sending conflicting messages to target audience. For example, if a particular unit wants to project excellent service image to its audience with effective advertising campaign, good customer service, but with poor meals, unattractive location, the image will be inconsistent. IMC states that all these communicate, hence there is the need to identify and manage them so that they will all speak with 'one voice' (consistency).

Although the concept of IMC is important for every company, it is critical for the survival and prosperity of service providers, such as the hotel business. The obvious basic difference between goods and services is intangibility. Many problems encountered in the marketing of services such as hotel business are due to the intangibility nature of services. For example, hotels that promise a good night sleep to their customers cannot actually show this service in a tangible way. In an advertising or personal selling effort, the hotels must somehow describe to the consumer how a stay at the hotel will leave the customer feeling well rested and ready to begin a new day, (Donnelly, J. & Peter, P. 1995). Intangibility means that, buyers cannot make judgments based on sensory evaluation (taste, touch, smell, and hearing).

Potential customers or guests of hotel services are not able to check out these services using their senses of taste, smell, touch, sight or hearing before they buy them. This makes it more difficult for customers to choose which hotel to use. A customer may not know how satisfied he will be until a purchase is made and the service is performed. The actual services cannot be displayed in a business firm or demonstrated entirely. Marketers of services have a particular challenge to help the customer visualize the potential benefits of the services, (Lynch, Ross & Wray 1992). Buyers rely instead on whatever physical clues they can find to assess quality, including the appearance of the service provider, and the physical environment in the service firm, (Courtland, L. & Thill, J. 1992). This problem explains the need for IMC strategy. As customers look for signals, they will be analysing the components of IMC and if these clues or signals have been managed well to send a positive communication to potential guests then the company will be in a very good position indeed.

Primarily, because services are intangible rather than tangible, they may be produced and marketed or consumed simultaneously. In other words

services are inseparable. Services cannot be separated from their providers whether they are people or machines. If a service employee provides the service, then the employee is a part of the service. Because the customer is also present as the time when service is produced, both the provider and the customer affect the service outcome. From the standpoint of quality, buyers of a service are not only evaluating what was produced, but what and how it was produced. Thus, the quality of a hotel visit depends not only on whether the meal was good and the room quiet, but also on how polite and helpful employees were towards the guests. Inseparability may mean that customers not only want a particular type of service but that they want it to be provided by a particular entity or a group of persons. The risk of having the service equated with its provider is that, if the customer is disappointed with the service, he is likely to have a poor opinion of the provider and will avoid seeking out any more services from that organization. On the positive side, the service provider who makes a customer happy will generate a loyal clientele (Churchill, G. 1995). This means all the clues that come out of the service provider during the encounter with guests must be carefully managed so that positive communication will occur. The appearance of the service employee, the uniform, their attitudes, the speed at which they provide services are all components of IMC that affect customers perception of service quality.

In view of the fact that services are produced and consumed at the same time, the quality can vary (inconsistencies) more than is likely with goods. The characteristics of quality drive home the importance of ensuring that, the people who deliver the services at the hotels are well qualified and highly motivated to satisfy their customers. Consistency and quality need close attention with all products, but they are of particular concern with service. The inconsistencies in the hotel business could harm the company's image and this goes contrary to the tenets of IMC, which state

clearly that there should be consistency with all messages that come out of the company. Guests may perceive the company as being unfair because they treat customers differently. This perception of unfairness is quite serious.

Employee morale and company work-load could be contributing factors to variability. An excellent meal in a hotel will not be as special, if you have to tangle with a waiter who is in a bad mood. Service firms can take several steps to help manage service variability. They can select and carefully train their personnel to understand the communications that take place during their interactions with guests and how to handle themselves. Above all, they must be highly motivated. However, it must be noted that it is almost impossible to provide quality services all the time; errors will occur from time to time and that is the main reason why IMC strategy is always beneficial. If there is a problem with a service provider during an interaction, other aspects of the business will still be sending positive communications, so the negative impact of poor service on consumers will be lessened. There is also the need for strong service recovery strategies to manage dissatisfied customers if problems occur.

#### Benefits of Implementing IMC Strategy

An effective implementation of IMC strategy will benefit individual firms operating in the industry in terms of high patronage from both domestic and foreign tourists. It will also provide more revenue for the government as well as high employment and more foreign exchange earnings, since the number of tourists will increase greatly. Specifically, organizations that adopt IMC strategy are likely to benefit from the following:

**Synergistic Advantages:** Marketers recognize the value of strategically integrating the various communication functions rather than having



them operate independently or autonomously. By coordinating their marketing communications efforts, companies can avoid duplication, take advantage of synergy among various communication tools, and develop more efficient and effective marketing communication programme, (Belch & Belch, 1995).

**Increased Credibility and Customer Loyalty:** IMC strategy can be a powerful tool in enhancing the image of the organisation, because the messages that come out are consistent and this leads to an increased credibility. This helps to build relationship with customers which cement a bond of loyalty with customers that can protect them competitive tactics. The ability to have high customer retention and loyalty is a powerful competitive advantage.

**Consistency and Stronger Communications Impact:** Schultz et al, (1993) and Smith (1996), argued that 'disintegrated' communications, send disjointed messages that weaken communication impact and confuse, frustrate, or irritate internal and external audiences. In a world that accentuates consistency, the blending of marketing messages, to speak with 'one voice' will be critical to an organisation's survival and prosperity. Integrated communications present a reassuring sense of order. Integrated marketing communications seeks to have a company's entire marketing promotional activities project a consistent and unified image.

**Increased Awareness, Sales and Profits:** IMC also increases profits through increased operational effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal-clear message has a better chance of cutting through the 'noise' of over many commercial messages that bombard customers each and every day, (Belch, G. and Belch, M. 2004). As IMC uses many communication tools, it can

help boost sales by stretching messages across several communication tools to create more avenues for customers to become aware, and ultimately make a purchase.

**Risk Reduction:** Consistency and high credibility associated with IMC strategy help to reduce the perceived risks associated with the purchase of services.

## Conclusion

Given the importance of IMC for the hotel industry, the tourism sector, the government and for the nation as a whole, the Ministry of Tourism can develop policies that can make it easier for the Tourist Board to provide training programmes for the proper management of hotels in Ghana. Training programmes that aim at educating the hotel industry about the importance of IMC for their business as well as the issues involved with the implementation of integrated marketing communications strategy are essential for the development and realization of the full potentials of the sector.

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