

Building Heritage Brand Equity Through Social Media Sales Promotion: The Role of Power Distance

¹Esmeralda Crespo-Almendros, ²Ma Belén Prados-Peña,
³Lucia Porcu & ⁴Juan Miguel Alcántara Pilar

^{1,2,3&5}Department of Marketing and Market Research, University of Granada, Granada, Spain

⁴Faculty of Education, Economy and Technology of Ceuta

Author DOI: 10.48028/iiprds/ijartess.v3.i1.02

Abstract

This paper aims to look into the moderating effect of individual's cultural characteristics—Power Distance—on the relationship between the use of discounts and gifts and the formation of the brand equity of a heritage tourist site is assessed. The results of a quasi-experimental 2 2 factorial design among Internet users from two countries and using two different promotional stimuli showed: a positive effect of sales promotions on social media on the formation of brand equity of a heritage tourist site; a lesser effect of online price discounts than free gifts; the moderating role of Power Distance on the formation of brand equity.

Keywords: *Brand Equity, Discount, Gift, Heritage Tourism, Power Distance, Social Networks*

Corresponding Author: Esmeralda Crespo-Almendros

First Published: <https://onlinelibrary.wiley.com/doi/epdf/10.1002/jtr.2569>

Background to the Study

Social media have changed the way in which brand-related content is created, distributed, and consumed (Godey et al., 2016). More specifically, social networks are being a crucial element in promoting heritage tourism (Gül & Gül, 2020; Hausmann & Schuhbauer, 2021; Sarkar & George, 2018; Timothy, 2018). Accordingly, most of the firms in the travel and hospitality industry and heritage tourism providers use social networks to communicate with their audiences and engage them with their brands. Indeed, some authors consider the impact of these online channels on consumer journey to be enormous (Hausmann & Schuhbauer, 2021; Stojanovic et al., 2018; Xiang et al., 2015). Likewise, some authors have pointed out that social networks gather an even greater relevance when it comes to developing marketing strategies for heritage tourism site (McMullen, 2020; Munar & Ooi, 2012). Social networks exert an influence on several variables, such as tourists' motivation or inspiration for future trips (Segitur, 2021), due to the fact that through them they access information, plan and share their trips.

Based on these assumptions, the present study has a dual objective: to gather a better understanding on how online sales promotions affect the formation of heritage brand equity and whether this effect is determined by the culture to which the individual belongs (more specifically, in regard with the Power Distance dimension). Accordingly, this study provides a unique contribution pioneering the examination and understanding of the differential effect exerted by monetary versus non-monetary sales promotions via social networks on heritage brand equity-formation. Moreover, the contribution of this research to the current body of knowledge lies in providing evidence of the link between cultural dimensions and consumer's behavior, looking into the role of Power Distance in the relationship between the sales promotions type (monetary and non-monetary) and the brand equity-formation through social networks. Finally, in terms of managerial implications, the results of this study enable to support managers in the development of effective sales promotions strategies using social networks, encouraging them to take into account the individuals' culture in their decision-making processes.

Literature Review

Social Media and Brand Equity in the Tourism Sector

The literature review emphasized the scarce research on the impact of sales promotions via social networks on the brand equity of a heritage destination. Despite the fact that sales promotion is one of the most widely-used communication tools on social networks, further research efforts are still called for to understand its influence on the formation of brand equity.

Sales Promotions as a Generator of Heritage Brand Equity in Social Networks

Sales promotions are “temporary and tangible monetary or non-monetary incentives intended to have a direct impact on consumer behavior” (Chandon et al., 2000). They have become one of the preferred tools of marketing communications. In the field of tourism, few studies report the effect of online sales promotions on brand equity and its dimensions, being frequent to find works that analyze the effect of social media promotion only on some of the components of brand equity

Thus, it is expected that, in the case of social networks, the user's Power Distance will moderate the effect of obtaining each type of promotional incentive on brand equity. Those users with a high-Power Distance score will accept (and prefer) non-monetary promotions, as these provide the symbols and signs of distinction that they expect, generating a more positive attitude towards the brand. On this basis, the following hypotheses are proposed:

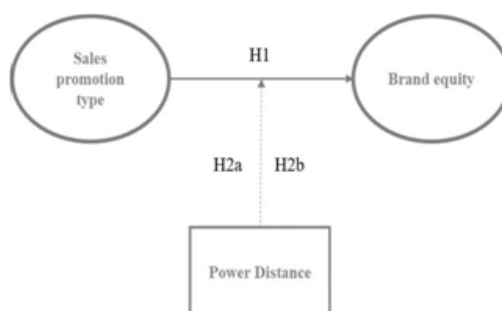


Figure 1: The proposed conceptual model

- H1a. Non-monetary sales promotions in social networks will generate greater brand equity than monetary sales promotions among those users with a high Power Distance score.
- H1b. Monetary sales promotions in social networks will generate greater brand equity than non-monetary sales promotions among those users with a low Power Distance score.

Figure 1 illustrates the proposed conceptual model and shows the hypotheses formulated in this study.

Methodology

Independent Variables

To test the proposed hypotheses, an online quasi-experimental 2 x 2 factorial design was conducted on Internet users with different Power Distance levels (low vs. high), based on two different promotional stimuli (discount vs. gift). Two countries were chosen (Spain vs. United State) to increase the variability of individual Power Distance, since these two countries have a relatively higher and lower national Power Distance levels, respectively (Hofstede, 1991). Spain was chosen as a high-power distance representative country and the United States as a low-power distance representative.

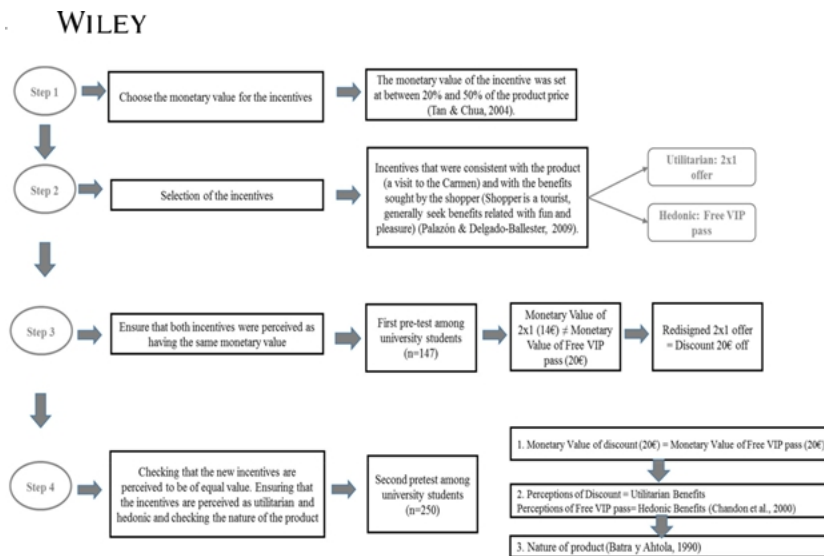


Figure 2: Procedures for the creation of the promotional stimuli

Data Analysis and Results

Validation of Scales and Manipulation Check

To verify that the incentives used were perceived as having equal monetary value, the procedure established by Nunes and Park (2003) and later used by Palazon-Vidal and Delgado-Ballester (2005) was used. The t-test corroborated the absence of significant differences in the perceived value of the different incentives, which con-firmed that the incentive based on the gift was perceived as being worth around €20 ($p > 0.05$), corresponding to the value of the monetary incentive (see Tables 1 and 2).

Testing the hypotheses

To analyze the influence of discounts and gifts on the formation of brand equity in social media, and the effect that Power Distance exerts on this relationship, a moderation model proposed by de Preacher et al. The dependent variable was Brand Equity, the independent variable was the type of promotion displayed and the moderator was the power distance, which was calculated as the mean of the 5 items included in the scale proposed by Yoo et al. (2011). which was contrary to expectations, as expressed in H2a and H2b (see Figure 3).

Table 1: Reliability and validity of the measurement scales

Items	Construct	Standardized coefficients	t- value	r ²	Cronbach's alpha	CR	AVE
			a				
PD 1	Power Distance	0.77		0.59	0.88	0.91	0.69
PD 2		0.81	40.84	0.66			
PD 3		0.87	43.70	0.75			
PD 4		0.78	38.48	0.61			
PD 5		0.78	38.37	0.61			
			a				
BE_1	Brand Equity	0.86		0.73	0.9381	0.939	0.837
BE_2		0.95	71.74	0.90			
BE_3		0.92	77.67	0.84			
	Language		a				
LP_1	Proficiency	0.69		0.47	0.9593	0.901	0.797
LP_2		0.71	10.01	0.50			
LP_3		0.75	11.32	0.56			
LP_4		0.67	10.98	0.44			
LP_5		0.66	10.24	0.46			
LP_6		0.74	10.99	0.55			
LP_7		0.74	10.93	0.54			
LP_8		0.68	9.85	0.47			
LP_9		0.74	10.42	0.55			

Note: Satorra-Bentler Chi-Square: 0.33 (d.f.: 19); p-value: 0.01; RMSEA: 0.03; NFI: 0.99; CFI: 1.00; IFI: 1.00; Critical N: 930.37.

^aParameter fixed at 1 to fix the scale of the latent construct (Jöreskog & Sörbom, 1996). t-value cut-offs (level of significance): 1.64 (p < 0.10); 1.98 (p < 0.05); 2.58 (p < 0.01).

Table 2: Discriminant validity

	Power Distance	Brand equity
Power Distance	0.48	0.26
Brand Equity	0.26	0.70

Note: Diagonal elements in bold are the square root of the AVE between the constructs and their indicators. Off-diagonal elements are correlations between the constructs.

Discussion and Conclusions

Brands showing great brand equity bring great advantages and benefits to institutions and business companies, thus the identification of the factors exerting negative and/or positive

effects on brand equity is crucial. The ability to attract visitors and to enhance their level of engagement are key issues to measure the success for museums, galleries, cultural and heritage attractions at a global scale, developing effective marketing and communication strategies being paramount (Vero, 2012). In today's digital environment.

First, the results have shown that sales promotions on social media have a positive and significant effect on the formation of brand equity of a heritage tourist destination, in line with Boz et al. (2017) and Crespo-Almendros and Del Barrio-García (2013), highlighting that the promotions based on symbolic aspects or on hedonic benefits. Second, it has been demonstrated that culture—in particular, Power Distance—in social networks has a quasi-significant moderating effect on the formation of brand equity. The greater the Power Distance, the greater the effect of the sales promotions on brand equity, there being different effects depending on promotion type and individual cultural values.

Table 3: Moderated analysis. Outcome variable: Brand equity

	Coeff.	Effect SE	t-value	p-value	95% CI	
Constant	13.01	0.34	37.87	0.00	12.34	13.69
Sales Promotion (X)	1.13	0.01	7.560.01*		0.09	
Power Distance (W)	0.13	0.48	2.330.00*		2.090.18	
X*W	0.04	0.02	1.660.07		0.00	

Note: *p < 0.01.

Table 4: Conditional effects of sales promotion type on brand equity

PD value	Coeff.	Effect SE	t-value	p-value	95% CI	
9.20	0.76	0.34	2.23	0.02*	1.43	0.09
17.95	0.40	0.21	1.91	0.05*	0.82	0.00
26.70	0.05	0.24	0.22	0.82	0.52	0.41

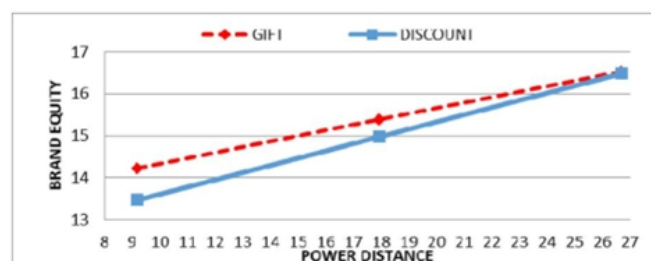


Figure 3: Moderating effect of Power Distance on the relation between promotion type and brand equity

Limitations and Future Research Directions

This article has a number of limitations as any research work. First, performing an experimental study implies a certain artificial setting, despite the efforts made with the design of the experiment and the development of the field work to obtain that the conditions of the exhibition of the promotion were as likely as possible. Thus, future research is encouraged to replicate this methodology using different services categories and types in order to broaden the external validity of the findings. Second, other factors caused by country differences, such as other cultural dimensions or social economics differences, can influence the results. Therefore, further studies are called for to examine the effects of other cultural and national differences on Brand Equity formation. Third, the respondents' attitude towards the advertisement was not taken into consideration.

References

- Boz, H., Arslan, A., & Koc, E. (2017). Neuromarketing aspect of tourism pricing psychology, *Tourism Management Perspectives*, 23, 119–128.
- Chandon, P., Wansink, B., & Laurent, G. (2000). A benefit congruency frame-work of sales promotion effectiveness, *Journal of Marketing*, 64(4), 65–81.
- Del Barrio-García, S., & Prados-Peña, M. B. (2019). Do brand authenticity and brand credibility facilitate brand equity? The case of heritage destination brand extension, *Journal of Destination Marketing & Management*, 13, 10–23.
- Gül, K., & Gül, M. (2020). *The role of industry museums in promoting industrial heritage tourism*. In *Heritage tourism beyond Borders and civilizations* (139–146). Springer.
- Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2016). Social media marketing efforts of luxury brands: Influence on brand equity and consumer behavior. *Journal of Business Research*, 69(12), 5833–5841.
- Hausmann, A., & Schuhbauer, S. (2021). The role of information and communication technologies in cultural tourists' journeys: The case of a world heritage site, *Journal of Heritage Tourism*, 16(6), 669–683.
- McMullen, M. (2020). Pinning' tourist photographs: Analyzing the photo-graphs shared on Pinterest of heritage tourist destinations, *Current Issues in Tourism*, 23(3), 376–387.
- Munar, A. M., & Ooi, C. S. (2012). What social media tell us about the heritage experience? CLCS Working.
- Nunes, J. C., & Park, C. W. (2003). Incommensurate resources: Not just more of the same, *Journal of Marketing Research*, 40(1), 26–38.

- Palazon-Vidal, M., & Delgado-Ballester, E. (2005). Sales promotions effects on consumer-based brand equity. *International Journal of Market Research*, 47(2), 179–204.
- Segitur. (2021). *El nuevo viajero. Así prepara su futuro el sector turístico*, Available online at: https://www.segittur.es/actualidad/informes/libro_blanco_nuevo_viajero_segittur_minube/. Consultado el 26/01/2022
- Timothy, D.J. (2018). Making sense of heritage tourism: Research trends in a maturing field of study, *Tourism Management Perspectives*, 25, 177–180.
- Vero, C. (2012). Marketing and public relations for museums, galleries, cultural and heritage attractions, by Ylva French and sue Runyard, *Journal of Heritage Tourism*, 7(4), 371–372. <https://doi.org/10.1080/1743873X.2012.695050>
- Yoo, B., Donthu, N., & Lenartowicz, T. (2011). Measuring Hofstede's five dimensions of cultural values at the individual level: Development and validation of CVSCALE. *Journal of International Consumer Marketing*, 23(3–4), 193–210.
- Xiang, Z., Magnini, V., & Fesenmaier, D. R. (2015). Information technology and consumer behavior in travel and tourism: Insights from travel planning using the internet, *Journal of Retailing and Consumer Services*, 22, 244–249.