

**Dipartimento di Scienze Economiche e Statistiche
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**Destination Branding Development:
linking together supply-side
and demand-side perspective**

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Why to study tourism?

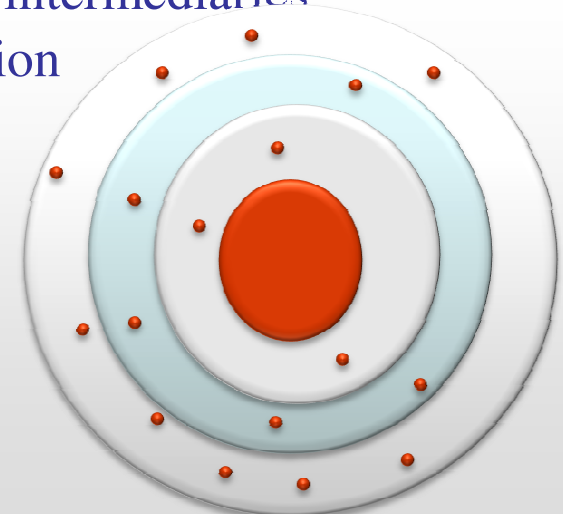
5% of worldwide gross domestic product

6/7% of worldwide jobs

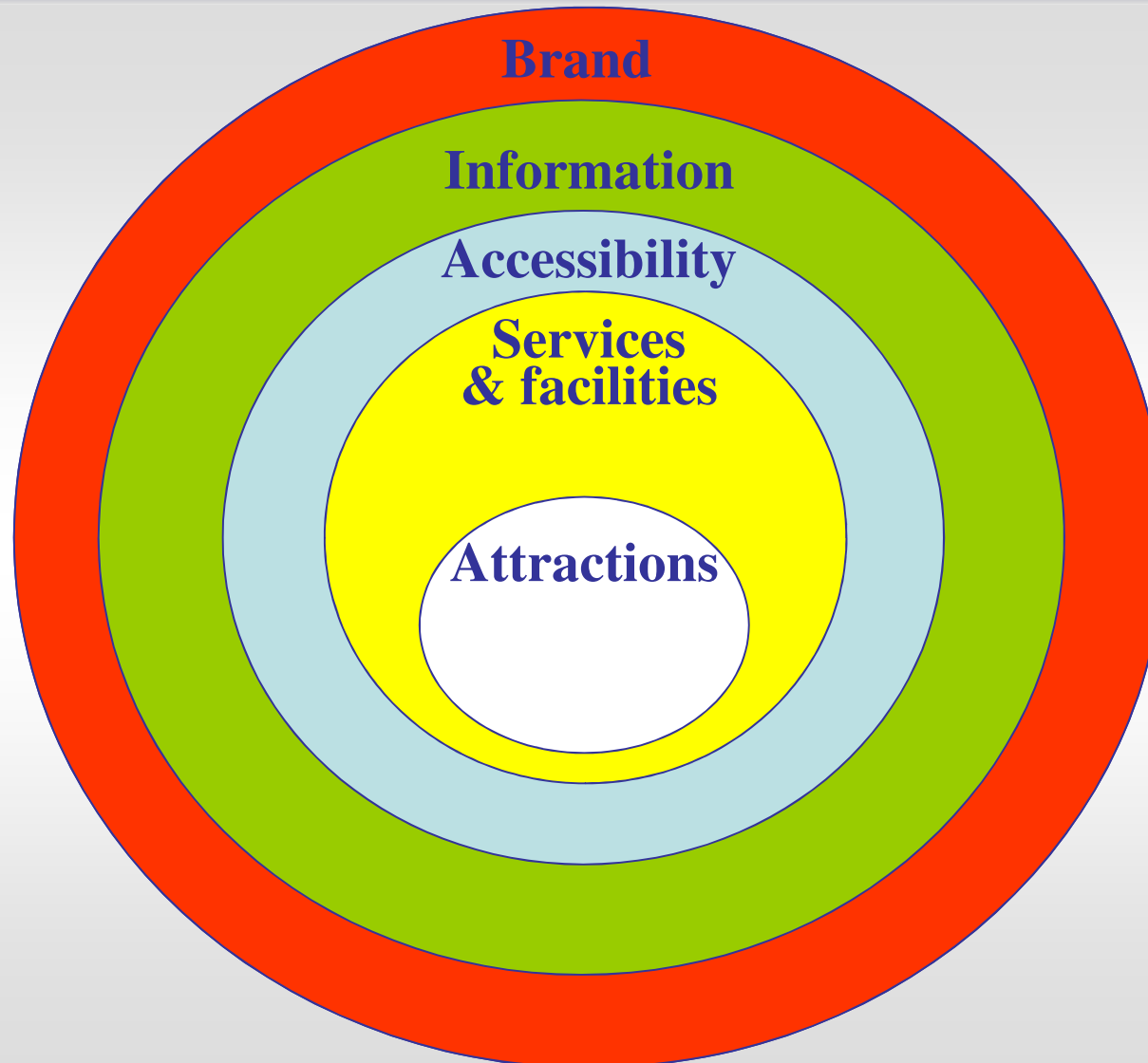
(Source: UNWTO, 2010)

What tourism destinations are?

- ✓ **Amalgams of tourism products**, offering an integrated experience to consumers (Buhalis, 2000)
 - Involve several stakeholders (public and private) providing tourists with different type of services
 - **Attractions:** natural, man made, artificial, heritage, etc
 - **Amenities:** accommodation and catering facilities, retailing other tourist services
 - **Accessibility:** transportation system (routes, terminal an vehicles)
 - **Available packages:** pre-arranged packages by intermediaries
 - **Activities:** all activities available at the destination
 - **Ancillary services:** banks, post, hospital, etc



What tourism destinations are?



Destination branding and governance: two key concepts

- ✓ **Destination branding and governance exert an heavy impact on destination competitiveness** (Dwyer and Kim, 2003)
 - **Destination branding** enhances positioning and it influences tourists' choices and their satisfaction (Pike, 2007)
 - *Dinamic process of drawing support and cooperation from different stakeholders* so that “the brand wil be accepted and communicated trough official and unofficial publicity and products” (Ooi, 2004)
 - **Destination goverance** is necessary to manage the fragmented and complex nature od tourist destination effectively (Hankinson, 2007; Svensson et al, 2005)
 - *“setting and developing rules and mechanisms for a policy, as well as business strategies, by involving all the institution and individuals”* (Beritelli et al, 2007)

What a destination brand is?

- ✓ Assortment of **functional, emotional, relational**, and strategic elements that collectively generate a unique network of associations in consumers mind' (Aaker, 1996, p. 68; Keller, 1993, 2003; Ritchie & Ritchie, 1998)
- ✓ **Relational network** developed by a destination between itself and certain target markets and stakeholders in order to affirm its own offer (Del Chiappa, 2008; Hankinson, 2004; Kavaratzis, 2005)
- ✓ **Some similarities and differences do exist with product/service branding** (Hankinson, 2004; Kavaratzis, 2005, Ooi, 2004)
 - The most important one is that experience in tourism destinations cannot be fully controlled
 - DMOs cannot fire those stakeholders who do not embrace the official destination branding

Why branding is so important?

- ✓ It influences tourists' initial **perceptions** about the destination and their **choice** as to where to spend their holidays (Beerli & Martin, 2004; Byon & Zhang, 2010)
- ✓ It is the **benchmark** against which tourists compare both their initial perceptions and what they really experienced during their stay (Konecnik & Gartner, 2007; Pike, 2007)
- ✓ It improves **destination positioning and competitiveness** (Del Chiappa, 2012)
- ✓ It allows to charge a **premium price** (Del Chiappa, 2005)
- ✓ It is **more likely to be displayed** and sold **by intermediaries** (Del Chiappa, 2005)

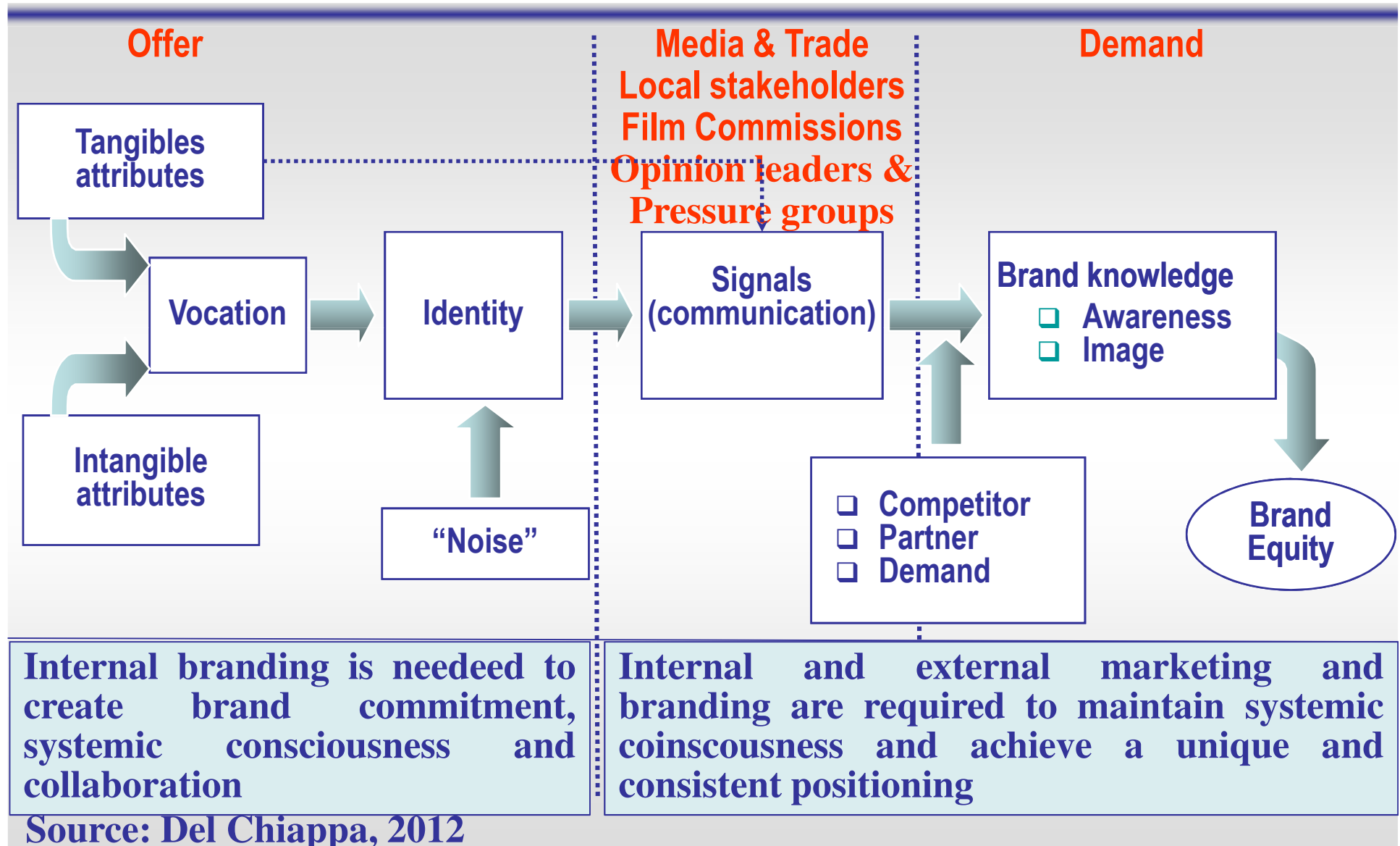
What destination branding is?

- ✓ The process of development a unique identity and its promotion with the aim of creating a positive image and a good awareness in the minds of targeted tourists, so that a destination can gain a differential advantage over its competitors (Del Chiappa, 2012)
 - can occur across multiple spatial scales, involving DMO at different levels (local, regional, national, etc)
 - can create significant issues for the governance and management of place brand architecture (Hall, 2010)

What we miss in destination branding literature?

- ✓ Previous literature focuses on the static dimensions of a brand **neglecting its dynamic dimensions** (Deslandes & Goldsmith, 2002)
- ✓ Recently, the dynamic process of destination brand creation, development and assessment has been investigated (Konecnik & Gartner, 2007)
- ✓ However, most tourism literature analyses the success of specific tourist destinations from a demand-side perspective, while the **supply-side perspective has remained largely unexamined** (Konecnik and Go 2008)
 - it is necessary to adopt a perspective that evaluates brand identity and brand image at the same time (Cai, 2002)
 - tourist operators are also the original source of brand equity (Burmam, Zeplin, & Riley, 2009)

A dynamic model of destination brand creation and development



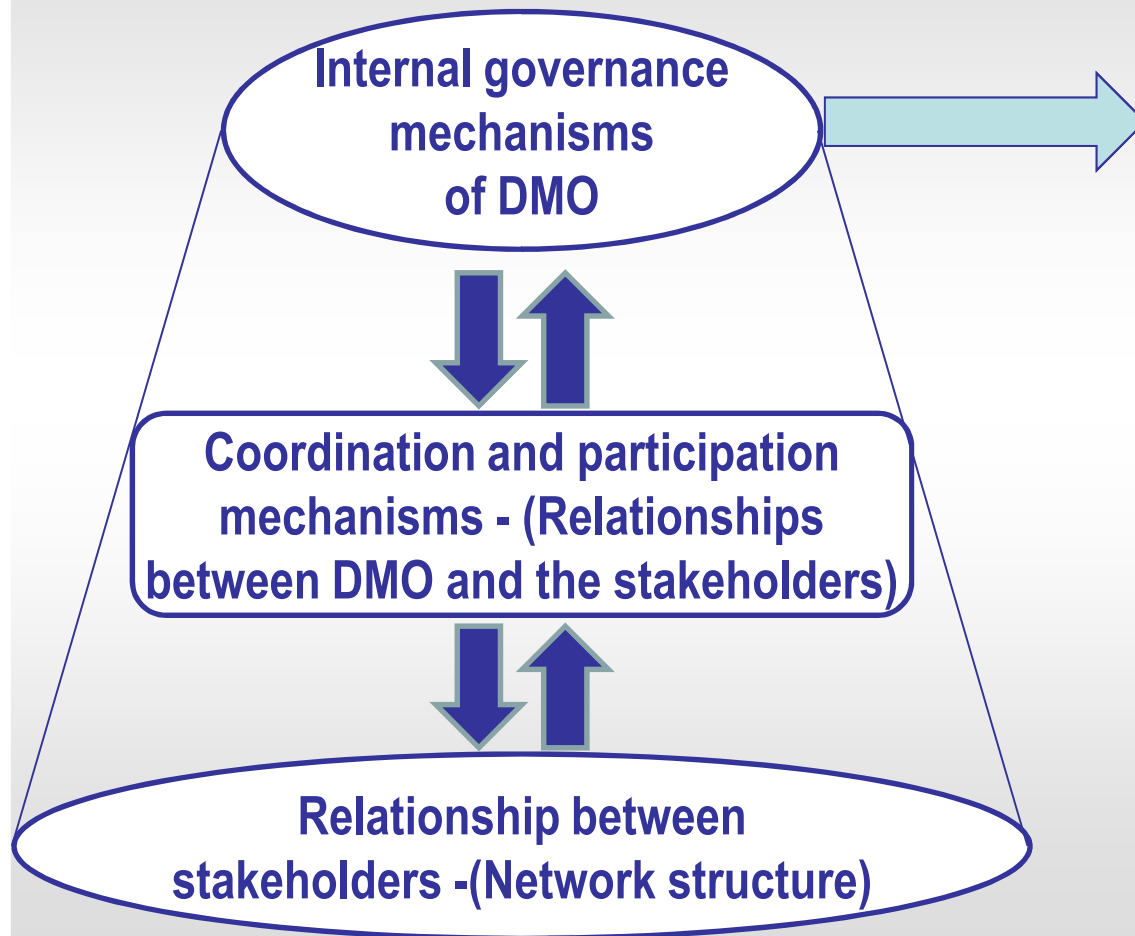
When destination brand development is more likely to be successful?

- Bottom-up rather than top-down (Gnoth, 2002)
- Involvement of both private and public stakeholders (Kjaml and Getz, 1995)
- Destination Management Organization (DMO) as a convenor (Sheehan and Ritchie) and characterized by a corporate mind attitude and unison (Lodge, 2002)
- DMO's capability to exercise a strong and visionary leadership (Marzano, 2009)
- To consider both supply-side and demand-side perspective of destination branding, with mutually consistent internal and external marketing and branding operations (Del Chiappa, Bregoli, 2012)

How do governance affect destination brand?

Destination governance

- ✓ Based upon the literature review three layers of governance can be considered (Del Chiappa, 2010, Del Chiappa and Bregoli, 2011)

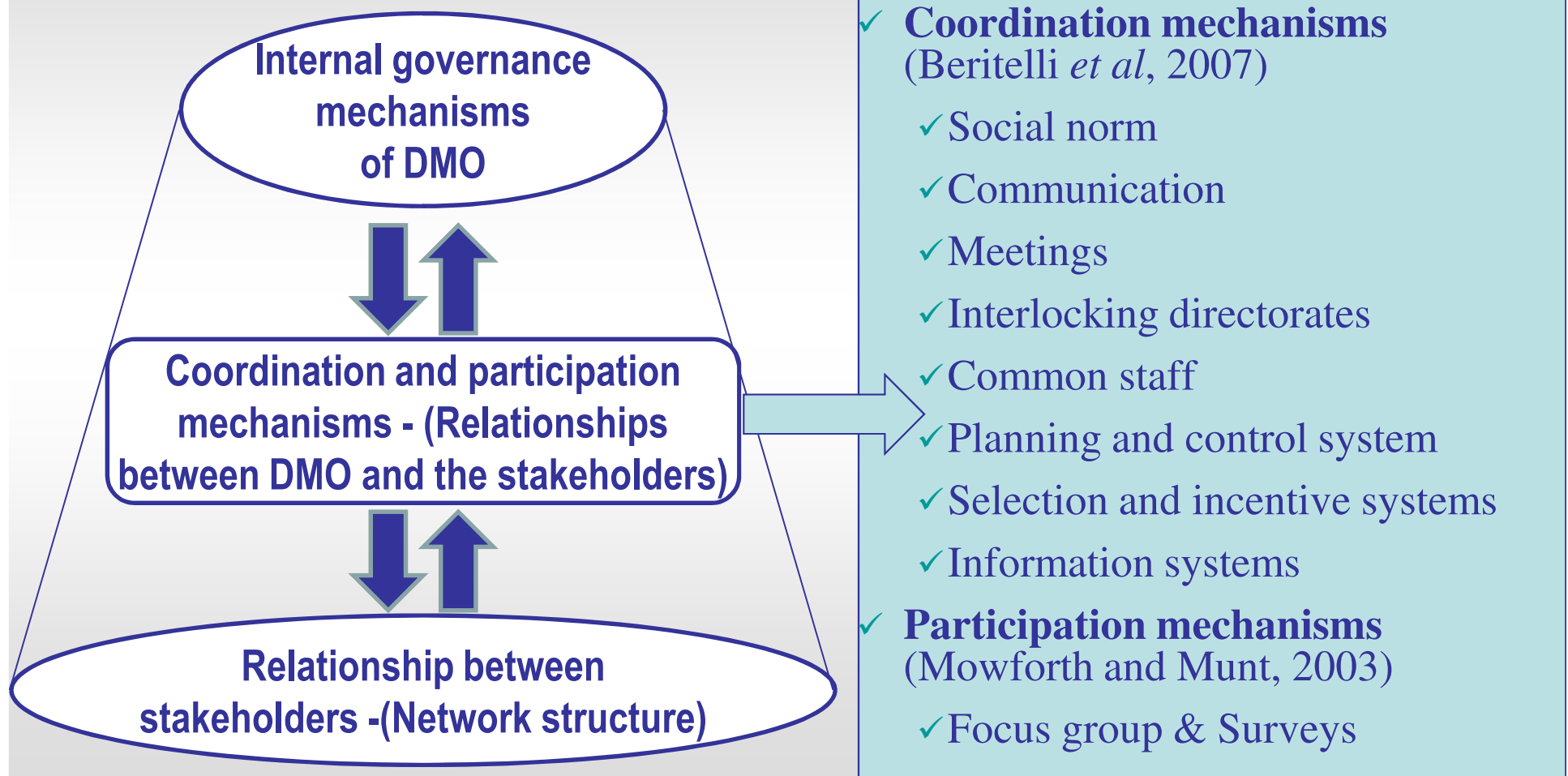


- ✓ **Organizational structure** (Beritelli et al., 2007)
 - ✓ Number of board positions
 - ✓ Number of individuals sitting on the boards
 - ✓ Number of institution represented in the boards
- ✓ **Funding strategy** (Ritchie and Crouch, 2003)
 - ✓ Public funding
 - ✓ Membership fees
 - ✓ ...
 - ✓ Tourism and hotel taxes

How do governance affect destination brand?

Destination governance

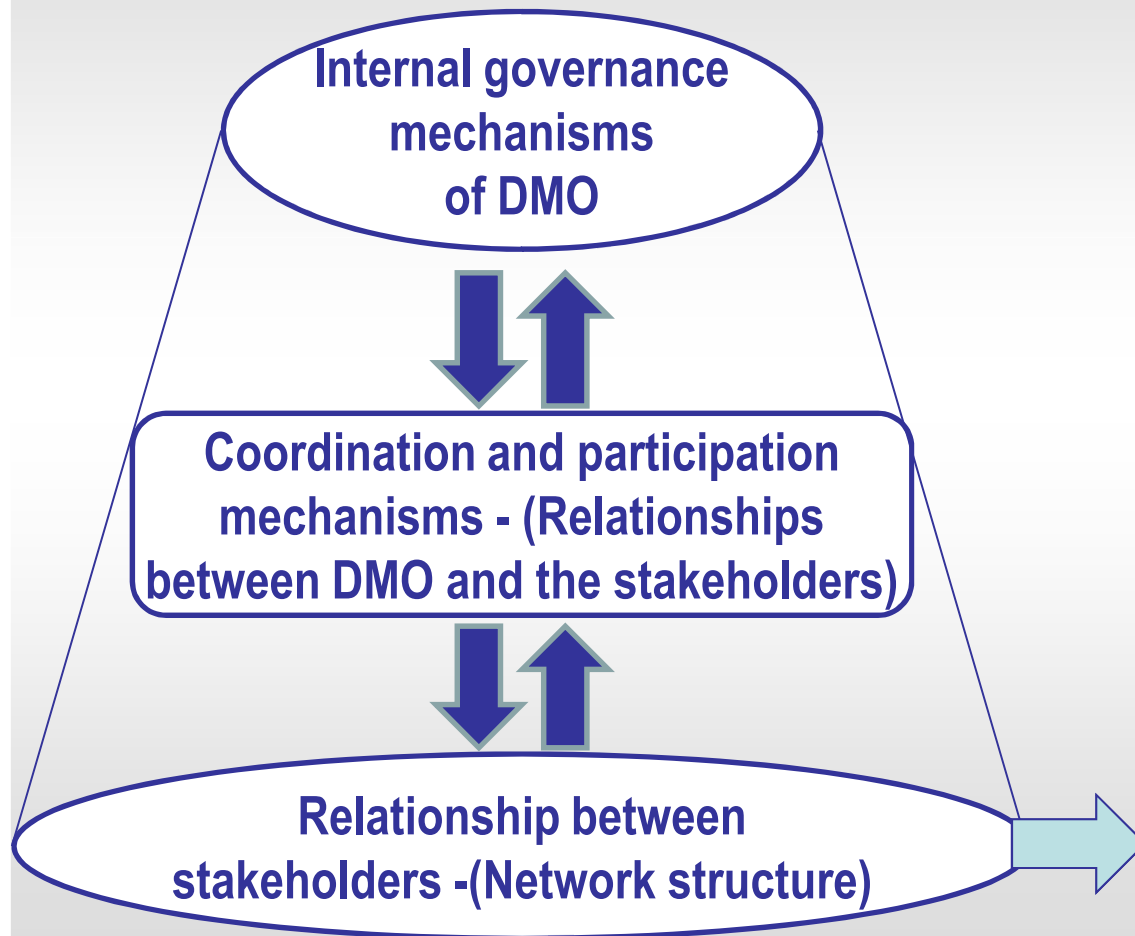
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How do governance affect destination brand?

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- ✓ Based upon the literature review three layers of governance can be considered (Del Chiappa, 2010, Del Chiappa and Bregoli, 2011b)



- ✓ **Network centrality** (Scott et al., 2008; Dredge, 2006)
- ✓ **Density** (Scott et al., 2008; Dredge, 2006)
- ✓ **Embeddedness** (Bhat and Milne, 2008; Grängsjö and Gummesson, 2006)
- ✓ **Commitment** (Morgan and Hunt, 1994)
- ✓ **Trust** (Morgan and Hunt, 1994)
- ✓ **Reciprocity** (Pesämaa and Hair, 2008)

The tasks of a DMO to be trustworthy and effective

- ✓ Marketing (product, pricing, promotion and distribution)
- ✓ Developing and assessing tourists' satisfactions
- ✓ Marketing research (tourists & intermediaries)
- ✓ Information search
- ✓ HR development and training
- ✓ Finance and venture capital
- ✓ Visitor management
- ✓ Regulations and sustainable tourism development
- ✓ Assessing residents' perceptions and attitude toward tourism development
- ✓ Internal marketing/branding
- ✓ Networking facilitator
- ✓ Crisis management

**The network analysis approach in
analysing a tourist destination: an
Empirical Study on Costa
Smeralda-Gallura**

The network analysis approach in analysing a tourist destination

- ✓ A tourism destination is a cluster of interrelated stakeholders (public and private), embedded in a social network (Baggio et al., 2010)
 - an individual company's performance depends on the behaviour of other companies and vice versa
 - the performance of a tourism destination depends on the links between the various players and not only on the intrinsic characteristics of the destination
- ✓ The network can be analyzed by adopting relational and/or structural perspective (Del Chiappa and Presenza, 2012)

The structural perspective in analyzing tourism destinations

- ✓ **Size:** number of vertices and lines between stakeholders
- ✓ **Centrality:** position that an organisation has within the network, as a consequence of the power it achieves through the network (Dredge, 2006; Scott et al., 2008)
- ✓ **Density:** number of ties and lines between stakeholders within the network, expressed as proportion of the maximum number of possible lines
- ✓ **Cohesion:** measured by centrality and density, indicates the presence of strong relationships between members and the likelihood of their having access to the same information and resources
- ✓ **Betweenness:** which measures where a particular node lies in relation to the other nodes in a set of nodes

(Dredge, 2006; Baggio et al., 2010; Bhat & Milne, 2008; Grängsjö & Gummesson, 2006; Gulati, 1998; Haythorthwaite, 1996; Pavlovich, 2003; Scott et al., 2008)

The relational perspective in analyzing tourism destinations

- ✓ **Systemic consciousness:** stakeholders perceive themselves to be part of a system in which each one influence and is influence by each others (Del Chiappa, 2010; Del Chiappa and Presenza, 2012)
- ✓ **Commitment:** people involved in a relationship value it as being worthy and, as a result, work to make sure that it will last (Morgan & Hunt, 1994; Palmer, 2002)
- ✓ **Trust:** one party has confidence in an exchange partner's reliability and integrity (Morgan & Hunt, 1994)
- ✓ **Reciprocity:** something is given for something that is gained (Pesämaa & Hair Jr., 2008)
- ✓ **consensus building-capability of the DMO, trustworthiness and leadership** (Del Chiappa, Bregoli, 2012)

Methodology

- ✓ Quantitative research
 - On-line survey (the data-base was obtained from the provincial tourist office)
 - Sample: 1,247 local stakeholders (both public and private)
 - Response rate: 15.08%
- ✓ Data collection: participants were asked
 - “How do you evaluate your relationship with each of the following local stakeholders when running your marketing activities?”
 - “How do you evaluate your relationship with each of the following local stakeholders when running your management activities?”
 - to assess to what extent they agree with a list of 9 statements we used to assess the systemic consciousness trust, reciprocity, collaboration and involvement
 - Respondents answered on a 7-point Likert scale (1 = totally absent; 7 = strongly present)
 - Data Analysis: UCINET 6.0 and SPSS 17.0

The composition of the sample

Stakeholder	Code	Description	Number of players (Total = 188 N = 1,247)
Regional Government	RG		1
Provincial Government	PG		1
Municipal Government	MG		8
Public tourist offices	PTO		2
Hotels	H		34
Non-hotel facilities	NF	Agriturismos, bed & breakfasts, camping sites, apartment residences	76
Tourist services	TS	Museums, heritage sites, company tours, boat rentals, general services	24
Transport companies	TCO	Port authorities, local transport companies, airports	9
Travel agencies (incoming)	TA	Travel agencies and event agencies	6
Other stakeholders	OS	Wineries, sports and leisure facilities	5
Tour operators (incoming)	TO		2
Tourist consortia	TC		4
Restaurants	R		16

How do stakeholders assess their reciprocal relationships when running marketing activities? Mean values

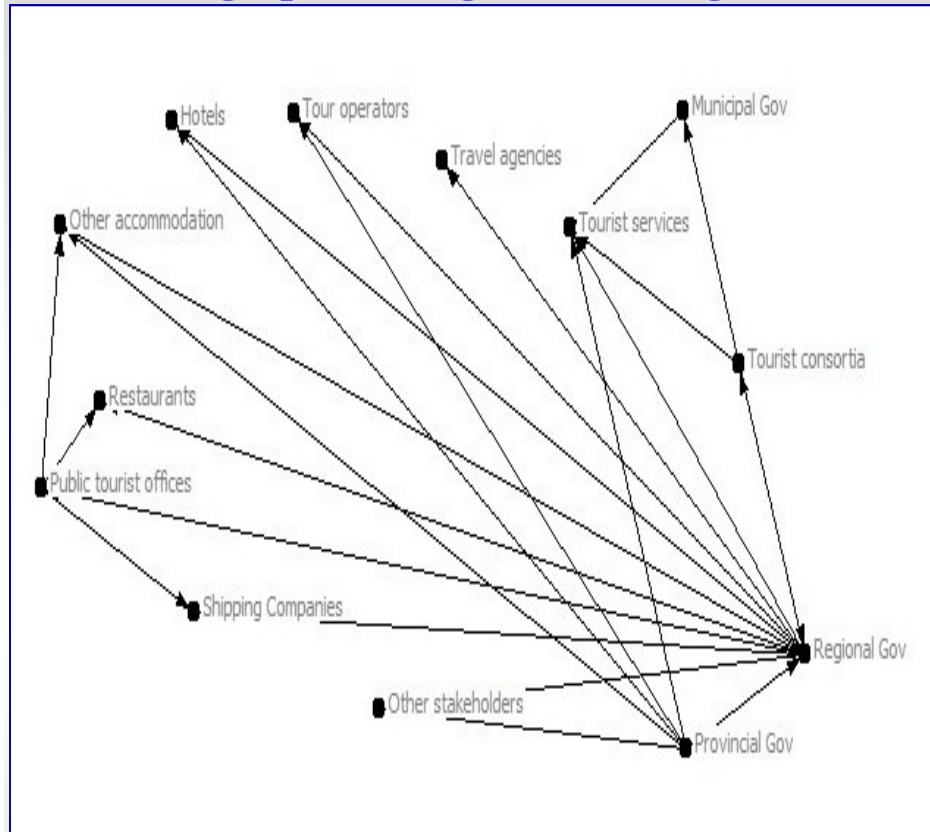
	R	P	C	U	A	EX	ST	CT	ADV	AS	TO	COT	R
R	0.00	6.00	4.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	6.00
P	5.00	0.00	1.00	1.00	5.00	5.00	6.00	1.00	2.00	5.00	5.00	4.00	4.00
C	3.00	3.50	0.00	2.25	3.87	3.33	5.00	4.00	1.67	3.00	3.12	2.62	4.00
U	2.00	2.50	2.00	0.00	4.00	5.00	4.00	5.50	3.00	3.00	2.00	3.50	5.00
A	1.88	1.73	2.82	2.18	0.00	1.78	3.09	1.85	3.06	1.75	4.06	2.42	2.06
EX	2.5	2.55	3.45	2.91	2.39	0.00	2.68	1.89	2.49	2.22	2.71	2.20	2.88
ST	2.25	2.46	2.62	2.67	3.60	4.09	0.00	2.29	2.95	3.09	3.73	3.38	2.86
CT	2.33	1.67	2.22	1.67	3.00	2.56	2.22	0.00	2.78	2.22	3.56	1.33	2.22
ADV	1.83	2.67	3.00	1.67	3.67	3.17	4.00	2.83	0.00	3.17	3.67	2.67	3.50
AS	3.00	3.00	3.60	1.80	2.60	1.40	3.80	1.60	2.00	0.00	2.60	1.40	2.40
TO	3.50	1.50	2.50	2.00	3.00	2.50	3.50	1.50	2.00	3.50	0.00	2.50	1.50
COT	5.00	3.75	4.75	2.25	4.00	4.00	5.00	3.25	3.50	4.50	3.25	0.00	3.25
R	1.81	2.25	2.56	2.75	3.00	2.44	2.62	2.62	2.69	3.00	2.44	2.93	0.00

How do stakeholders assess their reciprocal relationships when running management activities? Mean values

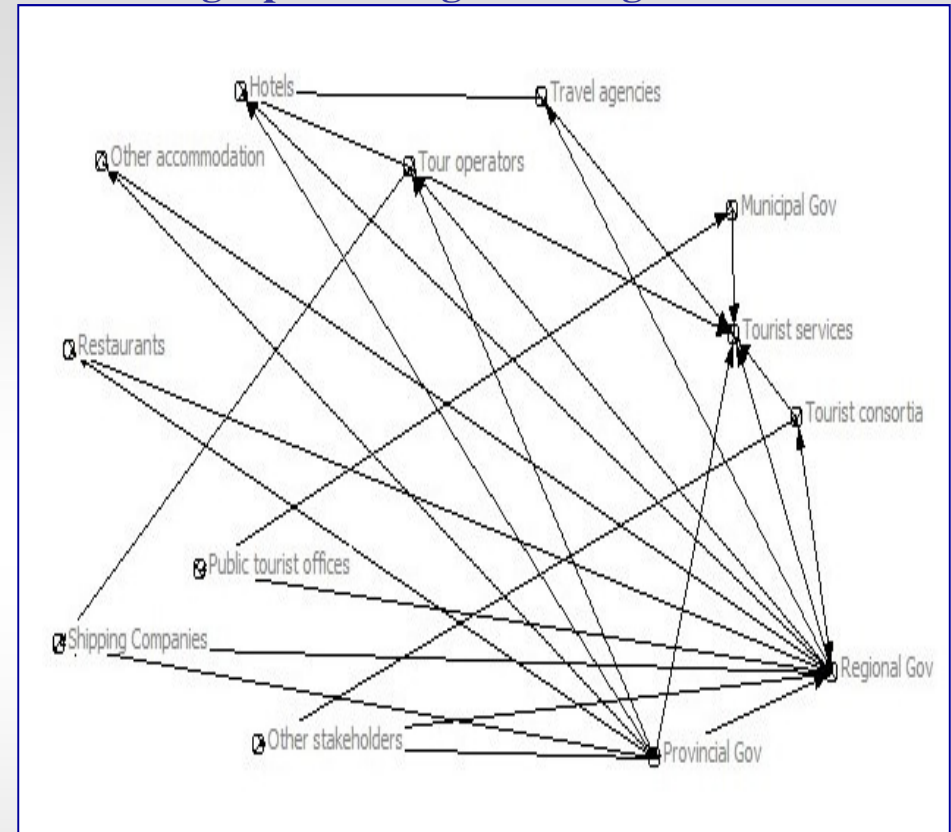
	RG	PG	MG	PTO	H	NF	TS	TCO	TA	OS	TO	TC	R
RG	0.000	5.000	4.000	5.000	6.000	6.000	6.000	6.000	5.000	6.000	6.000	5.000	6.000
PG	5.000	0.000	3.000	1.000	5.000	6.000	7.000	5.000	4.000	5.000	6.000	2.000	5.000
MG	3.000	3.500	0.000	2.500	3.875	2.500	5.000	4.000	1.250	3.000	0.750	3.000	4.000
PTO	3.000	3.500	5.500	0.000	1.500	2.000	2.000	3.500	1.500	1.500	1.500	3.500	1.500
H	2.212	1.970	2.364	1.818	0.000	1.909	2.788	2.303	3.000	1.879	1.970	2.030	2.545
NF	2.184	2.329	3.197	3.013	2.592	0.000	2.632	1.842	2.276	2.303	1.579	1.987	3.342
TS	1.958	2.333	3.125	2.458	3.708	3.708	0.000	2.667	2.917	3.167	2.167	2.792	3.500
TC	2.556	2.333	2.889	1.889	3.222	2.556	2.556	0.000	2.889	2.333	1.889	1.667	2.667
TA	1.833	3.000	2.833	1.667	5.167	4.333	4.667	4.000	0.000	4.000	2.833	2.167	4.167
OS	1.600	2.000	2.000	1.200	1.800	1.600	3.400	1.600	2.000	0.000	2.000	1.800	1.600
TO	4.500	2.500	3.500	2.000	5.500	4.500	5.000	5.000	3.000	4.000	0.000	3.000	2.500
TC	5.500	4.250	4.250	2.500	4.000	4.000	5.250	3.250	3.500	5.000	3.250	0.000	3.250
R	1.750	2.188	2.250	2.750	3.000	3.125	2.563	2.875	2.500	3.500	1.875	2.750	0.000

The Costa Smeralda - Gallura tourism destination: a visual representation

Network graph relating to marketing activities



Network graph relating to management activities



Private players are most concerned in establishing and nurturing their relationships with public institutions and they interact very poorly with each other

Network indicators relative to Marketing & Management activities

	Marketing			Management		
	Outdegree	Indegree	Betweenness	Outdegree	Indegree	Betweenness
Regional Gov	11.000	2.000	15.000	11.000	2.000	13.000
Provincial Gov	6.000	1.000	0.000	8.000	1.000	0.000
Tourist consortia	3.000	1.000	2.000	3.000	1.000	0.000
Public tourist offices	3.000	1.000	0.000	1.000	1.000	3.000
Hotels	0	2.000	0.000	0.000	4.000	0.000
Municipal Gov	1.000	1.000	0.000	1.000	1.000	1.000
Tourist services	0	4.000	0.000	0.000	6.000	0.000
Travel agencies	0	1.000	0.000	2.000	1.000	0.000
Other accommodation	0	3.000	0.000	0.000	2.000	0.000
Other stakeholders	0	2.000	0.000	0.000	3.000	0.000
Restaurants	0	2.000	0.000	0.000	2.000	0.000
Shipping Companies	0	2.000	0.000	0.000	3.000	0.000
Tour operators	0	2.000	0.000	3.000	2.000	0.000
Mean	1.846	1.846	1.308	2.231	2.321	1.308
Std Dev	3.183	0.863	3.988	3.332	1.423	3.473
Sum	24.000	24.000	17.000	29.000	29.000	17.000
Variance	10.130	0.746	15.905	11.101	2.024	12.059

NA & tourism destination: findings

- ✓ The destination has a **fragmented governance and no one pivotal organisation** seems able to exert the role of “relationships facilitator”
 - Until recently, there was a formal DMO but it has been abolished because local stakeholders believed it to be inefficient.
 - *“Two and a half million Euros in seven years and nothing was done. Every single politician, whatever his or her political party, agree on this point”*
(President of the Province of Olbia-Tempio, Unione Sarda, October 9 2010)
- ✓ Public stakeholders show a high outdegree and a low indegree
 - public players think they collaborate with private organizations more than the latter really think
 - a possible **hiatus between the public and the private** sectors in planning and promoting tourism in the destination seems to exist
- ✓ Hospitality marketers show an outdegree that is always 0 both for marketing and management activities.
 - **hospitality marketers referred a low level of collaboration with all the other stakeholders**

A relational perspective

Items (data are expressed in %)	"Costa Smeralda" (Sample = 188; N = 1.247)								
	1	2	3	4	5	6	7	Mean	S. D.
Working for the competitiveness of the destination has a positive effect on the success of each stakeholder	3.2	3.2	9.6	17.1	17.6	12.8	36.4	5.27	1.699
The activities of my organization influences the activity of other stakeholders of the destination	11.2	9.1	12.8	10.2	19.3	16.0	21.4	4.51	2.006
The activities of other organizations influence the success of my organizations	6.4	5.9	7.0	17.1	26.7	20.9	16.0	4.79	1.681
In the destination exists one (or few) organizations capable of exercising leadership	23.5	13.4	11.2	9.1	14.4	14.4	13.9	3.76	2.170
In the destination relationships between private operators are based on mutual trust	13.9	16.0	17.1	9.6	15.5	12.8	15.0	3.95	2.025
In the destination relations between public and private stakeholders are collaborative	23.0	19.3	25.1	9.6	11.8	4.3	7.0	3.09	1.785
In the destination relationships between private tourism operators are collaborative	12.9	14.5	17.7	21.0	16.7	9.7	7.5	3.73	1.759
In the destination is developed the rule of "give to receive" (feel obliged to return favors)	19.3	17.6	15.5	10.7	19.3	8.6	9.1	3.55	1.940
I feel involved in tourism planning and brand strategy	40.1	19.3	16.0	5.9	4.8	6.4	7.5	2.65	1.929

Conclusions

- ✓ The analysis of network centrality seems to describe Costa Smeralda- Gallura as a **sparse network** with a **fragmented governance** and **without a pivotal organization** able to exert the role of “relationship facilitator”
 - This confirms a well known weakness in the Italian tourism offer (Sciarelli, 2007)
 - This is coherent with the findings of a previous study carried out in the small tourism destination, Costa Smeralda, which is located in the administrative territory of Gallura (Del Chiappa, 2010)
- ✓ Within the destination there is a **low level of density, collaboration and integration** in the relationships between local stakeholders, when running both marketing and management activities

Contribution to theory and managerial implications

- ✓ Destination managers can better assess the characteristics of the network by using a **mixed method** in which to combine both the **structural and relational perspective**
- ✓ Findings draw the destination managers' attention to the necessity of **carrying out internal as well as external marketing and branding operations**
 - Internal marketing and branding is necessary in order to build an effective tourism system (Del Chiappa and Bregoli, 2012)
 - Create systemic consciousness and increase involvement and commitment in destination strategy and positioning
 - Foster coordination, trust and collaboration
 - Increase the credibility, trustworthiness and leadership DMO need to shape and guide the activities of local stakeholders
 - Increase the uniqueness of brand messages sent to the market and create unique set of strategic objectives

Limitations and future research

✓ Limitations

- We considered links between “groups” or “sector”
 - However, this approach follow recent researches suggesting to identify some form of sub-structures that may have denser connections between members of the community than with actors outside the group (Baggio, 2010)
- The sample size is low

✓ Future research

- To measure and assess interorganizational relationship by looking at observable facts
 - affiliation in commons project or associations and/or in travel packages/tours;
 - equity-based relationship, etc
- To assess interorganizational relationship by using a mixed method in which different sources of information (in-depth interviews with key informants within the tourism destination, content analysis of official promotion materials and of official web-sites of local stakeholders, etc) are considered.

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**Thank you for your attention,
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