Strategic Marketing in Tourism Services

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Tourism services all over the world currently face rapid changes due to market globalization, increased competition, and the dynamic evolution of new technologies. Moreover, it is expected that tourism will be one of the industries that will be most affected by the current international economic downturn. The context of economic hardship and the need for innovative and financially difficult environments requires the tourism industry to be quick and efficient in meeting the needs and desires of its customers, not to strategically respond to current global challenges. Therefore, strategic marketing becomes a necessary practice in contemporary tourism services firms.

Strategic Marketing in Tourism Services is an anthology comprising chapters related to tourism marketing strategies. The book contains the application of specific marketing strategies such as experiential marketing, relationship marketing, and marketing and communicating tourism. Furthermore, it presents the strategies employed by tourism firms to competitively, effectively, and efficiently focus on marketing and communicating tourism and their marketing strategies from various countries around the world.

This book provides an invaluable tool for hospitality managers, architects, and tourism industry professionals. It presents current travel industry trends on how to develop strategic, innovative, and competitive marketing plans, and provides insights into the most effective ways to communicate their strategies. Chapters on segmentation, targeting, and positioning strategies, as well as brand management, are featured, providing an overview of how a combination of various marketing strategies can be used to improve tourism services.

This book provides an excellent overview of the tourism marketing landscape and its importance. The range of topics covered is comprehensive, and the presentation is well-researched and high-quality. It serves as valuable guidance for those interested in tourism marketing, and as a reference in the tourism industry. The chapters are well-organized and provide a detailed explanation of tourism marketing strategies, making it an excellent textbook for students and professionals.

This book is a comprehensive guide to the current and future marketing strategies employed in the tourism industry. It provides valuable insights into the various aspects of tourism marketing and its impact on the industry. The book is well-written and provides a clear understanding of the strategies employed in the tourism industry. It is an excellent resource for students and professionals looking to improve their understanding of tourism marketing.
Chapter 4

Destination Branding Development: Linking Supply-Side and Demand-Side Perspectives

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4.1. Introduction

Two of the most important factors influencing the competitiveness of a destination are destination governance and destination branding (Dwyer & Kim, 2003). Destination governance is instrumental in managing the fragmented and complex nature of tourist destinations effectively, while destination branding is important because it enhances a destination's positioning and exerts considerable influence over tourists' choices and their satisfaction. The relationship between destination governance and destination branding, however, has not been investigated in depth. This omission occurred because in recent decades the literature on destination branding has mainly adopted a demand-side rather than a supply-side perspective (Konesnik & Go, 2008), whereas both should be taken into consideration for destination brand planning and positioning to be effective (Cai, 2002). Indeed, keeping in mind both these perspectives helps managers develop a coherent method of execution and to achieve consistency and cohesiveness in brand positioning (Freire, 2007).

This chapter addresses the above point. It defines the concepts of a destination brand and destination branding, proposes a dynamic model of brand development that combines supply-side and demand-side perspectives, and analyses the main conditions for successful destination branding. The chapter concludes by arguing that, when considering how destination governance affects destination branding, three layers of governance should be examined: the internal governance of a Destination Management Organization (DMO), the governance of the relationship between stakeholders and the governance of the relationship between the DMO and stakeholders. This model therefore draws destination managers' attention to the necessity of carrying out both internal and external marketing and branding operations when trying to achieve a unique destination brand positioning.
4.2. The Concept of Destination Branding: An Overview

Initially, destination branding is the definition given by the American Marketing Association (Ritchie & Ritchie, 1998). According to this definition, a brand can be defined as 'a multidimensional assortment of functional, emotional, relational, and strategic elements that are created in the minds of consumers' (Aaker, 1996, p. 68; Keller, 1993, 2003). More recently, a destination brand is considered a relational network developed in the destination between itself and certain target markets and stakeholders in order to claim its own offer (Del Chiappa & Tieni, 2008; Hinkinson, 2004; Kavaratzis, 2005). This means that a destination brand exists only if it is able to stake out a position in the tourist's mind and not because it has a recognized name, distinctive logo, tagline or symbol.

Broadly speaking, destination branding can be defined as the dynamic process of drawing support and cooperation from different stakeholders so that the brand will be accepted, communicated and manifested through official and unofficial publicity and products (Ooi, 2004, p. 109). Overall, the objective of destination branding is to select a consistent mix of brand elements to identify and distinguish a destination through a positive image building (Cai, 2002, p. 734).

Destination branding has been recognized as a critical element for destinations wishing to cope with fierce competition from other destinations and changes to tourists' behaviour and expectations (Beers & Martin, 2004). It describes the development of a unique identity and its promotion, with the aim of creating a positive image in the minds of targeted tourists (positioning), so that a destination can gain a differential advantage over its competitors (Delgolds, Goldsmith, Bonn, & Joseph, 2006; Greaves & Skinner, 2010). Destination image (one of the components of a destination brand) influences tourists' behaviour before and after they visit the destination. On the one hand, it influences tourists' initial perceptions about the destination and their choice as to where to spend their holidays (Byron & Zhang, 2010). On the other hand, destination image plays a significant role after tourists have visited the destination as it is the benchmark against which tourists compare both their initial perceptions and what they really experienced during their stay (Koncik & Gartner, 2007; Pike, 2007). It follows that the more positive the brand of a destination, the greater the likelihood that the destination will attract more travellers than its competitors. Therefore, it can be argued that effective destination branding improves destination positioning and competitiveness. For example, the case of New Zealand with its '100% Pure' tourism campaign has been considered highly successful in reinforcing the country's 'clean and green' positioning (Morgan, Pritchard, & Figgott, 2002).

Destinations function as a brand even if they are not managed under a conceptually brand framework (Freire, 2007) but, as previous research emphasizes, responsibility for directing the process of destination branding should be given to a DMO (Gartrell, 1994; Hinkinson, 2007) to reach consistency. Then, the DMO becomes responsible for the management and marketing of the destination as a whole. Place branding can occur across multiple spatial scales, involving DMO at different levels (local, regional, national etc.) and creating significant issues for the governance and management of place brand architecture (Hall, 2010). A dynamic model of destination branding that considers both demand-side and supply-side perspectives is therefore necessary to highlight the roles that different stakeholders have in developing the destination brand.

4.3. A Dynamic Model of Destination Branding

Previous tourism literature mainly focuses on the definition of destination branding, looking at the static dimensions of a brand and its functions/advantages, while neglecting its dynamic dimensions (e.g. Deslendes & Goldsmith, 2002). Recently, several authors have proposed a model of destination brand equity that describes the dynamic process of destination brand creation, development and assessment (Koncik & Gartner, 2007). Moreover, as Koncik and Go (2008) emphasize, most tourism literature analyses the success of specific tourist destinations from a demand-side perspective, while the supply-side perspective has remained largely unexamined. On the contrary, it could be argued that, for destination brand planning and positioning to be effective, it is necessary to adopt a perspective that evaluates brand identity and brand image at the same time (Cai, 2002). Indeed, as research carried out in fields other than tourism has found, it can be argued that tourist operators not only represent an important and significant stakeholder group but are also the original source of brand equity (Burman, Zeplin, & Ralston, 2009).

Therefore, it becomes necessary to study how a destination brand is perceived by both local stakeholders and tourists. Figure 4.1 displays a dynamic model of destination brand development, obtained using research from literature on general branding (Kapferer, 1995).

According to this model, to create and develop a unique brand positioning, the DMO should first seek and shape the destination brand identity based on the resources, both tangible (e.g. hotel facilities, beaches etc.) and intangible (e.g. myths, friendly people), that really exist within the tourist area. These resources create a natural tourist vocation for the destination and based on these, the DMO should define the destination's identity. Destination identity refers to the essence of a place.

In particular, Zenker and Braun (2010), cited in Zenker (2011, p. 42), consider place identity as 'the visual, verbal and behavioural expressions of a place, which are embodied in the aims, communication, values and general culture of the place's stakeholders and the overall place design'.

To sum up, according to Freire (2007) tourism destinations should develop a system of brand management focused on their identity with DMOs identifying a 'unique set of brand associations that the brand strategically aspires to create or maintain' (Aaker, 1996, p. 68). When defining the destination identity, DMOs should involve both the stakeholders who provide services to tourists (accommodation, restaurants, transport providers, visitor attractions, shops etc.) and the local community, so that they become committed to the brand values that are delivered
to the market. In the process of brand development, the DMO should not only establish the destination’s brand identity based on the real essence of the place but also try to harmonize the different views that stakeholders have about the brand identity to be promoted. (In Figure 4.1, these different views refer to ‘noise’). This is necessary because the more diverse these views are, the greater the difficulties that the DMO will have to face when shaping the destination’s identity and the greater the likelihood that stakeholders will deliver divergent messages to the market through their own promotional activities. By harmonizing the different views, the DMO can reach a consensus-based collaborative strategy, and it becomes possible to align the image that tourists have of the destination before and after they visit it, meaning that tourist satisfaction and loyalty can be addressed (Konecnik & Gartner, 2007). Indeed, local people are relevant because they influence how consumers experience the destination. This is particularly true when local people working in tourism sector are considered. As Freire (2007) stated, the degree of tourists’ satisfaction is linked to the behaviour and attitudes of people working within the tourist service providers.

Once the DMO has decided upon the destination’s brand identity, the brand development process enters the second phase of the model, during which the brand is communicated in three different ways: primary (architecture and real place offering), secondary (formal communication through official media) and tertiary (word of mouth reinforced by the media and residents) (Kavaratzis, 2005). At this stage, the DMO is the main organization responsible for brand promotion. However, other

*‘image formation agents’ are able to influence, both positively and negatively, the brand image formation process and tourists’ decision making (Deslandes et al., 2006; Gartner, 1993). According to Gartner (1993), these agents can be organic (non-commercial sources of information, such as family and friends) and induced (commercial sources of information, such as travel agencies), with destination marketers having less control over the former than over the latter (Deslandes et al., 2006; Greaves & Skinner, 2010). Our model considers the following: (a) film commissions trying to attract motion media production crews (movies, TV and commercial films) in their respective localities, contributing significantly to the destination image and interest in visiting a place (Beeton, 2005; Mercille, 2005); (b) media (both visual and non-visual) that can strongly influence a destination image through the message they deliver to their audience (Roehl, 2009); (c) intermediaries (such as tour operators and travel agencies) that can influence the destination image formation process, based on how they promote destinations and specific tourist packages to their customers; (d) local stakeholders delivering services to tourists (hotel facilities, restaurants, transport providers, visitor attractions, shops etc.) who are able to influence the destination image formation process through the promotional activities they run to market their own businesses (Gallarza, Saura, & Garcia, 2002) and by how they interact with visitors once they are at the destination (Freire, 2007); and (e) opinion leaders (tourism journalists, archaeologists etc.) and pressure groups (environmental groups) who can influence the way tourists perceive a destination image by the opinions they express. Furthermore, the destination’s image formation process can be influenced by its competitors, that is, other destinations competing to attract tourist flows (Ritchie & Ritchie, 1993; Hankinson, 2004), and by its partners. The latter includes other organizations (tourism related or not, such as other tourism destinations, companies, airlines, producers of typical foods etc.) with whom a destination could develop co-marketing activities aimed at creating new products and/or strengthening its brand positioning (Cai, 2002).

The destination identity that the DMO and stakeholders try to deliver to the market does not necessarily conform to the image perceived by tourists (Greaves & Skinner, 2010). This occurs because macro-promotional activities delivered by the DMO can be interpreted differently by tourists, according to their sociocultural background (Mercille, 2005) and/or distorted by the aforementioned ‘agents’ (film commissions, media and trade etc.). As a result, destination managers should systematically carry out market research to determine if there is any inconsistency between identity and image (Pike, 2007), in order to understand the reasons for such a misalignment and decide how to correct it.

Regarding the third stage of the model, which covers the demand side of the process, it must be stressed that brand knowledge consists of brand awareness and brand image, that is, the sources of destination brand equity (Keller, 2003). The former is ‘reflected by consumers’ ability to identify the brand under different conditions’ (Keller, 1993, p. 3) and can be considered as being the first step in a purchase behaviour model. Awareness is a necessary but not a sufficient step leading to an initial trial and then to repeat purchases (Konecnik & Gartner, 2007).
another decisive factor and can be defined as the sum of beliefs, ideas and impressions that a person has of a destination" (Crompton, 1979, p. 18). According to customer-based brand equity perspective (Keller, 2003), destination brand assessment can be carried out by comparing the awareness and image of a destination with those of its competitors (Konecnik & Gartner, 2007). Hence, the higher the level of brand awareness and brand image, the higher the likelihood of brand choice (Pike, 2007). By and large, brand success can be measured through business-based criteria (profitability, market share, overnight stays etc.), consumer-based criteria (brand awareness and image, loyalty etc.) (de Chernatony, Dell'Olmo, & Harris, 1998; Desclaves et al., 2006) and citizen/stakeholders-based criteria (Zemler & Martin, 2011).

4.4. The Relationship between Destination Governance and Destination Branding

The model presented in Figure 4.1 highlights the existence of a relationship between destination governance and branding, with the former influencing the latter through internal marketing and branding activities (Del Chiappa & Bregoli, 2011).

On the one hand, destination governance refers to the way in which relationships between players are regulated (Palmer, 1998) and, from a tourism perspective, it consists of setting and developing rules and mechanisms for a policy, as well as business strategies, by involving all the institutions and individuals (Beritelli, Bieger, & Laesser, 2007, p. 96). On the other hand, destination branding is the dynamic process of drawing support and cooperation from different stakeholders (Hankinson, 2004). It could be argued that an effective governance is needed in order to enhance the collaboration between local stakeholders (both public and private) and involve them in the destination brand strategy, so that they can feel themselves engaged, attached and committed to a unique and consistent destination identity to be delivered to the market. This collaboration, in turn, creates the pre-condition for reaching a unique and consistent brand positionning (Sheehan & Ritchie, 2005), since it contributes to eliminating, to some extent, conflicting brand messages delivered by the marketing and communication activities of the single stakeholders and the DMO.

When considering the way destination governance affects destination branding (Del Chiappa & Bregoli, 2011), three elements should be taken into account: (1) the internal governance of a DMO; (2) the relationship among stakeholders; and (3) the relationship between the DMO and stakeholders.

The first element refers to the rules regulating internal functioning of DMOs. In particular, two aspects affect the destination branding strategy, namely the organizational structure of the DMO and the DMO's funding strategies. The former is represented, for instance, by the number of positions on a board, the number of people sitting on each board and the number of institutions represented on the various boards (Beritelli et al., 2007). The latter refers to the strategies adopted by the DMO to obtain the necessary funds for carrying out its activities, such as raising funds through tourism and hotel taxes, through fees paid by members or from the public sector (Ritchie & Crouch, 2003).

The second element refers to relationships developed between destination stakeholders who are engaged in offering complementary services to tourists. As far as the network structure is concerned, relevant dimensions include embeddedness, network centrality and density. Embeddedness refers to the fact that firms are embedded in a network of interpersonal relationships (Bhat & Milne, 2008). Network centrality refers to the position that an organization has within the network, as a consequence of the power it acquires through the network. The central role played by an individual organization in a network influences the coordination of the network itself (Scott, Cooper & Baggio, 2008). Finally, network density refers to the number of ties between stakeholders, and it is suggested that dense networks ensure high certainty because there is an increased access to both information and resources (Scott et al., 2008).

Finally, the third element addresses the relationships between DMOs and their stakeholders. These relationships are developed through internal branding and communication. Internal branding, communication of the brand identity and coordination are not necessary to increase the collaboration and integration between local stakeholders, but they are essential in committing the stakeholders towards the destination’s brand identity. Moreover, they allow the DMO to gain the authority and leadership to shape and guide the operations of local stakeholders, so that these can converge and create a unique and consistent destination brand (Del Chiappa & Bregoli, 2011). In particular, the tools that a DMO can use to cultivate its relationship with stakeholders include developing coordination mechanisms, such as regular communications and meetings, socialization processes, staff training, interlocking directorates and selection systems (Beritelli et al., 2007; Mowforth & Munt, 2003).

Internal governance of a DMO and the relationship between the DMO and stakeholders are pivotal in destination brand development. Therefore, it is advisable that rules regulating the internal operation of a DMO might require that destination stakeholders are involved in the process of creation and management of the destination brand. At the same time, the DMO’s funding strategy might influence marketing activities towards developing a destination brand. Finally, the way through which different destination stakeholders are coordinated is fundamental to avoid the delivering of divergent brand messages.

4.5. Conditions for Successful Destination Branding

The creation and development of a destination brand are more likely to be successful when the project is managed bottom-up rather than top-down (Gnoth, 2002). Furthermore, the success of a destination brand strategy depends on the involvement of all public and private stakeholders (Jamal & Getz, 1995; Lodge, 2002). The role of the DMO as a convener is crucial because it has the power to identify all the
significant stakeholders who should be involved (Sheehan & Ritchie, 2005). In so doing, the DMO should favour stakeholders who are perceived by other players as having the legitimacy to participate in the partnership (Wood & Gray, 1991). Nevertheless, some studies highlight that a full involvement of stakeholders in destination brand creation and development is not always the optimal solution (Bhat & Milne, 2008). Furthermore, a brand-oriented organizational culture must exist in the DMO and departmental coordination and process alignment must be established in order to shape and share brand values and then to secure commitment to them (Hankinson, 2007).

Moreover, it is necessary that the DMO should be able to exercise effective, strong and visionary leadership and manage the partnerships in order to minimize conflicts between partners and satisfy their needs. Recent research on destination governance and branding emphasizes that the degree of authority and trustworthiness DMO managers exert depends on their personal characteristics and previous experience (Marzollo & Scott, 2009). Research in the field of network and stakeholder theory shows that strong authority and leadership are essential in destination branding while those responsible must work together on the brand development process to regulate the relationships between stakeholders, prevent conflicts and make the most of the opportunities for networking (Palmer, 1996).

4.6. Conclusions

To sum up, the proposed model views destination branding as a dynamic process and takes into account both the internal (supply-side) and external (demand-side) perspectives of brand creation. It also underlines the fact that destination branding basically manages the network of relationships between public and private operators who work at the destination. Destination branding is mainly about integrating marketing communication and is difficult to manage because stakeholders are interested in making their own brand and brand campaigns serving their own needs (Ooi, 2004). Consequently, the main objective of destination branding should be to enhance the collaboration between the different stakeholders (Hankinson, 2004), thereby eliminating, to some extent, the conflicting brand messages they might deliver. The proposed model of destination branding turns the attention of destination managers to the necessity of carrying out internal and external marketing and branding operations, making them mutually consistent, in order to reach a holistic and effective destination brand positioning. Internal branding and coordination activities are necessary to increase collaboration and integration between local stakeholders, to make them committed towards the chosen destination brand identity. Moreover, they enable DMOs to take over a leadership role they need to shape and guide the activities of local stakeholders so that the latter can converge in creating a unique and consistent destination brand identity. Internal branding and coordination of operations are essential to reach internal brand strength, which synthesizes the extent to which stakeholders internalize the brand values and adopt them in their daily job when interacting with visitors (Brogoli & Del Chiappa, 2011). Finally, external branding is necessary to develop a unique destination brand, thereby differentiating one destination from another and gaining a competitive advantage (Prayag, 2010).

References


