

# Chapter 1 – The study of destination marketing

## Activity 1.1 – We stand on the shoulders of giants

Search for the meaning of Isaac Newton's famous metaphor, *We stand on the shoulders of giants*, for how progress to knowledge is made. How is this relevant to destination marketing today?

Newton believed strongly in the incremental development of knowledge by improving existing ideas. A dwarf standing on the shoulders of a giant can see further than the giant is able to. Destination marketing best practise and research represents incremental improvements on past ideas and mistakes. I have heard many tourism practitioners cite a marketing axiom, not knowing the original source (eg the 1928 proposition that *perception is reality*).

## Case 1.1 - The world's first national tourism office (NTO) and destination *management* organisation, and the rise and fall and rise of a resort destination's competitiveness

The suggestion is made, with the benefit of hindsight, the Rotorua crisis was self-inflicted, even though the city's tourism stakeholders had no control over the New Zealand government's withdrawal of resources. Search for the story of the *boiling frog* and relate this as a metaphor to explain why Rotorua tourism stakeholders allowed a crisis to manifest, and how this serves as a lesson for other destinations.

The story of the boiling frog is often used as a metaphor for how people fail to react to major but gradual changes in the environment until it is too late. In the case of Rotorua, stakeholders had only known the privileged position of being the country's premier resort destination that was included in most itineraries because of the governments influence in overseas promotion, and investment in the area's infrastructure and attractions for almost a century. The author's view is that Rotorua (meaning the local government and tourism operators) had become complacent and assumed visitors would automatically continue visiting as they traditionally had. The town had never seriously had to engage in either the investment in tourism infrastructure or external promotion the way their competitors had. Rotorua suffered a gradual decline in destination image, in line with an ongoing failure to invest in new attractions and revitalisation of existing infrastructure and facilities.

## Case 1.2 - Sustainability of overcrowded destinations: the challenge faced by Sigiriya, Sri Lanka

What strategies are other DMOs adopting to manage over-tourism at destinations such as Sigiriya?

Other world-renowned destinations such as St Marks Square in Venice, the Taj Mahal in India, the Pyramids of Giza, and the Glass Bridge in the Zhangjiajie Grand Canyon in China face similar challenges, yet, DMOs seem to be less responsive in finding solutions to overcrowded destinations. This is because few DMOs have control over the resources. It is usually only Government that can force reduced visitor numbers through legislation, such as placing an annual cap on the number of visitors (eg Mt Everest). Another de-marketing option is to increase admission fees. However, this is an elitist option and can discriminate against local residents, who in turn can become resentful of richer visitors, a phenomenon known as *the demonstration effect*. Many commercial interests are likely to lobby against de-marketing to reduce over-tourism, for their own self interests. This can lead to tensions between entrepreneurs and conservationists.

### Activity 1.2 – Is your local DMO a destination *management* organisation?

Analyse the website or annual plan of a nearby DMO. Discuss how many activities you would consider to be *management* of destination resources?

**Note activities where the DMO has *control* over the resources, to enable *management*. This is different to indirect resource management issues such as lobbying government or other entities for them to take management action.**

## Chapter review questions

1. To what extent do you believe your nearest DMO is a destination *marketing* organisation or a destination *management* organisation. Explain why.

**At with Activity 2.1, students should be encouraged to investigate what responsibilities the DMO has at the destination, and what roles are undertaken, and then to consider whether these are destination *marketing* or *management* functions. To what extent does the DMO have the mandate or resources to actually manage aspects of the destination, other than marketing?**

2. Why it is important for the General Manager of a major hotel to have an understanding of the opportunities, challenges and constraints facing DMOs?

**Tourism businesses do not operate in isolation. The majority are small family owned businesses with limited resources. The success of the business is likely to be reliant to some extent on the competitiveness of the destination. It therefore behoves management to enhance their understanding of DMO operations, challenges, politics of decision making and constraints, so that they will be able to i) maximise cooperative marketing opportunities for their own business, and ii) assist the DMO to enhance the competitiveness of the destination.**

3. What initiatives do you think could be developed to stimulate more engagement between tourism academics and practitioners, which would be mutually beneficial?

**Students should be encouraged to be creative, but to consider i) busy tourism managers are interested in succinct summaries of information that will directly improve their business, and ii) academics are primarily rewarded for getting published in peer reviewed academic journals. Student might want to consider how to convert the wealth of information in the literature into something with appeal to practitioners.**

## **Chapter 2 – The Destination Marketing Organisation (DMO) and destination competitiveness**

### **Activity 2.1 – What is meant by the mantra, *promote the destination first and your business second*?**

When a new DMO is being established for the first time at a destination, this mantra can be one of the most challenging concepts for individual entrepreneurs to grasp. Why is this mantra so important?

**It is important tourism businesses recognise the need for a cooperative approach to destination marketing. While these businesses compete with each other for a share of visitor business, they need to cooperate with each other to help attract the visitors in the first place. The success of their business is influenced to some extent by the competitiveness of the destination. See *Case 10.1 – The Wyndham Group*, in Pike (2016, pp. 207-208) for an example of how one hotel business has used this mantra in their social media activities.**

### **Case 2.1 - Helensburgh and Lomond District, Scotland**

How would you set about involving the 200 voluntary groups and associations in the establishment of a DMO?

**This is a typical, and difficult, challenge faced by destination communities seeking to become organised to compete in tourism markets. The aim should be to stimulate local government involvement in the form of funding for a PPP or the appointment of a marketing coordinator. Given the ‘austerity’ climate, this is a challenge that should not be underestimated. Perhaps the best way forward is to convene a meeting of the various stakeholder groups to present the case for a cooperative approach, and form a working group of interested individuals. Arguably the best approach is to then develop a strategy to lobby government for the DMO establishment. Academics could be engaged to provide case studies of success/failure of DMOs with the aim of convincing government the only viable option is for the publicly funded PPP or the employment by government of a marketing coordinator. The media and social media should play a key role in generating community awareness and support. Support is also needed from someone in the government’s senior management as well as one or more politicians. In reality, this could take years of lobbying, and probably a lot of in-fighting among the stakeholder groups.**

## Chapter review questions

1. If there wasn't a DMO at your destination, what would the likely impacts on the local tourism industry be?

**Students should be encouraged to consider the impacts in terms of destination competitiveness issues such as: profitable tourism businesses, an effective market position, an attractive environment, satisfactory visitor experiences, and supportive local residents. Students should analyse the initiatives of their DMO in each of these areas.**

2. What is a marketing orientation? To what extent does your DMO demonstrate a marketing orientation?

**A marketing orientation is a philosophy, which should pervade the entire organisation, that is based on all decisions being made with the consumer in mind. This is an external, market-based view, rather than an internal view based on organisational issues as is the case in a production orientation or promotion orientation. Students should be encouraged to investigate the extent to which DMO strategies and tactics are based on addressing the needs of target segments, clearly based on marketing research. The level of marketing sophistication might also be related to the age of the DMO and the level of resources.**

3. What is the rationale for the establishment of a DMO?

**A DMO is the result of a community, at a local or national level, recognising the need to become formally organised in destination promotions. This is because of recognition that consumers are spoilt by choice of available destinations for every type of travel situation (eg honeymoon, short break, summer family holiday). Destination competitiveness cannot be left to chance.**