

Tourist destinations

Key concepts

The main concepts covered in the chapter are:

- The geographical hierarchy of destinations from continents to individual resorts
- The complex objectives of destination-marketing agencies and the fact that these agencies rarely own or control the product as a whole
- The fact that no direct charge is made for the use of destinations
- The role of marketing research in destination marketing.

Introduction

In this chapter, we will consider the key issues involved in the marketing of tourist destinations. The marketing of tourist destinations is perhaps the most complex form of marketing in leisure. There are a number of reasons for this complexity but there are perhaps four which are of most significance.

Destinations exist at a number of different geographical levels which are interrelated. Within the European context, some tourists can see the whole continent as a single destination, for example, 'Inter-Railers' who tour Europe on a rail ticket that allows them to travel in most European countries. Other

tourists talk about a country being their destination, for example, 'this year we are going on a coach tour of Ireland'. Regions often function as destinations, such as the Lake District in the UK, the Loire Valley in France and Tuscany in Italy. Some of these regions can be natural regions that cross national boundaries, like the Alps. Finally, there are individual resorts or urban areas such as Benidorm in Spain or cities like Paris and St Petersburg. While this appears complex, it is a simplification of the true situation.

This phenomenon is illustrated in Figure 16.1, which shows all the bodies at different geographical levels, which have an interest in the marketing of the French resort of Nice:

Municipality (Local Authority)	:	Office Municipale du Tourisme = Nice
Département (County)	:	Comité Départementale du Tourisme = Alpes – Maritimes
Région (Region)	:	Comité Régional du Tourisme = Provence – Alpes – Côte d'Azur
National	:	Central Government = <i>Maison de la France on behalf of the Ministère du Tourisme</i>
Europe	:	European Travel Commission

Figure 16.1 The marketing of Nice at different geographical levels

In Asia, PATA – the Pacific Asia Travel Association endeavours to market the countries of Asia-Pacific both within the region and globally.

The situation can be even more complex than this in a number of ways, including:

- Transnational agencies which are set up to market regions that cross national boundaries. For example, there has been significant cooperation between Kent County Council in the UK and the Nord-Pas-de-Calais Regional Council in North East France.
- Subregional agencies that are based on cooperation between neighbouring local authorities. Indeed, in France, funding is available to encourage such cooperation. Such subregional groupings are termed 'Pôles Touristiques'. These consortia are potentially a good way of overcoming one of the major traditional problems of destination marketing in Europe, namely tourist destination boundaries where local authority boundaries do not mirror tourist perceptions.

In spite of these latter initiatives, coordination between the different geographical levels is still one of the major challenges of destination marketing across Europe.

Secondly, *the objectives of destination marketing tend to be more complicated than those for other types of marketing, reflecting the fact that most destination marketing is carried out by public-sector bodies rather than private companies.* These public bodies are often involved in destination marketing for a wide range of reasons, most of which involve tourism being used as a means to an end rather than an end in itself. Tourism is often used by these organisations to achieve a number of outcomes, including:

- Improving the image of an area in the hope that this will encourage industrialists to relocate their factories and offices to the area.
- Increasing the range of facilities and amenities that are available for the local community. Income from tourists can help keep local shops, theatres and restaurants viable when they might go bankrupt if they had to rely solely on local residents. Tourists can also help justify and fund infrastructure development that might also benefit local people

such as new roads and airports. The same argument applies to new attractions such as museums.

- Giving local residents more pride in their local area which can happen when people see that tourists want to visit their region.
- Providing a rationale and funding for improvements to the local environment.
- Trying to make the destination politically more acceptable to outsiders by giving them an opportunity to see for themselves either what the place is actually like or what the government wants tourists to think it is really like. In the former Soviet Union, for instance, tourism was used to try to give outsiders a positive view of the achievements of the political regime.

However, public bodies can have a financial vested interest in tourism for themselves, for they can earn income from tourism in a number of ways. Central government gains revenue from sales taxes and fares paid to some state-owned airlines, for example, while local authorities often gain from the charges paid by tourists to visit public-owned tourist attractions.

The organisations who are charged with marketing destinations are largely promoting a product over which they have no direct control, and which is not a single product.

Destinations are a composite product which is made up of a number of components, including:

- accommodation establishments
- restaurants
- bars
- theatres, cinemas and nightclubs
- transport systems such as taxis, metros and buses
- natural features like beaches and cliffs
- man-made attractions including cathedrals, theme parks and museums
- the availability of excursions to nearby attractions
- sports centres and leisure facilities
- special events.

Generally the public-sector organisations who market destinations neither own nor control the vast majority of these elements of the destination product. Yet they have to endeavour to market them as a cohesive whole.

Finally, *no direct price is charged for visiting the destination* so that standard marketing approaches to pricing are not really applicable. This is why, for example, pricing has not as yet proved a very successful way of reducing peak demand in destinations which receive more tourists than they can cope with at peak times, like Venice.

Consumers pay to use the individual components of the destination product but not for the destination itself. Day trippers, therefore, can often use a beach for a whole day and use local infrastructure such as the road network, without contributing any money to pay for the services they use.

This fact is at the root of one of the most controversial aspects of destination marketing. In other words, most destination marketing is funded by the whole community through taxes paid to public-sector bodies. Yet most of the economic benefits go to private-sector enterprises, while the consumer rarely pays the true cost of their visit. This is clearly a moral dilemma.

The lack of control over the product which most destination-marketing agencies experience, together with the absence of a pricing mechanism, has led many of these

agencies to concentrate on the *promotional element of the marketing mix*. Most destination-marketing organisations are, therefore, involved in a range of promotional activities, including:

- The production of *brochures*, both promotional and informative, although both functions may be served by a single piece of print. The promotional aspect briefly involves using colour photographs and prose laden with adjectives to sell attractive images of the destination to potential customers. The informative aspect of a brochure might involve hotel lists, a directory of services available within the destination and information on travelling to the destination.

As well as producing a general brochure to cover the whole destination, a range of other brochures may also be offered. These may cover smaller geographical entities within the overall destination region. Alternatively, they could be targeted at specific market segments such as sports enthusiasts or business travellers.
- The placing of *advertisements* promoting the merits of visiting the destination. As the budget of the relevant agencies are often limited, most advertisements are placed in the printed media, rather than the more expensive, but more effective, medium of television. Most resort advertising is seasonal, and takes place when it is thought potential visitors will be making their holiday decisions. In the UK, for example, this leads to a plethora of resort advertising in late December and January. Most of the advertisements seek to encourage potential consumers to request a copy of the destinations brochure.
- *Press and public relations* play a significant role in the marketing activities of many destination-marketing organisations. Journalists are offered free familiarisation trips to the destination in the hope that this will result in them writing favourable articles about the destination. The same is true of television broadcasters. Likewise, many destinations undertake public relations activities to improve their image with the general public. They put out press releases on a range of 'good news stories' about the destination which they send to the media which they feel are used by their target markets. For agencies, with limited budgets, this very low cost form of promotion is particularly attractive.
- Relatively little *direct selling* is carried out by destination-marketing agencies. However, such selling is often used to attract high-spending, and thus economically valuable, conference business or coach groups.
- Due to the lack of control over the destination product and pricing, *sales promotions* are used relatively little in destination marketing. However, 'added value' promotional offers may be made available, featuring elements of the destination product over which the destination-marketing agency does have control. Thus, a local authority that owns a theatre and a museum could offer reduced price entry for people who visit the destination at certain times of the year.
- Attendance at *trade fairs and exhibitions*, aimed at both the public and the tourist trade.
- Some destinations have begun to make effective use of the Internet as a marketing tool, such as Singapore.

Most of the promotional efforts of destination-marketing organisations are channelled through the *tourist information centres* which most of them operate. These centres are the public face of the agency for visitors who are already in the destination, as well as for those who are potential visitors.

In relation to the marketing mix, these centres also perform the 'place' function, in other words, distribution, albeit, usually for elements of the destination product such as hotels, rather than for the destination product as a whole.

The role of tourist information centres varies across Europe but most of them distribute brochures and respond to requests for information. They may also perform a range of other services, including:

- hotel booking
- currency exchange
- selling local excursions
- selling travel tickets.

However, the more commercial activities can bring them into conflict with local traders, who can see these public sector subsidised centres as unfair competition. It is also vital for their credibility with the business community that these centres are seen to be impartial, rather than promoting particular enterprises only. Thus they will often not recommend hotels but simply give customers a list.

Increasingly, many tourist information centres are seeking to increase their budget by engaging in more commercial activities. Some, such as the Syndicats D'Initiatives and Offices du Tourisme, in France, have membership schemes. Private businesses pay to join in the knowledge that the centre will only actively promote the enterprises which are in membership.

Some destination-marketing agencies have sought to compensate for their lack of control of elements of the destination product by fulfilling the role of *packaging the destination product*. In part they have taken on the role of tour operators in putting together package holidays based in the destination. These packages usually include hotel accommodation as their core element, while extra elements may be incorporated including excursions, entrance to attractions, travel to/from the destination, transfers within the destination and special events.

They can also be used to promote a certain image of a destination that the agency wishes to develop, such as arts and cultural breaks in industrial cities, for example. Such themed weekend breaks have become more popular in recent years. There are many types of such breaks, including:

- activity holidays such as those provided by the Loisirs Accueil agencies in France;
- breaks linked to special events such as arts festivals;
- breaks for people who want to spectate at sporting events, like the highly successful soccer weekends which are offered in Liverpool in the UK;
- themed holidays for people who want to visit areas where films or television programmes have been set.

In many European countries, in recent years, there has been a growth in *public-private sector partnerships in destination marketing*. This has occurred for a number of reasons, notably:

- the desire for a more coordinated approach to destination marketing;
- the need to use the financial resources of the private sector to supplement the limited budget available for public-sector destination-marketing organisations;
- a wish to bring private-sector marketing expertise into the field of public-sector destination marketing.

Within the UK, for example, these partnerships have often followed the American model of Visitor and Convention Bureaux. In Birmingham and Glasgow, to give but two examples in the UK, agencies exist which are funded by both local authority grants and contributions from private-sector enterprises such as hotels and attractions. However,

many such partnership agencies find it difficult to consistently attract adequate private-sector funding and tend to rely heavily on the public sector for their financial stability.

A major potential role for destination-marketing agencies, which can increase their reputation with private-sector organisations is *marketing research*. As we have noted elsewhere in the book, marketing research is a vital prerequisite for successful marketing, yet it is still at an early level of development in the tourism field.

Destination-marketing agencies can play a vital role in this area because they can take an overview which an individual enterprise cannot, and because they have no commercial vested interest, they can be relatively impartial.

Good marketing research can be beneficial for destination marketing in three main ways as follows:

- (i) It can help the destination-marketing agency to carry out its marketing function more effectively.
- (ii) It can assist private enterprises refine their marketing in terms of their product, price, place and promotion.
- (iii) It can be used to help attract entrepreneurs to invest in new projects in the destination. If reliable and detailed market research data exists, it gives these entrepreneurs the confidence to invest in a particular destination.

There are two types of marketing research, namely:

1. Quantitative – the number of visitors, when they come, where they come from, what they do in the destination, how much they spend and so on.
2. Qualitative – why they come to the destination and their opinions on the various aspects of the destination.

Traditionally, marketing research in leisure focuses on existing customers who are easier to access. However, it is increasingly being recognised that we also need to focus on those who do not currently visit the destination and find out their reasons for not visiting. Future success may well depend on turning these nonusers into users, of the destination product.

To fulfil potential benefits of marketing research, the data must be available at the appropriate geographical level. For example, data which is only available on a regional basis may be of little value to a single resort only in that region if its market is significantly different from the market of the region as a whole.

In France, marketing research data is particularly good and is managed by a national, state-controlled body, the *Observatoire Nationale du Tourisme*. On the other hand, in the UK, public-sector marketing research is much less developed. Whereas in France, marketing research appears to enjoy a high status, in the UK, it has, until recently, had something of a 'Cinderella' status. Marketing research has often been the first function to be cut if the tourist boards or resort marketing department budgets were under pressure.

Good marketing research is expensive but the cost of not having good data in a competitive market will, increasingly, probably be even more expensive.

Conclusion

We have seen that destination marketing is perhaps the most complex form of marketing in the leisure fields. It is largely carried out by public-sector bodies which have complex social, economic and political motives.

Destination marketing exists at a number of interrelated geographical levels and involves interrelationships between a myriad of public-sector organisations and private-sector enterprises.

Discussion points and essay questions

1. Discuss what you consider to be the three main reasons why destination marketing is such a complex activity.
2. Using examples, evaluate the role of public–private sector partnerships in destination marketing.
3. Discuss the contention that the public sector should play no role in destination marketing.

Exercise

Select a tourist destination with which you are familiar and which you are able to visit. You should investigate its current marketing situation and identify its strengths and weaknesses, together with its opportunities and threats.

You should then produce a five-year marketing strategy for the destination on behalf of the local municipality or relevant government body.

Finally, you should focus on how the strategy will be implemented, including the following issues:

- budgets and where the money will come from;
- who will be responsible for implementing the strategy;
- partnerships with public-sector organisations;
- timescales.