

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 1

Unit 1: The Principles of Tourism Marketing

Topic

- Classical and tourism marketing
- Defining a tourism destination, destination management and marketing overview
- Uniqueness of destination management and marketing
- Stakeholders in destination management

Objectives

After the completion of this unit, students should be able to:

- Pinpoint the key factors of the differences between classical marketing and tourism marketing.
- Explain the characteristics of a tourism destination.
- Define destination management and destination marketing.
- Identify and explain the roles of destination management.
- Differentiate between destination management and destination marketing.
- Categorize the stakeholders in destination management into groups.
- Explain the 10 As of successful destinations.

1. Classical and Tourism Marketing

1.1 Definition of marketing

Marketing is a process done by an organization to meet its customers' needs. A longer definition is that marketing is a systematic, continuous process of an organization for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. Traditionally, classical marketing is often described in terms of the four Ps which are:

- **Product** – what goods or services are offered to customers
- **Promotion** – how the producer communicates the value of its products
- **Price** – the value of the exchange between the customer and producer
- **Placement or Place** (we can also call “distribution channel”) – how the product is delivered to the customer.

A complete analysis of these categories is often called ‘Marketing Mix’. More details on these categories can be found in the “Marketing Plan”. This is why we need “marketing plan” to do marketing for products, both goods and services. These include tourism products.

1.2 Tourism marketing

Marketing in tourism is rather different from traditional marketing which is more oriented to tangible product. The characteristics of tourism product are the factors that differentiate the way to market the product. Products in tourism are service and experience- oriented, and they are produced by use of destination's unique physical and cultural attributes. Therefore, tourism marketers do marketing for tourism products based on what a tourist destination has, and offer to tourists. We cannot offer to tourists what we do not have. This is why marketing in tourism relates with “destination marketing” and “destination management”. Destination marketing and promotion are dynamic and they require a high level of creativity and innovation, yet based on scientific approach using solid research and systematic procedures due to the fact that tourism has been changing rapidly.

Besides, to do marketing for tourism products, of it was without IT or Internet technology; it would seem more difficult for today. This is because tourism products concern “places” where marketing will need to give a desirable sense of place to create demand for the targeted market. Lastly, in tourism marketing, the marketing mix is beyond the 4Ps; instead, it is 8Ps, which will be discussed in later units.

2. Defining a Tourism Destination, Destination Management and Marketing Overview

2.1 Defining a tourism destination

Basically, a tourism destination is considered a geographic area that attracts visitors. However, there are more things to be added to this definition. Therefore, the key characteristics of a tourism destination can be discussed below.

- *A geographic area which has an administrative boundary or boundaries.* This ranges from the very largest country in the world like Russia, to the smallest like

Monaco and Vatican City. States, provinces, territories, regions, countries and cities within individual countries can also be destinations.

- *A place where the tourist can find overnight accommodations.* These are typically hotels, but there may be many other forms of accommodation. Some of the visitors may be day- trippers, so not all of them stay overnight.
- *A destination mix is available for visitors.* There are other facilities for tourists apart from overnight accommodations, including restaurants. Most important in drawing tourists are the attractions and events. Transportation, infrastructure and hospitality resources are the other elements of the destination mix.
- *A tourism marketing effort exists.* Steps have been taken to market and promote the place to tourists.
- *A coordinating organization structure has been created.* A destination management organization (DMO) leads and coordinates the tourism efforts of the place.
- *An image exists of the place in tourists' minds.* People have perceptions about what the place has to offer for tourism. These images may be accurate or inaccurate.
- *Government agencies have introduced laws and regulations.* Special laws and regulations control different aspects of tourism.
- *There is a mixture of tourism stakeholders.* Private- sector enterprises, government agencies, non- profit organizations, individuals and other entities have an interest in tourism.

2.2 Destination management and marketing overview

Destination management and destination marketing are the two highly interrelated concepts in tourism. In fact, destination marketing is one of the functions within the broader concept of destination management.

Destination management involves coordinated and integrated management of the destination mix (attractions and events, facilities, transportation, infrastructure and hospitality resources). Effective destination management requires a strategic or long- term approach based upon a platform of destination visioning and tourism planning. Destination management is accomplished through specialized organizations, known as destination management organizations (DMOs). DMOs coordinate the efforts of many stakeholders to achieve the destination's vision and goals for tourism.

Definition of destination management

Destination management is a professional approach to guiding all of the efforts in a place that has decided to pursue tourism as an economic activity. Destination management involves coordinated and integrated management of the destination mix (attractions and events, facilities, transportation, infrastructure and hospitality resources). Destination management organizations (DMOs) are teams of tourism professionals that lead and coordinate all tourism stakeholders. DMOs' roles include leadership and coordination, planning and research, product development, marketing and promotion, partnership and team- building, and community relations. Effective destination management involves long- term tourism planning and continual monitoring and evaluation of the outcomes from tourism efforts.

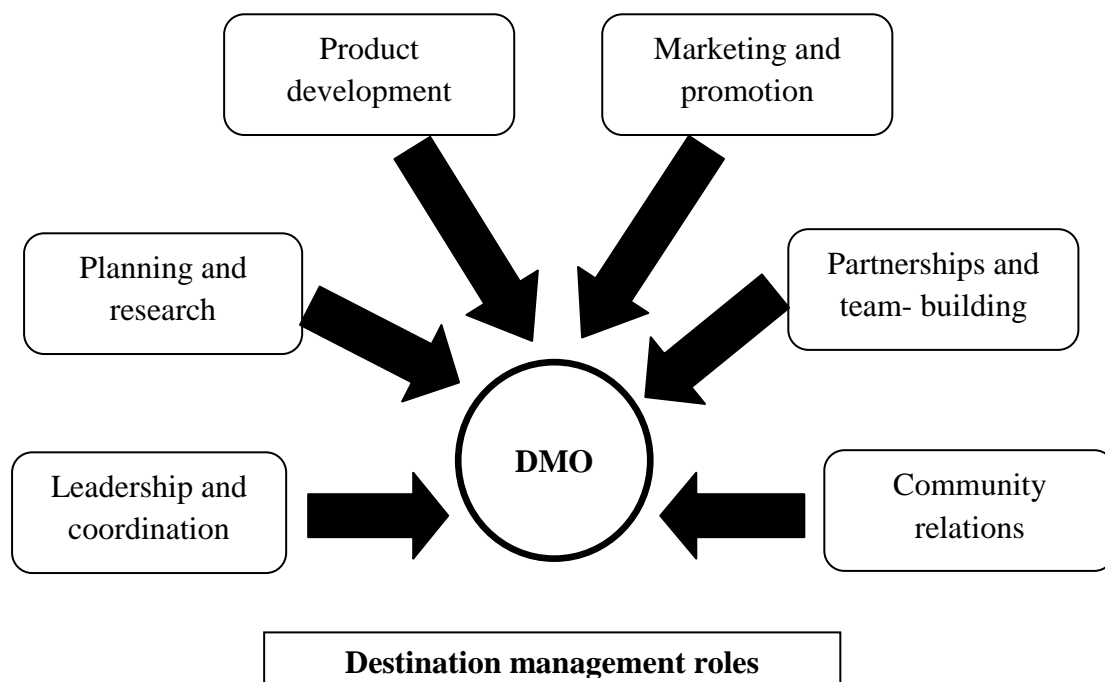
Destination marketing can be described as ‘a continuous, sequential process through which management plans, researches, implements, controls and evaluates activities designed to meet customers’ needs and wants and their own organizations’ objectives’. Effectiveness of marketing in tourism can be greatly affected by other outside of the DMO. This holistic, multi-organization view of marketing seems well suited to DMOs who must master the best efforts of many partner organizations and individuals to have the greatest success.

Definition of destination marketing

Marketing is a continuous, sequential process through which a destination management organization (DMO) plans, researches, implements, controls and evaluates programmes aimed at satisfying travellers’ needs and wants as well as the destination’s and DMO’s visions, goals and objectives. To be most effective, the DMO’s marketing programs depend upon the efforts of many other organizations and individuals within and outside the destination.

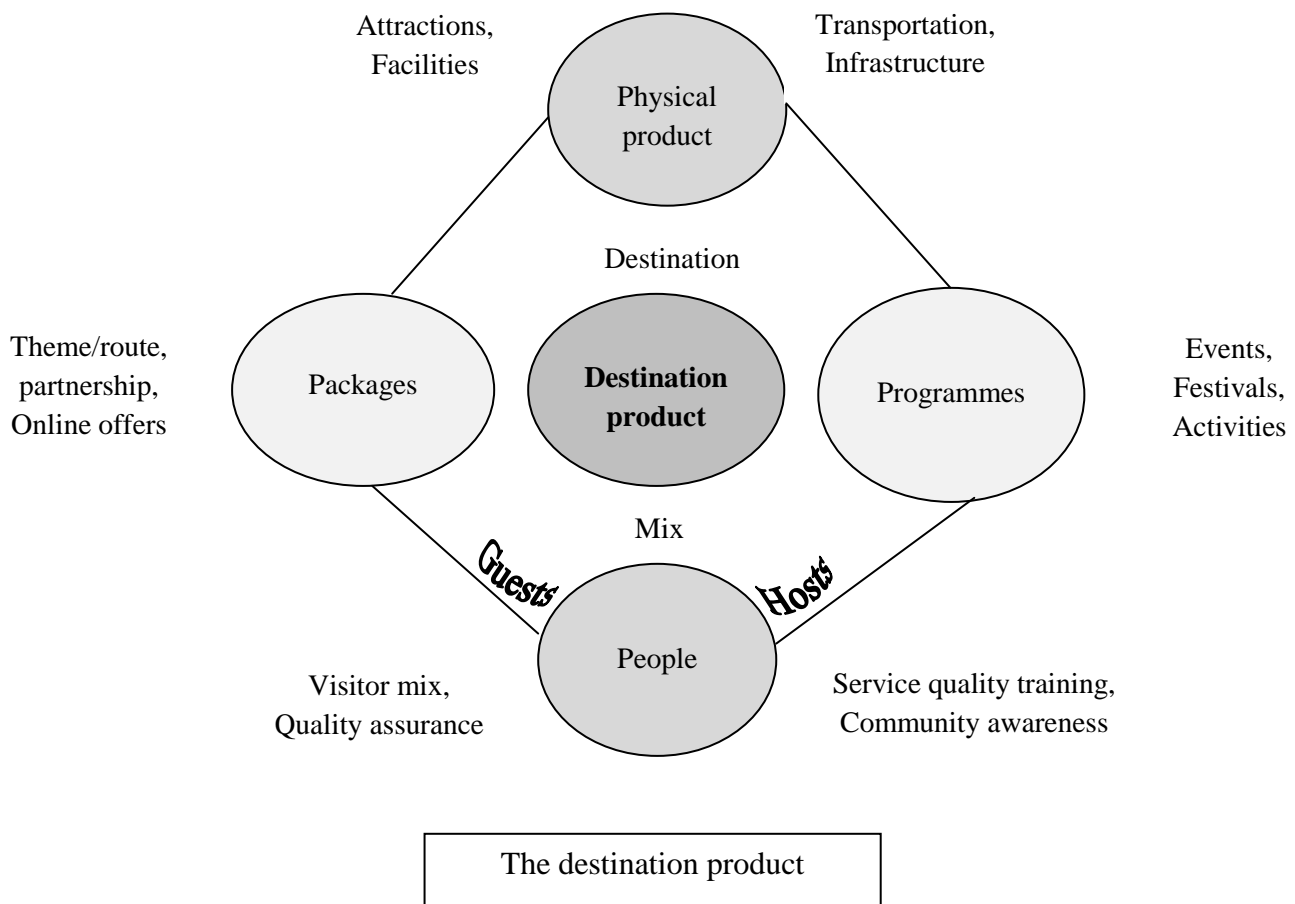
2.3 Destination management roles

There are 6 different DMO roles, identified in the figure below.



- (1) *Leadership and coordination*: Setting the agenda for tourism and coordinating all stakeholders’ efforts towards achieving that agenda.
- (2) *Planning and research*: Conducting the essential planning and research needed to attain the destination vision and tourism goals.

- (3) *Product development*: Planning and ensuring the appropriate development of physical products and services for the destination.



- (4) *Marketing and promotion*: Creating the destination positioning and branding, selecting the most appropriate markets and promoting the destination.
- (5) *Partnerships and team- building*: Fostering cooperation among government agencies and within the private sector and building partnership teams to reach specific goals.
- (6) *Community relations*: Involving local community leaders and residents in tourism and monitoring resident attitudes towards tourism.

3. Uniqueness of Destination Management and Marketing

3.1 Key differences

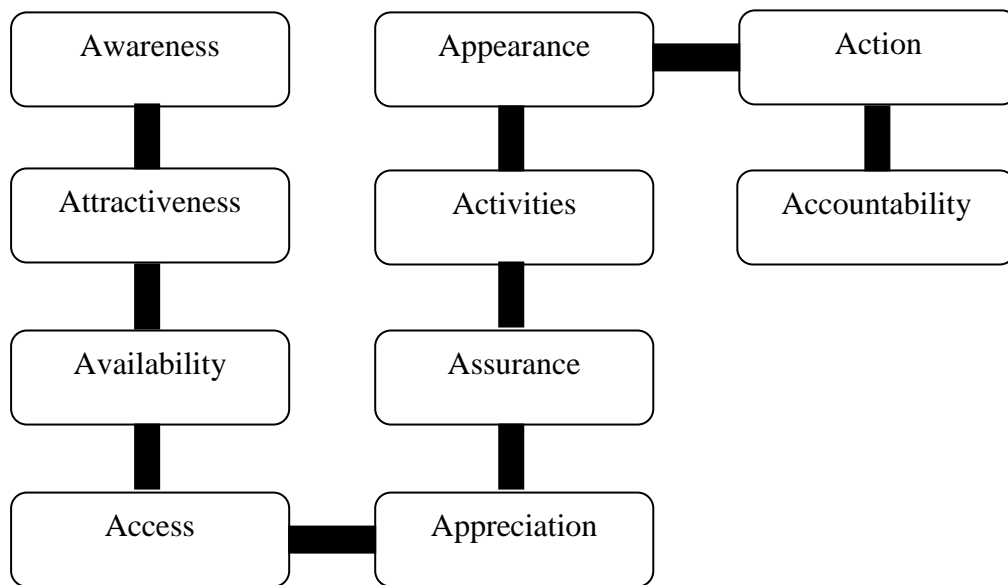
There are some key differences to pinpoint between DMO management and marketing and for other tourism and hospitality organizations. The following differences make destination management and marketing unique and challenging.

- (1) The lack of control over the quality and quantity of services and products
- (2) The lack of a pricing function
- (3) The need to serve the requirements of many organizations
- (4) The need to build consensus among stakeholders

- (5) The need to be sensitive to the interests of local residents
- (6) The need to demonstrate broad economic benefits
- (7) The difficulty in measuring performance

3.2 The 10 As of successful destinations

How can it be determined if a tourism destination is successful or not? There is a set of criteria that contains 10 attributes for judging the success of tourism destinations. Each of these 10 attributes begins with the letter 'A'. That's why we call it the *10 As*.



The 10 As of successful tourism destinations

- (1) *Awareness*: This attribute is related to tourists' level of knowledge about the destination and is influenced by the amount and nature of the information they receive.
DMO question: Is there a high level of awareness of the destination among potential tourists?
- (2) *Attractiveness*: The number and geographic scope of appeal of the destination's attractions comprise this attribute.
DMO question: Does the destination offer a diversity of attractions that are appealing to tourists?
- (3) *Availability*: This attribute is determined by the ease with which bookings and reservations can be made for the destination, and the number of booking and reservation channels available.
DMO question: Can bookings and reservations for the destination be made through a variety of distribution channels?

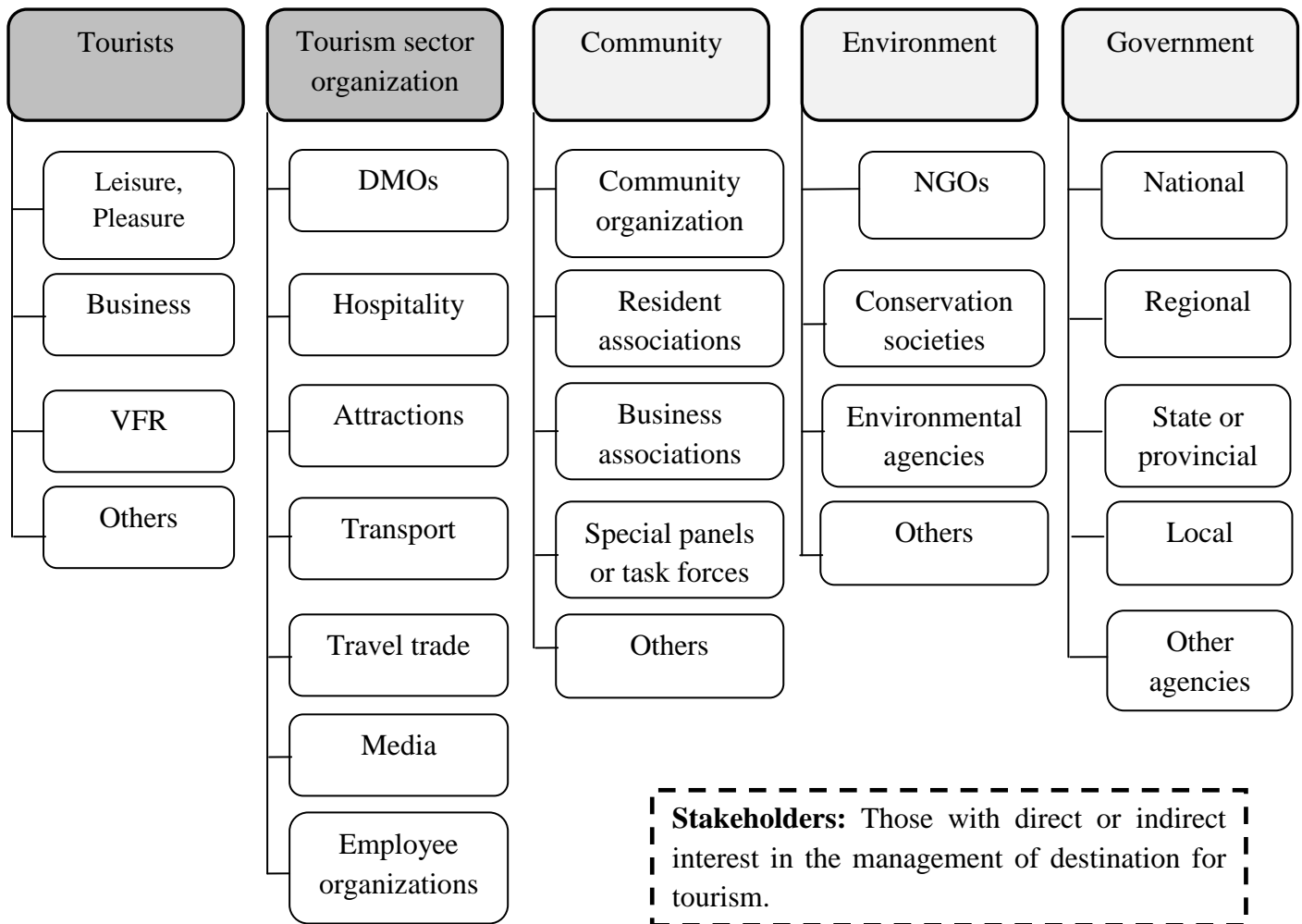
- (4) *Access*: The convenience of getting through and from the destination, as well as moving around within the destination, constitutes this attribute.
DMO question: Is there convenient access to and from the destination by all modes of transportation? Is there convenient transportation within the destination?
- (5) *Appearance*: This attribute measures the impressions that the destination makes on tourists, both when they first arrive and then throughout their stays in the destination.
DMO question: Does the destination make a good first impression? Does the destination make a positive and lasting impression?
- (6) *Activities*: The extent of the array of activities available to tourists within the destination is the determinant of this attribute.
DMO question: Does the destination offer a wide range of activities in which tourists want to engage?
- (7) *Assurance*: This attribute relates to the safety and security of the destination for tourists.
DMO question: Is the destination clean, safe and secure?
- (8) *Appreciation*: The feeling of the levels of welcome and hospitality contribute to this attribute.
DMO question: Do tourists feel welcome and receive good service in the destination?
- (9) *Action*: The availability of a long- term tourism plan and a marketing plan for tourism are some of the required actions.
DMO question: Is the tourism development and marketing in the destination well planned?
- (10) *Accountability*: This attribute is about the evaluation of performance by the DMO.
DMO question: Is the DMO measuring the effectiveness of its performance?

Additionally, some other attributes could be added to this list of ten. For example, the economic contributions of tourism to the destination might be included, as well as the degree to which the destination is following a sustainable tourism agenda.

4. Stakeholders in Destination Management

4.1 Stakeholders

Stakeholders are groups and individuals that have a direct or indirect interest in the management of a destination for tourism. There are five main groups of stakeholders in destination management, as can be seen in the figure below. Tourists and tourism sector organizations have a direct interest in destination management; they are directly affected by the tourism in the destination. The other three groups (community, environment and government) are more indirectly affected by tourism in the destination, although some of these groups and individuals are more involved with tourism than others.



4.2 Destination management organizations

The DMOs range from national to city- level organizations. The DMO types include entities at four geographic levels.

- Country
- State, province and territory
- Region
- County and city

Countries have different government administrative structures. For example, under the national government in Thailand, there are regions and then within the regions there are provinces. Normally in most countries, government runs the DMOs. The strengths of government or the public sector in operating DMOs are considered to be:

- Governments have a mandate to do long- term strategic planning and they are good at it.
- Destination awareness is high among governments due to their extensive responsibilities and grass-roots knowledge and activities.

- Public administrators are skilled in managing complex organizations and may be better able to get financial support from government.
- Governments often provide grants and other support for small- and medium- sized enterprises (SMEs).
- Public agencies may have greater powers in operating quality assurance programmes.

However, it is often argued that government agencies are very bureaucratic and slow to accomplish tasks. Other common criticisms are that they tend to be politically influenced and that key staff members are frequently changed. Governments are also considered to not be skilled at marketing.

The strengths of the private sector include:

- The private sector is good at implementing short- term tactics.
- Decision- making in the private sector is fast.
- The private sector is very skilled and experienced in marketing and sales approaches.
- The private sector is aware of market opportunities.
- A business management approach is followed.
- The private sector has well- developed programmes for customer relationship management (CRM).

There is no single template for the organizational structure of a DMO. In fact, there is great variation in DMO types across the globe, but the main types are (*Type 1*) *National destination management organizations*; (*Type 2*) *State, provincial and territorial destination management organizations*; (*Type 3*) *Regional destination management organizations*; (*Type 4*) *County and city destination management organizations*. Below are some examples.

- VisitEngland
- VisitBritain
- Virginia Tourism Corporation
- Tourism Winnipeg
- Canadian Tourism Commission
- India Ministry of Tourism
- Tourism Australia
- Australia, Department of Resources, Energy and Tourism (RET)
- Tourism Queensland (TQ)
- Hong Kong Tourism Commission
- Hong Kong Tourism Board
- Travel Alberta
- Destination Queenstown (DQ) (New Zealand)
- Glasgow City Marketing Bureau
- VisitPittsburgh
- Tourism Authority of Thailand (TAT)

- Department of Tourism (Thailand)
- Tourism Authority of Thailand, Sukhothai Office (including Kampaengphet)
- Tourism Authority of Thailand, Phuket Office (including Phang Nga)

However, not all from list do only marketing part. For example, TAT of Thailand takes care of destination marketing rather than the part of destination product development which is taken care by the Department of Tourism.

Learning Activities and Medias

- Lecturer applies KWL.
- *Break for a small task*: Let the students study in group about DMOs: one DMO around the world by browsing its website and the section 'About Us' as well as other sections that detail its marketing activities for the country it belongs to. Then share with their friends in other groups.

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 2

Unit 2: Concept of Tourism Demand and Supply for Tourism Marketing

Topic

- Tourism demand and supply and tourism consumers' decision making model
- Tourism marketing and the concept of experience in tourism
- Implication for tourism marketing

Objectives

After the completion of this unit, students should be able to:

- Make a linkage of how the study of consumer decision making model relates with tourism marketing
- Identify tourist demands and supplies in each stage of consumer decision making.
- Recall an importance of tourism experience in tourism marketing.
- Explain how tourist physical and emotional engagement in tourism can promote success of tourism destination marketing.

1. Tourism Demand and Supply and Tourism Consumers' Decision Making Model

As mentioned in Unit 1, tourism product is intangible and services and experiences are the products produced at destinations or premises where particular service encounters and experiences take place. The concept of tourism demand and supply for marketing thus concerns what and how marketing strategies should be implemented from the different stages of tourist decision making process (designing the marketing mix strategies), which are:

- Pre- trip stage (pre- purchase stage)
- During- trip stage (consumption stage)
- Post- trip stage (evaluation stage)

Based on the study of consumer behaviour in tourism, the most simplified model of consumer behaviour can be seen in Figure 1, which is divided into a number of stages. And at its final is the decision- process stage.

- Need recognition (drawn from memory)
- Search for information – internal (memory) and external (marketer dominated)
- Information processing (exposure, attention, comprehension, acceptance, retention)
- Alternative evaluation (comparison of different products and brands) until the choice is narrowed to a preferred alternative
- Purchase
- Outcome (such as satisfaction and dissatisfaction)

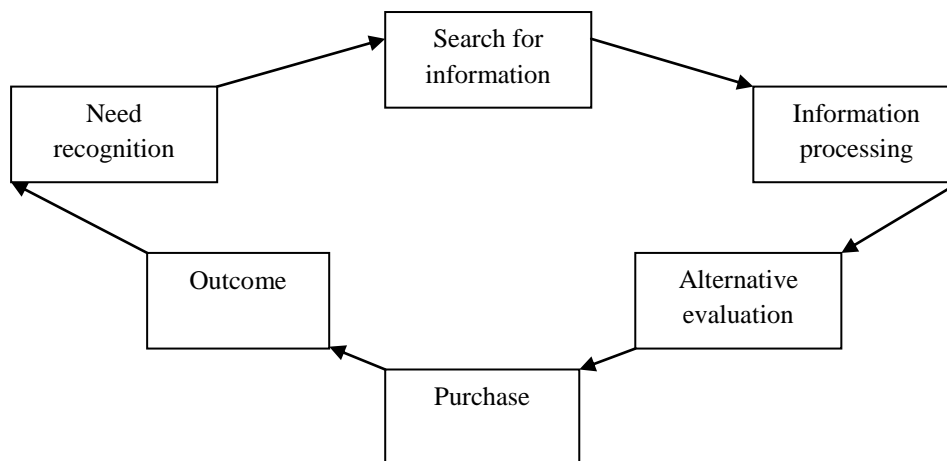


Figure 1: Simplified consumer decision making process

The models of consumer behaviour later have emphasized on the marketing aspect which has effect on consumer behaviour and decision making. The intangible nature of the service offering will have a considerable effect on the consumer during

the decision- making process involved with purchase. In tourism, purchase rather means high spending aspect, resulting in consumer decision- making process of consumer having high risk. This will mean that the consumer will be highly interested and involved in the decision- making process, since there is a considerable amount of risk associated with the purchase decision. The statement below can explain about risk in decision- making process for tourism product purchase and its effect to be occurred during the real consumption.

“They involve committing large sums of money to something which cannot be seen or evaluated before purchase. The opportunity cost of a failed holiday is irreversible. If a holiday goes wrong that it is for another year. Most people do not have the additional vacation time or money to make good the holiday that went wrong.” (Seaton, 1994)

In summary, the models of consumer behaviour in tourism can be explained with the following statements:

- (1) All models are decision process/ behaviour process.
- (2) The process is rational, not random.
- (3) Decision making process is influenced by internal and external factors.
- (4) The consumer searches and evaluates information that is both stored internally (the consumer has experience and they can remember) and is available from outside sources (i.e. marketing efforts or reference groups).
- (5) The consumer makes a choice from alternatives.
- (6) A feedback mechanism means that future decisions are affected by past experience.
- (7) Some models are complex due to complexity of tourism products.

Therefore, in order to do marketing in tourism, tourism marketers or marketing organizations, or marketing department should take into account the process where consumers go through, and what consumers will be engaged in each stage.

Moreover, tourism marketers need to understand that when people have need recognition to travel, they will certainly engage in the following 5 stages.

- (1) Anticipation or expectation during pre- purchase stage (pre- trip stage)
- (2) Travel to the site segment (taking transportation service)
- (3) An on- site experience (at destinations/ service premises)
- (4) A return travel component (traveling back home/ leaving destinations/ service premises)
- (5) An extended recall and recollection stage ((post- trip stage/ evaluation stage for the finished trip and for future re-purchase)

Lastly, it should be emphasized here that in discussing about model of consumer behaviour in tourism, the following facts for tourism products and consumers in tourism should be considered:

- (1) Tourism is social business or people- to- people business.
- (2) Tourism is experience product which can be augmented.
- (3) Tourism product relates to emotions.
- (4) Tourists have high involvement.
- (5) Tourists have high perceived risk.
- (6) Tourists have expectation formed by existing images towards particular tourism products (i.e. tourist destination, travel companies, behaviour of local people-- i.e. smile or not).
- (7) Tourists have some limitations in engaging travel activities.

Thus, the analysis of demand and supply during each stage is very significant. Understanding of roots of tourism demands will facilitate ways to manage tourism supplies and thus leading to effective, integrated and successful marketing.

2. Tourism Marketing and the Concept of Experience in Tourism

Experience in tourism is an emerging concept in consumer behaviour in tourism. The concept emphasizes that quality of tourist experience concerns not only tourism supply side, but also tourist behaviour and level of physical and emotional involvement during visiting destinations and engaging in tourism activities en route and at destinations. New terms are used in this regards as “*co- creation*”, “*in- situ experience, or on site experience*”. The concept of experience in tourism emphasizes that skilled tourist behaviour can be an important factor influencing tourist performance, satisfaction and learning, in which tourists know how to act or respond in cross- cultural situations¹.

Tourism experiences can be interpreted and felt in many ways based on individuals and social interaction. This is due to the importance of experience in tourism, including the following:

- (1) Tourism experience is subjective.
- (2) Tourism experience is based on sensations.
- (3) Tourism experience is involving participation in activities.
- (4) Tourism experience is resulting in learning or knowledge acquisition.

Table 1 demonstrates different definitions of nature of tourist experiences by different researchers.

¹ L.P., Philip (2005). Tourist Behaviour: Themes and Conceptual Schemes, p.138

Table 1: Selection of Definitions of Tourist and/ or Leisure Experiences

Definition	Source
An experience is “any sensation or knowledge acquisition resulting from a person’s participation in activities”	Smith (2003: 233)
An experience is “the subjective mental state felt by participants during a service encounter”	Otto and Ritchie (1996: 166)
An experience can be seen as “events that engage individuals in a personal way”	Bigne and Andreu (2004: 692)
“Experience is the result of a process of assimilating the world into a structure of cognitive ‘maps’ or schemas”	Vitterso et al. (2000: 434)
“Tourism experience is a multi- functional leisure activity, involving either entertainment or learning, or both, for an individual”	Li (2000: 865)
“An experience is a complex concept with many dimensions, influenced by situational and personal variables, and composed of many characteristics”	Den Breejen (2007: 1418)

The 8 cores features of tourist experience

From the table above, it concludes that there are 8 core features of tourist experience as follows:

- (1) Experiences are made up of a series of events or activities (Smith, 2003);
- (2) A key element of experiences are tourists’ constructions of meaning from the information available in the experience setting (Uriely, 2005) and experiences have symbolic value to participants (Kim, 2001);
- (3) Tourists express their memories of experiences through stories (Gretzel et al., 2006; Willson and McIntosh, 2007);
- (4) Experiences have multiple phases that emerge over time (Den Breejen, 2007);
- (5) Experiences happen within physical places and the characteristics of these places and their management do influence experience (Uriely, 2005);
- (6) Social interactions are an important component of experiences (Trauer and Ryan, 2005);
- (7) Tourist experiences involve choice and have some expected benefit or value for the participants (Ateca- Amestoy, Serrano- del-Rosal, and Vera-Toscana, 2008), and this value is often related to desired lifestyle and/ or personal interests (Gross and Brown 2006); and
- (8) Tourist experiences depart in some way from everyday experiences (Uriely, 2005).

3. Implication for Tourism Marketing

Marketing to be carried out for tourist products or “experiences” therefore should incorporate the following ideas.

- Sense of place
- Site interpretation to promote the meanings and understandings brought to or influenced by or negotiated at the site² (Interpretation is a key success that influences the conceptions visitors or tourists hold and negotiate with others as they experience the site. Interpretation is also referred to as both public environmental education and visitor communication³.)
- Built- environment design where motivations of physical movement and emotional or sensual interaction will be fostered and encouraged.
- Service- orientation design which concerns people management and marketing
- Information and content design both by offline and online channel, or printed and digital content

It can be concluded that marketing in tourism should incorporate a holistic approach, and tourist destination marketing and place branding must go together.

Learning Activities and Medias

- Lecturer gives lecture on the unit.
- Lecturer applied KWL. Individual paper (10 marks)
 - Find a case study or news as an example that reflects tourist demands and the supplies of the tourism industry. Read, analyze and write in paper in the following:
 - What are the tourist demands?
 - What are the supplies from the tourism industry/ firm/ organization?
 - What experiences do tourists receive?
 - From your analysis, please summarize the lesson about the relationship of tourism demand and supply.

² L.P., Philip (2005). Tourist Behaviour: Themes and Conceptual Schemes, p.136

³ L.P., Philip (2005). Tourist Behaviour: Themes and Conceptual Schemes, p.147-148

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 3

Unit 3: Tourism Destination Marketing Mix

Topic

- Concept of goal- oriented tourism marketing
- The marketing mix in tourism marketing
- Marketing mix selection
- Marketing and destination factors (Destination life cycle)

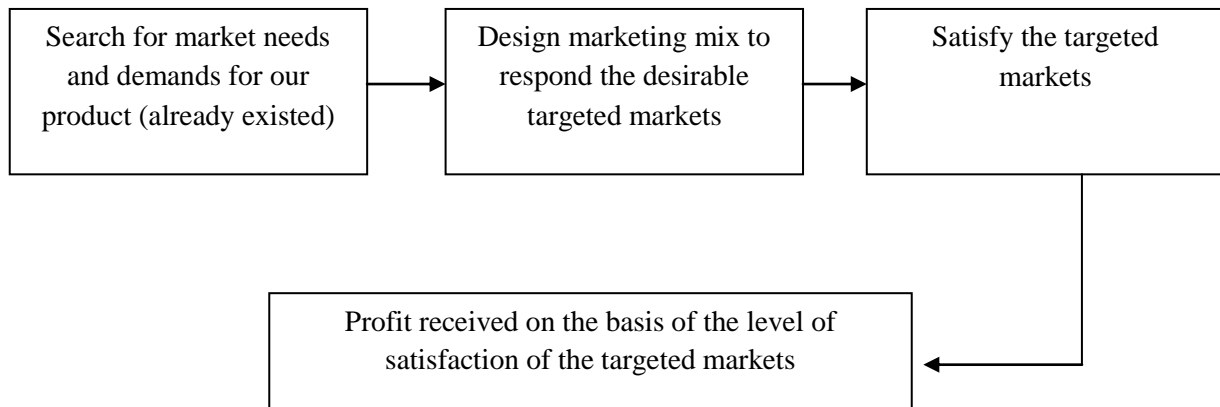
Objectives

After the completion of this unit, students should be able to:

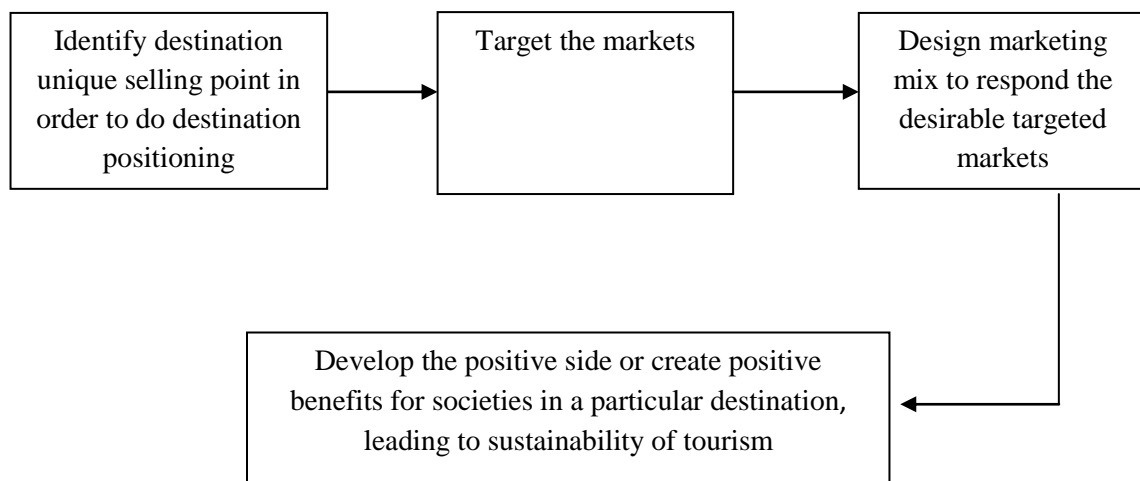
- Explain the differences of tourism marketing mix from the classical marketing mix.
- Explain why tourism marketing mix needs to be different from classical marketing mix.
- State the 8Ps of tourism marketing mix with explanation.
- Discuss on a linkage between the tourism product characteristics and the tourism marketing mix
- Explain why destination life cycle plays role in decision making for marketing activities
- Brainstorm, discuss and design marketing mix for students' marketing plan.

1. Concept of Goal- Oriented Tourism Marketing

In tourism marketing, as mentioned in the previous unit, it concerns 2 main principles. The first principle is that tourism marketing has its goal in seeking for profit, making the idea of an attempt to search for market needs and demands for our product (already existed). Then, it will be the stage of designing appropriate and appealing marketing mix to respond the desirable targeted markets. This process is profit- oriented, as shown in the figure below.



Another principle is social- oriented or destination- oriented, in which tourism marketing starts from identifying destination unique selling point in order to do destination positioning, followed by designing appropriate and appealing marketing mix that is attractive to the targeted market, and finally leading to the market satisfaction. The goal is to develop the positive side or to create positive benefits for societies in a particular destination. This explanation is shown in the figure below.



2. The Marketing Mix in Tourism Marketing

All destination marketers have a collection of tools to use in appealing to customers. These tools have come to be known as the “*Ps of marketing*”. Classical marketing says that the marketing mix has 4 Ps which are product, price, place and promotion. For tourism marketing, there are some additions. This makes marketing mix in tourism and tourism destination to become 8Ps.

The 8Ps consists of the following:

- (1) *Product*
- (2) *Price*
- (3) *Place*
- (4) *Promotion*
- (5) *Packaging*
- (6) *Programming*
- (7) *Partnership*
- (8) *People*

The fact that tourism marketing consists of 8Ps tells us that there are some unique aspects of carrying out marketing activities for tourism and hospitality services. Tourism industry concerns broader involvement of different groups of people, and not only business (seeking for profit) sector, but also destination owner, local people. Moreover, as tourism sells resources of a country, it is necessary that impacts (positive and negative sides) must be of interest. Marketing activities in tourism therefore get involvement of various people/ organizations that normally have different purposes in dealing with tourism.

Some elements of the marketing mix have a greater concern with the public or national sector and destination- related factors, as follows:

- *Product*: product of tourism mainly concerns physical and cultural resources.
- *Price*: this is affected by destination image (constructed by various factors), national policy and regulation on tourism whether it is motivating or not.
- *Place*: place or distribution channel needs high involvement of public sector in the development of accessibility such as information accessibility, physical accessibility, as well as a country listed as the membership of global tourism associations and travel trades and events (e.g. WTM London, ITB Berlin).
- *Promotion*: By a sense of national tourism as a whole, it also needs a national level of presentation to the world tourism events and forums. By joining world travel trades and forums, a country's travel organizations will be able to cooperate with travel organizations of other countries. This is way to promote national tourism. For example GMS tourism and ASEAN tourism (e.g. development of travel packages for Thailand- Vietnam route/ Thailand- Myanmar route/ Thailand- Laos route/ Thailand- Cambodia route) can be mentioned here.
- *Programming*: programming is the way tourism product will be designed or created based on seasonality and festivals or public holidays of a country.

- *Partnership and people*: these two greatly explain how tourism business concerns and requires cooperation from a wider range of people.

3. Marketing Mix Selection

The marketing mix is one of the key professional principles of marketing. The DMO has 8 principal weapons within its marketing mix for achieving the marketing objectives for each target market. Each of the 8Ps is described below.

Product

A DMO or destination management organization really does not have specific product or service to sell to potential visitors. However, there can be no doubt that the DMO represents the destination as a whole, and the destination is what it markets. The components of what a destination offers to visitors as the destination mix are the following:

- Attractions and events
- Facilities (hotels, restaurants, etc.)
- Transportation
- Infrastructure
- Hospitality resources (people, service, hospitality, etc.)

The attractions and events play the key role in the destination mix. They represent unique assets that draw people to the destination. Then, the DMO will need to identify its products within the destination mix according to what they are strong at and for what markets, in order to go for development. For example a tourist board of a country may identify that it has 7 existing products and 2 others in partial development:

- Active holidays and breaks
- Town and culture
- Natural environment, eco- tourism and tourism in villages
- Gastronomy
- Health and wellbeing
- Business tourism
- Entertainment tourism
- High- end offer (in partial development)
- Youth offer (in partial development)

Price

With respect to price, the DMO can act more as a “price influencer” than a “price setter”. In the private sector, it is a major determinant of profitability. Prices also tend to attract certain markets and repel others. A destination where the prices are high may earn a reputation of being exclusive or luxury- oriented, while a destination with low prices can be viewed as a place for mass tourism. Additionally, price levels influence value-for-money perceptions. At the level of tourism entrepreneurs, pricing should be based on the consideration and awareness of production cost, desired and

appropriate profitability, competitors, customers' satisfaction and others. Some of these require the market price or the benchmark.

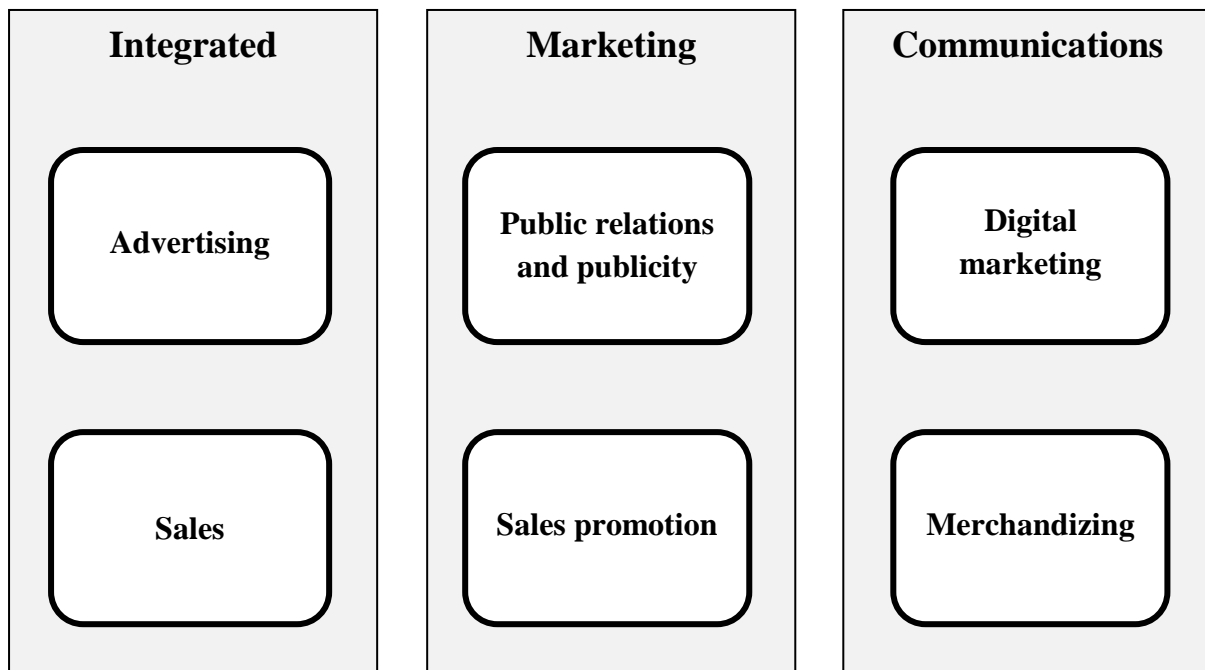
Place

In destination marketing, place represents distribution and the online and traditional travel trade channels the DMO uses to draw visitors to the destination. The DMO can market directly to potential visitors (direct distribution) or indirectly through travel trade intermediaries (indirect distribution). The 1990S brought electronic or digital distribution to tourism through the use of the Internet.

Place in another sense may concern physical and emotional accessibility of tourist destination, in which physical accessibility involves with development of transportation, roads, passenger terminals/ airports, and emotional accessibility involves with making a sense of place through information design (in various forms such as virtual, signage and others), ICT development, and people- related such as tourist guide and local community involvement.

Promotion

Promotion has been a traditional activity of DMOs. Most DMOs emphasize on *advertising and sales (personal selling)*. Other elements of the “promotional mix” include *public relations, sales promotion and merchandizing*. Now DMOs are heavily involved with digital marketing techniques, and especially with promotion through the World Wide Web, e-mail, mobile phones and social media. All promotions are types of communications and it is essential that a DMO integrates promotions so that they are consistent. This process is called “*Integrated marketing communication or IMC*”.



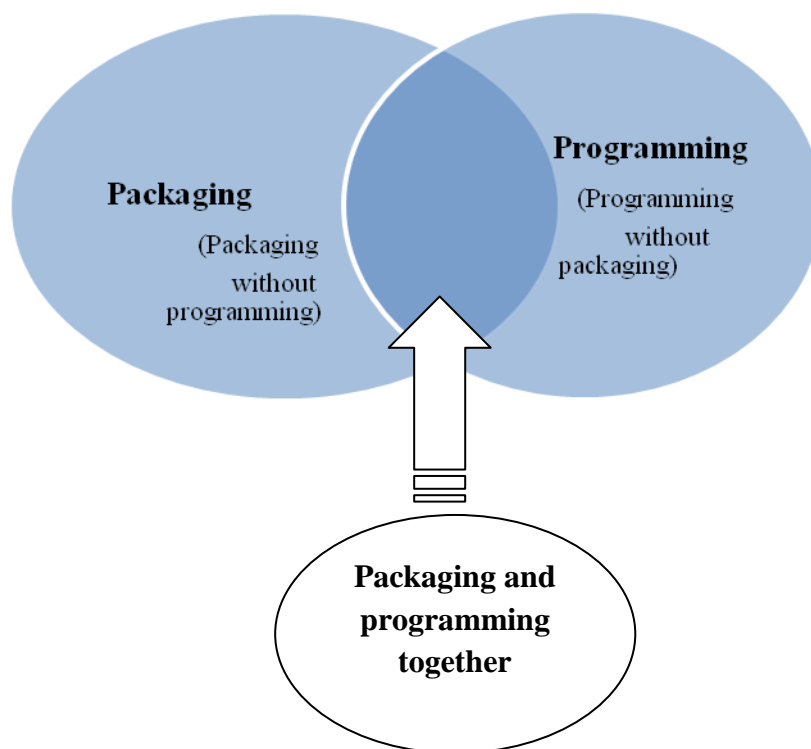
Components of integrated marketing communications (IMC)

Packaging

Packaging in tourism is very different from product packaging and is a key tool for the DMO in customizing the destination mix for specific target markets. Additionally packaging is important in helping the destination to solve problem of peak-high and low season gap and patterns of visitor volumes. Packaging is the combination of related and complementary hospitality and tourism services and facilities into a single- price offering.

Programming

There are many opportunities for destinations to arrange special activities or programmes that are attractive to visitors. A festival is one of the best examples of programming in tourism. Packaging and programming when combined together can be very powerful in convincing people to visit a destination or a tourism business. A good example is when a resort creates several specialized packages that include themed programmes for people with particular interests.



Partnership

DMOs have been involved in building marketing partnerships for many years, but the last two decades has seen an increasing emphasis on tapping into the power of combing forces with other players. A great example of a DMO partnership is walkmyalps.com involving the countries of Austria, Germany and Switzerland. Another good example of a destination partnership is the Welcome to Asia programme created by 8 major cities (Tokyo, Kuala Lumpur, Taipei, Seoul, Delhi, Jakarta, Hanoi and Bangkok). The objective of this partnership is to attract more

tourists from North America, Europe, Asia, Oceania and elsewhere. Many times, private sector is great in catching attention of people and attracting them to visit destinations. For example, recently Coca Cola with Rice Creative Agency in Ho Chi Minh has designed (with limited edition) the body of canned product with hundreds of swallow birds and Vietnam words “An (means peace), Tai (means success) and Loc (means prosperity)” to celebrate Tet Festival. This can give colorful atmosphere to the festival and people can collect this as a souvenir. (*Source*: <http://www.brandbuffet.in.th/2014/01/coca-cola-vietnam-new-design-can>)

In responding the aim of ASEAN Connectivity Concept of the ASEAN Community, ASEAN Tourism is also during its discussion of designing ASEAN touring routes, which will lead to the cooperation of various partnerships among the ASEAN countries.

People

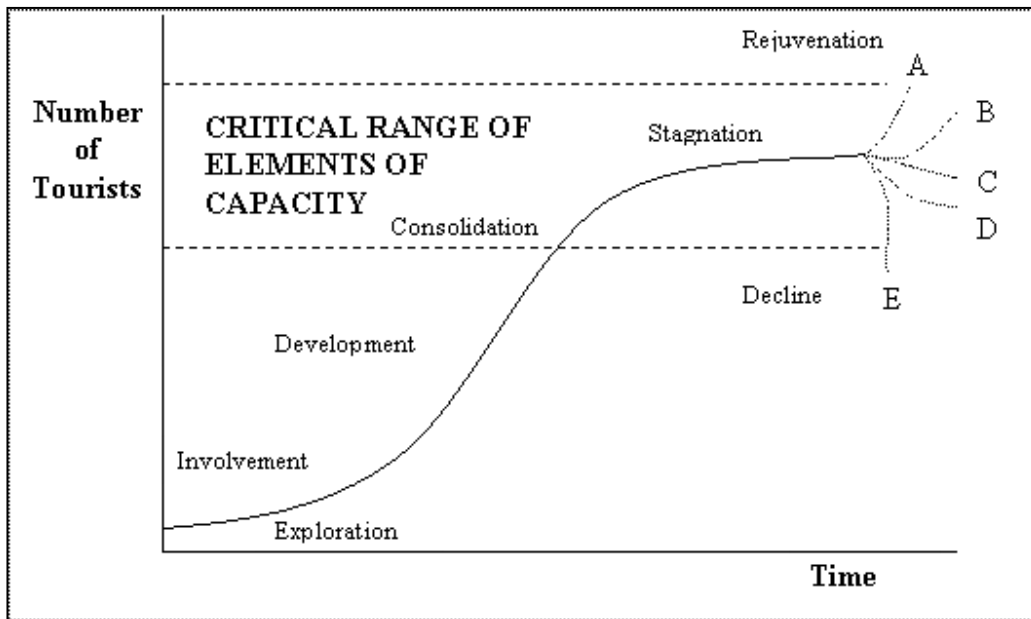
There is no question that tourism is a people- intensive business and that personal service encounters within a destination have a great impact on the visitor’s experience and satisfaction. Involved people in tourism industry are diverse, depending on different focuses in the marketing mix. Types of products, timing (seasonality) are the examples that influence the group of people and the level of people involvement.

4. Marketing and Destination Factors (Destination Life Cycle)

The product life cycle is another widely accepted principle of marketing. We need to note that every product in time goes through the four stages which are (1) introduction; (2) growth; (3) maturity; and (4) decline. The overall product life cycle model has been converted into the destination life cycle concept by Butler (1980). Destination life cycle is described that a tourism area life cycle (TALC) has 7 stages.

These 7 stages consist of the following:

- (1) Exploration
- (2) Involvement
- (3) Development
- (4) Consolidation
- (5) Stagnation
- (6) Decline
- (7) Rejuvenation



Consideration of the degree of marketing activities should be based on the stage of destination life cycle. Like a product life cycle, different destination life cycle should be responded with different marketing strategies. This is very strategic decision making, as in many cases, a declining destination may need a revitalized strategic branding with attempting to change the whole image. In other cases, destinations with mass number of tourists/ visitors may need to consider “de-marketing” in order to limit the visitor number before the destinations face the critical impacts.

Learning Activities and Medias

- Lecturer gives lecture on the unit.
- Pair work: find one tourism product and analyze its 8 Ps. Write in paper format and be ready for class discussion next class.

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 4

Unit 4: Market Environment Analysis for Destination Marketing Planning

Topic

- Definition of market environment
- Characteristics of tourism market environment
- SWOT analysis
- PESTEL analysis

Objectives

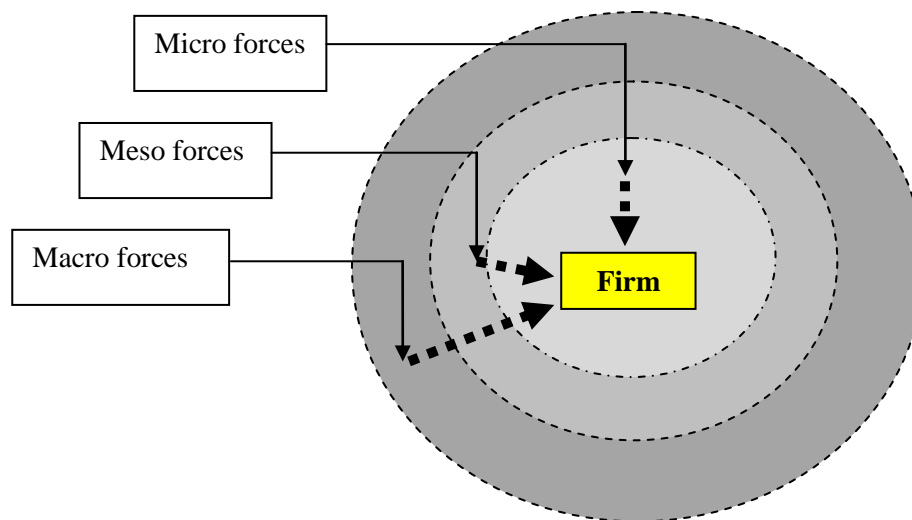
After the completion of this unit, students should be able to:

- Explain the definition of market environment.
- Explain why tourism market environment should be of concern when doing tourism marketing.
- Identify significance of SWOT analysis for tourism marketing.
- Carry out a SWOT analysis for their term tourism marketing project.
- Identify significance of PESTEL analysis for tourism marketing.
- Carry out a PESTEL analysis for their term tourism marketing project.

1. Definition of Market Environment

Market environment is a marketing term and refers to factors and forces that affect a firm's ability to build and maintain successful relationships with customers. There are 3 levels of the environment, which are the following:

- (1) Micro (internal) environment - small forces within the company that affect its ability to serve its customers.
- (2) Meso environment - the industry in which a company operates and the industry's market (s)
- (3) Macro (national) environment - larger societal forces that affect the microenvironment.



2. Characteristics of Tourism Market Environment

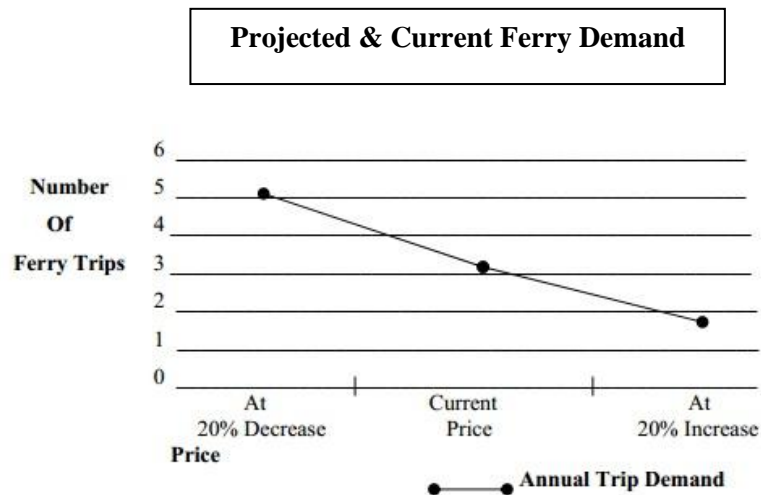
This is the question of what factors and forces play role in affecting a tourism firm's ability to build and maintain successful relationships with customers who will be its potential market (s).

Supply side

- (1) Tourism supply is heterogeneous.
- (2) Product would not be produced without tourism demand (i.e. flights, hotels, travel packages)
- (3) Tourism resource supply production is based on and influenced by destination carrying capacity.
- (4) Tourism resource supply concern local context such as local places, events and people.
- (5) Tourism resource supply concern knowledge- based environment.
- (6) Tourism supply is defined by the importance of tourism receipts for the products visitors consume.
- (7) Tourism supply and demand development involves national tourism development policy.
- (8) Tourism demand and supply reflects an importance of national services of infrastructure and facilities such as Taxi or other passenger transport, fuel station, restaurants, and many others more.
- (9) The life cycle of tourism supply involves destination life cycle.
- (10) Tourism supply is interdependent.
- (11) Tourism supply and service management involves various sciences such as logistics, CRM, site management.
- (12) Tourism service is people- oriented.

Demand side/ market

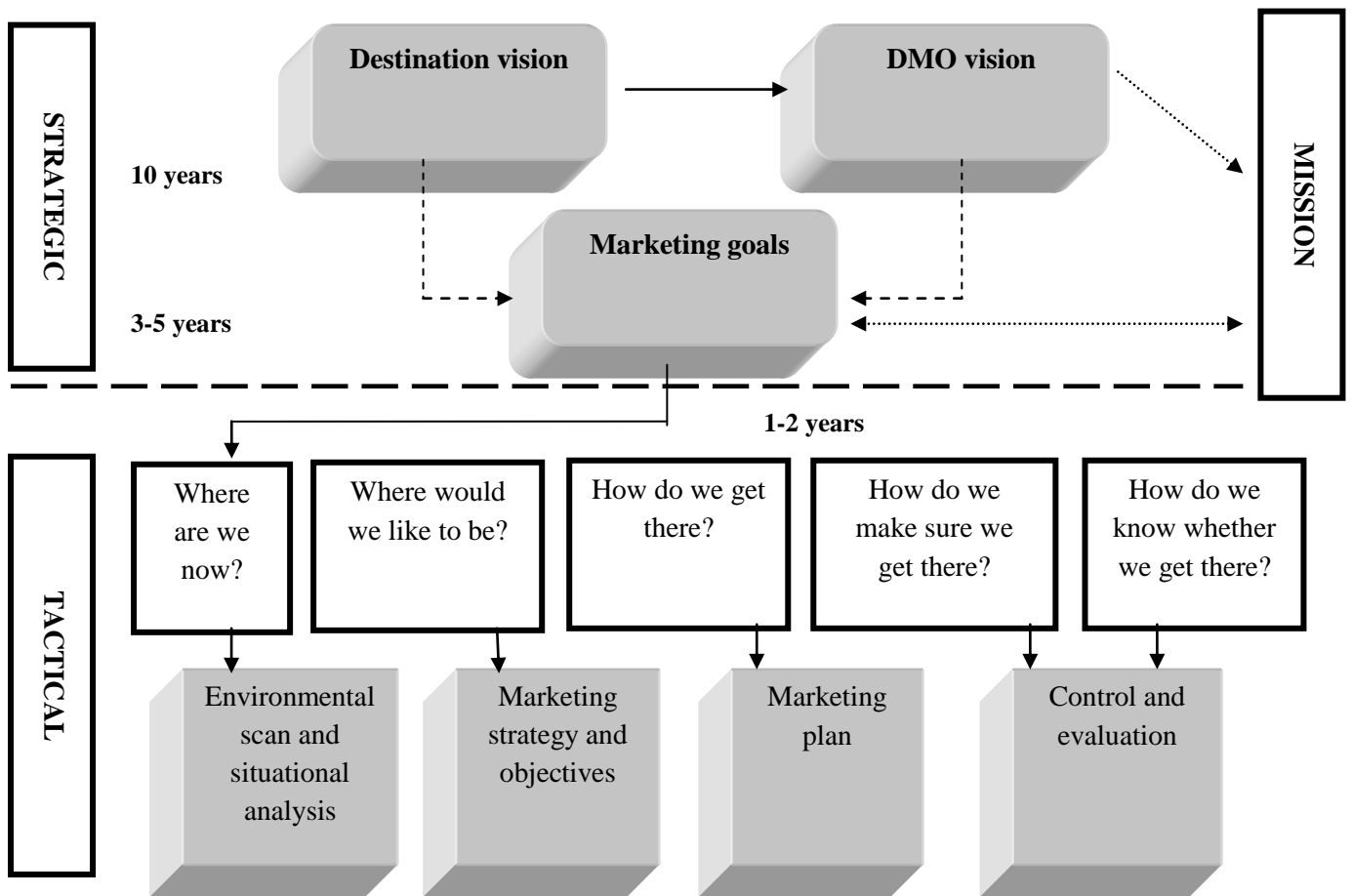
- (1) Tourism demand is diverse.
- (2) Tourism market is sensitive to changes occurred from internal/ demographic and external environment.
- (3) Tourism market tastes and behaviour change through time.
- (4) The life cycle of tourism demand involves destination life cycle.
- (5) Tourism market has higher price sensitivity and elasticity of demand (*price elasticity of demand measures the responsiveness of demand after a change in price*)
- (6) There is an issue of peak and off- peak demand and prices (i.e. why are prices for package holidays more expensive during school holiday weeks? / Why are rail fares more expensive at peak times (i.e. in European context)? / During peak demand periods, market demand is higher and also more price inelastic. This allows producers to sell their products for higher prices and make increased profits.



Pritchard, M.P. (2003). *Tourist price sensitivity and the elasticity of demand: The case of BC ferries*. e-Review of Tourism Research (eRTR), Vol. 1, No. 4, p. 104. Retrieved from <http://ertr.tamu.edu>

3. SWOT Analysis

As you have learned partly about the SWOT analysis, so in this course unit, we should start with the framework to help you link this analysis with other elements in the steps of marketing planning.

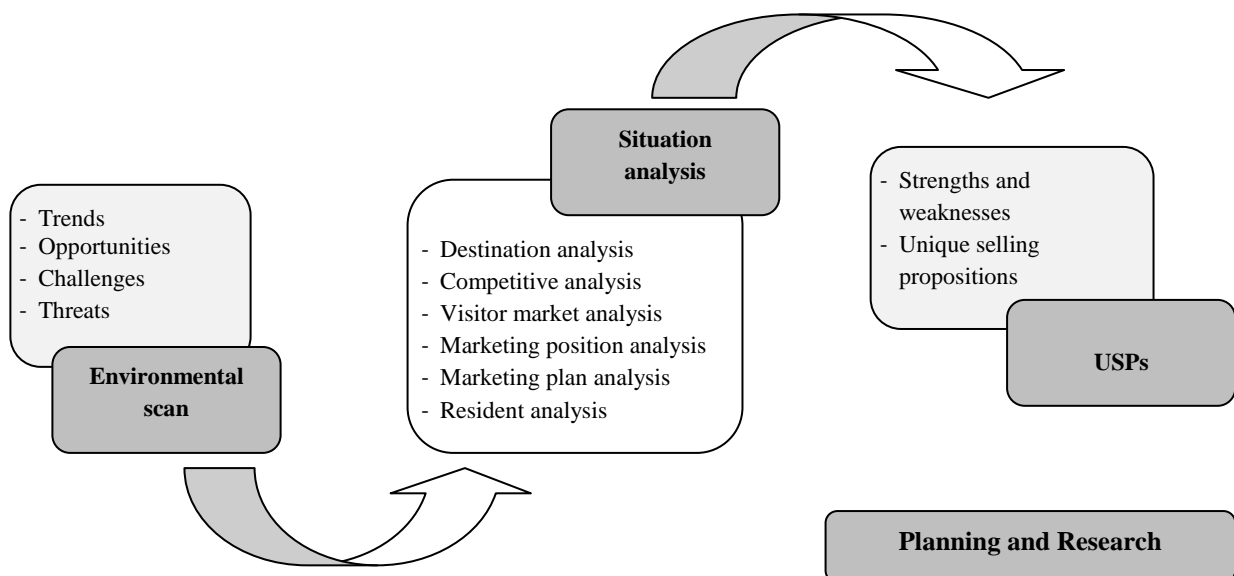


The destination marketing planning process model

Destination marketing system steps and marketing functions	Marketing techniques and concepts
Where are we now? (Planning and research) <u>PR</u>	<ul style="list-style-type: none"> • <i>Environmental scan</i> • <i>Situation analysis:</i> <ul style="list-style-type: none"> - Destination analysis - Competitiveness analysis - Visitor market analysis - Marketing position (destination image) analysis - Marketing plan analysis - Resident analysis • <i>USP identification</i>
Where would we like to be? (Planning and research) <u>PR</u>	<ul style="list-style-type: none"> • <i>Marketing strategy:</i> <ul style="list-style-type: none"> - Target markets - Positioning- image- branding approach • <i>Marketing objectives</i>
How do we get there? (Implementation) <u>I</u>	<ul style="list-style-type: none"> • <i>Marketing mix (8 Ps)</i> • <i>Marketing plan</i>
How do we make sure we get there? (Control) <u>C</u>	<ul style="list-style-type: none"> • <i>Marketing control (formative evaluation)</i>
How do we know whether we get there? (Evaluation) <u>E</u>	<ul style="list-style-type: none"> • <i>Marketing evaluation (summative evaluation)</i>

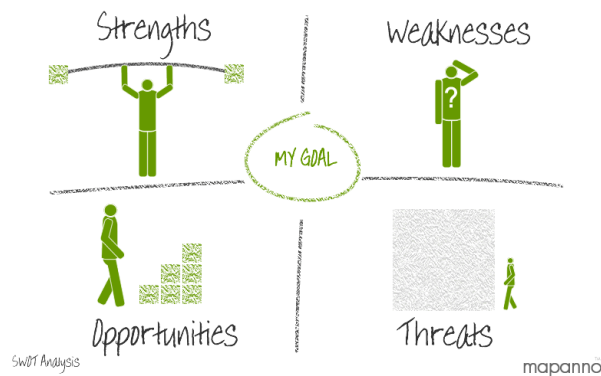
Destination management system steps and functions

Step No. 1: Where are we now? (Planning and Research)



To answer where we are now, we need to assess strengths, weaknesses, trends, challenges, opportunities and threats (SWOT) as these relate to marketing goals. This involves using environmental scan and situation analysis.

Inputs	DMS step 1	Outputs
<ul style="list-style-type: none"> • Destination vision and DMO vision • Marketing goals • Performance, conclusions and recommendations from previous marketing plan 	Where are we now? PLANNING AND RESEARCH	<ul style="list-style-type: none"> • Environmental scan (challenges, opportunities and threats in the marketing environment) • Situation analysis (destination analysis, visitor market profile, competitive analysis, marketing position and plan analysis, resident analysis) • Strengths and weaknesses of the destination and DMO • Unique selling propositions (USPs)



Below is an example of SWOT analysis of the Town of Drumheller in Alberta. The town's SWOT analysis covers more tourism issues than just marketing, but it is still important and beneficial in destination marketing planning to take this 'bigger picture' view.

SWOT Analysis of Tourism in Town of Drumheller (2011)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong provincial market • Close to major centres/ populations • Family vacation market • Royal Tyrrell Museum • Atlas Coal Mine • Passion Play • Historical significance • Historic downtown • Large creative class • Unique physical settings • Badlands topography* • Red Deer River • Moderate climate • Good highway access • Adequate road network • Free public parking • Paved trail system • Sport and recreation facilities • Recognition of tourism in the Community Sustainability Master Plan 	<ul style="list-style-type: none"> • No destination marketing organization • Insufficient development and marketing dollars • Brand fragmentation- lack of unity of voice • Lack of downtown revitalization • Lack of architectural control policies • Land Use Bylaw/ tourism as a discretionary use • Downtown physically separated from attractions and accommodations • Lack of higher- end products • Limited range of accommodations • Limited range of retail • Little variety in food and beverage services • Lack of winter and shoulder season** products • Lack of signature festivals and events with few exceptions • Inconsistencies in signage • Lack of tourism data • Automobile dependent • Too few inbound tour operators • Slow uptake of new and innovative internet marketing techniques • Industry's role in affecting overall strategic change • Closed for the season mentality • Ongoing reluctance to shift to a customer oriented philosophy

Opportunities	Threats
<ul style="list-style-type: none"> • Tourism regarded as long- term economic driver • Development of community brand • Rejuvenation of downtown core • Canadian Badlands Ltd. • Boomtown Trail • Development of luxury product • Development of family- oriented activities • Themed tours • River use • Badlands Community Facility • Rail line • Active transportation • Extended stay of VFR and business travelers • Enhanced partnerships with provincial and federal marketing agencies • Travel trade could expand reach • Industry- led product standards • Use of Internet 	<ul style="list-style-type: none"> • Other jurisdictions well founded and well organized • Slow economic recovery • Macroeconomic factors- exchange rate, rising fuel costs, US economy • Continuing decline of US visitors to Canada • Changing market demographics • Climate change • Shortage booking cycles, time poverty and propensity for shorter vacations • Industry apathy/ inward focus • Industry fracture/ self- interest • Community resistance to change • Community reluctance to embrace its heritage • Provincial jurisdiction of highways

* Badlands are a type of dry terrain where softer sedimentary rocks and clay-rich soils have been extensively eroded by wind and water. They are characterized by steep slopes, minimal vegetation, lack of a substantial regolith, and high drainage density.^[2] They can resemble malpaís, a terrain of volcanic rock. Canyons, ravines, gullies, hoodoos and other such geological forms are common in badlands. They are often difficult to navigate by foot. Badlands often have a spectacular color display that alternates from dark black/blue coal stria to bright clays to red scoria



** The time between high and low season in a travel market, or, if the market is divided into four segments, the time just below high season.

Environmental Scan

An environmental scan pinpoints trends and potential challenges, opportunities and threats in the market environment. The environmental factors to be analyzed include legislation and regulation, political and economic situations, social and cultural patterns, environmental changes, political situation and technological advances. The questions below can be asked:

- (1) What have been the major trends in the past 3-5 years?
- (2) What are the expected future trends in the next 3-5 years?
- (3) Will these trends affect our destination and DMO in the next 3-5 years?
- (4) How will they affect our destination and DMO?
- (5) How will they affect competitive destinations and DMO?
- (6) How should our DMO change its marketing approaches to adapt to these trends?

Situational Analysis

Next, the DMO identifies the strengths and weaknesses of the destination and the DMO's internal strengths and weaknesses. The six key techniques in completing a DMOP situational analysis are:

- Destination or product/ product development analysis: we can use the 10 AS mentioned in the very first unit, as well as looking into the following dimensions: policy rules and regulation, environmental sustainability, safety and security, health and hygiene, prioritization of travel and tourism, air transport infrastructure, ground transport infrastructure, tourism infrastructure, ICT infrastructure, price competitiveness in the travel and tourism industry, human resources, natural resources and cultural resources.
- Competitive analysis: questions can be asked with tourists in order to know what other destinations tourists are also considering as their trips or future trips, or to know about tourists' satisfactions towards the closest competitors of our destination. Secondary source can also be helpful as the sources of research information in order to shed light on the most popular destinations for specific visitor market segments.
- Visitor market analysis: DMO should have a detailed market profile. Some DMOs do this research on a monthly or quarterly basis every year, while other DMO conduct visitor profile studies only once every 2 or 3 years. The categories of information that should be provided by a visitor profile analysis include:

- Demographic and socio-economic characteristics
 - Travel trip characteristics (e.g. trip purposes, length of stay, party size and composition, accommodation and transportation usage, etc.)
 - Previous visit patterns (number and timing of previous trips)
 - Revisit intentions (probability of return visit)
 - Attraction usage and awareness
 - Activity participation in destination
 - Travel information sources used for trip to destination
 - Media usage (TV; newspapers, magazines, Internet/ Social media, mobile, etc.)
 - Trip satisfaction levels
 - Likes and dislikes
 - Suggested improvements to the destination.
- Marketing position/ destination image analysis: Every destination needs to understand its image or position in the minds of past and potential visitors.
 - Marketing plan analysis: Marketing plan analysis involves an objective assessment of the DMO's past marketing plans. This is done mainly by evaluating and measuring the effectiveness and results for the previous marketing plan. The summative evaluation of the last period's performance against marketing objectives must answer three key questions:
 - How effective was the last marketing plan?
 - Which activities and programmes worked?
 - Which activities and programmes did not work?
 - Resident analysis: Some destinations go further and conduct research on local resident attitudes or sentiments about tourism in their communities. This is especially important when tourism represents a very large part of the local economy and affects residents' everyday lives.

USP Identification

The major outcome of the above analyses is a clearer understanding of how the destination is different from its competitors, and how this will be reflected in the marketing strategy. Porter (1996) pointed out that competitive strategy was about being different. Thus, the DMO must identify these differences early in its marketing planning. Sometimes, these differences are referred to as USPs (Unique Selling Points/ or Unique Selling Propositions). A sustainable competitive advantage for a destination and its DMO would mean having the assets and/ or skills that meet the following conditions:

- They are valuable to visitors.
- They are rare among the destination's current and potential competitors.
- They must be imperfectly imitable (cannot be easily copied).
- There are no strategically equivalent substituted for the assets or skills.

An example of USPs for Canada as a tourism destination

- Vibrant cities on the edge of nature
- Personal journeys by land, water and air
- Active adventures among awe-inspiring natural wonders
- Award- winning Canadian local cuisine
- Connecting with Canadians

4. PESTEL Analysis

We use PESTEL Analysis in order to understand the external environment of tourist organizations or firms. The purpose of environmental scanning is to identify the driver of change, and to prioritize in order of importance. PESTLE analysis is also importance to be carried out before formulating a marketing plan.

- Political: driven by government and quasi- autonomous government agencies. Government policies can influence the capacity to travel of a market. In 1950s Britain, there was a limit on how much money could be taken for travel abroad; later, this limit was abolished, which facilitated travel. Many countries still have such controls. In tourism, many international and national bodies exist to promote the interests of tourism to government. Some of these are extensions of national governments, such as the European Union (influences travel and tourism through treaties, regulations, directives and policies), and the WTO set up under the sponsorship or support of the United Nations. Others are for instance the International Air Transport Association (IATA) representing the airline industry, the European Tour Operators Association (ETOA), the Association of British Tour Agents (ABTA) representing tour operators, the International Association of Tourism Professionals, and the British Resorts Association representing local authority- sponsored tourism. In Thailand, this kind of governmental and quasi-governmental agents includes, for example, the Association of Domestic Travel (ADT), Tourism Council of Thailand and many others more.
- Economic: the performance of the economy generates income for people to afford to travel. In the early 1980s, there was a significant loss of jobs in the UK, which reduced demand for tourism. The current economic slowdown in Europe has demotivated European people to spend money on traveling abroad. The currency exchange rate can encourage or discourage travel. In summer 2004, the American dollar was weak against the euro, and this was encouraging European travel to destinations such as Florida. Conversely, economic growth in the Far East was encouraging outbound travel from the region, benefiting American, British and other European destinations; however, only five years after that, the Far East experienced an economic downturn, leading to a reduction in outbound travel¹. Contemporarily, China has been enjoying its bright economy, especially during the Chinese New Year event which is the Chinese “Golden Week” in which Chinese people travel more frequently. This is due to the economic growth.

- Social: this includes changes in demography (make-up of a country's population), a population's well-being (health, education, potential to earn money, amount of free-leisure time) and its knowledge and cultural development which inform awareness of, and a motivation to visit other places. People's curiosity and willingness to learn about other places are some of other factors that are driving the expansion of cultural tourism to India and other remote places like the Himalayas, for example. In the past, people's desire for the familiar drove the expansion of mass tourism destinations offering the same as what they had at home. The expansions of other types of tourism are also shaped by social factors. The phenomenon of the ageing population happening today in many parts of the world is another example of social factor that should be taken into account when analyzing the social factors. Population growth in developing countries, slowdown in birth rate in western part of the world, geographical shifts of population, migration to cities in developing countries, the opposite in advanced economies, change in family structures and fragmentation of life style—these are also involved as social or demographic factors.
- Technological: changes in technology which have driven developments in tourism. Both the train and the aero plane have revolutionized travel. The potential of train travel provided an opportunity for Thomas Cook. The internet has created new opportunities through online bookings and integration of product lists such as hotel rooms.
- Environmental: protection of the physical environment has become an international concern. Tourism has contributed substantially to environmental damage through chemical and noise pollution, loss of habitats and often poor quality urbanization. Even remote places such as Antarctica and the Himalayas have experienced environmental degradation and litter caused by human activity. Even ecotourism has impacts. Tour operators, destinations, hotels and airlines are being forced to develop initiatives to protect environments. Increasing consumer and governmental awareness of ecological issues especially pollution and depletion of resources, consumer choice based on environmentally friendly tourism offerings are also the good examples.
- Legal: tourism in different countries is controlled and regulated by particular laws and by policies and regulations from tourism industry organizations. The EU's package holiday directive has provided protection for holiday-makers. The increased post- 9/11 security at US airports has had a significant impact on visitor numbers to the USA. The Visa Waiver Program (VWP) allows citizens of participating countries to travel to the U.S.A. without a visa for stays of 90 days or less, when they meet all requirements. This means that travelers under this category need to have certain requirements in order to be eligible to use the VWP and have a valid Electronic System for Travel Authorization (ESTA) (e-visa)

approval prior to travelⁱⁱ. Thailand has also listed countries and territories that are entitled for Visa Exemption and Visa on Arrival to the country as wellⁱⁱⁱ.

PESTEL analysis is then used to identify potential threats and opportunities, and the key drivers of change, not only in the business environment in general, but also in market environment in particular.

Learning Activities and Medias

- Lecturer gives lecture on the unit.
- *Students read case studies about emerging markets in tourism and have discussion ((case to be given).*
- *Students do group study in class: analyze the SWOT and market environmental scanning for their company and tour product in order to plan for formulating a marketing plan.*
- *Students use the website: https://www.mots.go.th/more_news.php?cid=411 in order to acquire some tourism statistics and discuss a potential of tourism market development.*

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 6

Unit 5: Destination Marketing Planning

Topic

- The destination marketing system (DMS) and PRICE model
- Process for destination marketing planning

Objectives

After the completion of this unit, students should be able to:

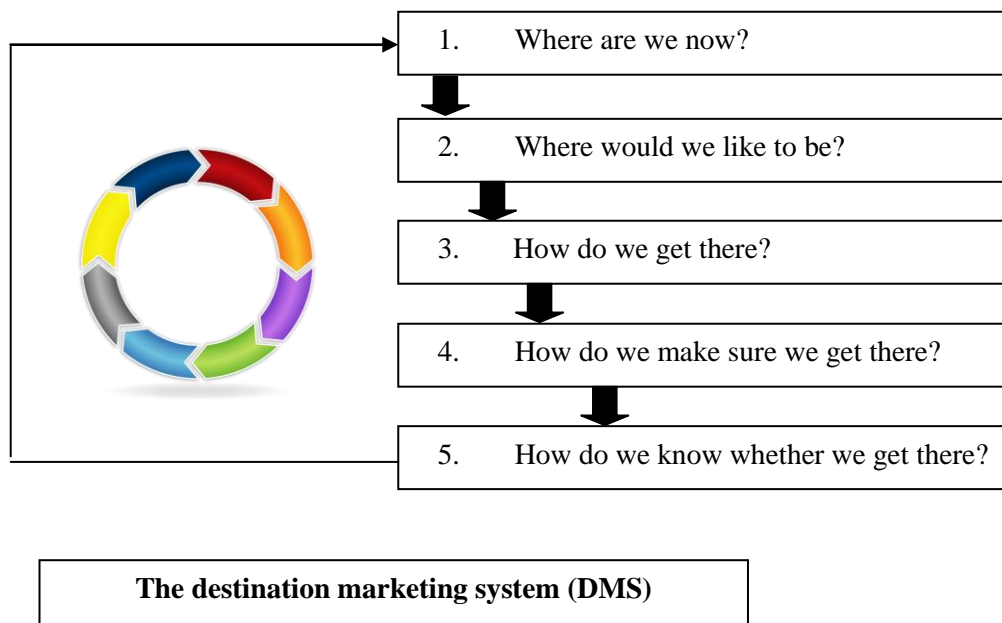
- Provide an explanation of the steps in the destination marketing systems (DMS).
- Explain the meaning of the components of the PRICE model.
- Write DMO or destination/ company vision statement, destination marketing goals, destination marketing objectives and mission statement.
- Write a basic or simplified marketing plan.

1. The destination marketing system (DMS) and PRICE model

1.1 The destination marketing system (DMS)

This topic talks about how a DMO/ company develops its marketing activities and programmes. The destination marketing goals trigger the rest of the planning process. PRICE model provides a logical sequence for the remaining elements of the destination marketing planning process. The PRICE model is derived from the destination marketing system (DMS). *Destination marketing system or DMS* involves answering five questions in a sequence of steps, as follows:

- Where are we now?
- Where would we like to be?
- How do we get there?
- How do we make sure that we get there?
- How do we know whether we got there?



1.2 PRICE model

The PRICE model identifies the key destination marketing functions as:

- Planning (P)
- Research (R)
- Implementation (I)
- Control (C)
- Evaluation (E)

- (1) Planning (P) and Research (R) tasks are accomplished by answering the first two DMS questions (“*where are we now?*” and “*where would we like to be?*”). By doing research- based planning and then analyzing the resulting information to develop a

destination marketing strategy and objectives. DMOs/ companies must make choices among alternative types of marketing activities and programmes. For planning to be as effective as possible, research must be done and then analyzed before making the choice of a future marketing strategy and the supporting activities and programmes.

- (2) The question of “*how do we get there?*” can be answered by going through the Implementation (I). The destination marketing objectives are developed on the selected marketing strategy and are the main guide for specifying the marketing activities and programmes. The accomplishment of the selected destination marketing strategy and objectives is articulated and described in a written format in a marketing plan, which is implemented by the DMO/ company.
- (3) The implementation of the marketing plan is evaluated in two stages: (1) formative evaluation, through monitoring and controlling process towards the marketing objectives. This stage is to answer the question of “*how do we make sure we get there?*”; and (2) summative evaluation, through performance measurement at the end of marketing plan period. This is to answer the question of “*how do we know whether we get there?*”.



- Planning
- Research
- Implementation
- Control
- Evaluation



The “price” of marketing is that we must always plan, research, implement, control and evaluate what we do!

The PRICE model for destination marketing

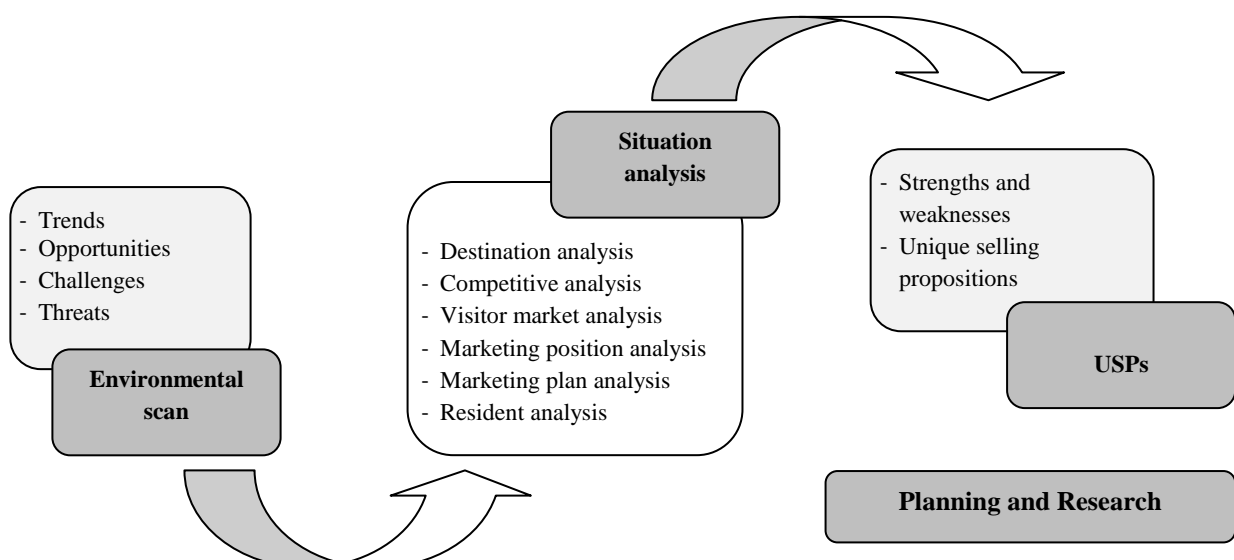
Each DMS steps and marketing function in the destination marketing planning process involves using specific marketing techniques and concepts to achieve the marketing objectives. The steps, functions, techniques and concepts are identified in the table below.

Destination marketing system steps and marketing functions	Marketing techniques and concepts
Where are we now? (Planning and research) <u>PR</u>	<ul style="list-style-type: none"> • <i>Environmental scan</i> • <i>Situation analysis:</i> <ul style="list-style-type: none"> - Destination analysis - Competitiveness analysis - Visitor market analysis - Marketing position (destination image) analysis - Marketing plan analysis - Resident analysis • <i>USP identification</i>
Where would we like to be? (Planning and research) <u>PR</u>	<ul style="list-style-type: none"> • <i>Marketing strategy:</i> <ul style="list-style-type: none"> - Target markets - Positioning- image- branding approach • <i>Marketing objectives</i>
How do we get there? (Implementation) <u>I</u>	<ul style="list-style-type: none"> • <i>Marketing mix (8 Ps)</i> • <i>Marketing plan</i>
How do we make sure we get there? (Control) <u>C</u>	<ul style="list-style-type: none"> • <i>Marketing control (formative evaluation)</i>
How do we know whether we get there? (Evaluation) <u>E</u>	<ul style="list-style-type: none"> • <i>Marketing evaluation (summative evaluation)</i>

Destination management system steps and functions

2. Process for destination marketing planning

Step No. 1: Where are we now? (Planning and Research)



Step No. 2: Where would we like to be? (Planning and Research)

The DMO's/ company's marketing strategy and objectives are developed in the second DMS step. These should be based on the strengths, weaknesses, trends, challenges, opportunities and threats identified in the first DMS step. The DMO/ company considers several different options with respect to target markets and destination positioning, image and branding approaches before choosing what it considers the ideal strategy for the upcoming marketing period.

Inputs	DMS step 2	Outputs
<ul style="list-style-type: none"> • Environmental scan (trends, challenges, opportunities and threats) • Situation analysis (strengths and weaknesses) • USPs 	Where would we like to be? PLANNING AND RESEARCH	<ul style="list-style-type: none"> • Market segmentation analysis • Target markets • Positioning- image-branding approach • Marketing objectives

Below is the table that shows stages and steps in destination marketing strategy

Marketing strategy stages	Steps	Outcomes and choices
Where would we like to be?	PR = Planning and Research	
Visitor market segmentation analysis	<ul style="list-style-type: none"> • Divide the market into segments 	<ul style="list-style-type: none"> • Market segments available
Target market selection	<ul style="list-style-type: none"> • Develop criteria for selecting target market • Select target markets 	<ul style="list-style-type: none"> • Single target market, concentrated, full- coverage or undifferentiated?
Positioning- image-branding (PIB) approach development	<ul style="list-style-type: none"> • Select positioning, image and branding: <ul style="list-style-type: none"> - Overall positioning and image - Positioning and image for each selected target market • Destination branding 	<ul style="list-style-type: none"> • Specific product features, benefits/ problem solution/ needs, specific usage occasions, against another product or product class dissociation?
Marketing objective setting	<ul style="list-style-type: none"> • Writing marketing objectives for each selected target market 	<ul style="list-style-type: none"> • Marketing objectives that are target- market specific, results- oriented, quantitative and time-specific

In summary, on completion of DMS step 2 (where would we like to be?), the DMO/ company will have the following:

- A set of identified target markets. What are the priority groups of tourists to be targeted?
- Positioning/ image and destination branding approaches. How to communicate the destination's uniqueness?
- The marketing objectives for the next marketing plan. What do we need to accomplish in the period ahead?

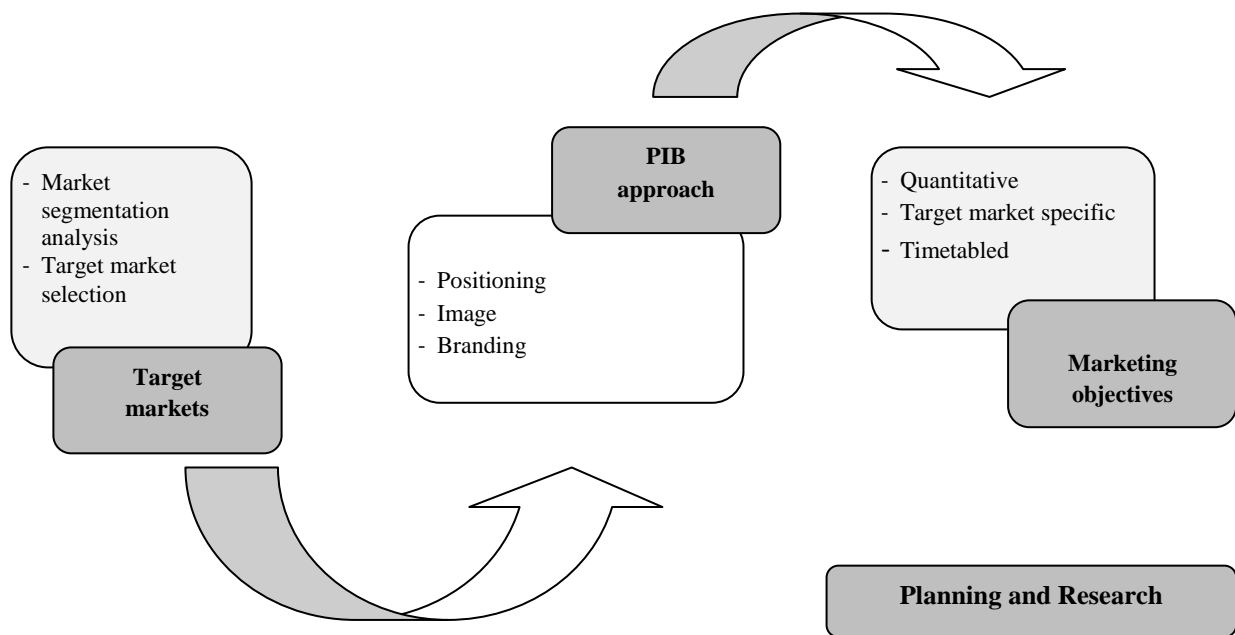
Step No. 3: How do we get there? (Implementation)

The third element of the DMS is this selection of a marketing mix, and the development and implementation of a marketing plan, as shown in the table below.

Inputs	DMS step 3	Outputs
<ul style="list-style-type: none"> • Selected target markets • Positioning- image- branding approach • Marketing objectives 	Where do we get there? IMPLEMENTATION	<ul style="list-style-type: none"> • Marketing mix selection (8 Ps) • Marketing plan • Marketing budget • Marketing plan timetable and schedule • Assignment of implementation responsibilities • Control and evaluation procedures and measurements • Marketing implementation

This step is one of the most detailed and time- consuming stages in destination marketing and its planning. DOMs usually divide up the preparation of their marketing plans by the divisions or units within their organizational structures. For example, one group might handle business tourism, conventions and exhibitions, while another group will focus on pleasure or leisure travelers.

From the second step, “where would we like to be?”, before we step up to the third step, let’s see the summary of the second step again, so you will see the bigger picture before continuing to the step of implementation (step 3—how to get there?)



As mentioned that this stage is the stage of implementation, this means to create marketing mix and develop and implement marketing plan, we need to know first the stages and steps in destination marketing plan. This is shown in the table below.

Stages and steps in destination marketing plan

Marketing plan stages	Steps	Outcomes
How do we get there/	I = Implementation	
Marketing mix selection	<ul style="list-style-type: none"> Decide on how the 8Ps are to be used to achieve the marketing objectives for each selected target market. 	<ul style="list-style-type: none"> Use of product, partnership, people, packaging, programming, place, promotion and pricing
Marketing plan development	<ul style="list-style-type: none"> Write a plan including executive summary, marketing plan rationale and implementation plan. 	<ul style="list-style-type: none"> Written marketing plan
Marketing budget development	<ul style="list-style-type: none"> Prepare the marketing budget according to the marketing objectives and the activities and programmes to achieve them. 	<ul style="list-style-type: none"> Marketing budget
Marketing plan timetable or schedule	<ul style="list-style-type: none"> Prepare a month-by-month timetable showing 	<ul style="list-style-type: none"> Month-by-month timetable

	when each activity and programme will be implemented.	
Assignment of implementation responsibilities	<ul style="list-style-type: none"> Allocate responsibilities to different marketing departments and between DMO/company and its partners. 	<ul style="list-style-type: none"> Responsibility assignments
Control and evaluation procedures and measurements	<ul style="list-style-type: none"> Specify how the implementation of the marketing plan will be tracked and evaluated. 	<ul style="list-style-type: none"> Control and evaluation procedures and measures
Marketing plan implementation	<ul style="list-style-type: none"> Implement the marketing plan according to the specifications in the written documents. 	<ul style="list-style-type: none"> Implementation of specific activities and programmes

Marketing Plan Development

A marketing plan is a written document that describes the activities and programmes that the DMO/ company will use to accomplish its marketing objectives. This document should include executive summary, marketing plan and implementation plan.

Executive Summary

This is a summary in a few pages of the key highlights and major initiatives outlined in the marketing plan. It is a quick view for leaders of DMO or company and other busy stakeholders to see a big picture of the marketing plan.

Marketing Plan Rationale

This is where the DMO/ company explains the reasons and assumptions behind its choices of activities and programmes. It also explains the selected marketing strategy and lists the marketing objectives. Basically, the marketing plan rationale covers the first two DMS steps (where are we now? Where would we like to be?); it summarizes the results of the planning and research done to prepare the marketing plan. The contents of the marketing plan rationale are:

- Environmental scan and situation analysis highlights
- USPs
- Marketing strategy
- Marketing objectives

Implementation Plan

The implementation plan is the most detailed and longest part of the marketing plan. It describes in detail how each of the 8 Ps of destination marketing (marketing mix) will be used for each target market to achieve that market's objectives for the upcoming period. The contents of the implementation plan are as follows:

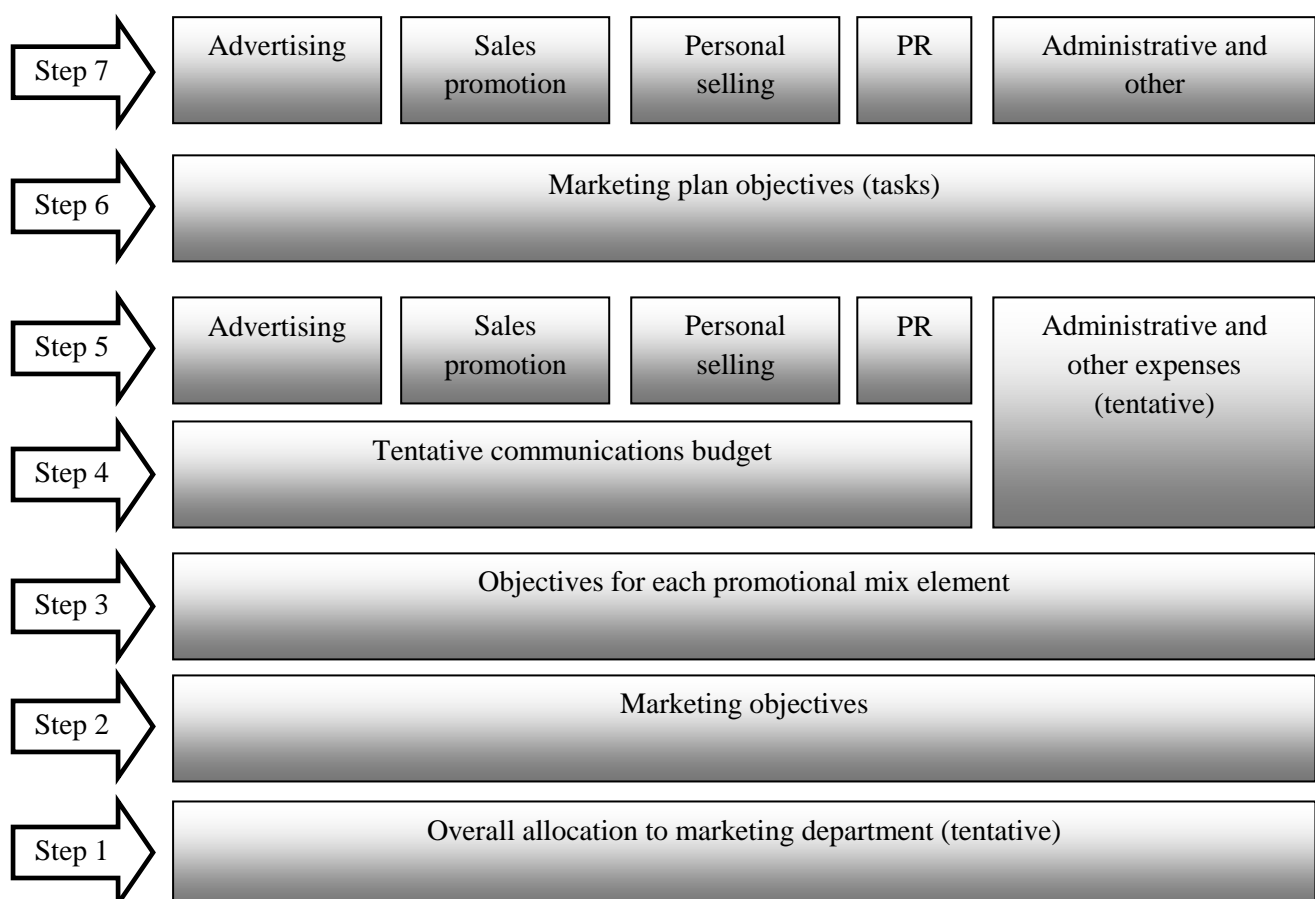
- Marketing objectives
- Activities and programmes (marketing mix or 8 Ps)
- Marketing budget
- Timetable or schedule
- Assignments of responsibilities
- Control and evaluation procedures and measures

The marketing plan is written for internal purpose to guide marketing; but they are also used to inform stakeholders and partners.

Marketing Budget Development

Once the DMO/ company has determined the activities and programmes (tasks) that it will use for each target market, it should develop the marketing budget to go along with the marketing plan. The best approach to doing this is with the objective-and-task budgeting method. Below shows how this method builds the marketing budget from the bottom up, starting with the objectives; the activities and programmes to achieve each objective; and the estimated costs of implementing each activity and programme. The marketing budget should be detailed out by expense category and by month.

Objective-and-task budgeting



Marketing Plan Timetable or Schedule

A month-by-month timetable should be developed in order to show when each activity and programme will be implemented. Usually it is necessary to divide the timetable by target market or according to the marketing department that is responsible for each target market. For example, the marketing plan timetable may be sub-divided into month-by-month schedules for the following target markets and audiences:

- Business meetings, conventions and exhibitions; and incentive travel
- Leisure tourism/ pleasure travel
- Digital marketing/ social media
- Travel agents and tour operators
- Travel exhibitions/ fairs
- Festivals and events
- Media or press
- Other target markets/ audiences

Assignment of Implementation Responsibilities

It is very important to indicate who has the responsibility for implementing each activity and programme. There should be an assignment of responsibilities to each marketing department, as well as an indication of what the DMO/ company will do and what it expects its partners and other stakeholders to accomplish. The assignment of responsibilities depends on how the DMO/ company's marketing department or division is structured. However, internationally it is common to find the following units:

- Convention/ meeting sales and service
- Leisure tourism/ pleasure travel (independent travelers)
- Group travel
- Sports marketing
- Public relations and communications
- Tourism development
- Administration and accounting

Control and Evaluation Procedures and Measurements

The marketing plan must include specific control and evaluation procedures and measurements for the remaining two DMS steps. Particularly important here is the identification of evaluation measures or metrics, milestones and performance standards.

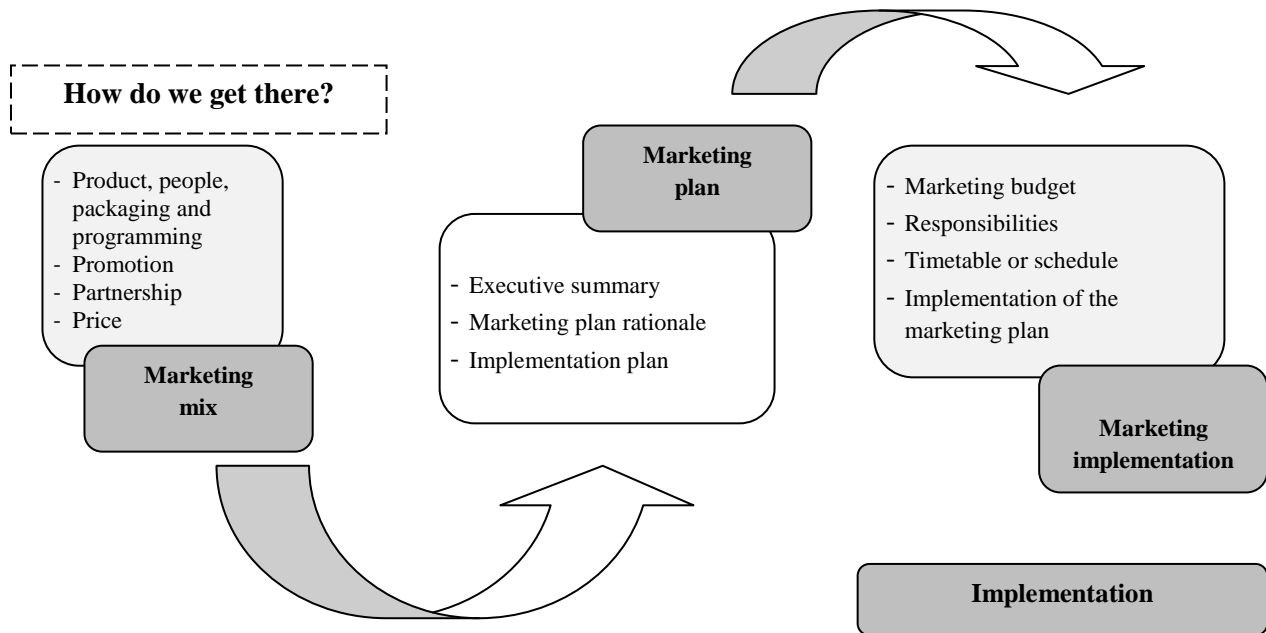
Marketing Plan Implementation

The DMO/ company now uses the marketing plan as a guide for implementing its selected marketing activities and programmes. The marketing budget, timetable and assignment of implementation responsibilities are key tools for guiding the marketing plan implementation.

In summary, on completion of DMS step 3 (how do we get there?), the DMO/ company will have the following:

- The marketing mix selection
- The written marketing plan

You can see from the figure below that explains the output summary for DMS step 3 (How do we get there?).



Step No. 4: How do we make sure we get there? (C = Control: formative evaluation)

The last two DMS steps are both types of marketing evaluation:

- Control (C) or formative evaluation: measuring progress while the marketing plan is being implemented.
- Evaluation (E) or summative evaluation: measuring after the marketing plan is completed.

Inputs	DMS step 4	Outputs
<ul style="list-style-type: none"> • Marketing objectives • Marketing plan (8 Ps) and the specified activities and programmes • Marketing plan timetable • Marketing plan implementation responsibilities • Marketing budget 	<p>How do we make sure we get there? CONTROL</p>	<ul style="list-style-type: none"> • Progress reports (formative evaluations) • Marketing plan modifications

Many DMOs/ companies have done this step only in measuring activities rather than measuring productivity and performance. It is common to see DMOs/ companies keeping track of numbers of visitors and expenditures, but nothing else. While it is essential for a DMO/ company to measure these factors, the DMO/ company cannot itself take full credit for these results.

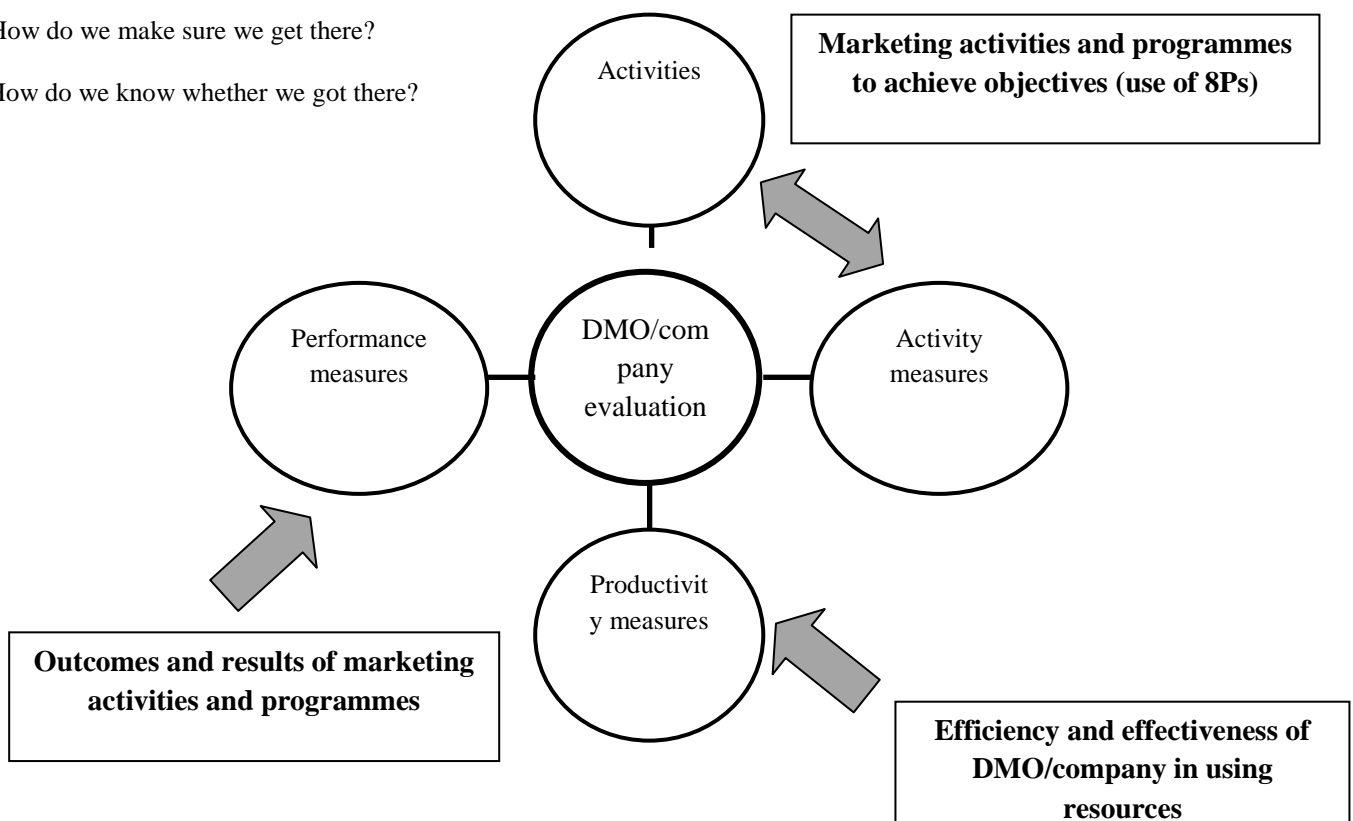
There are four different measures or “metrics” that can be used in DMO/ company evaluation, as follows:

- **Activities:** The destination marketing activities and programmes identified in the marketing plan. The completion of these activities and programmes is one type of measure. For example, the DMO/ company held a festival or forum; attended a travel exhibition or fair; launched a new website; completed a familiarization tour, etc.
- **Activity Measures:** These are quantitative measures of activities, when there is more than one instance or occasion. For example, the DMO/ company exhibited at eight different travel exhibitions or fairs.
- **Productivity Measures:** These are measures of efficiency and effectiveness of the DMO/ company in using its financial, human and other resources. For example, how many people came to the DMO’s/ company’s booth during a travel exhibition or fair?
- **Performance Measures:** These are the actual outcomes or results from implementing the activities and programmes contained in the marketing plan.

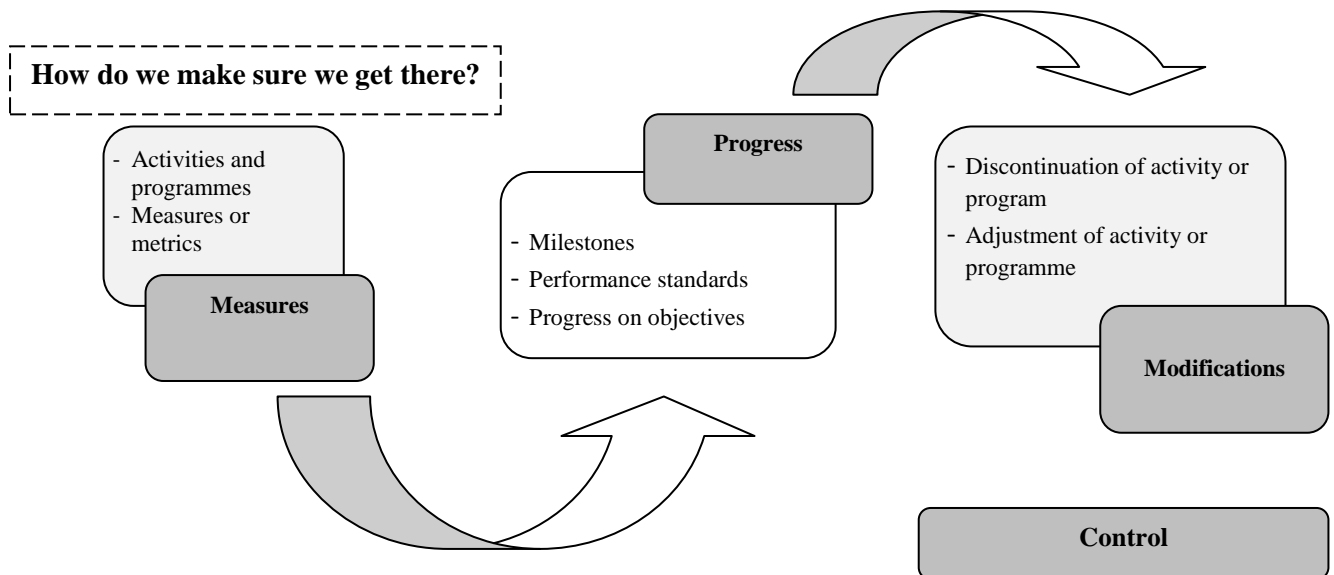
Below is the “four measures” that shows *DMO/ company performance reporting measures*. Sometimes, we can call these “*Key Performance Indicators (KPIs)*”.

C = How do we make sure we get there?

E = How do we know whether we got there?



In summary, on completion of DMS step 4 (how do we make sure we get there?), DMOs/ companies should be able to track the progress of plan implementation, especially the degree to which the marketing objectives are being achieved. If the progress on a specific activity or programme is very poor, the DMO/ company may consider discontinuing it or making a corrective adjustment in the activity or programme.



Step No. 5: How do we know whether we got there? (E = Evaluation: summative evaluation)

When the marketing plan is completed, a thorough evaluation should be conducted.

Inputs	DMS step 5	Outputs
<ul style="list-style-type: none"> Marketing objectives Progress reports (formative evaluations) Marketing plan modifications 	How do we know whether we got there? EVALUATION	<ul style="list-style-type: none"> Marketing effectiveness or performance measures Changes required in next marketing plan

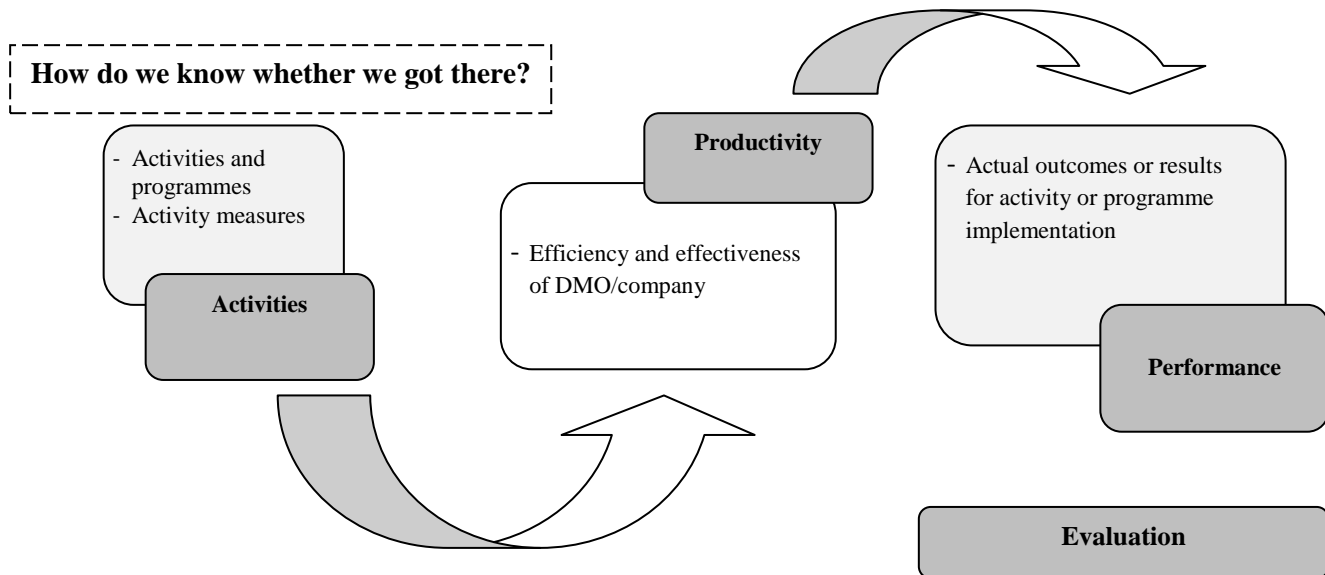
If DMOs/ companies can demonstrate their marketing effectiveness and performance, they show their accountability for the funds that are invested in marketing activities and programmes.

Evaluation process can be done to assess DMOs/ companies' or programmers' performance by use of the following criteria:

- Appropriateness: The extent to which the DMO's/ company's objectives and priorities match the needs of its stakeholders.

- Effectiveness: The extent to which the DMO/ company achieves its marketing goals and objectives.
- Efficiency: The extent to which the DMO's/ company's marketing programme outcomes are achieved at a reasonable cost and within a reasonable time frame.

When the marketing plan is completed, the DMO/ company evaluates the results and produces measures of activities, productivity and performance, as explained in the figure below as the output summary for DMS step 5.



Learning Activities and Medias

- Lecturer gives lecture.
- Students practice creating according to the steps.
- Discuss, and ask and answer session.
- This class will be mostly based on lecture as this part is a theory. Then, practice of writing marketing plan will be followed.

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 7

Unit 6: Tourism Marketing Segmentation, Targeting and Positioning

Topic

- Definition of market segmentation, targeting and positioning
- Marketing objective establishment
- Market positioning for competitiveness (competitive positioning)

Objectives

After the completion of this unit, students should be able to:

- Define market segmentation, targeting and positioning
- Explain how market segmentation, targeting and positioning activities are essential in tour business.
- State types of market segmentation in tour business.
- Explain what competitive positioning is.
- Establish tourism marketing objectives and product positioning.

1. Definition of market segmentation, targeting and positioning

1.1 Market segmentation

Marketing segmentation is the first step that we do in order to define and select a target market to continue further in marketing plan process. Marketing segmentation is therefore the process of splitting an overall or broader market into smaller groups or more groups of consumers. When we group the markets, each group or each market segment should have similar characteristics ranging from demographic to preferences, and importantly, product needs.

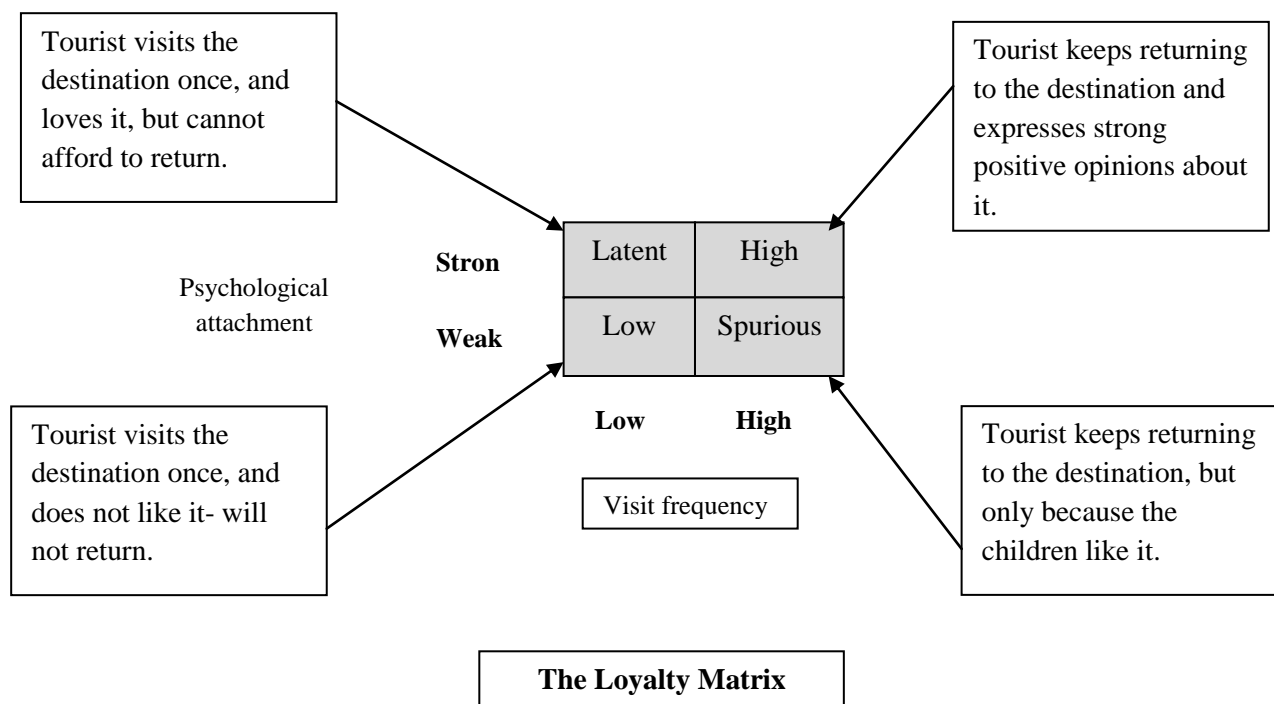
Generally, the following are the types of market segmentation:

- **Socio- Demographic segmentation:** This segmentation includes:
 - (1) *Gender and gender orientation* (i.e. male, female and third gender and behaviour that has been shaped by society);
 - (2) *Age and family life cycle*: these are popular criteria used in socio-demographic segmentation. This include older adults, young adults, family lifecycle
 - (3) *Education, occupation and income*: education, occupation and income are interrelated in terms of travel behaviour, because education generally influences occupation, which in turn influences income level.
 - (4) *Race, ethnicity and religion*: this segmentation is normally used as the criteria for specialized attractions that cater to particular racial, ethnic or religious groups (i.e. Halal segment)
 - (5) *Physical and mental condition*: this criterion is for example persons with disabilities, ageing group (in responding ageing population)

- **Psychological segmentation:** psychological segmentation can be referred to the psychographic typology for instance allocentric, psychocentric, and midcentric group. These define personality and travel preferences.
 - (1) *Allocentric*: personality = curious risk taker, active and assertive, spontaneous, adventurous / travel preferences = remote and exotic places, new and unusual experiences, travels as much as possible, avoids tourists, seeks out the ‘backstage’
 - (2) *Psychocentric*: personality = cautious risk- avoider, passive and non-demanding, structured, non- adventurous / travel preferences = accessible and popular places, familiar experiences, travels only occasionally, seeks out other tourists, stay in the ‘frontstage’
 - (3) *Midcentric*: personality = combined elements of the allocentric and psychocentric personalities. Typical midcentric behaviour indicates personal strategy of ‘mediated risk’, which means an eagerness to attend local cultural performance and sample the local cuisine, but parallel eagerness to have access to comfortable accommodation, hygienically prepared meals and a clean bathroom.
 - (4) *Motivation*: travel motivation is different from travel purposes in that it indicates the intrinsic reasons the individual is embarking on a particular trip. Therefore, for example, a person who travels for VFR (visiting friends

and relatives) purposes actually has the underlying motivation of reunion or renewing relationship, for example.

- **Behavioural segmentation:** this includes:
 - (1) Travel occasion
 - (2) Destination coverage (length of stay, number of destinations visited (single or multi- destinations))
 - (3) Activity
 - (4) Repeat visitation and loyalty



1.2 Market targeting

Market targeting is the second step following market segmentation. The company can select one or more segments. The market (s) that a company selects to target is called 'targeted market' or 'target market'. A target market is a group of customers/ consumers a company has decided to aim its marketing efforts and ultimately its merchandise towards. If the company can clearly define its target market, it will help in marketing strategy formulation (4 or 8 Ps), which determine the success of a product or service in the marketplace.

Normally, a company will evaluate the potential and commercial attractiveness of each market in order to make a decision which market segment it would like to pick as its "targeted market (s)". Below is the list of what the company should look at each segment for the decision:

- *Critical size:* the market should be large enough to justify segmenting. Even for niche market, the company needs to be certain that that niche segment can contribute the company's commercial benefits or profit.

- *Difference*: There must be measurable differences between segments. This means that when the company segment into each group of potential market, that each group should be different in their characteristics, so that this will be helpful in targeting the market (s).
- *Money*: Targeting for particular market (s) should be based on anticipated profit that the company will receive from selling product to that targeted market, and the commercial activity to be done with that targeted market should be financially long- term (or give long- term financial benefit to the company)
- *Accessible*: Each segment must be accessible with the company's efforts in delivering its marketing messages.
- *Focus on different benefits*: Different segments must need different benefits. This is useful for companies that have capabilities in producing a variety of products and services (several product lines, for instance), in order to cater to different needs of different segments.

1.3 Market positioning

Market positioning is an effort to influence consumer perception of a brand or product relative to the perception of competing brands or products. The objective of doing market positioning is to occupy a clear, unique and advantageous position in the (targeted) consumer's or market's mind. So, positioning is very important marketing strategy to make a brand to be distinct in the mind of consumers, while also being relative to competing brands. This can be done through marketing and branding activities, which must be carefully planned and done. This is because once a brand is positioned; it is very difficult to reposition it without destroying its credibility. This is also called 'product positioning'.

Market segmentation, targeting and positioning can be called shortly as "STP"

2. Marketing objective establishment

2.1 Definition

Marketing objective is activity that a company sets groups of goals when it would like to promote its products or services to potential consumers in a given timeframe. A company's marketing objectives for a particular product or service should (1) be measurable; (2) be target market- and time- specific; (3) indicate a quantified result; (4) set for short- term first (within 1- 3 year) (longer time we call 'marketing goals'); (5) go along with the goals.

Marketing objectives include *increasing sales, improving product awareness among targeted consumers, providing information about product features, reducing consumer resistance to buying the product, establishing the company's business in the industry, managing the company's brand (maintaining a place in the mind of the public).*

Example 1: Tourism marketing objectives of Prague City*Prague City Tourism Marketing Objectives*

Marketing is a key focus of our organization, with the long-term goal of improving the prestige of Prague as a destination

Through the implementation of our marketing strategy, we seek to achieve the following objectives:

- increase average spend per visitor
- increase overnights
- increase arrivals or, in some markets, recover declining arrivals
- motivate repeat visits
- improve off-season arrivals in some target groups
- bolster interest in visiting areas outside of the immediate historical centre
- improve Prague's image with domestic visitors, combat negative stereotypes
- promote Prague as a convention destination via partnership with the Prague Convention Bureau

Example 2: Tourism marketing objectives of Virginia Tourism Corporation*Virginia Tourism Corporation marketing objectives for 2011*

- Evolve the “Virginia Is for Lovers” campaign.
- Leverage media buys at least 3:1.
- Increase the number of unique visitors to Virginia.org to 6.5 million.
- Complete twenty new photo shoots to enhance and update image library.
- Generate \$9 million in earned media.
- Generate 50,000 incremental leads through promotions and sweepstakes.
- Increase domestic sales leads by 5 percent.
- Increase international visitation from Canada and target overseas markets by 4 percent.
- Benchmark outdoor marketing plan.
- Increase film contacts by 5 percent.

3. Market positioning for competitiveness

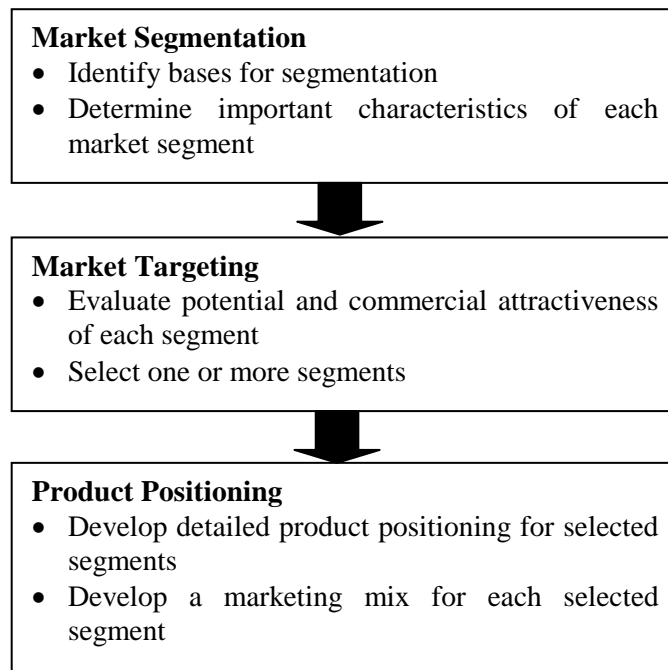
This refers to what sets a company's product, service and the company itself apart from its competitors. The question is what value the company provides and how it is different from the alternatives (competitors/ substitutes).

Market positive for competitiveness or ‘*competitive positioning*’ is thus about defining how a company will ‘differentiate’ its offerings, and create value for its targeted market (s). It is an art of positioning to be distinguished in the marketplace – being known for a certain ‘something’ in the market. In order to do positioning strategy, there are some factors to look at:

- *Market profile*: size, competitors, stage of growth
- *Customer segments*: groups of prospects with similar wants and needs
- *Competitive analysis*: strengths, weaknesses, opportunities and threats in market/ business/ industry

- *Method for delivering value*: how the company delivers value to its market at the highest level
- When the company's targeted market clearly sees how the company's offering (product/ service) is different from that of its competitor (s), it's easier to influence the market and win mindshare (and market share). If there is nothing different or there is no differentiation, it takes more time and budget to lure or persuade the market to engage with the company. As a result, many companies end up competing on price, which is not a good positioning for long term and sustainability.
- One of the key elements that many small to mid-size companies overlook is how they provide value at the highest level. There are three essential methods for delivering value: *operational excellence, product leadership and customer intimacy*.

Market positioning can be understood by another word, "*product positioning*". This means that the company develops detailed product positioning for selected segment (s) and develops a marketing mix for each selected segment.



Learning Activities and Medias

- Lecturer gives lecture.
- Students practice writing marketing objectives and product positioning.
- Case study discussion

Lecture Note

Course Title: TRM 2303 The Principles of Tourism Marketing

Credits: 3(3-0-6)

Lecturer: Aj Siripen Yiamjanya

Program: Tourism Management

Week 9

Unit 7: Development of Tourism Product Mix for Tourist Destination

Topic

- Management of tourist destination product mix
- Definition and components/ mix of the destination product
- Destination product life cycle
- Principles of development for destination new product mix
- Roles and involvement of destination management organization

Objectives

After the completion of this unit, students should be able to:

- Define destination product.
- Identify the components of the destination product.
- Explain the destination product life cycle and how it influences or impacts product development and marketing in a destination.
- Identify and discuss principles of destination product development.
- Discuss the roles and benefits of packaging and programming as part of destination product development.
- Discuss the roles of destination management organization in destination management.

1. Management of tourist destination product mix

1.1 The destination concept

Basically, a tourism/ tourist destination is geographic area that attracts visitors. Moreover, there are key characteristics of a tourism destination:

- A geographic area which has an administrative boundary or boundaries. These can be country, state, region, province, cities, towns or territories.
- A place where the tourist can find overnight accommodations, which may suit various or particular types of tourists
- A destination mix is available for visitors. These include restaurants, attractions and events, availability of transportation, infrastructure and hospitality resources.
- There should be a tourism marketing effort. There should be steps been taken to market and promote the place for tourists.
- There should be a coordinating organization structure, in this case, called DMO or destination management organization who leads and coordinates the tourism efforts of the place.
- An image exists of the place in tourists' minds. People have perceptions about what the place has to offer for tourism. However, these images can be accurate or inaccurate.
- Government agencies have introduced laws and regulations. Special laws and regulations control different aspects of tourism to prevent or minimize negative impacts and to induce and accelerate positive impacts.
- There is a mixture of tourism stakeholders. These include private sector, enterprises, government agencies, non- profit organizations, individuals and other entities who have an interest in tourism. Stakeholder means those who share both benefits and losses in tourism.

Tourist destination is therefore a mix of tourism products, experiences and other intangible items promoted to tourists, and has diverse entities.

1.2 Destination management

Destination management and destination marketing are highly interrelated concepts in tourism. Destination marketing is in fact one of the functions within the broader concept of destination management. Destination management involves coordinated and integrated management of the destination mix. These destination mixes include attractions and events, facilities, transportation, infrastructure and hospitality resources. Effective destination management needs a strategic or long-term approach based on a platform of destination visioning and tourism planning. Successful destination management requires specialized organizations, which we call 'destination management organization' (DMO). DMOs coordinate the efforts of many stakeholders to achieve the destination's vision and goals for tourism.

2. Definition and components/ mix of the destination product

Destination product can be understood around the word ‘experience’. But what is exactly the destination product? Product in tourism is known intangible. In tourism’s consumer point of view, product may be defined as a bundle or package of tangible and intangible elements based on activity at a destination. The package is perceived by the tourists as an experience, available at a price.

According to Phillip Kotler, the marketing guru, there are five product levels. These include the following, with the example case of consumer product:

- **Core Product:** This is the basic product and the focus is on the purpose for which the product is intended. For example, a warm coat will protect you from the cold and the rain.
- **Generic Product:** This represents all the qualities of the product. For a warm coat this is about fit, material, rain repellent ability, high-quality fasteners, etc.
- **Expected Product:** This is about all aspects the consumer expects to get when they purchase a product. That coat should be really warm and protect from the weather and the wind and be comfortable when riding a bicycle.
- **Augmented Product:** This refers to all additional factors which sets the product apart from that of competitors. And this particularly involves brand identity and image. Is that warm coat in style, its color trendy and made by a well-known fashion brand? But it also includes factors like service, warranty and good value for money playing a major role in this.
- **Potential Product:** This is about augmentations and transformations that the product may undergo in the future. For example, a warm coat that is made of a fabric that is as thin as paper and therefore light as a feather that allows rain to automatically slide down⁴. In other words, this level of product portrays the innovative level above competitors, which requires research and development.

In tourism, if we think of the whole destination as the product, different destination may cover or may not cover all levels of product (here means experiences) depending on destination life cycle and tourism development of the place. However, we may not be able to clearly classify destination product in these types of level. Destination product rather highlights the importance of ‘activities’ and ‘experiences’ to offer to tourists, and it requires tourists’ involvement and interaction of them with the destination/ place and with destination hosts, and other supports like amenities and ancillary services; this makes destination becomes a product.

Destination product is therefore represented as an interdependent mixture of tangible and intangible components comprising physical products, people, packages and programming. The interaction of the hosts and guests within the destination is an important dimension of the destination product. This can be shown in Figure 1.

⁴ *Five product levels by Phillip Kotler.* Retrieved from <https://www.toolshero.com/marketing/five-product-levels-kotler/>

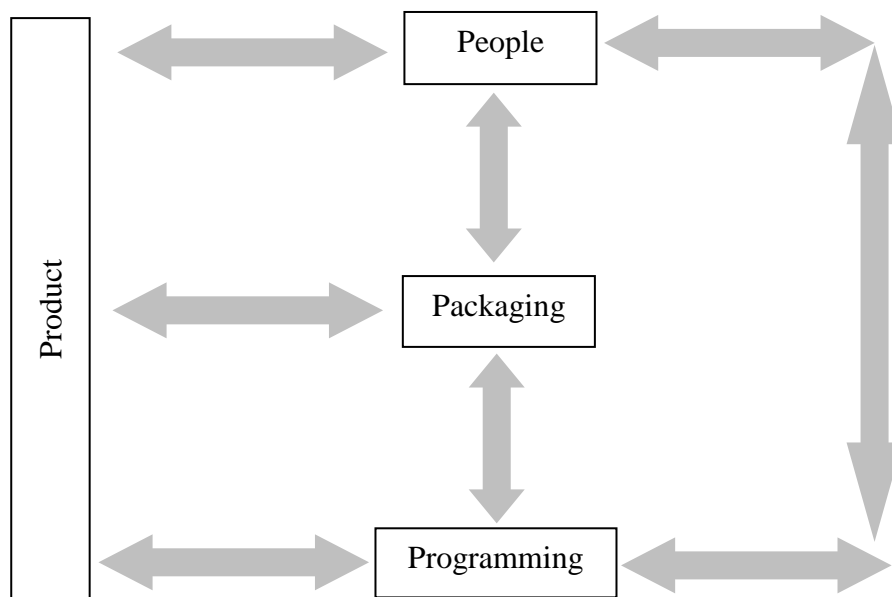


Figure 1: Destination product extensions (Morrison, A.M., 2013)⁵

3. Destination product life cycle

The Tourism life cycle model refers to the tourism destination or tourism area life cycle (TALC), introduced by Butler in 1980, which rather focuses more on tourism development and growth pattern of a destination. Briefly, the concept is a process describing how a destination starts off slowly with visitor numbers limited by the facilities and access. As the destination attracts more visitors, amenities are improved and visitor numbers grow rapidly towards and sometimes beyond the carrying capacity of the destination⁶. To explain each stage, the model introduces six stages of tourism evolution, namely exploration, involvement, development, consolidation, stagnation, and post stagnation⁷. Post-stagnation is the stage that characterizes destination by a period of decline, rejuvenation, or stabilization. Tourism life cycle model also demonstrates patterns of tourism development of a place and determines carrying capacity and level of authenticity of the place.

An exploration stage appears with low number of tourists, most of which are adventurous ‘explorers’ or ‘backpackers’ with high interest in nature and culture, close

⁵ Morrison, A.M. (2013). *Marketing and Managing Tourism Destinations*. Oxon: Routledge.

⁶ Ibid, p. 157.

⁷ L. Zhonga, J. Dengb & B. Xiangc (2008), “Tourism Development and the Tourism Area Life-Cycle Model: A Case Study of Zhangjiajie National Forest Park, China”, *Tourism Management*, Vol. 29, No. 5, Pp. 841–856.

interaction with local people⁸, limit of tourist facilities and thereafter socio- cultural impacts are minimal.

The second is an involvement stage occurred because of gradual development of tourist traffic into the area and higher number of tourists. Thus, it is a start of the provision by some locals of tourist facilities and infrastructure; yet high local interaction with local people is still high; advertising initiated and tourist market and season developed⁹.

At a development stage, the place is more appealing to external investors due to an arising of more characterized tourist market and fame induced by advertising; the place experiences an extensive advertising and promotion to accelerated demand, and more foreign- own facilities in some cases, whereas more physical entities are built. Moreover, local facilities are displaced by more elaborate and up-to-date ones, which results in a decline in local participation and control, whereas artificial or man- made attractions are replacing original ones.

A consolidation stage shows declines in growth rate with more efforts put to advertising aiming to extend tourist season and markets, some opposition to tourism and clear recreational business districts; and old facilities have been deteriorated.

During a stagnation stage, the place faces a state in which its development reaches or even exceeds its capacity and it relies more on repeat visitation; tourist type changes to package tourists; there are new physical developments built on the peripheral as an extension to the existing destination. At this stage, critical socio- cultural, environmental and economic problems take place as a consequence of mass tourism activities occurring beyond the place's carrying capacities. The place may face serious changes of its cultural environment or cultural landscape. The last stage of a place is diverged into decline, rejuvenation, or stabilization. The place may lose its tourist market and decline, or may rely on weekend and day visitors. It may apply new marketing strategy in order to change images or establish new tourist market, with wider effort in combing cooperation of public and private sectors in hope of rejuvenation. Interestingly, there also is increased local involvement especially in case of community tourist attractions.

Based on the point of view of destination product life cycle, we can see the approach is one of the principle to apply when we do destination marketing. This is strongly related with DMOs' role of product development and marketing after that.

4. Principles of development for destination new product mix

4.1 Principles

Creating new destination product requires high involvement from different stakeholders or agencies including government at different levels, the private sector and the communities in which tourism takes place. Moreover, it is strongly related with destination marketing strategies.

⁸ Breakey, N.M. (2005), "Tourism Destination Development-Beyond Butler", University of Queensland, Australia.

⁹ Park, H.K. (2006), "A Study on Tourist Area Life Cycle and Marketing Strategy- A Case of Jeju Island", *KDI School of Public and Management*, Korea.

Tourism product development can be defined as embracing all elements with which visitors or tourists to a destination comes into contact. This includes infrastructure (e.g. transportation and other infrastructures) the service personnel, accommodation, attractions and activities, facilities and amenities. Tourism product development can also be viewed as comprising only attractions, activities and facilities that are specifically provided for particular types of visitors or tourists, or markets. Individual attractions, activities and facilities are components of a destination's overall tourism product. A destination's tourism product is an amalgam of many different elements, the provision of, and access to, which the tourist have expected to meet their needs¹⁰.

When we do tourism product development, we need to take into account the following aspects in order to response tourism market with satisfaction and sustainability.

- **Experiential aspect:** the examples of this aspect that can create experiential dimension to tourists when they come into contact at destination include festivals, activities, communities, events, dining and entertainment, shopping, safety, service.
- **Emotional aspect:** this aspect includes human, cultural and historical resources that can be felt, learned and appreciated.
- **Physical aspect:** physical aspect includes those can be touched and seen as physical supporting and facilitating factors such as infrastructure, accommodation, restaurants, shops and other buildings visited. This also refers to natural resources with which tourists or visitors can interact and spend time (i.e. in the form of recreational park, hot spring).

As mentioned already that destination product is represented by the mix of tangible and intangible components comprising physical products, people, packages and programming, tourism product development needs to present this mix (physical product + people + packaging + programming). Therefore, marketing mix plays the role here.

There is an adapted version of the principles of destination product development, from UNWTO Handbook on Tourism Product Development¹¹.

- **Appropriate scale:** development is large enough to have a significant positive impact on the tourism sector, but not so big that it causes problems for other stakeholders, the environment or the destination economy.

¹⁰ Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC). (2013). *Tourism Product Development and Marketing Strategies in the COMCEC Member Countries*. Retrieved from <http://www2.comcec.org/UserFiles/File/WorkingGroups/Tourizim2/2-Tourism-Report.pdf>

¹¹ Morrison, A.M. (2013). *Marketing and Managing Tourism Destinations*. Oxon: Routledge, p. 167.

- **Authenticity:** development is a true and authentic reflection of the destination and its history, culture and people.
- **Community support:** community residents are not opposed to the development and support its proceeding.
- **Competitive differentiation:** development is substantially different from what is found in competitive destinations.
- **Creativity and innovation:** development is a 'one-of-a-kind' in its category or at least demonstrates new features that are innovative in the tourism sector.
- **Destination vision:** development is consistent with the destination vision and preferably actively contributes to its realization.
- **Integration:** development integrates well with existing destination product. An example can be referred to development of secondary tourist destination that is integrated with existing main or primary destination.
- **Market need and feasibility:** the market need and financial feasibility of the development have been proven.
- **Positioning:** development fits with the destination positioning approach.
- **Sustainability:** development does not harm the environment or the social and cultural fabric of the destination.
- **Tourism stakeholder support:** stakeholders, particularly those within the tourism sector, support the development.
- **USPs or unique selling propositions:** development reflects or takes advantage of the identified unique selling propositions of the destination.

4.2 Development of packages

Packaging is a marketing mix tool that incorporates coordinating and collaborating actions from stakeholders in tourism, in particular from the private sector. Packaging in tourism is unique. There are professional companies like tour operator and travel agencies that specialize in packaging; resorts, hotels, airlines, cruise line companies, attractions and other tourism stakeholders also develop packages.

When we say tourism product development, we know that sometimes it is not always those new physical product that has to be developed. Rather, developing new tourism utilize (and visualize) the existing physical product into new product by using packaging strategy. So, packages are the very powerful part of the destination product, in attracting tourists to destinations. Packaging plays the following roles:

- **Uniting tourism stakeholders' product and service offers:** packaging is a great demonstration of partnerships and collaboration in tourism. It brings together different businesses and other organizations into an integrated offer.
- **Smoothing out business cycles:** packaged are used to build business at times when demand is in a down cycle. Doing this tends to improve the profitability of tourism businesses, as well as reducing seasonality in destinations.

- **Diversifying market segments:** packages can be developed and customized for specific market segments, allowing the destination and tourism stakeholders to diversify market strategies.
- **Consolidating the destination product:** packaging brings together components of the destination product in a very convenient format for buyers.
- **Providing value:** packages offer distinct value to buyers, so then extend the value perception of the destination.

4.3 Event, festival and activity program development

Program development or programming is another mix in tourism marketing mix and it is an important part of destination product development as well. It is sometimes done within packaging but often separately. There are different varieties of programming ranging from huge mega- events to very small event like small workshop carried out for tourists or community fair. Programming plays many roles for a tourism destination.

- **Enhancing experience of tourists:** programming creates new activities and experiences in which tourists can engage.
- **Increasing economic impact of tourism:** new or expanded events and festivals can create significant economic benefits for destinations.
- **Increasing tourist spending and length of stay:** programming encourages people to stay longer and if they stay longer, they spend more money in the destination.
- **Informing and educating tourists:** programming, and especially interpretation, provide tourists with a deeper understanding of the destination and its resources. Here it can be said that programming can be an effective channel in making sense of the destination and help tourists make meaning about the destination.
- **Involving tourists in experiences:** nowadays more people like to participate and be actively involved in their destination experiences, and programming does exactly that.
- **Satisfying special- interests:** programs can be developed to satisfy all sorts of special- interests¹².

5. Roles and involvement of destination management organization (DMO)

Conceptually, the management roles of DMOs provided by UNWTO include the following:

- **Leading and coordinating:** this means leading and coordinating the efforts of all the stakeholders in tourism within the destination. The DMO is the central organization for ensuring the appropriate use of all the elements of a destination (attractions, amenities, accessibility, human resources, image and price).

¹² Morrison, A.M. (2013). Marketing and Managing Tourism Destinations. Oxon: Routledge, p. 174.

- **Marketing:** this refers to destination promotion, campaigns to drive business, providing tourism information services, operation and facilitation of bookings and customer relationship management (CRM). The main purpose of DMO marketing efforts is to get people to visit the destination.
- **Creating a suitable environment:** suitable environment in tourism refers to readiness of destination, which need planning to generate. This therefore refers to development of many aspects required in tourism for example planning and infrastructure, human resource development, product development, technology and system development and development of related industries. Policies, legislation and regulations are needed in order to guide and control aspects in tourism. Importantly, it also includes DMOs' policies and programs to promote sustainable tourism development within the destination.
- **Delivering on the ground:** this includes managing the quality of tourist experiences, training and education, business advice. In other words, this means that what has been promoted and promised by the DMO must be delivered to tourists. Tourists who visit the destination must receive tourism experience they were promised, and the experiences should exceed what tourists have expected.

Anderson defines in his study *'Destination Management Organizations (DMO's) Roles, Structures and Performance- Comparative Analysis'*, that the destination management process was based on four key elements:

- The destination offering: includes visitor experience, destination image and attractiveness
- The visitor mix, or market research
- Marketing communications: includes awareness and promotion
- Organizational responsibility: includes leadership and partnership¹³.

The roles and specific activities of DMOs classified by Presenza et al. (2005) was in Table 1 below:¹⁴

¹³ Negrusa, A.L., Lupu, N., Coros, M.M. and Moca, C.M. (2017). Destination Management Organization's (DMO's) Roles, Structures and Performance- Comparative Analysis. Proceedings of the 11th International Management Conference 'The Role of Management in the Economic Paradigm of the 21st Century'. Retrieved from http://conference.management.ase.ro/archives/2017/pdf/1_8.pdf

¹⁴ Ibid.

Table 1: Roles and Specific Activities of DMOs

Role	Specific Activities
External Destination Marketing (EDM)	DMOs manage the selling of destination and of their tourist products, carrying out activities such as: <ul style="list-style-type: none"> - Web- marketing - Advertising both classic and based on new media - Familiarization tours - Sales blitzes - Direct sales - Direct mail - Cooperative programs - Events, festivals, conferences, fairs, etc.
Internal Development Role (IDR)	DMOs undertake all other types of activities for the maintenance and development of the destination, except for marketing: <ul style="list-style-type: none"> - Visitor services, including visitor management - Measuring and evaluating visitor satisfaction - Information and market research, with the purpose of helping stakeholders better understand market demands, industry supply, and the existing gaps between the two parts - Ensure high- quality development of human resources - Resource stewardship for sustainable destination management and development - Contribute to the attraction and raising of financial resources, including venture capital
Overall Destination Management (ODM)	<ul style="list-style-type: none"> - Coordination of stakeholders - Management of crises

From Table 1, we can see that the roles and activities of DMOs are various and cover the function of destination marketing. Yet, destination marketing needs to be carried out in alignment of tourism policies and overall goals of destination management.

Learning Activities and Medias

- Lecturer gives direct instruction.
- Class activities
 - Students are assigned to answer the following questions in order to review the lesson:
 - What is the definition of product as it relates to the destination management role of product development?
 - The destination product has several components. What are these components?
 - What are the stages of tourism destination life cycle and how do these stages impact the product development and marketing roles of a DMO?

- What are the principles that should be articulated to guide product development within a destination?
 - What are the roles and benefits of packaging and programming in destination product development?
- Students are assigned to discuss potential benefits of programming for both tourist and destination sides. They can apply knowledge from previous course such as sustainable tourism management in order to brainstorm for possible answers.

Tourist benefits	Destination benefits
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Possible answers

Tourist benefits	Destination benefits
<input type="checkbox"/> active participation in experiences	<input type="checkbox"/> attraction of special- interest markets
<input type="checkbox"/> added excitement	<input type="checkbox"/> destination image enhancement
<input type="checkbox"/> greater aesthetic/ personal fulfillment	<input type="checkbox"/> increased economic impact
<input type="checkbox"/> increased learning and understanding	<input type="checkbox"/> increased length of stay and per capita spend
<input type="checkbox"/> increased trip satisfaction	<input type="checkbox"/> increased tourist satisfaction
<input type="checkbox"/> more entertainment	<input type="checkbox"/> new marketing initiatives
<input type="checkbox"/> richer experiences of destination	<input type="checkbox"/> reduction of seasonality
<input type="checkbox"/> satisfaction of special interests	<input type="checkbox"/> stakeholder partnering opportunities

- Students' assignment: students are assigned to visit a DMO website, then study their vision, missions, roles, duties and activities published on the website, and discuss how it contributes to product development in its tourism destination. Then, arrange in as essay form and prepare for oral presentation in front of the class.

ⁱ Beech and Chadwick (2006), *The Business of Tourism Management*, p. 211.

ⁱⁱ Visa Waiver Program, retrieved from <http://travel.state.gov/content/visas/english/visit/visa-waiver-program.html>

ⁱⁱⁱ Summary of Countries and Territories entitled for Visa Exemption and Visa on Arrival to Thailand, retrieved from http://www.ubu.ac.th/web/files_up/18f2013112809134188.pdf