

Lecture Note

Course Title: ITM 2310 Marketing in Tourism Management

Credits: 3(3-0-6)

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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.

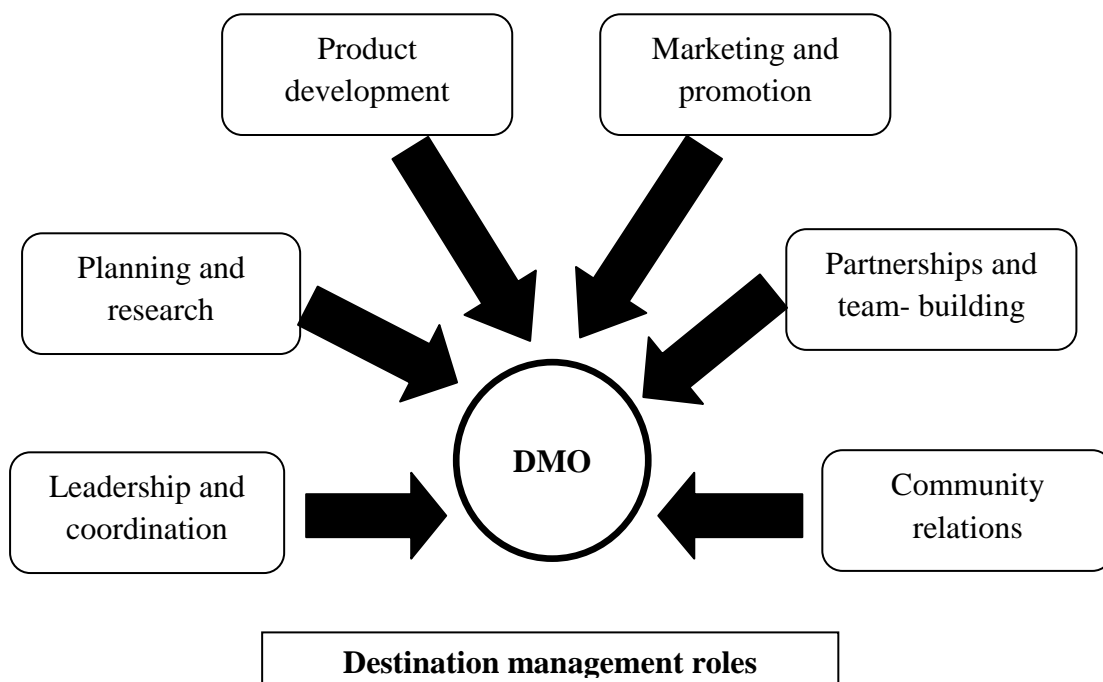
Destination marketing can be described as ‘a continuous, sequential process through which management plans, researches, implements, controls and evaluates activities designed to meet customers’ needs and wants and their own organizations’ objectives’. Effectiveness of marketing in tourism can be greatly 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.

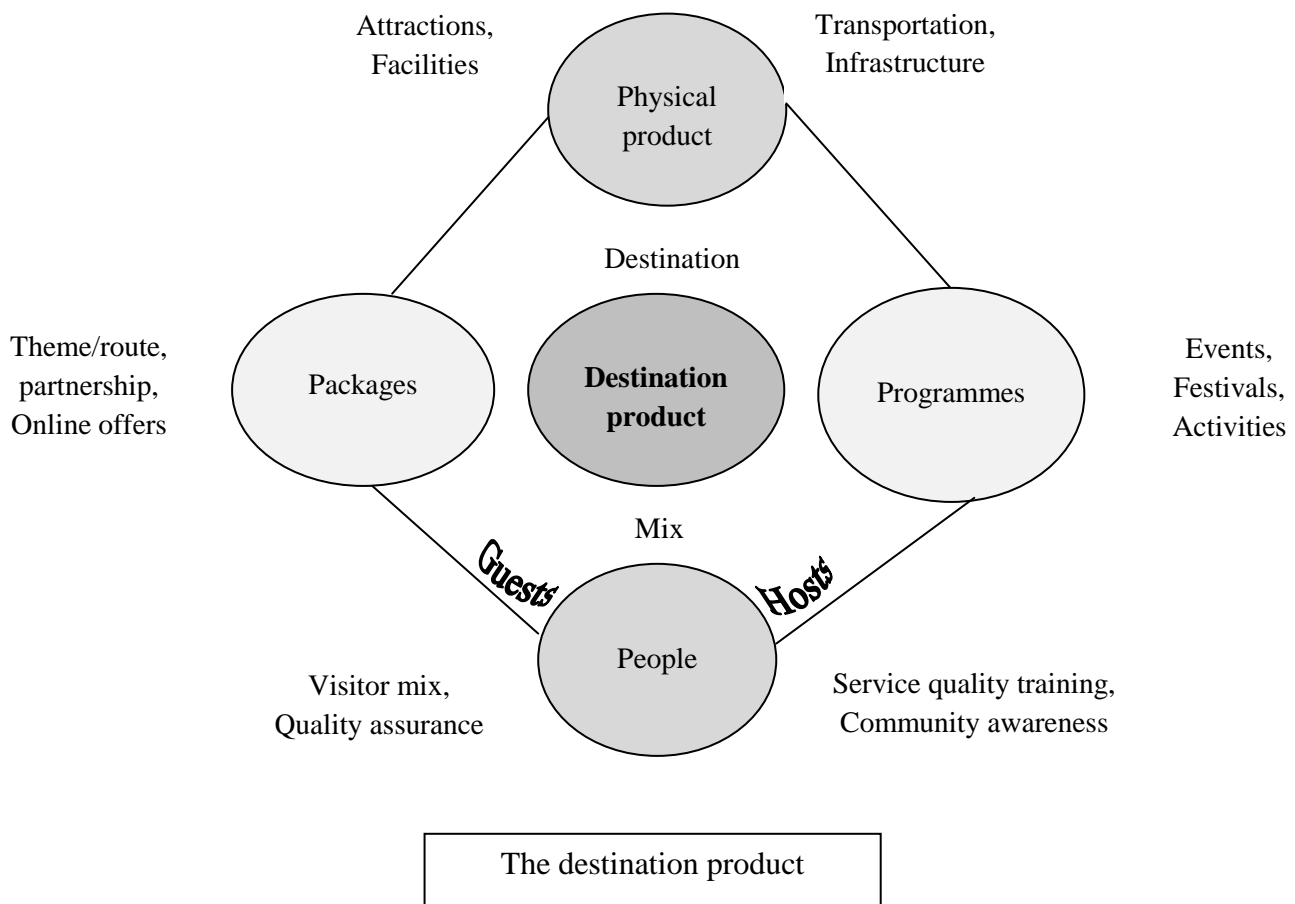
2.3 Destination management roles

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

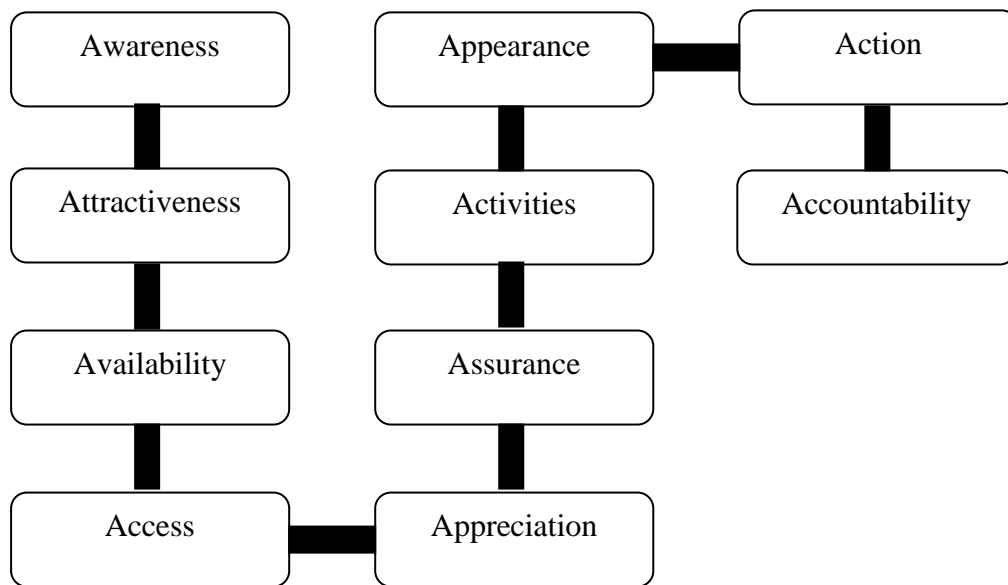
There are some key differences to pinpoint between DMO management and marketing and for other tourism and hospitality organizations. The following differences make destination management and marketing unique and challenging.

- (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?

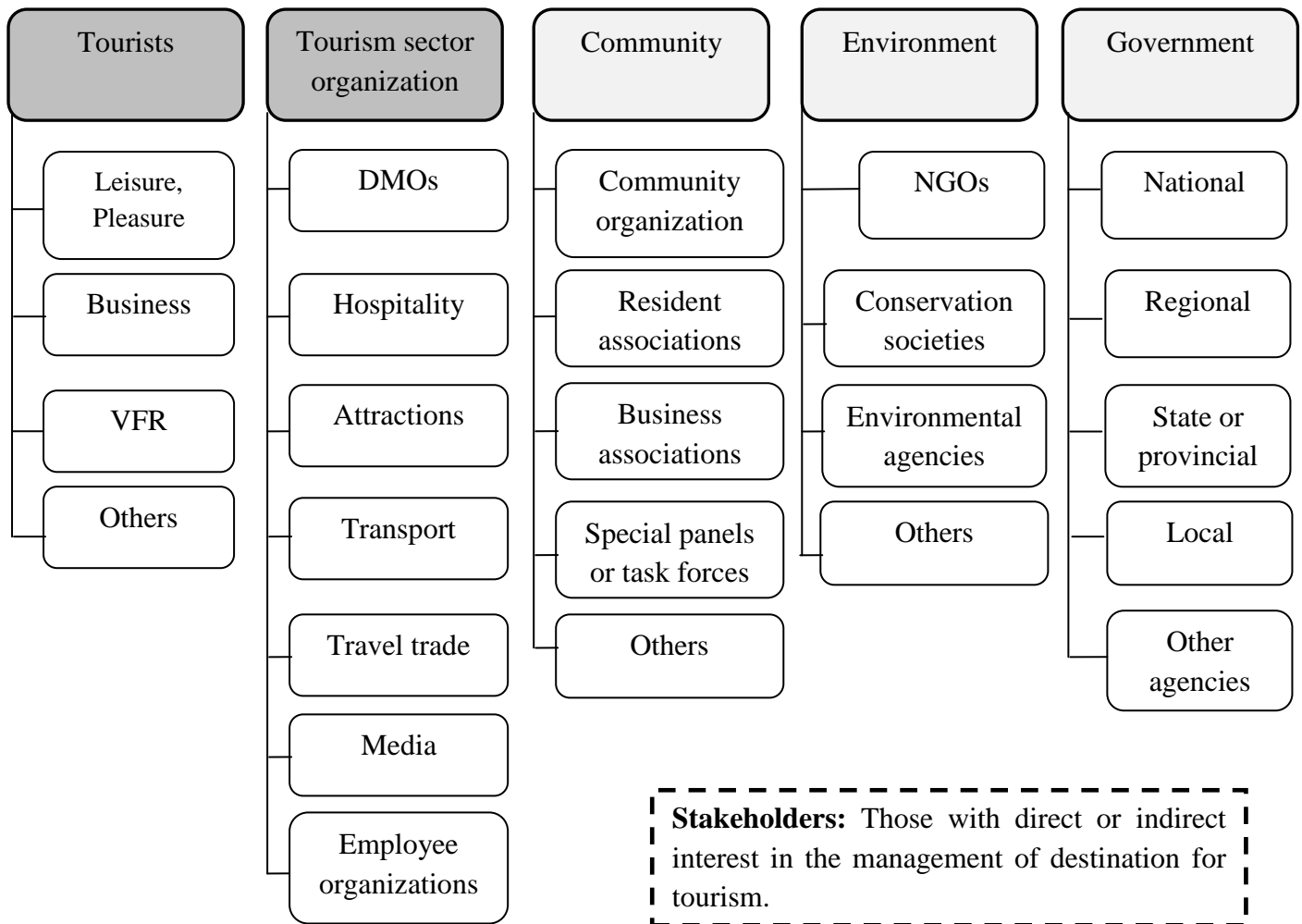
- (4) *Access*: The convenience of getting through and from the destination, as well as moving around within the destination, constitutes this attribute.
DMO question: Is there convenient access to and from the destination by all modes of transportation? Is there convenient transportation within the 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.