



Destination Marketing Strategies: Global Trends and Success Factors

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Agenda

Destination marketing

Current Trends in destination marketing

Project objective and method

Destination marketing

Despite being a relatively new field there is a rich vein of good practice

- The evolution of the DMO towards a more general Destination Management Organisation
- Technology changes impact the DMO, Industry and consumer behaviour
- Increasingly sophisticated governance and collaborative partnerships



Current Trends in Destination Marketing



TREND 1 DESTINATION COMPETITIVENESS

TREND 2 CHANGING ROLE OF DESTINATION MARKETING ORGANIZATIONS (DMOs)

TREND 3 DMO Governance

TREND 4 DMO PERFORMANCE MONITORING

TREND 5 TOURISM DESTINATION MARKET PLANNING

TREND 6 THE TACTICAL LEVEL OF DESTINATION MARKETING

TREND 7 DESTINATION MARKETING FUNDING

TREND 8 TECHNOLOGY IN DESTINATION MARKETING

TREND 9 MARKET RESEARCH FOR DESTINATION MARKETING

TREND 10 DESTINATION MARKETING COLLABORATION AND GOVERNANCE

Current Trends in Destination Marketing

Trend one: Destination Competitiveness

Delivering destination competitiveness is central to the activities of DMOs. The benefits include:

- Securing the emotional link to, and loyalty, of visitors;
- Coordination of the private sector and other stakeholders through cooperative marketing;
- Acting as a base for promotion of other products such as investment, economic development, film, and TV;
- Facilitating and encouraging the use of local products and design; and
- Facilitating seamless market communication of the destination



Current Trends in Destination Marketing

Trend two: The changing role of DMOs

DMO structures vary considerably and continue to evolve; traditionally departments or agencies funded by government to market the destination but **there is an emerging trend for DMOs to be structured as public private partnerships (PPPs)** to assure longer term funding guarantees as well as proper accountability:

- Increasingly, DMOs are acting as 'management organisations' delivering 'whole of destination' management approach
- Destination marketing and promotion is no longer the sole purpose of the DMO.
- While this modified role presents many new challenges, it also provides a much broader range of opportunities for ensuring destination competitiveness.
- One of these wider roles is economic development. Some DMOs have been incorporated within Economic Development Agencies



Current Trends in Destination Marketing

Trend three: DMO Governance

Over time there has been an evolutionary shift towards DMOs structured as public-private partnerships (PPP):

PPPs are underpinned by recognition that:

- ▶ Long term funding certainty can only be provided by government; and
- ▶ While DMO governance requires adequate taxpayer accountability and reporting, it is the private sector that has the expertise to efficiently and effectively oversee the management of the organisation's strategy.

For DMOs working in partnership with the private sector there are a number of issues to consider. These include:

- ▶ The process of board member selection; and
- ▶ The roles and responsibilities of the board, and ethics around decision making on behalf of stakeholders.

The nature of the PPP structure means politics can be a key influence in DMO decision



Current Trends in Destination Marketing

Trend Four: DMO Performance Monitoring

The monitoring of DMO marketing performance has grown in importance as the accountability of public finances has become an imperative. Two approaches used to assess the effectiveness of destination marketing as outlined below:

- ▶ Return on Investment (ROI)
 - ▶ Although difficult to isolate the influence of the work of the DMO Metrics for assessing the return on investment (ROI) for marketing spend include visitor numbers, visitor spending, and tax revenue
- ▶ Conversion studies
 - ▶ These examine whether advertising increases sales. Typical examples include the effectiveness of: coupons, direct response marketing, travel trade events, brochures, promotional videos, public relations



Current Trends in Destination Marketing

Trend Five: Tourism Destination Market Planning

Tourism destination market planning provides a common point of reference for the organisation acting as a coordination mechanism which is particularly important for destination marketing.

It also encourages a disciplined approach to marketing by ensuring that objectives are set for markets and products, that each market has activities and resources allocated and the planning process itself sets key performance indicators (KPIs) against which performance can be monitored

There are two clear strategies on which to focus marketing effort:

- Mass marketing – assumes the needs of the market are all the same
- Concentrated or differentiated – Identifies smaller groups within the market which have different needs. This lends itself to segmentation within the market



Current Trends in Destination Marketing

Trend Six: The tactical level of Destination Marketing

Here, the starting point is to take the target market segments and then to use elements of the marketing mix to approach that market. With the trend to a service-dominant logic, the marketing mix can be **expanded** from the **traditional 4 Ps** to include other influencing variables such as the **people involved in delivering the service, the physical setting** - or servicescape – where which the service is delivered and the **actual process of delivering the service**

- ▶ The key driver of any destination marketing plan is the satisfaction of consumer needs. This has a range of benefits:
 - ▶ Visitors are satisfied,
 - ▶ They are more likely to return to the destination or,
 - ▶ Use the services of a specific tourism business or organisation again at a different destination, and
 - ▶ Visitors are more likely to share their positive experiences either personally or through social media with other tourists.



Current Trends in Destination Marketing

Trend Seven: Destination Marketing Funding

A key budgetary issue for DMOs is therefore getting a balance between the fixed costs of operation and spending on promotion. There are a number of options:

- ▶ User-pays approach
 - ▶ Users pay for the services they use from the DMO
- ▶ Accommodation tax
 - ▶ Targets visitors so bypasses local businesses
- ▶ Tax on business
 - ▶ On local businesses based either on revenue or capital value
- ▶ Member subscriptions
 - ▶ Tiered to suit business size and affordability
- ▶ Commercial activities
 - ▶ Creating income streams from a DMOs activity to fund marketing campaigns
- ▶ Cooperative and joint venture destination marketing campaigns
 - ▶ Managed by DMO with initial government funding + industry investment



Current Trends in Destination Marketing

Trend Eight: Technology in Destination Marketing

The Internet has revolutionised destination marketing, branding and image formation. It also provides a medium and delivery mechanism for consumers to gather information, make purchasing decisions and feed back.

Through video, interactivity and innovations such as virtual and augmented reality, it can bring the “product” to life.

- Portals – On the supply side they draw together all elements of supply at the destination. On the demand side they are an interface between the consumer and the destination
- Social Media – As travellers can act as co-creators of brands, destinations should engage them and strategically integrate the content they create into the destination branding effort
- Mobile - The use of mobile devices is revolutionizing the way that tourists consume travel content. Based on Google Analytics data relating to US travel in 2016, 60% of destination searches were on a mobile and two thirds of the time spent watching travel videos happens on mobiles



Current Trends in Destination Marketing

Trend Nine: Market Research for Destination Marketing

Deep and meaningful research is the key to understanding the contemporary tourism consumer and their needs in tourism; it informs the marketer on when and how to intervene in the destination purchasing decision process and also guides them in the co-creation of their destination brands

- Focus on tourism purchase decisions, rethinking the journey to purchase
- Focus on perceptions of destinations
- Improve the use of qualitative research and new techniques using mobile devices and social media to capture rich tracking data
- Understand tourists' perception of quality and their satisfaction with tourism experiences
- Develop longitudinal research to allow temporal comparisons
- Ensure that market segmentation techniques are research-led
- Research tourists' evaluation of competing products
- Research cultural and geographical differences in tourism behaviour; and
- Explore the linkages between tourism consumer-behaviour models and those in other sectors of the economy



Current Trends in Destination Marketing

Trend Ten: Collaboration and Governance

A key issue for destination marketing is to ensure involvement and commitment by all stakeholders in the strategy and branding process.

Collaboration can be seen to encompass four further issues which are key success factors:

- ▶ **Creation of a shared brand** to ensure that its authenticity is shared and believed in by all stakeholders
- ▶ **Collaboration and inclusiveness.** It is essential that the destination brand is the positive outcome of the achievement of unity and collaboration amongst stakeholders;
- ▶ **Destinations as loosely articulated networks.** This involves joint decision-making with individuals and interest groups operating at different levels of the destination
- ▶ **Governing marketing collaboration.** Implies the need for organizations operating in a destination to share resources and access to markets in order to achieve an integrated management and delivery system, which in turn should ensure a seamless visitor experience

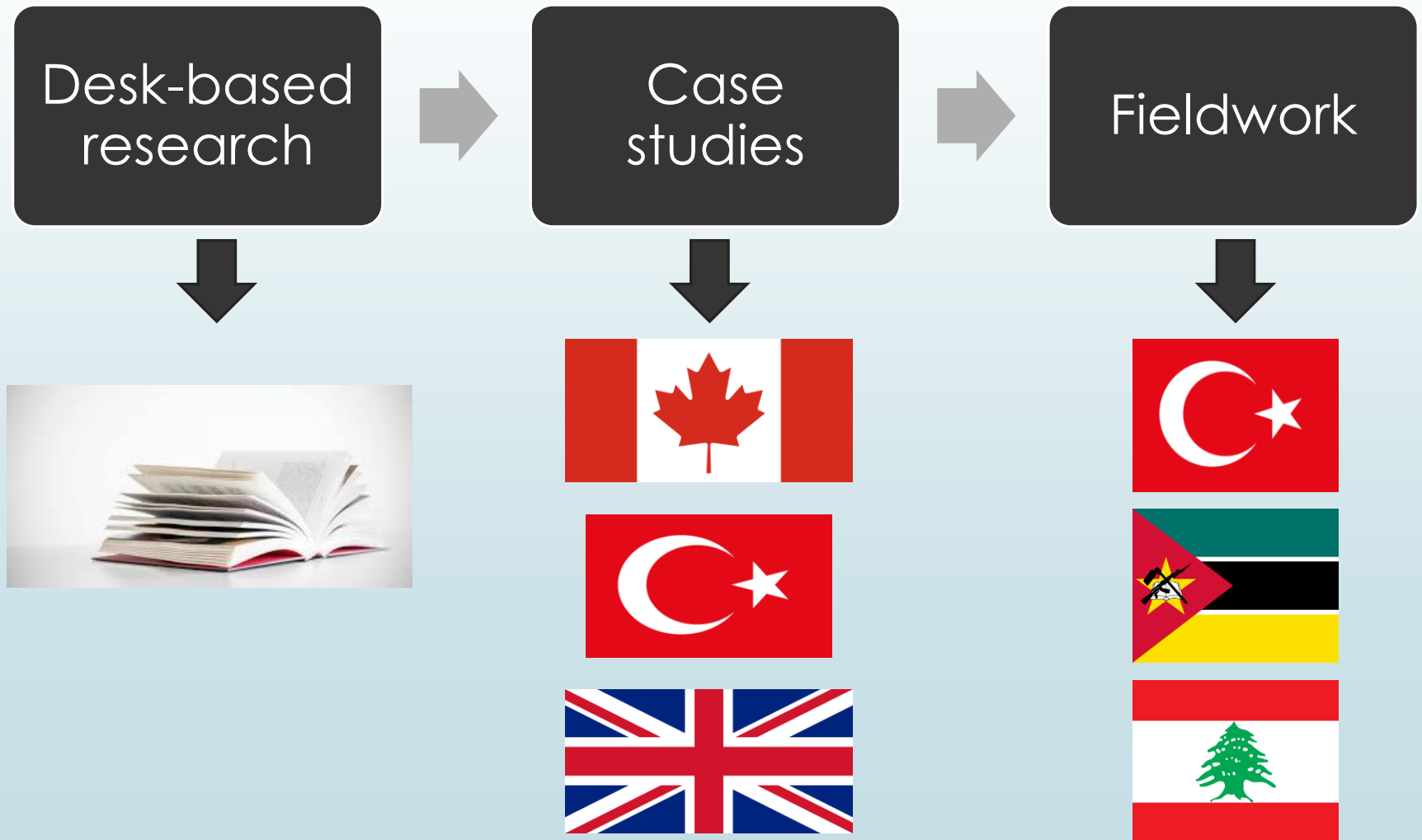


Project objective

- ▶ Effective collaborative destination marketing strategies
- ▶ The ideal structure of a meta-marketing organizations and their responsibilities
- ▶ Funding options and effective incentives on destination marketing efforts
- ▶ A Legislative framework on how these organizations can best be empowered and audited



Methodological approach



Thank you for your kind attention

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