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The Role of Destination Marketing Organisation in Strategic Marketing Management for Tourism

INTRODUCTION

Destination Marketing Organisations are central to the marketing of regional tourism. They fulfil several roles, including visitor servicing and product development as well as operating as an interface between public sector tourism initiatives and private sector businesses delivering tourism. Sheehan (2007) states that while considerable resources are targeted at DMOs, there is little known regarding the extent to which DMOs recognise stakeholders in their destinations and the problems that may occur between the two. This paper investigates the role of DMOs in the context of a wider research programme focusing on two heritage sites in Northern Ireland. In order to provide context for this research, a Northern Ireland wide study of Destination Marketing Organisations has been carried out.

STRATEGIC MARKETING PLANNING IN TOURISM

Strategic marketing management in tourism is not straightforward due to the complex nature of the industry. Some well recognised characteristics of the tourism industry include: the involvement of both public and private companies, many tourism providers are small – medium sized enterprises, tourism encompasses a variety of services and products and the tourism industry infrastructure is quite fragmented (Gilmore 2003).

There are many interdependent stakeholders in tourism and there is fragmented control and management of destination resources, such as heritage sites. Consumers of tourism are likely to decide upon a destination based on a number of attributes associated with that destination and therefore marketing planning of individual businesses becomes of limited value, particularly if it is carried out in isolation (Palmer and Bejou 1995). While tourism organisations work on tourism planning and initiatives, they may fail to implement them properly due to a lack of coordination and integration (Jeffe and Nebenzahl 2001). Therefore a specific type of marketing for tourism, which accommodates stakeholders and addresses fragmentation, is required. From the literature, there is a clear call for marketing to be collaborative and cooperative as a fundamental requirement. Strategic Marketing Management needs to reflect the stakeholders of a destination. However difficulties in achieving this approach have been recognised in the literature. Common dimensions of strategic marketing management theory include goal orientation, allocation of resources, aligning the organisation with its external environment and reference to a long-term perspective (Greenley 1989; Schermerhorn 1996; Harrison 1999; Simpson 2001). These dimensions need to be related and adapted to the context of the tourism industry.

IMPLEMENTATION OF STRATEGY

To overcome the issues discussed above, marketing management requires an integrated approach where all relevant parties, including public, private and local community organisations can meet and agree on a management approach (Gilmore 2007). Strong stakeholder involvement in strategic marketing planning improves the chances of strategic planning being implemented. A stakeholder approach to marketing planning can '*avoid the costs of resolving conflicts in the long term, is more politically legitimate, and it can build on the store of knowledge and capacities of the stakeholder,*' (Yuksel et al 1990 p.351). Strategic management plans should respect the wishes of all stakeholders (Buhalis 2000), as far as possible. In order for this to happen the strategic planning process must acknowledge stakeholders, "*prior to proceeding with branding [marketing] initiatives, managers must*

proactively consider the strategic orientation of stakeholder groups affected by the venture,” (Hanna and Rowley 2011 p.466). This requires effective interaction between stakeholders. In this regard, the strength of strategic marketing planning will be reflective of the extent of stakeholder involvement.

Stakeholders in the industry may be fragmented, impacting negatively upon marketing planning and activity, and leading to inefficiencies, duplication of marketing activities and market confusion (Jamal and Getz 1995; Sautter and Leisen 1999; Gilmore 2003). *“The complexity of the marketing task is compounded by the fragmented nature of the stakeholders who are responsible for components of the total offer,”* (Palmer, 1995 p.67). Such fragmentation impacts upon levels of coordination which consequently weakens the overall value of the tourism offering (Jamal and Getz 1995; Sheehan, Ritchie and Hudson 2007; Wilson, Nielsen and Buultjens 2009). This may counter the potential benefits which tourism can bring to a region, thereby emphasising the need for a coordinating body, such as a Destination Marketing Organisation (Pearce 1992).

METHODOLOGY

This study focused on gaining in-depth insights into the nature and scope of stakeholder involvement and participation in the strategic marketing planning process within the tourism industry in Northern Ireland. A qualitative, in-depth research approach was chosen to provide insights into the various perspectives of stakeholders involved in the tourism industry in the context within which they operate and to achieve a rich and in-depth account of the level of stakeholder involvement in strategic marketing planning.

Due to the structure of the tourism industry, the research involved two stages. The first stage involved an in depth content analysis of key strategic documents relating to tourism in Northern Ireland (the findings of stage one were presented at AM 2011). This paper reports on the second stage in the research process which involved in-depth interviews with DMO managers. These organisations act as a ‘conduit’ between the top levels of governance (in Northern Ireland) and the actual delivery of tourism on the ground. These operate under different names, such as Regional Tourism Partnerships, Destination Marketing Organisations, Visitor and Convention Bureaus and Heritage Trusts. For the purpose of this research, these ‘middle level’ organisations are all referred to as Destination Marketing Organisations (DMO). There are three rural regional tourist destinations in Northern Ireland, each served by at least one DMO.

Qualitative semi structured, in-depth interviews were carried out with the managers of five Destination Marketing Organisations who represent all the regional tourism areas as defined by government (three regional DMOs and two Heritage Trust DMOs). The in-depth interview was useful for gathering rich and meaningful data and led to a significant depth of understanding (Carson et al 2001), as stated by Wilson et al 2009: *“a qualitative methodology, relying on in depth interviews, allows for a richer and more nuanced account of stakeholder opinions, attitudes and experiences,”* (p.274). Interviews were transcribed and then coded according to the key themes acknowledged in the literature and researcher knowledge gained from stage one of the research.

KEY FINDINGS

The findings will be presented regarding two interlinking themes; Coordination of Strategic Marketing Management and Stakeholder Involvement and Participation. Findings are a

reflection of three regional tourist destinations all of which can be described as rural; Causeway Coast and Glens, Mournes, and Fermanagh Lakelands.

Tourist destinations as they are defined in Northern Ireland may represent more than one Local Authority (LA) area. LAs provide funding to Destination Marketing Organisations (DMO), and DMOs must report back accordingly, therefore LAs are a key stakeholder for DMOs. Local Action Groups (LAG) are set up in tourist regions in order to assist in delivery of tourist projects. In this respect they are key stakeholders in relation to the delivery of tourism. All stakeholders discussed in this paper are those directly identified by DMOs.

Figure 1 provides an overview of the structure of the NI tourist industry, from a DMO perspective. The figure presents three levels, each representing a level of governance within the industry and playing a key role in strategic planning for tourism. Relevant bodies in terms of key stakeholders for tourism are included at each level and the relationships between these bodies are highlighted with regard to both coordination between bodies at the same strategic level and stakeholder interaction between strategic levels.

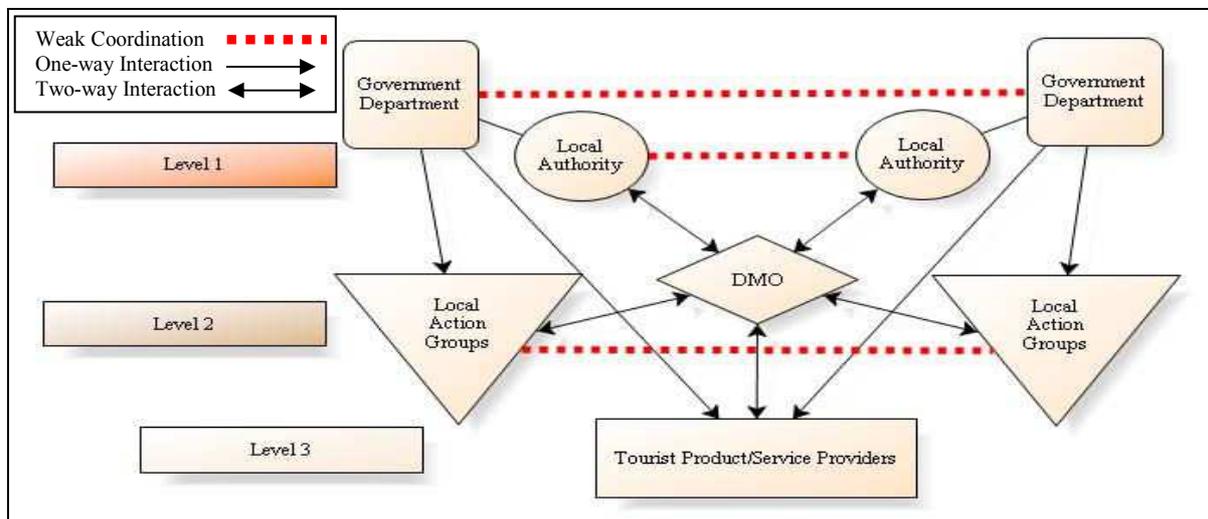


Figure 1 Destination Marketing Organisation Perspective
Coordination of Strategic Marketing Management

All DMOs referred to weaknesses in the coordination of strategic management due to the number of stakeholders involved in tourism. At Level 1 there are several government departments, each with a key responsibility relating to tourism; however these departments are not well coordinated. There is no unifying mechanism for tourism and the departments therefore lack coordination in terms of a strategic direction for the tourism industry. In effect, each department is ‘doing its own thing’ for tourism which contributes to fragmentation in the industry.

“There could be better coordination between the government departments at departmental level, because strategic priorities have been recognised, we have a signature project area which is a key priority for government (Department for Enterprise Trade and Investment)...and we have another organisation, (Department for Agriculture and Rural Development), managing the rural development programme and they have tourism as a key priority yet the two departments don’t work together.” (Mourne Heritage Trust)

Local Authorities (LA) also sit at Level 1. As there may be more than one LA in a tourist destination, coordination between multiple LAs is required in order that a solid destination message emerges. The Mournes area takes in three LAs while Causeway Coast and Glens

Regional Tourism Partnership takes in up to eight LAs. This can result in a weakened marketing message if the LAs are not well coordinated and therefore provide difficulties for the DMO in terms of management.

“Within the Council chamber you have different agendas and different interests within that chamber and the Mourne is quite weak from that point of view.” (Mourne Heritage Trust)

In contrast, Fermanagh Lakelands Tourism works with just one LA. This has had a positive impact on tourism management in terms dealing with and managing just one LA.

“The more local authorities paying into an organisation, the more money you have...But from a management point of view, and from an operational point of view, it’s much cleaner.” (Fermanagh Lakelands Tourism)

Each LA has specific priorities and agendas reflective of their boundary and DMOs must work within this context. DMOs must coordinate their relations with each respective LA and promote their destination accordingly. From a marketing perspective, this situation can lead to duplication of resources, a weakened marketing message and inefficient marketing management. This is reflected in a lack of an overall strategic direction for tourism, as highlighted in the Mourne region.

Tourism is partly delivered through the allocation of funding by government (level 1) for tourism initiatives, to be carried out by LAGs (Level 2). There is evidence of weak coordination between these groups, despite working towards similar goals (tourism delivery).

“Local Action Groups deliver the Rural Development Programme, yet they do not communicate well with one another. There are three groups with three different strategies. This needs to be streamlined.” (Causeway Coast and Glens Regional Tourism Partnership)

From a DMO perspective, LAGs are fragmented, and work in isolation from each other, almost in a rivalous and insular manner. This poor coordination may be reflective of weak stakeholder involvement and participation, whereby LAGs are not actively involved in strategic marketing planning.

Stakeholder Involvement and Participation

Involvement and participation of key stakeholders is a fundamental aspect of strategic marketing planning for tourism. At government level, poor coordination between departments may be evident if there is weak stakeholder involvement and participation in strategic planning, resulting in ineffective and inefficient use of efforts and resources.

“Government departments should talk a lot more. There is a lot of duplication – DETI, DARD, DCAL - they all have money for tourism.” (Fermanagh Lakelands Tourism)

A lack of stakeholder coordination may be reflective of a failure at government level (Level 1) to recognise the characteristics of tourism in that it affects many different areas of society and as such there is a need for integration across many different bodies if tourism marketing management is to be effective. Weak intra-departmental coordination at government level reflects a lack of core marketing orientation in tourism policy development.

One-way interaction between Level 1 (DETI) and Level 3 (tourism product/service providers) as demonstrated in Figure 1, implies development initiatives are imposed upon tourism product/service providers rather than the product of stakeholder involvement and

participation. This has been evident in the Mourne area with a National Park idea. The impact of which was that tourism product/service providers were opposed to the idea as they felt it could have an adverse effect in relation to maintaining environmental and cultural heritage. This situation has recently improved due to the DMO taking a more proactive approach. Two-way interaction, highlighted in Figure 1 between the Level 2 (DMO) and Level 3 (tourism product/service providers) has helped to make development more acceptable and achievable. This also highlights the importance of the DMO in tourism development.

“Probably one of the issues with the national park has been the lack of information available out there.” (Mourne Heritage Trust)

Weak stakeholder involvement and participation is also evident at Level 2 (LAGs) in relation to strategic implementation. Strategic planning is determined at Level 1 and communicated down. LAGs are described as not complying with government priorities and instead operating on their own terms, weakening strategic implementation and also development.

“At a local level, groups are making decisions and they don’t really align with government priorities.” (Mourne Heritage Trust)

This may be a reflection of imposed direction coming from the top (Level 1) down (Level 2 and 3) which has a negative impact on tourism delivery, as highlighted in the Mourne area.

CONCLUSIONS

This paper investigated the role played by DMOs in strategic marketing planning for tourism. Although they are responsible for coordinating government tourism plans with the front line organisations providing tourism products and services, interviews highlighted the difficulties associated with developing and practicing strategic marketing planning in tourism.

All DMOs interviewed referred to the large number of government bodies involved in tourism and to the weak coordination between these bodies. This concurs with previous studies reported in the literature and highlights the need for improved coordination in tourism delivery. Marketing is essentially the function which can potentially bring all departmental planning together. This study highlights the lack of core marketing orientation in policy development.

There is evidence of a limited stakeholder involvement and participation in strategic marketing planning. LAGs demonstrate a lack of ownership and commitment to strategic plans and as such do not work to implement these but have their own priorities. This results in weak implementation of strategic plans and therefore a weakened marketing message due to conflicting strategic directions. Effective stakeholder involvement and participation would ensure LAGs are involved in strategic planning and therefore in setting government priorities, which may result in an alignment of priorities, a commitment to strategic implementation and more effective use of resources.

Overall, this research indicates that there are weaknesses in the strategic marketing of tourism in Northern Ireland. The tourism industry presents some specific characteristics which impact upon the nature of strategic marketing planning and implementation of plans for tourism. There are many bodies and many stakeholders directly involved in tourism, and managing these in an integrative manner is difficult, as the research has highlighted. However, tourism is a key economic driver for economic regions (such as Northern Ireland) and therefore co-ordinated, integrated tourism marketing planning and implementation is vital for future development.

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