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**THE IMPACT OF SMALL AND MEDIUM SIZED TOURISM ENTERPRISES ON THE  
DESTINATION BRAND**

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<p>Abstract</p> <p>This study's purpose is to build a theoretical model that enhances the understanding of the impact that small-and-medium sized tourism businesses (SME's) can have on the destination brand. The research will describe the unique nature of destination branding that separates it from regular branding activities across other industries, how they can be developed and what architectures exist to manage the said brand management. Finally, the study describes the role of SME's in destination branding as well as the methods with which SME's affect the brand development of destinations. The phenomenon studies not only the processes with which SME's affect the destination brand but the benefits and reasons why they partake in it, but also impact the said processes have on the destination brand. Through these steps, the study answers the research question: <i>"How can tourism SME's contribute toward the development of a destination brand?"</i></p> <p>The gap on the research is clearly defined in this case, with most tourism branding studies focusing on the role of destination management organisations (DMO), tourism networks or consumer-based brand equity (CBBE). This paper contributes to the field of branding by shedding light on the role and impact that individual tourism SME's have on the destination branding. The study was conducted as a qualitative, semi-structured multiple case study, with three tourism SME's of the destination, as well as the local DMC for the purpose of data triangulation. This chosen method of study ensured a thorough understanding of the role and impact of tourism SME's in destination branding, and multiple interviews increased the validity of the study. Abductive method was chosen, which allowed new concepts to arise from the studied data and theoretical background of the research, which allows this study to contribute theoretical material on the field.</p> <p>This research's key results suggest that SME's can have significant impact on the development of destination brand. This study presents that due to the natural market orientation of these businesses and scarcity of resources, the SME's actively connect, network and co-operate together to develop the destinations toward a desired, shared goal, oftentimes with shared values such as sustainability and responsibility acting as the foundation of these shared interests. Further, the SME's go out their way to take steps not necessarily required by the law to ensure harmony between the locals and the tourism system, and foster personal relationship building between tourists and the entire destination, rather than separating the business and its activities from the rest of the destination. The SME's take initiative in the absence of others and build and develop new products and services. This research's results suggest that SME's main tools to affect destination branding are by affecting within the surrounding brand network as well as through communicating the destination brand forward and building relationships. Further, the SME's chosen methods benefit them in many ways such as granting them access to knowledge and shared resources.</p>			
Keywords <b>Tourism, branding, SME, network, brand communication</b>			
Additional information -			

## **FIGURES**

<b>Figure 1, Main components of a destination brand (Adapted from Pike, 2012, p. 101) .....</b>	<b>17</b>
<b>Figure 2, Holistic relational brand networks (Adapted from Hankinson, 2004, p. 114) .....</b>	<b>21</b>
<b>Figure 3, Positioning of Destination brands (Adapted from Morgan &amp; Pritchard, 2004, p. 65) .....</b>	<b>23</b>
<b>Figure 4, Brand architecture (Adapted from Aaker &amp; Joachimstahler, 2000, via Dooley &amp; Bowie 2005, p. 404) .....</b>	<b>28</b>
<b>Figure 5, The place brand portfolio &amp; example (Adapted from Dooley &amp; Bowie, 2005, p. 403) .....</b>	<b>30</b>
<b>Figure 6, Theoretical Framework: Impact of SME's on the Destination Brand Development .....</b>	<b>44</b>
<b>Figure 7: Impact of SME's on the Destination Brand Development, revisited..</b>	<b>89</b>

## **TABLES**

<b>Table 1, interviewee characteristics .....</b>	<b>59</b>
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## CONTENTS

<b>1</b>	<b>INTRODUCTION.....</b>	<b>6</b>
1.1	Research background and context .....	6
1.2	Study goals and research problem.....	8
1.3	Research questions and methods .....	11
1.4	Key concepts .....	13
1.5	Research structure .....	14
<b>2</b>	<b>DESTINATION BRANDING.....</b>	<b>16</b>
2.1	The unique characteristics and challenges of destination brands .....	16
2.2	Developing destination brands.....	20
2.3	Destination brand architecture.....	28
<b>3</b>	<b>SME'S ROLE IN DESTINATION BRANDING.....</b>	<b>35</b>
3.1	SME's impact on destination brand development .....	35
3.2	Introduction of the theoretical framework .....	43
<b>4</b>	<b>RESEARCH METHODOLOGY .....</b>	<b>52</b>
4.1	Literature review .....	52
4.2	Research design and strategy .....	53
4.3	Case study setting .....	55
4.4	Introduction of the case companies & interviewees.....	57
4.5	Data collection & field work.....	59
4.6	Interview themes & questions .....	60
4.7	Data analysis .....	63
<b>5</b>	<b>EMPIRICAL EXAMINATION .....</b>	<b>66</b>
5.1	Tromsø's destination brand characteristics .....	66
5.2	SME's impact in destination brand networks .....	67

5.2.1	SME's as core service providers and developers.....	68
5.2.2	Co-operation of SME's in the destination brand network .....	70
5.2.3	Value contribution of SME's in the destination brand network .....	72
5.2.4	SME's and their connection with the local people .....	74
<b>5.3</b>	<b>Impact of Tourism SME's on the destination brand communication of Tromsø.....</b>	<b>75</b>
5.3.1	Brand communication methods of SME's.....	76
5.3.2	Target customer groups of SMEs' .....	77
5.3.3	Digital branding strategies of SME's.....	78
<b>5.4</b>	<b>Benefits for SME's participating in destination branding of Tromsø</b>	<b>79</b>
5.4.1	Resource & knowledge benefits .....	79
5.4.2	Visibility & attraction benefits.....	81
<b>5.5</b>	<b>Impact of SME's on the destination brand.....</b>	<b>82</b>
5.5.1	Impact of SME's on the destination brand personality.....	82
5.5.2	Impact of SME's on the destination brand positioning .....	84
5.5.3	Impact of SME's on the destination brand reality .....	85
<b>6</b>	<b>CONCLUSIONS .....</b>	<b>87</b>
<b>6.1</b>	<b>Key results of the research .....</b>	<b>87</b>
<b>6.2</b>	<b>Research contribution.....</b>	<b>94</b>
<b>6.3</b>	<b>Limitations and validity assessment.....</b>	<b>96</b>
<b>6.4</b>	<b>Future research suggestions .....</b>	<b>97</b>
<b>7</b>	<b>REFERENCES.....</b>	<b>99</b>

## 1 INTRODUCTION

### 1.1 Research background and context

Destination branding is one of the key elements of any tourism marketing plan. It is a live asset that helps customers identify and differentiate between destinations and their service offerings, and a symbol around which tourism businesses and organizations can build different expectations and qualities, according to Middleton & al (2009: 197-200). It is also a way for destinations to position themselves and causes the customers to be willing to pay more than the intrinsic value of a service or a product would suggest (Morgan & Pritchard, 2001: 215 – 218). Simply put, the position of the brand is the perception the target customers of tourist organizations and businesses have of a company's offering relative competition within the market (Morgan & Pritchard, 2001: 246 – 247).

Perhaps more concretely, destination brand is defined by Ritchie & Ritchie (1998: 18) as : *“...a name, symbol, logo, word mark or other graphic that both identifies and differentiates the destination: furthermore, it conveys the promise of a memorable travel experience that is uniquely associated with the destination: it also serves to consolidate and reinforce the recollection of pleasurable memories of the destination experience.”*

At the heart of all branding is the brand architecture, which consists of its positioning, the rational and emotional benefits and associations it has, its personality, as well as how it relates to the other brands within the same product/service category. According to Morgan & Pritchard, (2001: 222 – 225) brand architecture is like a blueprint that guides an organizations brand building, development and marketing efforts.

Destinations are however not businesses or single organisations that manage their brand development and architecture with the use of a single manager, or a team of managers, but are rather networks of different stakeholders from both private and public sector, with various stakeholders, shared and differing interests in mind. According to Blain & al (2005: 337), destination branding is a set of marketing activities that:

- 1) *“Support the creation of a name, symbol, logo, word mark or other graphic that readily identifies and differentiates a destination”*
- 2) *“Consistently convey the expectation of a memorable travel experience that is uniquely associated with the destination”*
- 3) *“Serve to consolidate and reinforce the emotional connection between the visitor and the destination”*
- 4) *“Reduce consumer search costs and perceived risk”*

DMO's (Destination marketing organizations) or DMC's (Destination management companies) often take major role in the coordination and guiding of branding efforts of a destination. The difference between the two is that the former is a non-profit organization, while the other is a for-profit one. However, in practise, many times their activities and roles in destination brand development are indistinguishable, overlapping or interchangeable (Manente & Minghetti 2006: 230). These organizations can be both nationwide (e.g. Visit Finland, Visit Norway), or city/commune wide (e.g. Visit Turku, Visit Tromsø). They usually have the greatest responsibility in pooling together and conveying the collective themes, services, images and expectations to the tourists, both domestic and international (Middleton & al, 2009: 338 – 339). The role of DMO's for destination marketing is further emphasized by Bregoli (2013) and Blain, Levy & Ritchie (2005), who argue that with proper actions by DMO's, such as working closely with different stakeholders such as business owners and local communities, the overall tourism services and the branding of a destination can be improved.

While DMO's are oftentimes the ones responsible for creating these brand images and expectations that are the destinations intrinsic attractions for the tourists, it has limited control on the actual marketing and actions of the rest of the tourism industry (e.g. private sector, established infrastructure) that are all important aspects and parts of promising and ultimately delivering the brand image (Middleton & al 2009: 339 – 440). Particularly, DMO's rarely provide any products or services themselves, and oftentimes the value propositions they provide for their customers are completely out of their hands, provided by tourism service and experience enterprises within the destinations. DMC's on the other hand do provide services for which they collect fees

for from their customers, though many of the services they offer are procured or produced by other tourism enterprises.

SME's (Small-and-medium-sized-enterprises) in tourism are among the most important actors in the tourism destination. From the humblest hotel owners to whale safari captains and hiking guides, SME's in many tourism destinations are the ones who ultimately deliver the promises that have been given to the travellers and visitors of the destinations, both domestic and international. They are the ones who are responsible for delivering the authenticity of the experiences promised to the customers, retaining them and giving customers incentives to spread the word-of-mouth marketing to their peers. Indeed, according to Komppula (2014) SME's are critically important for the development, branding and marketing of most tourism destinations, especially rural ones. Additionally, Hallak (2013) argues that SME's also have the important role of developing the entire destination's community, which in turn helps to develop tourism in the destination favourably for tourism.

## **1.2 Study goals and research problem**

Currently, the research literature on tourism branding has focused on studying either the collective contribution of destinations or countries in branding of a destination, or on the role of DMO's or similar organizations and their actions in destination branding, as well as mapping how customers perceive destination brands or how their reviews affect how they are perceived. Meanwhile, little attention has been paid to the significance of an individual SME's contribution to destination branding, or their significance or even necessity for it.

In fact, individual SME's are oftentimes seen in the research literature as having little influence on the outcome of the destination brand, and are oftentimes seen as little more than collaborators, rather than active or significant contributors. This may be due to the perceived idea that they lack the resources, skills or size to have any real impact on the outcome, unless they rally in significant numbers.

While it is true that network analyses on destination branding have long since attributed SME's as important network contributors (e.g. Hankinson 2004, Pike 2010),



it doesn't address the issue that there is a glaring lack of research on whether individual SME's truly are these passive, minor contributors in destination branding, or whether they are active, connected and influential contributors or even creators of the destination brand, compensating for the lack of resources and size with traits such as local knowledge, experience and having personal connections to the destination. As a result, this research attempts to enhance the understanding of the contribution of individual SME's to the destination brand and its development by building a theoretical model, to understand this phenomenon more clearly.

The paper will examine the contribution of the SME's to the development of a tourism destination brand through actions such as their own direct branding efforts as well as co-competition with other tourism businesses and the local DMO. The paper will provide viewpoints primarily from the SME's point of view, with the viewpoints from the DMO triangulating the data about the understanding of SME's contributions to the destination brand in for example destination brand networks and co-operations, essentially providing an alternative viewpoint. The paper will explore the different strategic branding methods tourism SME's engage in to develop the destination brand with, both the ones they engage independently in, as well as with the other network members.

This point of view for the research will be interesting for many reasons. First, it is important to gain a better understanding of the contribution of SME's to the development of a destination brand, since most of the businesses working in the tourism industry are in fact SME's (Middleton & al, 2009: 43 – 46), and together, they are one of the largest contributors to the formation and development of a destination brand. Second, by better understanding this dyadic relationship between the SME's, DMO's and the rest of the tourism network, we gain a broader understanding of the overall destination brand development process and can use the findings to improve those interactions. Third, by better understanding the potential and possible influence of individual SME's on the destination brand, the study field can more accurately appreciate or depreciate their influence on the destination brand management and development, which is valuable from both the research and managerial point of views.

As discussed earlier, there are many other network stakeholders that also affect the outcome and development of a destination brand, but this study will be focusing on the contributions of the SME's. The reason for this is because the literature on the subject of destination marketing has traditionally focused on explaining either the DMO's brand building activities and its benefits for the destination (e.g. Manhas & Dogra 2013, Elbe, Hallén & Axelsson 2009, Murray, Lynch & Foley 2016, Marzano & Scott 2009), or the customer based brand equity (Konecnik & Gartner 2007; Boo, Busser & Baloglu 2009; Pike & al 2010).

In comparison, little attention has been paid to the motivations, impact and outcomes the SME in tourism have had for the destination and its branding. It is essential to understand the answer to these questions, if destinations aim to be successful with their branding efforts in the long term, as Hankinson (2004, 2009) outlines in his research, or if we wish to help destinations develop themselves in a sustainable manner, like how Almeida-Santana & Moreno-Gil (2018) show in their research. This clear research gap acts as a great focus to allow for this research to study this often overlooked, but an important contributor to the development of a destination brand, as well as the mutual relationship and hierarchy the SME's brands and that of the destination and it's DMO share.

This study has one goal: *To enhance the understanding of SME's influence on the destination brand, for both research and managerial purposes.*

The research on the literature of destination brand development has shown that there exists a gap in the understanding of SME's contribution to the development of destination brands, even when they represent such a major number of stakeholders in the industry as Middleton & al (2009: 43 - 46) argued. The role of DMO's and national agencies as the main organizers of destination branding has also been under threat since the global financial crisis of 2008, as Fyall (2011) argues, making the contributions of the private sector, such as tourism SME's, ever more important for the brand development of a destination. As a result, it has implications for the international research surrounding the topics of destination marketing and branding, as well as potentially with broader topics such as tourism destination development

sustainable tourism, by helping destinations brand themselves more responsibly through the actions of local tourism SME's, as Komppula (2014) suggested.

Further, it offers clear managerial implications for tourism SME's across the world to potentially adapt and learn from these implications for the benefit of their own enterprises through improving the destination brand. For example, by better understanding the benefits of cooperating with the local DMO's and tourism networks, tourism managers and entrepreneurs can potentially adapt these good practises as part of their own ones and improve their business as a result, like how Rodriquez & al (2014) proposed in their study. It can also help tourism managers and entrepreneurs understand their significance for destination branding and its sustainable development, which in turn can lead to more responsible branding and business methods in the destination and less interest conflicts between the different stakeholders, which ends up benefiting everyone. The study may also help businesses recognize and overcome the common problems that collective destination branding efforts run into (e.g. Lack of trust, lack of resources & knowledge, free rider problem).

Furthermore, Hankinson (2009) argued that managerial implications have shone with their absence in traditional case studies of destination branding programs, and that the studies have potentially much more to give to the field of destination branding and tourism management than just explaining how to create a proper destination marketing campaign. These implications could be related to sustainability issues and solving them, development of a solid destination branding theory like Hankinson (2009) suggested, or community engagement tools.

### **1.3 Research questions and methods**

This study is focused around the literature of tourism SME's and destination branding, with the DMO and tourism network literature providing a background and context in which these concepts can be measured and understood in. The goal of the study is to understand how can tourism SME's affect the development of the destination brand

To achieve the goals of this study, the main research question is as follows:

***How can individual tourism SME's have an impact on the development of a destination brand?***

In order to answer the main question, the following assisting sub questions are also presented:

*1) How can tourism SME affect the brand network of a destination?*

In order to understand how SME's affect the destination brand, we must also understand the processes with which the SME's affect the destination brand. Understanding how SME's affect the brand networks and how they affect the core destination brand through them is fundamental, because the brand of a destination is built of multiple actors and stakeholders, and is always the sum of collective actions (or a lack of them) of the entire network, regardless if the brand is being managed by one or more of the stakeholders. Since this study focuses on understanding the role of local tourism SME's in this brand development process, we must understand how they affect the rest of the brand network members to truly appreciate their influence on the destination brand development.

*2) How can Tourism SME's communicate the destination brand forward to end customers?*

Once the destination brand has been successfully iterated, the next step is communicating it, and the SME's have a role to play in this as well. Understanding this part is fundamental for us to answer the primary research question, because answering it will describe further how tourism SME's can have an impact on the development of the destination brand through communicating it successfully to end customers, either directly by themselves or with the rest of the network.

*3) How can Tourism SME's benefit from taking part in the destination branding?*

Finally, understanding the motivations SME's may have for taking part in destination branding is important, because if there's nothing to gain for businesses from branding the destinations, they most likely won't partake in it. Consequently, if SME's have

something to gain from taking part in destination branding, it also helps to explain the methods with which they choose to develop the destination brand with, which again helps us to answer the primary research question. Further, it provides important research and managerial implications for both the readers and future research.

#### **1.4 Key concepts**

In this research the following concepts are described as follows:

*Branding* is a method with which businesses differentiate their products, services or the business itself from their peers. At the same time, it is a promise of certain qualities to the customers, what to expect of the product, service or the business. Oftentimes, brands manifest in the real world as things such as logos, slogans, packaging and websites of businesses. (Middleton & al (2009: 197-200).

*Brand architecture* is the blueprint of an organization's brand strategy. These strategies can vary (e.g. Endorsed brand strategy, branded house strategy), but they all have the same purpose: To help manage brands, create strategies for them, and avoid the brands from cannibalizing each other, that is, fighting for the same customers (Aaker and Joachimstahler, 2000).

*SME's* (Small and medium sized businesses) are described as micro, small and medium sized businesses that employ less than 250 staff, have an annual turnover under 50 million euros and/or an annual balance sheet less than 43 million euros in total (EU commission, 2003). In this paper, the size of the SME is described based around the number of staff the enterprise employs, which also acts as one of the main criteria for choosing the case companies for this study.

*DMO's/DMC's* are destination marketing/management organizations/companies, which often undertake the responsibility of marketing or management of tourism related activities and services within a destination. The terms themselves are distinguished by the fact that DMC's are for-profit organizations, whereas the DMO's are non-profit oriented, but otherwise many of the activities such as the facilitation of tourist information, distribution of tourism contacts and planning/managing future

tourism events and endeavours within local destinations is interchangeable between the two. They are also often facilitators of knowledge and expertise within tourist destinations, which further emphasises their role as tourism developers. For the purpose of this study, these terms are used interchangeably, so that the study can facilitate the use of a DMC in the case study research.

## **1.5 Research structure**

The study will be a qualitative one, with an abductive approach. After a literature review on the topic at hand, a multiple case-study with personal, semi structured interviews is used to gather data for the purpose of this research. The data is then collected from interviews, and the responses will then be analysed with the use of content analysis, which will utilize the different parts of the theoretical framework. Lastly, the findings are reflected upon the theoretical assumptions with the theoretical framework and the results are discussed.

The first chapter of this research is about introducing and describing the topic of this research, as well as defining the goals, research problem and questions for this study. The following two chapters will then build the theoretical framework for this paper. The first part of it will focus on explaining the literature regarding destination branding and its unique characteristics. The next part covers how in practise destinations are developed. The third part discusses the brand architecture of destinations, such as how the structure and usage of brand networks affects the branding of destinations.

The third chapter focuses on explaining the contributions of SME's for destination branding through both the networks as well as direct methods. Finally, the theoretical framework is revealed and discussed, with its different parts explained for the reader as well as highlighting its purpose for the rest of the research.

After the theoretical background, the next part is explaining the methodological choices for this research as well as the practical fieldwork methods. Then, the data collection, case company introductions and the review of the interview template are explored, followed by the presentation of the said empirical data from the interviews,

as well as examination based on the theoretical framework that was founded in the previous chapters.

Finally, the conclusion and discussion chapters will cover all the key results and findings of this study and explains its contribution to both the theoretical field of tourism marketing as well as the managerial implications. Lastly, the validity, reliability and the limitations of the research are briefly discussed, as well as the proposal of future research avenues.

## **2 DESTINATION BRANDING**

This chapter will discuss the unique characteristics and challenges that make destination branding different from regular branding efforts and how destination brands are developed. Since the study focuses on understanding how individual SME's can influence destination branding, it is also important for us to understand what is destination branding, and what makes it different from regular branding. Additionally, the hierarchy structures of destination brands are briefly discussed, as they also affect the way how SME's can affect the destination brand.

### **2.1 The unique characteristics and challenges of destination brands**

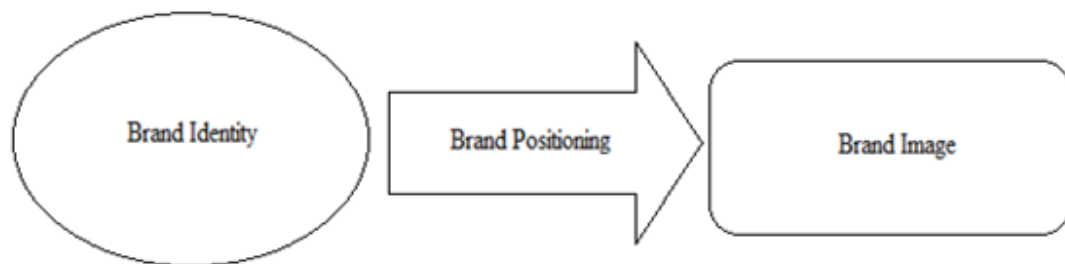
Although branding as a marketing phenomenon can be argued to have existed since before the industrial revolution (Morgan, Pritchard & Pride, 2011), destination branding only began to emerge as a separate school in the 90's, according to authors like Opperman (2000) and Pike, Bianchi, Kerr, & Patti (2010). Almeyda-Ibáñez & George (2017) argued in their tourism branding literature review that the interest in the topic begun with the 1998 event of Travel & Tourism Research Association Annual Conference, wherein which several destination branding examples were provided such as Hawaii, Oregon and Canada (Ritchie & Ritchie, 1998). In their presentation, Ritchie & Ritchie (1998) argued that while destination branding as a concept was a new thing in the field, it had been previously developed by researchers under destination image studies.

Additionally, nascent destination branding had been already practised by city marketers with slogans such as "I love New York" all the way from the 1980's (Morgan, Pritchard & Pride, 2011). This kind of case-study approach and application of theories was used in practise by the destination stakeholders, although some authors like Hankinson (2009) argued for the creation of a general theory for destination branding which could be used to reflect the managerial practises and decisions of tourism actors and act as a platform for future research. Hankinson's (2009) goal was to provide more concrete managerial implications and general theories for managerial positions in tourism branding, which had been lacking previously. Research authors like Ritchie & Ritchie (1998) had foreshadowed this approach, arguing that



destinations had unique attributes that made them distinct from traditional products and services, which demanded new branding methods.

Pike (2012) showed that the main building blocks of any destination brand are its self-constructed identity, the positioning of the brand in the minds of its customer and finally, the image of the destination brand held by target customer segments. These building blocks are pictured below in Figure 1.



**Figure 1, Main components of a destination brand (Adapted from Pike, 2012, p. 101)**

While similar comparison could be drawn for multiple different retail products and services in different industries, what sets tourism destination brands apart from them according to Gartner (2014) is their holistic nature as networks of stakeholders and actors (DMO's, locals, SME's, Government organisations) with ever changing motivations, which makes their branding and marketing efforts challenging. Additionally, according to Almeyda-Ibáñez & George (2017) not only is the brand management divided between different stakeholders of the destination, but the stakeholders may have different visions, motives and interests to develop their own and thus the destination brand further. This may lead to conflicting brand messaging of the destination and even tourism marketing myopia, as March (1994) argued in his article.

Komppula (2017) agreed with this sentiment, arguing that one of the main challenges in tourism marketing is that we must ask what exactly are we marketing: A specific service or product within a destination, some select parts of the destination, or the entire destination as a whole? This question already has major implications to the branding of a destination, as Saraniemi & Lemmetyinen (2017) claim also that destinations are not single entities, services or products but rather a complex network

and combination of them, and if the destinations wish to brand themselves consistently and in a harmonious manner, they must work together. As a result, destination brands are distinctly different from regular brands in that they are a combination buildings, facilities and venue systems that come together to form a profusion of services, that still represent the same brand, that is, the destination, as Hankinson (2009) argued.

Hankinson (2004: 110 – 111) claimed that destination brands perform four main functions within the tourism networks they're embedded in: 1) Brands as communicators, where brands represent the "ownership of a product or a service and act as means of differentiation", 2) Brands as perceptual entities, which appeal to the consumers "senses, reasons and emotions", 3) Brands as value enhancers, which leads to brand equity, and finally 4) Brands as relationships, where "the brand construed as having a personality which enables it to form a relationship with the customer".

In the context of destinations, differentiation exists to differentiate for example one tourism retailer from another, but at the same time they must share some commonality to link them to the tourism network and thus the destination. This same applies for tourism brands as perceptual entities, which, while still different, must still be linkable to the same context, that is, the destination. Equally, the value of a tourist destination is built out of multiple intertwined actions of different tourism actors and finally, a destination brand can't have several personalities, but rather a singular one to which all the actors contribute to. (Morgan & Pritchard, 2004: 59 – 61).

Tourists don't travel to a destination just partake in one service that pulls them to the destination, they always take part in other local services ranging from hotels to public transport and other tourism services, which contribute to the overall experience and ultimate brand of a destination (Hankinson, 2004; Morgan & Pritchard, 2004: 63). The same destination can provide multiple different combinations experiences for different customers (Gartner, 2014). Each consumer creates their own unique palette of tourism services and products, which means that destination marketers don't have as much control over their brands as many other businesses do over the brands that they own (Hankinson, 2009). As a result, tourism retailers and enterprises carry a higher risk in using the destination brand as the purpose of the brand and its change is not entirely within their hands (Gartner, 2014).

Additionally, due to the intangible nature of tourism services, they can't be returned if the customer is not satisfied and as such carry more risk than more tangible products do (Gartner, 2014). Customers often also tie significant financial resources and research time to the process of destination selection, which highlights the importance of influencing the image formation of the customers of a destination with the use of strong, positive brand images and experiences (Cai, 2002). Also, due to their unique nature, no other destination can be used to evaluate the value of another destination (Gartner, 2014).

According to Cai (2002), this means that a lot of trust is placed upon the tourism retailers, DMO's and other actors of the destination to meet the expectations of their customers and the promises they've given, as there's a lot of uncertainty involved with the decision. Additionally, customers won't have an opportunity to test or experience the destination before making the purchasing decision (Cai, 2002; Eby, Molnar & Cai 1999; Gartner 1989; Martins 2016). Hyun & Cai (2009: 49 – 50) argued that in order to alleviate this trust issue, destinations must create positive, accurate and capturing virtual presences online about the destinations to captivate the potential audience with promises paired with proof of other people's experiences, pictures, blog posts and personal stories.

From the quality of the lodgings to the quality of the logistics, all the way to the service delivery of tourism retailers, everything needs to work together in tandem to deliver the promises made, both online and offline, from forming an universal identity and value system shared by the entire destination to positioning the destination in the minds of the customers and then delivering on those promises (Morgan & Pritchard, 2004: 62 – 64). Additionally, some completely external forces like consumer-driven communities have risen to affect the branding of destinations, as these peer-to-peer reviews are not only favoured but also trusted more by the tourists like Hyun & Cai (2009: 38 – 40) argued.

All in all, destination branding proposes unique challenges to destination marketers due to its network nature of stakeholders: A constant strife between public policy makers and market forces, both internal and external actors. At the same time however, branding remains a cutting-edge tool for both differentiating and positioning the brand

in the minds of potential customers, and it can't simply be ignored, as (Morgan & Pritchard, 2001: 215 – 218) pointed out. Indeed, the best destination marketers manage to strike a balance between the branding efforts of a destination and the multiple different stakeholders in a satisfactory way that manages to achieve the economic goals of as many actors as possible, without deteriorating the value of the destination with short-minded politicking goals as Morgan & Pritchard (2004: 63 – 64) argued.

Freire (2016) further iterates on the problematic nature of destination brands, highlighting two major problems with it: First, it is not obvious who gets to define the value propositions of destination brands, what those value propositions are and the benefits to the destinations different market segments (Zenker, 2014; Hanna & Rowley, 2015). Second question is which stakeholders should be taken into account as well as properly understanding the relevance of these different actors to the destination brand (Hankinson, 2004).

## **2.2 Developing destination brands**

Many destination brand equity development research methods have focused on the consumer-based brand equity (CBBE) approach. Konecnik & Gartner (2007) for example found in their quantitative research that the more reinforced images customers have of the positive individual traits of a destination (e.g. nature, architecture, service quality), the more positively the entire destination brand would be viewed. Similarly, Boo, Busser & Baloglu (2009) used a similar model for mapping customer-based brand equity for the purpose of multiple destinations. Their survey found evidence to support such a co-operative brand equity creating model where the customers own emotional and psychological needs and wants were reinforced by the destination's own branded attributes. Pike & al (2010) further used the (CBBE), testing it in the context of tourism branding and value measurement toward another specific type of customers, proving that the model could be used to measure the shifts of customer perceptions toward a brand and thus its value in the market, allowing the managers to draw implications from the findings and with them make changes to the branding of the destination as needed.

While all the mentioned studies provided their own customer-centric viewpoint to destination branding and development, Hankinson (2004) was the first to provide a comprehensive model that'd consider the whole brand development network from both the supplier and demand side. Hankinson (2004: 114) pictured destinations as holistic “relational brand networks” which is interpreted in Figure 2. In the model, the core of a destination brand is constantly being changed, built and contributed to by the four major brand relationships which extend the reality of the brand. These relationships may change, be severed or strengthened over time, or even entirely new stakeholders can join the brand network. At the centre of the model is the core destination brand and the three attributes that define it.

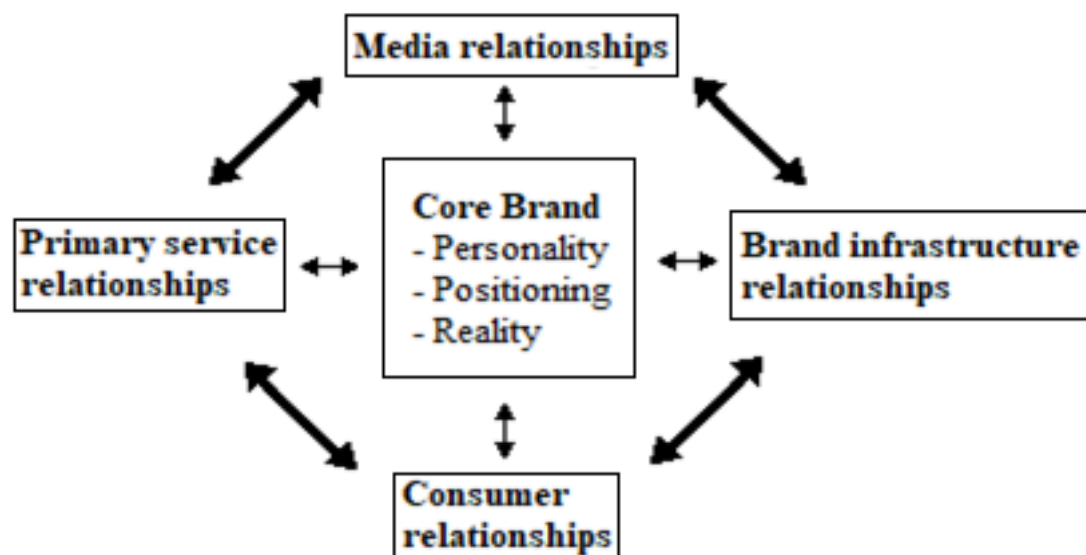


Figure 1, Holistic relational brand networks (Adapted from Hankinson, 2004, p. 114)

The core of a destination brand, according to Hankinson (2004), is built of three elements: 1) **Personality**, 2) **Positioning** and 3) **Reality**. The *personality* of a brand is characterized by its *symbolic attributes*, such as the character of its residents, the typical profile of visitors (e.g. age, interest, income) or the descriptions of the quality of the service. These attributes help to answer the customers need for social approval, self-expression or self-esteem.

The personality of a destination also includes its *functional attributes*. The functional attributes of a destination include all its utilitarian and environmental, tangible assets,

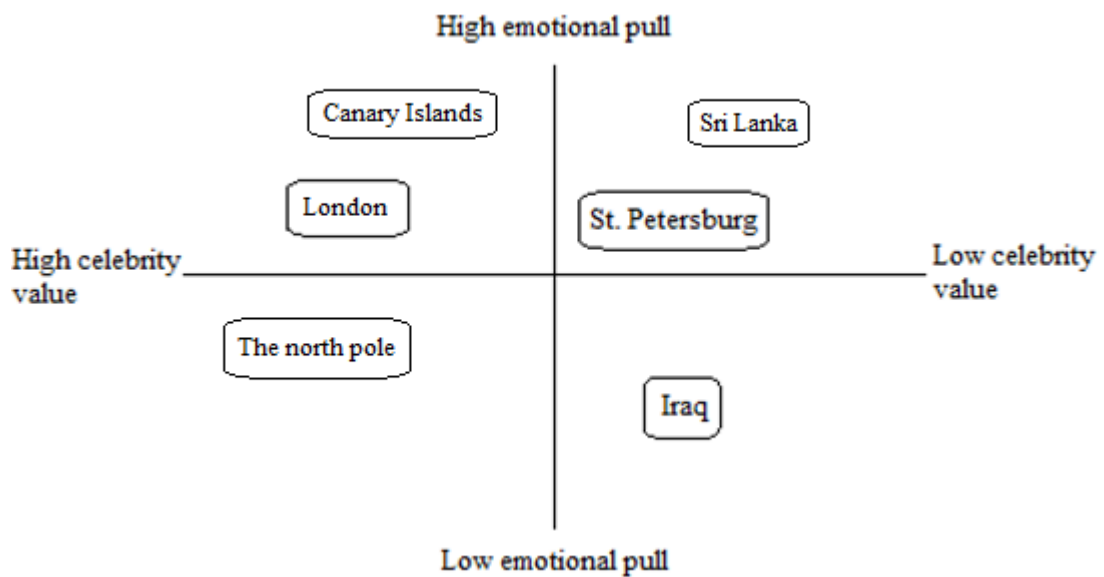
such as its logistics and transportation networks, museums and other essential facilities that make the destination a functioning entity. Finally, the *experiential* attributes of a destination result from the combination of the previous two attributes, which form a holistic experience in the customers mind, which helps to answer questions such as “How will it feel like to be there?”.

The personality of a destination brand is also affected by its identity: That is, how the different stakeholders of the destination want their product or service to be perceived. Saraniemi (2010) highlights the importance of this brand identity development process in her research, where the different stakeholders such as SME’s, destination marketing organization (DMO) and the destination itself continuously iterate the destination brand through interactions between them through shared values. As a result, brand value is created for the stakeholders such as the businesses of the destination, and together with external value creation (e.g. visitor stories and experiences, total brand equity and value are created.

Urde (2003) also vouches for this kind of external and internal brand value creation which outcome is brand equity and value. However, while Marzano & Scott (2009) also argue for this kind of collaborative approach to destination brand development, their research also found that effective destination branding is possible through appropriate financial resources and competence, even if collaboration between the different stakeholders is neglected. Earlier, authors like Reed (1997) even argued against the spreading of resources and authority in destination development matters on the grounds of efficiency.

The *positioning* of a brand is another key element in destination branding and development. It defines the point of reference of the brand in relationship to others and helps differentiate the destination from others according to Middleton & al (2009: 197-200), though Gartner (2014) argued that due to their unique nature destinations can’t be compared to others. Brands however are images and assumptions of a destination, and they can be compared with other destination brands, as Bastida & Huan (2014) demonstrated in their research, given that the comparison happens within the same context (e.g. branch of tourism/similarity of destinations).

Morgan & Pritchard (2004: 65 – 67) showcased the importance of positioning destinations through the emotional attributes and celebrity value, which is depicted by the author in Figure 3. Simply put, this means placing the brand of your destination in comparison against the other destinations in the tourism market: How does it compare? Is it for example a desired, fashionable and intriguing inspiring destination, or one that rises negative thoughts and controversy when spoken about?



**Figure 3, Positioning of Destination brands (Adapted from Morgan & Pritchard, 2004, p. 65)**

Some destinations have the luxury of having something unique about their location, heritage or other factors around which build the celebrity naturally around (e.g. Northern lights, historical sights, pristine nature), but many others don't, or their offering is saturated by similar offerings among other destination brands. As a result, destinations with high emotional pull but lacking in celebrity value hold great potential to grow into desired, trendy, almost fashion like destinations sought after by customers. In comparison, destination brands that fail to instil emotional pull and lack any celebrity factors face an uphill battle of differentiating themselves within the market.

In other words, the emotional pull of a destination assists a destination to grow into a celebrity value and become sought after by distinct consumer segments. Pike (2012) agreed with this and argued that as tourism services and products become increasingly

homogenized and differentiation becomes more difficult, businesses must find means to position themselves more clearly in their customers minds as the go-to destination. Particularly, the use of personal values was recognized as a great positioning tool since values can be shared by multiple stakeholders with otherwise differing goals and plans for the destination, as well as tourists that can now choose a destination that better matches their values in an otherwise homogenized offering field. Pike & Russell's (2011) earlier case research example supports this approach, showcasing the effects proper value positioning can have for tourism destinations and entrepreneurs.

**Reality** is the third element of destination brands which anchors both the *positioning* and *personality* of a brand to the destination, so that the promised images both the positioning and the personality of the brand have left in the minds can be realized and expectations met. According to Hankinsson (2004), the successful developing of a destination brand shouldn't rely on developing highly selective images or logos to sell the entire destination as authors like Barke & Harrop (1994) and Blain, Levy & Ritchie (2005) emphasize, though this creates the problem of managing the destination brand if it is not clearly defined as Saraniemi & Lemmetyinen (2017) point out. Pike's (2009) literature review also identified destination brand identity development and brand positioning as two of two important activities, in addition to finding ways to measure and track the equity of that branding.

As said, destination brand development shouldn't be about making sales pitches to customers, without the ability to match the expectations of the customers in the destination. Instead, Hankinson (2004) suggests the use of creative, imaginary marketing methods that are practised in tandem with investments made in the destination's key attractions, services and infrastructure. Simancaz & al (2018) also supported this kind of responsible development approach in their study, highlighting the use of standardizations and certificates for setting bare-minimum standards for tourism activities, so that the expectations of tourists can be realistically met.

However, as Hankinson (2004) emphasises in his article, none of these strategic implementations matter for destination brand development unless the different relationships within the network (1) Primary service-, 2) Consumer-, 3) Brand infrastructure- and 4) Media relationships manage to properly communicate, expand,



maintain and deliver the services to other tourism brand network members and end-users (tourists).

*Primary services* (e.g. Tourism SME's such as Hotels, tourism retailers, attraction management organisations) are the most important elements that make up the core brand, and as a result having strong and positive relationship with and between these service providers is of key importance to destination brand development (Hankinson, 2004). Further, according to Law & al (2015) the trend of disintermediation in the tourism industry has meant that tourism retailers now have even more power and responsibility over the destination brand development as oftentimes the intermediary services (e.g. DMO's) are completely skipped in the process of customer interactions, as tourists can often handle the entire process of information search and booking through the customer service of the retailers.

Regardless of who manages the relationships, *Consumers* are another major element of destination brand development, as they spread word-of-mouth marketing of their experiences in the destinations, and ultimately decide how they interpret the brand messaging of the destination (Hankinson, 2004). As a result, tasks such as handling customer complaints and delivering realistic expectations are important to incorporate this element into the brand development of a destination. For example, Iancu & al (2013) argued in their report that communication of the core services and proper management of customer-service related tasks was of vital importance to both the tourism and hospitality industries. Zehrer & Raich (2010) also highlighted the importance of core service providers for the entire lifetime brand development of a destination in their analysis, arguing that their quality management, customer communication and networking with other destiny stakeholders (e.g. other businesses, locals, DMO) is vital for the optimal value delivery to the customers.

Further, local residents and businesses are also part of the consumer relations, as not only do they consume the same services in the destination as the tourists do, but they are also a key part of the destinations brand reality, culture and atmosphere (Hankinson, 2004). This means that in order to avoid problems between the locals and the target customer segments and as a result tarnish not only the local destination but it's brand, their characteristics must be compatible, as Chin, Law, Lo & Ramayah

(2018) found in their study. Lack of coordination and attention paid to these groups can lead to the problems authors such as the ones showcased by authors like Olya, Shahmirzdi & Alipour (2019) and Hughes (2018). Their articles explain the anti-tourism movements in Turkey and Spain respectively, caused by the lack of attention paid to the local populace and the negative side effects of tourism, ranging from cost increases of services to conflicts between the locals and the tourists and development of destinations being made with tourists in mind rather than the locals.

Speaking of destination development, the *brand infrastructure* is another major element of destination brand development that can't be ignored. According to Hankinson (2004), it consists of three parts: 1) Access, 2) Hygiene facilities and 3) Brandscape. The *access* of a destination is a major part of destination brand development, as it is the vessel through which tourists access the destination with, but also the means with which the tourists move within the destinations themselves. As a result, the managing of relationships when it comes to building national airports and railroads is important to destination brand, as well as local infrastructure development, as the study by Suau-Sanchez & Voltes-Dorta (2019) on small ski-resort airports shows. Similar results were also found by Chin & al (2018) in rural tourism context, where the quality of accessibility of a destination was a major component of tourists' satisfaction and meeting their expectations. The *hygiene facilities* (e.g. public restrooms & carparks) are another, though perhaps less obvious, contributor to destination brand infrastructure, as they add another practical element to the destination.

Finally, the *brandscape* of a destination, according to Hankinson (2004), is a major part of a destinations brand infrastructure, as it creates a bundle of services and ambience appropriate for the destination for tourists to relate with. For example, sites with historical or cultural heritage value (e.g. old towns, museums, monuments or national parks) should be built with the ambience in mind, that is, to provide services and experiences that align with the expectations placed upon the main attraction of the place. For example, the case by Mizerski (2010) shows how the sustainable brand image of a destination is carried out in practise in the destination by preserving the monastic ambience of their town, which aligns with the destinations promise of hospitality, tranquillity and peace. Similar example of brandscaping is given by

Ashworth & Kavaratzis (2009), who studied the use of corporation branding as a means of promoting brand harmony of a destination. Just like with the local population and tourist interests mentioned earlier, the services provided in the destination should be compatible with the destination brand atmosphere for the brand relationships to work and to promote the best interests of the entire destination.

Lastly, the *Media and Communication relationships* of a destination represent the final crucial part of destination brand relationships that should be maintained and managed. Whether it's the earlier examples of businesses and organizations directly communicating with customers or handling complaints, this step is crucial, according to Hankinson (2004). A consistent marketing identity must be maintained throughout the marketing medias in order to preserve and build the destination brand, such as using harmonious themes in artwork and education of the destination, as well as in public events, venues and other PR campaigns, in order to avoid pitfalls like marketing myopia as March & Roger (1994) described it. Public relations are among the most important relations to keep, as through them destinations can gain wider nation-wide and international attention, help communicate the brand reality to all parties involved and at the same time keep the local population satisfied that they're being listened to, as Jabreel, Huertas & Moreno (2018) argue.

In conclusion, Hankinson (2004: 118) argued that successful destination branding, and its development requires:

- 1) *“Investment in buildings and brand infrastructure sufficient to make the promised brand experience a reality.”*
- 2) *“A strong network of stakeholder relationships which all share a common vision of the core brand.”*
- 3) *“The selection of target markets which are consistent with the character of the local community.”*
- 4) *“A service-oriented approach to the delivery of quality.”*

Regardless of whether the destination brand development is centralized or decentralized among the different tourism stakeholders within the destination, all of them play an integral part in the overall destination brand development.

This section has helped us better understand how destinations develop themselves as networks of destinations thanks to the work of authors like Hankinson (2004) and Saraniemi & Lemmetyinen (2017), but we still haven't talked about how do destinations lead the change, assume different roles in the network and what kind of hierarchies they share between one another. In the last segment of this chapter, we'll be taking a brief look at the brand architectures of destinations, as well as the role of different actors such as DMO's and SME's in the management of those developments.

### 2.3 Destination brand architecture

The idea of brand architectures and hierarchies in business contexts was first formed by Aaker and Joachimstahler (2000). In their article, they argued that as many businesses have a plethora of different brands, their relationship between one another and the company was crucial to understand in order to avoid the brands cannibalizing one another, competing or causing marketing dissonance by promoting the opposite things. They named this system as "The brand architecture" and advocated four main forms of brand architecture strategy approaches in a spectrum of brand relationships that is pictured in the figure 4 below.

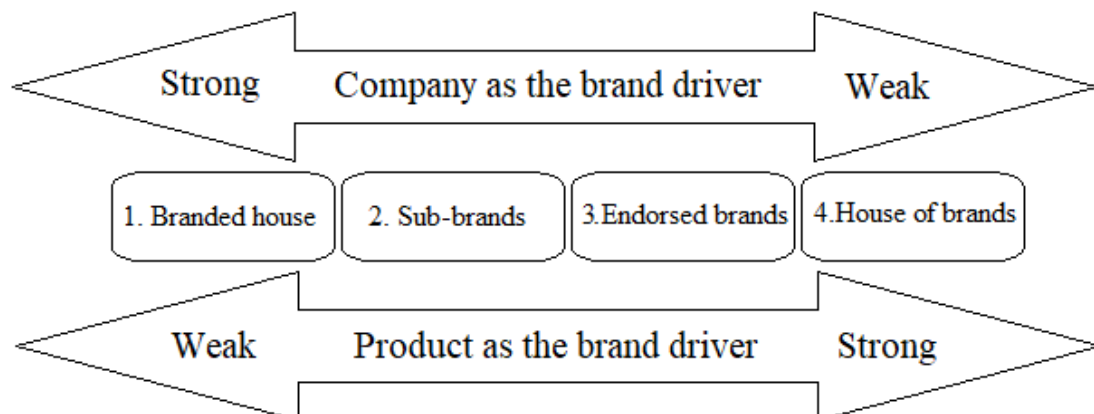


Figure 4, Brand architecture (Adapted from Aaker & Joachimstahler, 2000, via Dooley & Bowie 2005, p. 404)

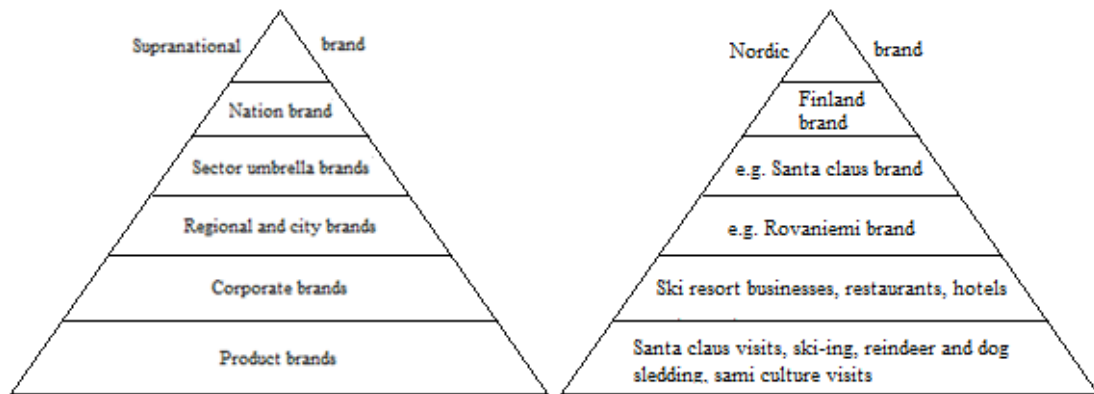
The *branded house* approach uses the corporations' own brand to encompass all the products under it (e.g. FedEx, Apple). In the opposite end, the house of brands approach advocates a strategy of managing multiple distinct standalone brands

disconnected from the corporation (e.g. Mars, Unilever). Between the two exist two hybrids that use both the product and corporate brand, of which *sub-branding* strategy emphasizes the company brand more than the product brand (e.g. Toyota Corolla, Volkswagen Golf), and vice versa with the *endorsed brands* strategy (e.g. Kitkat Nestle).

Morgan & Pritchard (2004: 71) adapted this approach for destination branding, arguing that destination brand hierarchies should reflect all the key components of a destination brand, such as its positioning in the market, rationale (head) and personality (heart). At the same time, the different brand composites (e.g. hotels, tourism retailers, museums) that make up the destination should be consistent with the encompassing brand of the destination. Ultimately, Morgan & Pritchard (2004: 71 – 72) suggested that brand architecture can be used as a template that guides the stakeholders brand building, development and marketing efforts, like how brand architecture guides a business's branding efforts.

Hanna & Rowley (2015) agreed with this and suggested that the main purpose of a tourism brand architecture was to facilitate those processes, meaning that it should encompass both the needs and objectives of all the destination's stakeholders. Earlier, other authors such as Aaker & Joachimstahler (2000) had suggested that for this to succeed, open and informal stakeholder discourse was necessary.

Dooley & Bowie (2005) also adapted the concept of brand architecture for the use of destination branding, claiming that the aim of place brand architectures is to manage, design and develop place brands so that each sub-part of a destination benefits the whole system. Just like with corporation brands, place brands benefit and contribute to a larger brand pyramid: Instead of products or services, place brands are built of multiple different actors on both regional and city/destination levels, as the example Figure 5's example below showcases.



**Figure 5, The place brand portfolio & example (Adapted from Dooley & Bowie, 2005, p. 403)**

Through their comprehensive case study of south Africa's destinations, Dooley & Bowie (2005) sought to understand how the brand architecture had been in practice utilized in the region through means such as brand auditing. Their results showcased similar benefits that Morgan & Pritchard (2004: 71-73) had emphasized earlier (e.g. consistent value propositions for customers, meaningful differentiation of destinations, saving and pooling of resources), but also some of the problems (e.g. lack of coordination, implementation problems of brand architectures, dilution of brands through saturated service offerings) that they hadn't mentioned in their study.

Harish (2010) agreed with these analyses in his paper and proposed that the best way to make use of the composite brand elements of tourism destinations would be to use a sub-brand approach, which'd advocate for clear umbrella brand or endorsed brand approach (e.g. Country/destination) under which sub brands would still be allowed to develop fully into their own distinct brands that the customers can connect with, such as the Santa Claus brand of Lapland in Finland (Saraniemi & Lemmetyinen, 2017). In his article, while he admitted the success of "Incredible India" branded house approach, he claimed that in order to remain competitive as a destination brand in the markets, India should move to a more sub-branding approach where the many faces and different parts of India as a large geographical country could be utilized for customers with different needs and wants, while at the same time promoting the entire country as a destination.

Datsira-Mazip & Poluzzi (2014) also saw the utility in the use of such a model, studying ways in which the model could be used to manage the different destination

brands of Catalonia in Spain. In their study, they found that brand architecture principles such as the ones mentioned above had only been partially utilized in the branding of four heterogeneous tourism destinations in Catalonia, which showed that the brand management of the entire destination had been neglected by the different elements of the destination to stand out and claim Catalonia as “their own” brand, rather than being different parts of a destination that encompasses all of them. This had led to dissonance in branding of the destinations as a result of interest differences and lack of communication on both local and governmental levels. These results demonstrate in practice the potential issues Harish (2010) raised in his article about the lack of co-ordination and a clear brand architecture.

However, unlike Harish (2010), Datsira-Mazip & Poluzzi (2014) also found that different brand architecture strategies apart from the sub-brand approach could be applied successfully. For example, the *Branded house* strategy is successfully used by Maldives islands, with the islands own names being almost unknown. On the other hand, the *House of Brands* approach is utilized by the Balearic Islands few know about, but many recognize its individual island destinations (Ibiza, Mallorca, Menorca). Equally, *Sub-branding* approach was recognized to work in destinations like central America where the individual destinations and activities relied on a master brand (e.g. Mexico, Panama), although outliers like the Caribbean islands existed. Finally, particularly Scandinavian countries like Norway, Finland and Sweden have successfully used the *Endorsed Brand* approach, where the country brand is working to benefit destinations in the background, but the destinations and their features are the true pulling, differentiating factors for customers (e.g. Santa Claus in Finnish Lapland, Northern Lights in Tromsø, archipelago in Lofoten).

Regardless of the approach chosen, Aureli & Forlani (2016) argued in their study that in order for co-operation and cooperation to be possible, the tourism network members must share a common prerequisite idea for the destination brand in order to develop the destination brand in a united manner. However, Aureli & Forlani (2016) also found that fundamentally the brand of the tourism network is connected to the brand of the destination, meaning that the SME’s and other tourism actors must be able to connect their marketing in the local context of destinations (Hankinson 2007, Neuhofer & al 2012, 2014), and that the actors didn’t always utilize the network brand in their

marketing efforts: Some actors for example put great effort and emphasis on building a narrative about the destination and the complete services and experiences it has to offer, while other businesses took the place brand more for granted, feeling no need to mention it in their brand messaging.

Almeida-Santana & Moreno-Gil (2018) supported these ideas, showcasing the benefits and opportunities from a brand infrastructure for destination brands, regardless of the strategy chosen. In their report, Almeida-Santana & Moreno-Gil (2018) argue that co-operation and co-competition between different islands and archipelagos can reduce internal competition and add more value to each of the destinations as a result of multiplier effects (e.g. cruises, tours, events) and other synergies (e.g. joint improvement of health services, infrastructure development, more international funding, more environment consciousness), which'd together help developing all the participants brands and their competitive position.

Another concrete example of a successfully implemented brand architecture between destinations and different stakeholders was provided by Mariani & Giorgio (2017), whose review on the earlier case-study done by Giovardi & al (2014) showcases the success story of an inter-destination collaboration, which ends up benefiting the entire brand structure regionally. The report shows how the customers positive experiences of venues and events that've been built with the collaboration of different destination stakeholders in Italy end up benefiting the entire destination of Italy as whole by making the country more attractive to the tourists.

Through their co-competition, the managers of the destination brand architecture could a) *“agree on a long-term vision for a wider tourism area and create a unified and holistic image by avoiding huge thematic discrepancies in the artistic offerings of the event”*; b) *“address the prioritised markets not uniquely based on historical data but also on the new mass market potential brought by the festival”* c) *“leverage their own established brands within the comprehensive tourism area brand stemming from the “Pink Night” “, and d) “persuade the tourism industry that they were part of a comprehensive tourism area.”* (Mariani & Giorgio, 2017: 104).



Selecting the right architecture strategy is crucial but also an arduous process, as it allows the destination stakeholders to appropriately measure the risks and rewards of implementing the different management systems and structures (Hsu, Fournier & Srinivasan, 2016). Regardless of the hardships and risks, Almeida-Santana & Moreno-Gil (2018) conclude in their study that destinations and their stakeholders are better off working together, as in the long term it'll boost the destinations sustainability and survivability in the heavily competed markets, which ends up benefiting all the stakeholders involved in the local tourism networks.

So far, we've learned why brand architectures exist in tourism destinations, how and why they differ from one another and what value can they bring to the different stakeholders of the destinations. However, as many of the previous articles (e.g. Mariani & Giorgio, 2017; Harish, 2010; Almeida-Santana & Moreno-Gil 2018) have shown, the question of who should lead these structures is either left open or suggested by the authors directly: Should the destination architectures be managed by for example a local DMO, a government agency, or a coalition of tourism SME retailers? Perhaps all of them?

Saraniemi & Lemmetyinen (2017) explain that just like in corporate branding, there are two approaches to understanding tourism branding: In the normative approach, the composite structure of destination brands and their properties, roles and tasks are overseen and managed by a single leadership organization or coalition such as a DMO, that make a promise to the customers based on the resources they have available, like how the examples from Mariani & Giorgio (2017) and Datsira-Mazip & Poluzzi (2014), where the outcome and results of the promises made to the customers are up to the destination managers.

On the other hand, from the socioconstructive point of view, destination brands emerge as a result of co-operation between the image formed in the tourists minds about the destination and the identity of the destination formed by the destination stakeholders, like how Saraniemi (2010) and Pike (2009) suggested. This means that the brand development process is discursive in nature as Leitch & Richardson (2003) suggested.

The normative and socioconstructive approaches to destination branding aren't however fundamentally exclusive to one another: On the contrary, Saraniemi & Lemmetyinen (2017) suggest that the two approaches complement one another. While the destination brand is co-created in an arduous process such as how Hankinson (2004) described it, some unifying management element or structure is still required to develop the brand in a consistent manner, as we argued earlier. Further, Koppatz & Ruolanto (2017) argued that the rapid digitalization and new, more adaptive management structures in businesses has meant that the compatibility of services and platforms and co-operating with other tourism stakeholders has become increasingly important for successful destination brand structure management.

Indeed, the many responsibilities and expectations laid upon traditional DMO organisations lies also their greatest weakness: As Hankinson (2010) and Fyall (2011) explained, the rapid digitalization and servitization of tourism industry as well as being ultimately restrained by government funding and budgets, many of the tasks that DMO's have previously carried out themselves have been taken up by the tourism retailers themselves (Law & al, 2015). Compared to DMO's, modern tourism SME's and their networks are more fluid and able to adjust quicker to the dynamics of the field.

Even the customers own proactive role in place brand marketing has been recognized by authors like Ketter & Avraham (2012), where peer-to-peer (P2P) marketing has emerged as a new, independent form of marketing where customers independently rank, advertise, criticize or praise destinations. Paradoxically, it seems that the tasks and expectations placed upon the DMO's have drastically increased when it comes to developing the destination brand successfully in the modern competitive global and digital age, all the while their influence and power to have an effect on the destinations has been diluted by the very same forces.

In the next section of this literature review, we'll be looking at the different emerging examples and contribution methods of these SME's to the destination branding. Perhaps more importantly, the section provides the other side of view from destination branding perspective: That of the individual SME's.

### **3 SME'S ROLE IN DESTINATION BRANDING**

This section will explore the literature that has studied how SME's contribute to the development of a destination brand both directly and indirectly, through their own brand development activities as well as interactions and co-operating with the other destination stakeholders. Further, it examines the effects these said processes have had on destinations, like how the brand architecture chapter did. Additionally, at the end of this chapter, a theoretical framework is showcased that will provide a reflection point for the rest of the research.

#### **3.1 SME's impact on destination brand development**

Just like the brand of a destination is built out of the brands of its various stakeholders, the competitiveness and brand value of most tourism SME's is built upon the entire attractiveness and brand of the destination (Pesonen, 2017). Few SME's have the attractiveness of their own to solely draw in customers with their own offering of services or experiences but must rather rely on the branding of the rest of the network and the destination's brand personality to survive.

Indeed, the relationship between the brand image of a destination and its constructed brand personality by its core stakeholders is well documented in the field of tourism research, as the study by Hosany, Ekinici & Uysal (2006) shows. SME's have a great impact on both through not only their own actions within the network (e.g contributing to the development of the services and atmosphere of the destination), but also how the brand image is perceived both inside outside of the destination (e.g. Presence in digital platforms, relationship building, stakeholder co-operation). Indeed, the very nature of destination branding is a phenomenon that is the result of a dyadic relationship particularly between it and the tourism SME's, where the branding efforts of one and all SME's serve to make the whole destination more attractive in the minds of the customers, while in return the tourism SME's within the destination all benefit from the increased attention and visitor numbers caused by the branding.

The brand building of SME's differs significantly from those of larger companies or government agencies. Centeno, Hart & Dinnie (2012) showed that unlike large

companies or government agencies, their brand building activities and planning is oftentimes characterized by both the lack of resources as well as minimum planning time due to the lack of expertise. Spence & Hamzaoui Essoussi (2010) agreed with this and argued that due to the lack of both initial expertise and resources, businesses should design their brand messaging around their core values and country/destination of origin to build a strong basis for their brand equity. As a result, there is great emphasis put on the exploratory actions of both the managers and employees of the SME's when it comes to designing, reiterating or changing the business brand.

The lack of expertise and resources however doesn't mean that SME's don't have a role to play in destination brand development. On the contrary, as the core service providers, they are among the most important actors in the equation, as Hankinson (2004) argued earlier. Further, the lack of expertise and resources many SME's start with can quickly turn into abundance of expertise and increased resources as they grow in size as major destination stakeholders among the other SME's (Komppula & Reijonen, 2006).

Komppula (2014) also highlighted earlier that individual SME's have an essential role to play in developing destination brands and their personality, arguing that the local SME's are able to work faster, more efficiently and with smaller resources in rural and developing destinations, especially during times of recession when funding and development of destinations from the communal or government side can be insufficient alone. Indeed, SME's are initiators and explorers in destination branding and development, doing and trying things and taking risks to explore the unknown when it comes to bettering their competitive position in the market, by themselves and together with other stakeholders of the destination (Wilson, Fesenmaier, Fesenmaier & Van Es 2001). This of course also creates some problems like free riding, but ultimately so long as majority or most of the SME's actively participate in the branding efforts, the costs do not end up to just one stakeholder.

SME's and their networks also carry a great responsibility on the product and service development of entire destinations and parts of them. The better the product winds up to be, the better the brand promises can be realized, and the entire destination brand developed. As Mccamley & Gilmore (2017) showcased in their study, some SME's

even go as far as to develop their offerings to the customers even when the local government or supply chains restrict their innovativeness through their rigidity, forcing them to create workarounds in order to match the needs of their customers. In another case, Engeset & Heggem (2015) went over the marketing and branding strategies of Norwegian farm tourism, finding that the innovative approaches and solutions the local SME's had come up with were being slowed down by the rest of the tourism network, rather than helping them in their promotional efforts. Indeed, for the purpose of destination branding, destinations should attempt to employ relationships and value-chain networks that promote this innovative behaviour, rather than extinguish it. The interdependence they share means that ultimately, everybody benefits from the joined destination development efforts, and therefore the entire destination brand as well.

This mutual dependence relationship that the destinations and their SME's share is unique to tourism destinations and systems as whole (Gartner, 2014). However, this relationship changes depending on whether you look at the tourism system from the demand or the supply side (Reinhold, Laesser & Beritelli, 2015): While from the supply point of view the tourism network might value or disvalue some actors based for example on their geographical location or their practised service, for the customer these kinds of borders are unimportant and instead the whole picture, that is, the destination brand and what images and promises it conveys is what matters to them and their decision making process.

This phenomenon of decentralization of destination branding and empowering the local tourism SME's for the purpose of this development has been recognized by authors such as Kimbu & Ngoasong (2013). In their study, they found that the development of tourism was closely tied to the tourism network and its stakeholders, such as the local SME's that performed services like catering, accommodations and experiences. At the same time, the decentralization, while still underway and incomplete, had already managed to greatly benefit the destinations ability to change and adjust to the dynamic business environment Africa was experiencing at the time. Earlier authors like Barrosa & Dieke (2008) and Tosun (2006) came to similar conclusions, highlighting the importance of tourism networks and especially the input of critically important individual SME's of the destinations. They proposed that

instead of following a plan from a central government, critical tourism SME stakeholders of destinations could come together to form a marketing and branding plan to develop the destination based on factors such as the stakeholder needs and demand of the tourists, which allows for a more accurate plan to be made as it is based directly on the needs of the destination, rather than the plans of government agencies and policy makers.

Critical network stakeholder SME's can influence the other members of the destination tourism network due to their own central role in it (Granovetter, 2005). These affiliations between the stakeholders can be either strong or weak, but the number of the relations and their interconnectedness is what allows these critical destination stakeholder SME's to have significant leeway on the outcome of the destination brand development in the network that ends up not only benefiting them in the long run, but also the rest of the network members (Kimbu & Ngoasong, 2013). However, just like in the DMO's case, it is ideal that these affiliations are built on mutual goals, trust and values rather than with coercion (Hankinson, 2007). In other words, even when the critical destination stakeholders hold themselves in elevated positions of power compared to less central destination stakeholders, it is often within their best interests to strive toward mutually benefiting choices rather than pushing forward decisions that only benefit them at the cost of others to retain the integrity of the destination tourism network and avoid the splitting of the brand elements.

Even businesses that compete for the same customers (e.g. tourism SME's offering similar or same services in the same geographical area) can and do benefit from this coopetition, by for example being able to better answer sudden spikes of demand in the destination, develop a shared booking system for all the destination service providers that reduces their individual costs and reduce negative environmental and societal impacts caused by the businesses by understanding that their business' depend on the destination remaining attractive and usable.

For example, the study by Rusko, Merenheimo & Haanpää (2017) showcases how competing businesses come together in Rovaniemi to uphold the traditional Christmas events and markets both consciously and unconsciously, even when they compete for the same consumers because in the end they all benefit greatly from contributing to

the brand of the event and the whole destination as a result, as the atmosphere and events bring customers in abundance for all of them. Without the pooling of resources and sharing of expertise, no single actor could hope to create such pull toward customers with their own offering alone, as it'd lack the diversity of services and experiences the venues are built around.

This knowledge and resource pooling or sharing is one of the prime reasons as to why tourism SME's form networks, relationships cooperation and co-operations between one another. Wang (2008) argued that by assigning appropriate roles, destinations can form bureaus between the stakeholder SME's and public organisations like the DMO to develop the destination brands effectively, as they are able to pool the resources into one cohesive branding and marketing message, while utilizing the skills and resources of every stakeholder in the areas they are most proficient at, which ends up benefiting all the actors altogether. In other words, it seems that SME's can form more efficient destination coalitions to better develop the tourism in the long term because they are more market and customer oriented due to the business models and practices they share.

SME's participation in networks or working together to brand the destination doesn't however automatically mean that the partnership or co-operation will be successful or even beneficial: In fact, there are many things that could go wrong and many steps to consider. For example, Havierníková, Lemańska-Majdzik & Mura (2017) explored both the advantages and disadvantages of tourism clusters in their study, and found that while the sharing of expertise, knowledge and resources was potentially beneficial for the SME's (e.g. Hankinson, 2004; Wang 2008), there were also some problems that they had to consider: Namely, in the areas of human resources, where many SME's feel their true competitive edge lies in tourism, and oftentimes they are reluctant to share the skills and knowledge in fear of losing that competitive advantage to others or diluting it. This lack of trust seems to be the main driver behind whether SME's choose co-operation or not (Brunetto & Farr – Wharton, 2007).

These coalitions and branding efforts of the destination can relate to things such corporate social responsibility (CSR). As CSR means that businesses adopt transparent business practises based on ethical values (UNEP-WTO, 2005), this can be a great

destination brand development tool: Earlier, we established that oftentimes brand coalitions and destinations are best built around shared values (Hankinson, 2004; Spence & Hamzaoui Essoussi, 2010), and therefore these shared values can further be applied to broader social responsibility actions.

For example, Tigu, Popescu & Hornoiu (2016) highlighted the importance of SME's for developing destinations consciously from both the social and environmental point of view. In their study, they found that despite their individual lack of resources and knowledge, SME's still had a significant influence on turning their respective tourism systems and destinations more socially and environmentally responsible, which had the potential to improve their own as well as the destinations brand in the process by giving them more positive visibility and become more competitive in relation to other destinations, as well as benefiting the entire destination in the process. Further, since SME's are so influential and plentiful in the field of tourism (Middleton & al 2009: 43 - 46) and share strong connections with their local communities, they have even more influence and power together than one would think.

Perhaps more importantly, when the sustainability and social responsibility is adopted from the company side or with co-operation with government agencies and DMO's, the shift toward more socially conscious and sustainable tourism is met with less resistance and can be applied quicker. Baldo (2015) for example found in his study how the CSR and sustainability plan was successfully, albeit slowly, being incubated and spread by local Italian tourism SME's, arguing that a major reason for its success was the inclusion of the SME's in the implementation process and convincing them of the brand benefits both them and their destinations would enjoy. The potential for sustainable development with the use of network contracts among the SME's and the destinations were also recognized by Martínez, Pérez & Rodríguez (2013), who also saw the potential for brand building of destinations, arguing that the most practically sound approach was getting the local SME's involved at the very start of the progress for best results.

Additionally, the less obvious benefits SME's CSR and sustainability actions can have for a destinations brand are from the social side: Thanks to the SME's internetworked relationships with the local residence and the employees they hire and involve with



their businesses, they work right at the grassroots level and act as a focal point through which the local people can be involved directly with decisions regarding the destination.

For example, Zhang & Zhang (2018) found that the local tourism SME's had an important role in engaging and involving the locals to help build a socially sustainable tourism system and network in the destination. This involved recruiting and training the locals by the businesses as well as involving the local culture and traditions in the branding of the destination in an inclusive rather than exploitative way. This in turn ensured frictionless and supporting attitude from the residents toward the local tourism system, avoiding anti-tourism attitudes that Hughes (2018) and Olya & al (2019) highlighted in their studies, which in turn helps ensuring the delivery of the destination brand promise to customers, thus strengthening it.

Certifications are another way SME's can build a professional brand image in the eyes of multiple stakeholders, as the case study of Jarvis, Weeden & Simcock shows (2010). The certifications helped the involved businesses to brand themselves better as a result of taking more opportunities and parts of the destination into account, as well as being both morally and socially responsible in the destination through a quantifiable certificate. A recognized local certificate that has been agreed upon by both local tourist entrepreneurs and government agencies like DMO's also helps to mitigate potential greenwashing (Font & Buckley, 2001) and potential doubts consumers might have about the validity of destinations attempts to be sustainable that have plagued the field of destination branding.

Voluntary certifications built by SME's out of their own volition have also the additional benefit that they are often tailor made for the industry or situation they are in, and aren't made unreasonably strict or harsh if purely prepared by governmental agencies with no connections to the issue or system (Bendell & Font 2004). This means that their potential benefits to the brand building of a destination can also be measured more accurately.

However, Jarvis, Weeden & Simcock (2010) are showed that certifications aren't a fool proof method of brand building and can suffer from many of the already

mentioned problems such as greenwashing and government oversights if not properly made. These problems can include barriers to entry like high costs that discriminate free competition and new businesses wanting to enter the field, transnational companies overlooking local responsibility and lack of trust and cohesion among the stakeholders which erodes the very foundation of effective destination branding (Medina, 2005; Mycoo, 2006).

Following with the product development and the natural market orientation SME's have, many of them are also flexible and fast adapters of new technologies, particularly the digital services and platforms that have revolutionized the field of tourism (Peña & Moliena, 2011). Digital platforms and the use of brand-new digital media is especially important for both business and destination brands to remain competitive and recognized by customers amongst all the other offerings, especially in popular social media platforms (e.g. Snapchat & Youtube) and destination websites, using for example brilliant images of the destination (Mistilis, Buhalis & Gretzel, 2014). These platforms allow for easy personification of the destinations and businesses, as well as sharing the stories and experiences of other customers to boost the destination brand, as Lee & Lee (2017) showed.

More importantly, these stories and digital platforms facilitating those interactions give customers something concrete to build a relationship and image of the destination with, which further enforces their positive feelings and associations toward the whole destination and its brand (Ketter & Avraham, 2012). Further, the SME's can use the digital platforms to become more visible and make their services directly available to their customers, which helps the destinations to offer a more diverse range of tourism product and service offerings, without costing the overall image of the destination (Natalija, Davor & Željko, 2016), so long as the direct contacts with the customer are in harmony with the rest of the destination brand.

Overall, SME's, while not the only stakeholders that affect the destination brand, are at the very heart of changing or developing it as they are the ones that provide the majority of the services and products of a destination that draw people to the destination in the first place. They are also at the grassroots level of interacting between multiple different stakeholders naturally through their interactions between one

another and the community and government organisations, and oftentimes, despite the lack of resources, hold a great deal of practical knowledge for the purpose of developing the destinations.

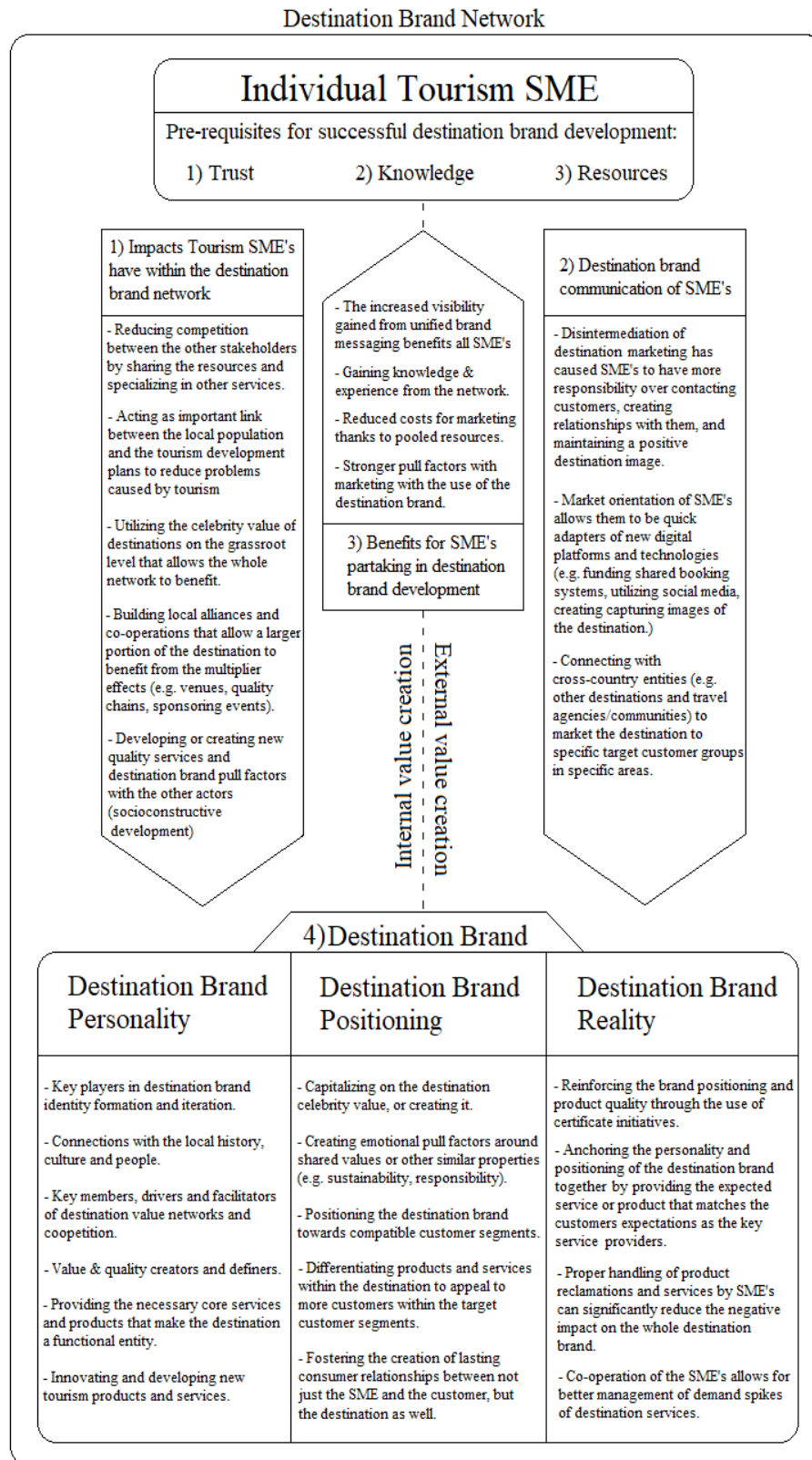
Further, as they are the stakeholders providing the services and products to the tourists, they are also the ones who ultimately implement (by their own volition or due to demand or policy changes) more socially conscious and sustainable changes to their offerings which can turn destinations sustainable in the long run. In the next and last part of this section, we'll be pooling all of our previous knowledge from the theoretical background to form the theoretical framework which we'll be using to reflect the findings of the study to.

### **3.2 Introduction of the theoretical framework**

The theoretical framework of this thesis is built upon the foundations, recurring themes and examples that have been provided within the earlier sections of this theoretical background. These foundations are brought together with the assisting questions of this thesis, which act as the main parts of the model and lead up to the main research point, the destination brand. At the end of this thesis, the theoretical framework will be revisited. Next, the theoretical framework (Figure 6) will be briefly discussed in the following paragraphs.

#### *Destination Brand Network*

A constant theme throughout this research has been that destination brand and its different actors all operate within the destination brand network. All their actions, choices and co-operations eventually affect all the destination stakeholders, including the whole destination brand and its development. A further division in this network and the value it creates for the destination brand can be done between the internal value creation and external value creation as Saraniemi (2010) proposed in her research.



**Figure 6, Theoretical Framework: Impact of SME's on the Destination Brand Development**

This dyadic, mutual relationship SME's have with the destination brand networks different elements is represented visually by the process of arrows reaching from the individual SME to the destination brand, and the middle arrow showcasing the benefits SMEs receive from partaking in destination branding.

It is however important to point out that even though the process of contribution toward the destination brand development is shown here as a linear process that is divided into two parts such as how it can be interpreted from both Saraniemi's (2010) and Pike's (2012) value creation models, all of the said processes are happening all the time between different actors, with or without feedback or with or without coordination, as authors like Hankinson (2004, 2007) showed, and consequently things like the perceived image of the destination can also sway in time how the destination identifies itself. At the same time, destinations either consciously or unconsciously adopt one of the many branding approaches for their destinations (e.g. branded house, house of brands, sub brands) to manage or harmonize their branding efforts, as authors like Harish (2010) and Datsira-Marzip & Poluzzi (2014) showed.

For the purpose of this research however, it was meaningful to study the impact on destination branding through a linear process model, to understand the role of the individual SME's in the process. This is justifiable for many reasons: First, several authors (Hankinson, 2004; Gravenovetter, 2005; Kimbu & Ngoasong, 2013; Gartner, 2014) have referenced the interconnected nature of destination brands and their development, including their decentralization and the cooperative and cooperative nature of those interactions. Second, the focus of this research is on the role and impact of SME's in destination brand development, both within the destination network (internal value creation) and directly through destination brand image building (external value creation). Since the research studies how can SME's have an impact on the destination brand, it is meaningful to picture this as a process, to show in practise where those impacts come from and how they affect the destination brand. Even so, even external value creation is also affected by the network in for example what shape or form it takes, so that it compatible with the rest of the brand messaging and themes of the destination (Mizerski 2010; Ashworth & Kavaratzis 2009).

### *Individual Tourism SME & Pre-requisites for destination brand development*

At the top of the model is the individual SME, which is the starting point of this research. The SME exists as part of the destination brand network, and our goal is to study how the SME can affect the outcome and development of destination brand both in the internal brand value creation (through the destination network members), as well as externally (through direct branding and affecting the destination brand image).

As discussed earlier, it seems that for most of the co-operation between the different actors in tourism brand architecture and networks to be possible, there are three prerequisites: Trust is the most important prerequisite for the concept of co-operation (Hankinson, 2007). Knowledge is another important factor why SME's engage with the rest of the network in order to better their positions, though it requires the willingness to share the said knowledge and skills to competitors, which has its limits like Brunetto & Farr – Wharton (2007) showed. Finally, the cooperating SME's must have resources, both intellectual and time as well as financial resources in order to have impact on the destination brand and how it turns out, with critical SME's having most of them available (Kimbu & Ngoasong 2013).

### *Impact of Tourism SME's within the destination brand network*

As the literature has shown, tourism SME's are integral and important stakeholders of destination brand networks because they are the ones that provide the key services and products to the tourists (Hankinson, 2004). They also act as an important tether between the local people and the entire tourism system by being local family businesses and coalitions themselves. Through these connections as well as their sheer numbers, even a single SME can have significant impact on the destination brand network through the process of building connections, both personal and business ones, with the other stakeholders (SME's, DMO, Commune), even if they compete with one another.

This natural market orientation of tourism SME's also allows for them to adjust quicker to demand changes among the target tourism groups, or better aim and select their target market segments and groups to develop the destination toward a desired

direction, such as sustainability (Zhang & Zhang, 2018). Further, SME's are the ones working at grassroot level of destination development, gathering feedback directly from the users (tourists), making them invaluable for destination service and product development (Engeset & Heggem, 2015).

#### *Destination brand communication of SME's*

The trend of disintermediation in the tourism industry has meant that SME's have taken a more active role in selecting their target customer segments and groups, branding the destination to the said groups as well as building connections and relationships with both travel agencies and cross-country entities to improve the destination branding as well as the customers themselves to build personal experiences and bonds with them (Law & al, 2015; Ketter & Avraham, 2012).

This is done in practise through the use of digital platforms like social media, website development and creating integrated, shared booking platforms between other core service providers (Mistilis, Buhalis & Gretzel, 2014), which allows for example adjusting to high demand spikes during seasons, as well as creating more value creating product packages, rather than individual services, increasing revenues and product differentiation possibilities for all the businesses in the destination. This in turn makes the destination more personal for both B2B partners and customers to connect with, as Lee & Lee (2017) suggested. As a result, this part of the theoretical framework examines the process of SME's affecting the development of destination brand through destination image development.

#### *Benefits for Tourism SME's participating in destination brand development*

As previously shown by Hankinson (2004), Morgan & Pritchard (2004: 6) and Rusko, Merenheimo & Haanpää (2017), few single SME's have the necessary pull to attract customers, and as a result, the stronger the brand value of the entire destination turns out, the more both individual SME's and the entire destination network benefit from the increased awareness and value placed on it by tourists and media.

SME's benefit from the stronger destination brand value both directly through things such as increased demand for their services and products, but also indirectly as the entire destination brand network and architecture is strengthened, and things such as resources and knowledge develop throughout the whole process, improving future interactions and outcomes.

This in turn helps to explain both why SME's participate in destination brand development, as well as what kind of methods they choose, because they're the most beneficial for them: Such as the aforementioned booking system integration developments or integrated website design. As a result, while the previous two processes help to answer *what processes* and *how* do SME's affect the destination branding with, this part helps us to understand *why* they do it.

### *The Destination Brand*

Finally, as a result of the two processes with which the SME's affect the development of destination brand as well as after explaining the reasons why they do it and why they prefer the methods they do over others, we can summarize the impacts on destination brand development that the SME's have. The literature review showed that the contribution of the SME's to the destination brand can be seen for example how the personality, positioning and reality of the destination brand turns out (e.g. service differentiation, coalitions and co-operation, PR and cultural connections) and providing and developing key services and pull factors of the destinations, like Hankinson (2004) showcased.

The brand personality of destinations is heavily influenced by the SME's impact and influence on the destination brand networks. SME's, for example, as key service providers have great sway on how the identity, range of products and services and values of the destination turns out (Hankinson, 2004; Kimbu & Ngoasong, 2013; Pike 2009). As small family businesses and local entrepreneurs, tourism SME's are often also very well connected with the local population and public agencies, meaning that they often act as fonts of local culture and traditions (Pike 2012). In the absence of local DMO's or separate from them, central SME's can also be essential to facilitating



connections between other entrepreneurs and actors in the destination (Granovetter, 2005).

Unsurprisingly, the positioning of the destination brand is also greatly influenced by the local SME's influence on the destination brand network, as well as their ability to market the brand image of the destination. As previously mentioned, SME's, due to the lack of resources that more traditional media platforms require and being more market oriented (Peña 2011), are oftentimes great adapters of social media and other digital platforms for their branding purposes. The previously mentioned networking with other SME's can also lead to sharing of the said knowledge and resources which can lead to shared booking systems and captivating images in websites that share the same theme (Datsira-Mazip & Poluzzi, 2014). Equally, SME's can tap onto the values of the destination branding system to utilize the emotional pull of the destination, or celebrity values such as Northern lights, celebrity highlights or venues (Lee & Lee 2017). Certifications and reviews are another way how SME's can together have impact on the way how the positioning of the destination brand turns out in the end (Simancaz & al 2018; Jarvis, Weeden & Simcock shows 2010), as they help to capture certain qualities or properties the destination wants to market about itself.

Additionally, SME's may see opportunity and benefits from working with cross-destination entities, to for example improve the entire region, as was the case in the Maldives islands like Datsira-Mazip & Poluzzi (2014) showcased. Finally, due to their sheer numbers as destination stakeholders and key service providers, SME's also affect the positioning of a brand by being the main contributors to the differentiation of tourism products and services in a destination, as well as developing the said products as Middleton & al (2009: 43 - 46) claimed.

How the destination image and the promises made by the branding and marketing of the destination turn out, that is, how the reality matches the expectations, is ultimately perhaps most influenced and determined by the local SME's actions within both the brand network and with their attempts to market the brand image of the destination. While other stakeholders like celebrities or the local DMO can brand and market the destination independently, they very rarely if ever actually provide any services or

products of their own (Middleton & al 2009: 339 – 440), which is left for the local entrepreneurs (e.g. restaurants, hotels, tour and activity providers) to deliver.

This means that in a way, tourism SME's are sometimes responsible for meeting the promises made not only by themselves but others (e.g. Nation brand, local DMO, P2P reviews), which only further emphasizes their importance in delivering the brand promises to the customers, as well as the previously mentioned co-operation with the other network members to ensure the brand messaging and promises of the destination match the reality of what the SME's can provide. In practise, this requires sharing the responsibilities between the actors, and should there be negative experiences, SME's also play a crucial role in handling the reclamations of their customers appropriately, so that the negative experiences do not cause damage to the destination brand.

### *Summary*

Both the brand network and destination positioning contributions of SME's have a direct impact on how the destination brand is developed and turns out. Through their networking and interconnectedness as well as mutual interests, SME's can together form a clearer, stronger brand message (e.g. Mariani & Giorgio, 2017; Datsira-Mazip & Poluzzi 2014). Due to their numbers and flexibility, differentiation and thus a more varied offering for different customers is possible (Pike 2012). The interdependent nature of tourism SME's also motivates them to share risks and costs for concerns ranging from the use of environment to developing more sustainable solutions (Almeida-Santana & Moreno-Gil 2018). Finally, as the SME's work directly in the grassroot level of interacting with the tourists and hearing their feedback, they are oftentimes also the ones developing the services and products offered (Zhang & Zhang 2018).

All in all, the framework showcases the influence SME's have on the different parts of destination branding through the two main processes, as well as the reasons why they do it in the first place. Equally, the framework showcases the dyadic relationship between the different steps and actors, a mutual dependence that is unique to tourism marketing, as well as the different configurations for destinations to manage their brands. Finally, the prerequisites show the necessary steps that must be taken before

SME's can hope to have influence on the destination brand. In the following chapters, this theoretical framework will be applied to test the results from the interviews with the case companies of this research, to see if SME's contribute to the development of destination brand in the way the model proposes, or in some other way.

## **4 RESEARCH METHODOLOGY**

This chapter will discuss the methodology used in this research to explore the contribution of SME's to the destination brand. The chapter will explain the rationalizations behind the 1) Literature review of this research, 2) Research design and strategy choices, 3) Explaining the case study setting of the research, 4) Introducing the case companies that participated in this research, 5) Discussing the Data collection and field work methods of this research, 6) Interview themes and questions used for this research and finally the 7) Data analysis steps of the research.

### **4.1 Literature review**

The literature review for this research was conducted deductively, because the researcher wanted to ensure that the research would be comparable to the current data and impose some already grounded theories within the research, as argued by Denzin & Lincoln (2017, 419 - 421). Since the researcher hadn't formulated a complete research topic and questions for the phenomenon at the start of this process, time was focused instead on studying the literature surrounding the case phenomenon, as suggested by Denzin & Lincoln (2017: 419).

By familiarizing themselves with the literature surrounding destination branding, the researcher was able to create a nascent research structure and framework for the study, which he continued to iterate and improve upon as the thesis progressed. This wasn't a problem, as according to Grönfors (1982: 42) and Wilson (2014: 37 - 39), while the research questions and topic are helpful for the narrowing down of the topic and formulation of the research structure and plan, they are not necessary and may change several times over during the span of the research.

Based on the initial literature review, the author drafted the initial research design for this study and plans about comparing the findings in the current literature with the findings of this research (Stake, 1995: 70 – 76). Next, these design choices are discussed.

## 4.2 Research design and strategy

As the main goal of this research was to understand the impact individual SME's have on the destination branding and to build a theoretical model to observe these impacts, the author ended up choosing a qualitative research approach for this study. Qualitative studies seek to help understanding the phenomenon and unearth in-depth knowledge about the phenomenon at hand (Baxter & Jack, 2008), which was of paramount importance for the success of this research and answering the research questions. Further, as established earlier, there exists a gap in the literature regarding the contribution of SME's in tourism destination brand development and how cooperation with other network members and DMO's manifests itself in these actions (See e.g. Mariani 2016, Murray, Lynch & Foley 2016). As a result, the qualitative method is appropriate to use since it allows the phenomenon to be better understood.

After the main strategy for the research was set, the author moved on to decide what qualitative study method should be used to study the method. The author concluded that since the phenomenon of destination branding is fairly unique among branding methods (e.g. Pike 2010, 2012) , and the context within which the phenomenon is rather complex due to its multiple different stakeholders and their motivations as Hankinson (2004) demonstrated, a case study research method was selected by the author.

There are several ways to describe the nature of a case study research. To give an example, Stake (1995: XI) describes case studies as "A study of particularity and complexity of a single case, coming to understand its activity within important circumstances". Dubois & Gadde (2002) also claim that case studies are a method of creating theories with the use of in-depth examinations on empirical phenomena and their contexts. Similarly, Baxter & Jack (2008) argue that case studies provide the necessary tools for researches to study complex phenomena within the contexts that they operate in. Based on these definitions, it seems clear that the use of a case study method is justified, since the goal of this research is to gain better understanding of a complicated phenomenon within a specific context: Tourism SME's operate in unique, complicated branding contexts within destinations as authors like Ritchie & Ritchie (1998) and Almeyda-Ibáñez & George (2017) showed. Further, as Gartner (2014)

argued, destinations are always unique from one another and can't be compared to each other, which means that an in-depth examination method like a case study suits the purpose well.

According to Scholz & Tietje (2002: 9 - 14) and Yin (2003), case studies can be either holistic or embedded in nature. A *holistic* case study studies the narrative of a single case, whereas an *embedded* case study studies more than one unit or object within a phenomenon. Case studies can also be categorized as either intrinsic, when the case itself is of primary interest, or instrumental, when the research of a case is done to gain understanding of something (Stake 1995: 3 - 4, Scholz & Tietje 2002: 10). Additionally, case studies can be either single cases or multiple cases sharing the same context, according to Yin (2003).

Based on these possibilities, the author decided to conduct the research as an embedded and instrumental study. These choices were made because the author wanted to gain a holistic, thorough understanding about the embedded concepts (e.g how the SME's affect the destination brand and how those impacts appear) in order to answer the main research questions of this thesis, and to provide information that was of intrinsic value for both researchers and managers alike. Further, to increase the validity of the research, the author chose to conduct the research as a multiple case study, to increase its validity, as authors like Denzin & Lincoln (2017: 445 – 447) and Stake (1995: 4 - 8) had suggested.

A multiple case study is further spoken for as a research method by Yin (2003) since it allows the researcher to study subtle differences or recurring similarities within the same setting, and lets the researcher compare the findings between the data groups. For this to work, the interviewed businesses must be from the same context and thus chosen carefully, according to Yin (2003). Shekedi (2005: 24 - 26) and Baxter & Jack (2008: 550) also argue that multiple case studies allow for a more reliable and thorough look into the researched phenomenon than just a single case study does.

After the author had decided upon a research design and strategy, the next step was building the case study setting: Choosing the case study companies, location, requirements and criteria.

### 4.3 Case study setting

Purposive sampling was chosen as the primary sampling approach for this research. In purposive sampling, the sample units are chosen due to the specific characteristics that they have that help to study and comprehend the central themes that the researcher attempts to understand in their study (Ritchie & Lewis, 2003: 78). As a result, the sample destination and businesses were chosen according to a carefully made criteria, which are now explained.

To build the case study setting for this research, these initial criteria were set first: As stated by Stake (1995: XI) and Dubois & Abbe (2002) a case study is an example of a phenomenon. In this case, the phenomenon has two parts: A destination brand, and the SME's that affect it. The case study studies the impact SME's have on the said destination brand.

As a result, the author first decided that the chosen businesses had to operate within the same destination and tourism sector, rather than several, to accurately understand their impact to that specific destination brand. Even Yin (2003) had suggested that multiple case study units must operate within the same context in order to preserve the validity of the research. To fulfil these criteria, the author decided to choose a single city and its surrounding geography as the boundaries within which the businesses had to operate in, to study their impact on the destination brand accurately.

Second, in order to qualify for the study, the businesses of the destination must be a small or medium sized, and work in the tourism sector, providing some key service or product to the customers, such as recreational activities or pull factors that made the destination appealing to tourists. To qualify for this study as an SME, the business had to fit into the definition given by the EU commission (2003) and classify as an active tourist business, providing one or more of the many typical core tourism services or products.

Third, since DMO's oftentimes actively manage or participate in destination branding according to the literature, the author chose to also request the participation the local DMC in the study. This was done to enquire from them how the local SME's

participate in the brand building networks/co-operation of the destination, as well as to better understand the local tourism networks and their structure, as the author had no previous knowledge about them or their existence within the said setting. In other words, the author hoped to gain more context to the destination networks to better understand the studied phenomenon, and thus gain better data triangulation and increase the validity of the research.

Fourth, in order to gain a more holistic understanding of the different ways how the different SME's affect the destination brand, the author chose to interview multiple different local tourism SME's for the study, to increase the study's empirical validity, rather than just studying one local SME. However, some overlapping of activities or services the businesses offered was allowed between the actors for the author to potentially detect similarities between the chosen actions of the SME's.

With the criteria set, the author searched for an appropriate tourist destination with both tourism SME's and a DMO in them that'd fit the prescribed criteria. In the end, the author chose a destination that was both familiar and of personal interest to him, and which had both plenty local SME's that'd suit the purpose of the research as well as a local DMC. This destination was the city of Tromsø, located near the northern most coasts of Norway, well past the arctic circle. It is known for a plethora of tourism activities, ranging from the very popular Northern light tours to Fjord cruises and the local Sami culture, as well as many other core tourism services, such as whale safaris, ski-ing, midnight sun and dogsledding. The destination is also known for its historical significance as the home city of the famous Norwegian explorer Roald Amundsen, as well as the location where the Nazi-German battleship vessel, Tirpitz, was sunk and its remains lay to this date.

The author successfully contacted three (3) local SME's and the local DMC, involving them in the research. One of the SME's works primarily with dogsledding tourism in the winter season, another with aurora borealis (Northern lights) winter season tourism, and the third one in guided outdoor activities for both summer and winter seasons. The local DMC functions as both destination marketing and management organisation, building certificates for the businesses, acting as a sales platform for the



different services as well as facilitating meetings and connections between the stakeholders.

All the interviewed SME's and DMC's representatives had either some previous experience in Tourism industry or tourism studies. Further, many of the employees they had working in their business have/had been working in the industry equally for many years, with many of them having local origins or background, which made them even more knowledgeable of the area, and allowed the author to gain in-depth knowledge about the destination.

#### **4.4 Introduction of the case companies & interviewees**

Tromsø Villmarksenter is a Norwegian family business founded in 1988 by Tove Jovenssen, a famous dogsled racer that has been part of the longest dogsled races in both Europe and USA. The HQ of the business is located just next to Tromsø in the island of Kvaløya with smaller office and booking point found in the centre of Tromsø. The business primarily focuses on dogsled tourism during the winter season, as well as northern light tours. During the summer season, the business focuses on guided activities around midnight sun, kayaking and hiking. The business employs 24 – 34 employees all year round, and around 60 guides during the winter season. The business centres it's values tightly around sustainability and responsibility as well as taking care of the environment and partakes in many local tourism networks and initiatives, as well as product and service development. The starter of the business, Tove Jovanssen, has further made it an integral part of the firms' business plan to invite visitors of the Villmarkssenter into her own home, which is located at the HQ of the business. For this research, the Communications Manager, Lili Geiger, was interviewed.

Tromsø Outdoors is a Norwegian tourism business founded in 2006 by the Manager Magne Aarbø, who was also interviewed for this research. The business HQ is located at the very centre of Tromsø city. The business provides services that centre around guided daytrips in the area of Tromsø, ranging from the winter season when the company provides ski-ing and snowshoeing guiding to the summer season when the business provides guided day trips for cycling and hiking around Tromsø. Additionally, the business also rents and sells equipment such as clothing, bikes,

snowshoes and other similar accessories, as well as acts as an important expert and consultant for both customers and local businesses when it comes to seeking advice on acquiring the best equipment for the said activities. Sustainability, social responsibility and preserving the Nordic nature are all central themes around which the business's values and work ethic are built around. Currently, the business employs around 8 staff all-year-round in tasks ranging from office positions to guides and equipment maintenance, and around 20 to 25 people during the winter season and co-operates with various businesses and stakeholders within the destination.

Tromsø Safari is a locally owned Norwegian business that's roots go all the way back to the start of the millennia, when the founder of the business, Ivar Haugen, launched his first tourism business in 2000, and was the first provider of northern lights tours in the region. In 2012 Tromsø safari was found, and today it provides a wide variety of different tourism services of their own such as northern light tours, snowmobile safaris and dogsled tours as well as commissioned services such as whale safaris, Sami tours, snowshoe hiking and ski-ing trips. The business employs around 17 people all-year-round, and during high season up to 26 or more employees. The business is well connected with other local tourism businesses and even partakes in cross-country co-operations to improve tourism regionally in all Nordic countries. The business's values are built around sustainability, environmental protection as well as social responsibility. For this interview, the author was able to interview Ivar Haugen, who is responsible for founding the company and its strategic development, as well as Cecilia Nøstvik (Daily Manager) and Arne ter Mors (Sales director).

Finally, Visit Tromsø is the local DMC, employing around 30 people all-year-round in various tasks ranging from destination brand management to marketing and selling activities, as well as agent and key account managing and being the main source of tourism information for the destination. They manage also other destinations in the whole region of Tromsø, including Hafstad and Senja. For this research, the author interviewed Jacob Nørby, the Sales Manager of Visittromsø.

#### 4.5 Data collection & field work

In total, four (4) interviews were held. A semi-structured interview approach was chosen because of its flexibility and suitability for case studies, as well as allowing the research subjects to talk about the phenomenon more openly and allow for potentially new interesting viewpoints to emerge from the data (Galletta, 2012: 45), and thus contribute to the still forming abductive research method the author had chosen. A semi-structured interview was conducted by constructing the general structure and main questions beforehand. However, a more detailed structure is not defined, which allows the subject(s) to speak more freely of the topic than a structured interview does (Galletta, 2012: 46-50).

The conducted interviews are summarised in Table 1. The **bolded** parts represent the SME's main tourism activities & services. The themes for the interviews used in this study are presented at the end of this chapter.

Business/Organization	Business characteristics	Titles of interviewee's	Number of interviewee's	Duration of interviews
Tromso Villmarksenter	<b>Dogsledding</b> , Aurora tours	Communications Manager	1	85 minutes
Tromso Safari	<b>Aurora Tours</b> , whale safari, hiking and dogsledding	Founder, Sales Director, Daily manager	3	40 minutes
Tromso Outdoors	<b>Guided outdoor activities &amp; Expeditions</b> , extreme sports, skiing, snowshoe hiking, cycling	Manager	1	64 minutes
Visitromso (DMC)	Destination Management, marketing, activity sales and tourist information	Sales Manager	1	30 minutes

**Table 1, Interviewee characteristics**

The actual fieldwork and interviews themselves were conducted by the author himself, which were all conducted as face-to-face interviews by arranging a meeting in the offices of the interviewed businesses and DMO with their representative(s). The interviews themselves took between 30 minutes to 85 minutes to conduct. The interviews took place in October 2019, and all of them were conducted in English. All the interviews were recorded using a smartphone, after which they were transcribed

into written form using Microsoft Word. When asked, all the participants also allowed the use of their own as well as the company names in the publication of this research.

#### **4.6 Interview themes & questions**

Because the interviews were conducted at an early phase of this study, prior to the formulation of the theoretical framework, some of the questions that had been asked of the interviewees didn't follow the research points presented in the theoretical framework, and had to be abandoned. However, due to the sample size the author gathered, plenty of useful data was collected that allowed the answering of the research questions and followed the newly formed theoretical framework. Further, the said questions helped to build the setting of the destination brand network for the author, which allowed the author to better understand the role and impact of SME's to the destination brand.

As a result, the main themes of the questions are divided into three parts, according to the theoretical framework: 1) The impact of SME's on the destination brand network, 2) The impact of SME's on the destination brand communication and 3) Benefits for SME's participating in destination branding. Further, the author added an introductory chapter to the empirical examination chapter to help the readers understand the current destination brand of Tromsø and the different networks in it on a general level, to understand the significance of the contributions of individual SME's in it better. Lastly, following these parts, a discussion of the results is proposed where the impact of the processes SME's use to affect the destination brand are reflected according to the three elements that make up a destination brand: Personality, Positioning and Reality.

The goal of the interviews was to allow the interviewees to talk openly about their experiences and their impact on the destination brand. Basic interview terms such as branding were also explained at the start before recording the interviews. Further, different, though similar, question sets were made for the SME's and the DMC, due to their different purpose in the research. The purpose for including the DMC was to gain a broader understanding of how the local SME's affect the destination brand in a general level, as well as through the in-depth processes. Further, interviewing the local

DMC also helped to triangulate the data, to see if the importance and impact of the SME's was manifesting in practise in the destination.

In practise, this was done by first asking the interviewees about the destination brand, their own business and their role in it, to get a general understanding of the setting. This part was followed by more in-depth questions regarding *how* they had an impact on the destination branding by acting within the destination brand networks and affecting the destination brand image, as well as how this benefited them, as was outlined in the theoretical framework of this research.

The 1<sup>st</sup> set of questions that were asked from both the SME's and the DMC and were designed to gain general information about the interviewed person(s) and the business, as well as their impact on the destination brand. This was done to get an initial understanding of how the SME's affect the destination brand.

These questions were the same for both the DMC and the SME's. *Could you tell about your personal background? Could you tell me about this business/organization? How would you describe the current destination brand of Tromsø? What makes Tromsø different from other destinations? How do you think the brand of Tromsø has changed over the years? Are there any important events/occasions or seasons that are particularly important for the destination brand?*

In the following set of questions, the study focused on the in-depth themes (e.g. Impact on destination networks, impact on destination brand communication, benefits for SME's), to gain a more holistic understanding on *how* and *why* can SME's have such an impact on the destination brand, as well as how it benefited them.

In the 2<sup>nd</sup> section of the questions, the study focused on understanding the impact of SME's on destination branding by having an impact within destination brand network.

The questions for the SME's were designed so that they helped the author understand their role, purpose and impact on the destination brand network: *What services do you provide? How do you work with the tourism network? What values do you build your brand around? How important is the support of the locals to your business?*

Similarly, the questions for the DMC sought to supplement the understanding of the impact of tourism SME's on the destination brand network. *How important would you say SME's are to the destination brand development? Do you work actively with the SME's within the destination brand network?*

In the 3<sup>rd</sup> section of the questions the goal was to understand how SME's communicate the destination brand forward, and how they take part in developing this brand image of the destination. No questions about this were asked from the DMC, because the brand image creation is mostly a direct method of SME's, as was outlined in the theoretical framework.

The questions for the SME's were the following ones: *How does your brand appear in your day-to-day interactions? Do you have any target customer groups? What digital platforms does your business use?*

In the 4<sup>th</sup> section of the questions, the purpose was to understand the benefits SME's gain from partaking in destination branding, to understand why they chose the methods they did. Additionally, the author also enquired if there have been any problems with the destination brand development, or what'd the local SME's and DMC's want to improve about it, to understand how the individual SME's were attempting to overcome these problems, either on their own, with others or by affecting other stakeholders.

The questions asked from the SME's were: *Do you think the destination brand of Tromsø has also benefited your business? Do you think your business has benefited from working together with other tourism network members?*

Similarly, the questions asked from the DMC were: *What do you think SME's gain from working together with you and developing the destination brand?*

Some additional questions were also asked that were interview specific, so that the interviewee could for example more in detail explain their role in different co-operation initiatives or their relationship with other SME's, DMC and customers. These questions were generated as the interviews progressed. Some of the questions

were also asked in different order, depending on the answers of the interviewees. Further, some of the questions listed were already answered before the questions had been asked, so they weren't repeated. Also, some questions were worded differently, to help the interviewees understand them.

All in all, the interview questions were designed to have both general and in-depth information about the impact the SME's on the destination brand, to help build a cohesive answer for the assisting questions of this research. After this, the answers are then reflected on the destination brand and its elements, as was outlined earlier in this chapter, to help answer the main research question. Next, the findings are analysed in empirical examination.

#### **4.7 Data analysis**

After collecting the data, content analysis was used to analyse the data. Content analysis is a common technique in qualitative studies to analyse the collected data, and it is done by categorizing the verbal content of the interviews into distinct, different categories which the researcher can then use to study the results (Hirsjärvi & al, 2009: 221 – 224). Simply put, content analysis classifies textual material to more relevant, manageable bits of data, according to Weber (1990: 5).

When using the content analysis method, the synthesis of the theoretical concepts is connected with the analysis and findings of the data, after which they are split into different conceptual categories, based on the theoretical framework: After that, they are pieced together to form the conceptual frameworks of the research that will act as recording units for the research, based on the parts of the theoretical framework (Weber, 1990: 9 – 10, 21 – 22). Weber (1990: 23 – 24) explains that following these steps and after validating the previously made research units, the collected data from the interviews should be first loosely coded into different data segments, followed by more in-depth coding that seeks to find commonalities and patterns in the data segments, interpreting those findings and finally forming them into distinct sub-segments and findings in the research.

While this top-down (deductive) approach occurs, in which the codes and questions are constructed from the theoretical background of the research, at the same time the bottom-up (inductive) approach is allowed to emerge, in which new theories and concepts emerge from the research data, which both contribute to the abductive research approach this research has taken that was explained earlier.

In this research, both deductive and inductive data gathering, and analysing approaches were used. Categories for the themes of this research were derived with the use of the deductive approach from the theoretical background and framework of this research, while with the help of the inductive approach additional themes were risen from the data-analysis of the interviews alongside the previously coded themes. As a result, the content analysis and thematic categorisation of this research was constructed by combining theory and data together.

Since the data gathering from the interviews was formulated early on during the research process, this allowed for the researcher to further improve and iterate on the research structure of the study alongside the still developing theoretical understanding the author had about the subject. This ensured that the data analysis of this research could be improved and honed all the way to the end of this thesis process.

A mix of deductive approach, in which research propositions are produced from current theories, and inductive approach where theories are discovered from the data that was gathered, is defined as an abductive approach for research according to (Schwartz-Shea & Yanow, 2012: 26 – 34). The findings of the research emerge as a result of the expectations the author had about the data prior to conducting the interviews and the results that came up from the data gathered from the interviews.

In practise, the data was analysed by first littering all the conducted interviews into separate Microsoft word documents. First, the irrelevant parts of the interviews were removed in the transcription phase. Next, the data was colour coded: (Blue) for general useful information about the SME's influence on the destination brand, (Pink) for direct information about SME's influence within the destination brand network(s), (Green) for SME's actions in communicating the destination brand forward and (Yellow) for the benefits SME's gained from destination branding.



Further, very important pieces of information were **bolded**, while information that had presence in multiple categories was underlined. Finally, the findings were copy pasted to different Microsoft word-documents based on their category, to make their analysing easy, as well as making comparison possible, as Yin (2003) had suggested. If the data had been underlined, it was added to all the appropriate word documents. Later, the author screened all the segments for both common patterns in the data as well as outliers/differences, to test the data against the theoretical framework, and find out if new themes had emerged, or if some of the proposed themes hadn't emerged at all.

Additionally, direct citations from the interviewees were risen from the data, that'd be used in used in the empirical examination of this research. Based on all these steps, the empirical examinations part of this research was written and organized to different thematical segments for reflection.

## 5 EMPIRICAL EXAMINATION

This part will examine the empirical findings of this research. The structure of the examination starts off first with a brief examination of the main destination brand characteristics of Tromsø and an overview of the different value networks present. After this, the examination mainly follows the theoretical framework of the research, with the examination focusing on understanding *how* the SME's can affect the destination brand through the different processes (e.g. Brand network & Brand Image), and *why* do they affect it (Benefits for SME's). Finally, the impacts on the destination brand and its elements are discussed (Personality, Positioning, Reality), after which the research moves on to the conclusions chapter.

### 5.1 Tromsø's destination brand characteristics

Based on the interviews, the destination brand of Tromsø is significantly contributed to by the local SME's. They form and participate in various quality networks and development efforts and provide almost all the core services of the region. All the interviewees also had years of experience either in tourism studies or having worked in the tourism industry of Tromsø.

The interviews with all the SME's showed that the destination brand of Tromsø is currently focused around the Northern Light tourism, which is the main pull factor of the entire region and focuses heavily on the winter season, according to all the SME's and the local DMC. Before this change, the tourism in Tromsø was spread more evenly throughout the year, with the volume of tourism being much smaller than it is nowadays, and the role of summer tourism around concepts like hiking and midnight summer were the main attractions, according to all the SME's and DMC.

Ivar Haugen from Tromsø villmarksenter stated for example that: *“Because, the northern lights- It's the main business here in Tromsø. It created Tromsø on the map. The winter tourism, building from a scratch. Everything about Northern lights is about the weather. We are lucky, lucky to live in the middle of the northern light highway. Then, our goal is to find a clear sky for every night. We see the northern lights between 85 and 90% of the nights, we go out every night.”*

This celebrity value took over the destination in 2008, and according to Lili Geiger from Tromsø Villmarksenter, it rose as a result of the “*In the Land of the northern lights*” documentary brought by a famous British celebrity and model, Joanna Lumley, which brought Tromsø into the wider international audience’s interest, particularly in Europe, where majority of the tourists arrive from.

Other major pull factors risen by the interviewees were the pristine and awesome nature of the region. Additionally, both the DMC as well as the SME’s cited that Tromsø is unique as a destination due to its relatively good connections, infrastructure and location while being so far past the arctic circle, as well as the huge variety of different tourism services that are offered by the hundreds of SME’s operating in the destination, ranging from whale safaris to snowshoe-hiking to dogsledding. The destination is also a pathway for the famous fjord cruises, such as the Hurtigruten. The tourism in the region is very seasonal and winter based according to the interviewed SME’s and the DMC, though there is ambitions to broaden the offerings for the summer, spring and autumn tourism as well, with the SME’s trying to promote it by providing new services as well as marketing the destination for its summer features like the midnight sun or history (e.g. Roald Amundsen, Tirpitz’s remains) and culture (e.g. Sami).

The interviews with the SME’s and the local DMC showed that there exist a plethora of different value networks, chains and co-operation not only between different SME’s (e.g. Hotels, end-service providers, logistics), but also local authorities and the DMC, Visittromsø, as well as universities. Further, the interviews also showed that there are connections with national entities (e.g. Innovation Norway, visit Norway), as well as international travel agencies, as well as the cruise ships like Hurtigruten visiting Tromsø. Further, there exists some cross-country co-operation between other Nordic countries and their destinations and Tromsø. All in all, the destination was an organic, well-established and blooming tourism destination, with many brand networks to boot.

## **5.2 SME’s impact in destination brand networks**

Based on the interviews, it became apparent that the local SME’s had a major role to play in the destination brand networks, ranging from being the main service providers

to being active developers and co-operators in the destinations. Additionally, many of their values and attempts to foster good relations with the local people were clearly aligned with the destination brand of Tromsø as well as with the local DMC.

### 5.2.1 SME's as core service providers and developers

All the interviewed tourism SME's provided one or more of the core services of the destination. For example, Tromsø Safari provides primarily Aurora tours and dogsledding as their own activities, but also leases other popular activities such as snowshoe hiking, Sami tours and whale safaris from other local tourism SME's. Tromsø Villmarksenter on the other hand primarily provides dogsledding tours and trips, but aurora tours are a major part of their business as well, in addition to the summer activities like kayaking. Finally, Tromsø Outdoors has specialized on other core services of the destination, such as guided outdoor activities like ski-ing and snowshoe hiking and bicycle tours in the summer.

Further, all the interviewed SME's were in the process or had already developed their products or differentiated them for the different customers they received. According to the interviewees, this was done to e.g. broaden the product offering of the business and to prepare for future, if for example one or more of the pull factors (e.g. Northern lights) should become less important for the destination. Some SME's like the Tromsø Villmarksenter also stated their wish to be as market and service oriented toward the tourism in Tromsø as possible.

Lili Geiger from the Tromsø Villmarksenter for example stated that: *“We're very..Growth market currently, so you always see the typical signs that you know many companies start up and then they have a good product but they don't necessarily do very much or good branding or marketing, and it just works because people come here, but the second the growth would stop or our destination for example runs into trouble with the aurora branding, which we already are, that might be the..I think that'd be the factor where we sort out the companies and must be prepared.”*

Tromsø Safari for example has developed their aurora tours to different variations for different customer needs: For example, they have launched private summit Northern

Light tours around the region that allow the customers access to warm shelter, food and toilets while experiencing the northern lights, as well as providing northern light tours with busses for varying group sizes, which provide options to for example customers that are more senior or simply want a dedicated lookout spot instead of standing beside a road. This has also allowed the business to reduce the wearing down of the environment, by being able to cycle the use of the summits more evenly, reduce trashing and free up parking spaces along roads for other users.

Tromsø Villmarksenter has opted for a similar approach, starting GPS tracking of their dogsleds this year and using it to monitor the wear and tear of paths to plan out routes for coming years and to help nurture the common grounds for future use. Additionally, the business arranges “Husky café” events every summer during the off-season, to increase its product offerings during summer and to retain more customers and allow them to interact more frequently with their dogs, which are the main attraction of their business.

Likewise, Tromsø Outdoors has focused on developing and differentiating their products for a wide variety of customers. While most of the tours they provide are of entry-level, meaning that all the tourists need to be able to participate are functional legs and decent physical fitness and are aimed for all age groups, the business also provides more extreme and adventurous outdoor activities, such as their soon to be launching expeditions, which will be some 3-5 day long survival groups in the wilderness, with the business providing all the necessary equipment, tools and recreational activities within the expeditions.

The importance of individual SME’s to the destination brand of Tromsø was also recognized by the local DMC, who claimed that thanks to the wide variety of SME’s and their individual offerings, the product and service variety is so diverse that they’ve been able to craft different “Personas” towards which they’ve been able to tailor different product and service packages and marketing, based on their preferences. This in turn is claimed by the DMC to make it easier for customers to find out and select services that they might like, and for the whole destination to answer to the changes in demands or high demand spikes from customers.

All in all, without the high quality product and service offerings of the SME's, many of which are key pull factors to the destination such as the outdoor related tourism forms like dogsledding and Northern light tours, the destination of Tromsø wouldn't be able to be a functional or appealing tourism destination. Further, many of them carry out product and service development independently, which lowers the workload of the local DMC, and allows them to focus on its own activities, which benefits the whole destination.

Specifically, Jacob Nørby from VisitTromsø had this to say about the importance of SME's for the destination brand of Tromsø: *“It's important that we have them here in Tromsø. One thing is that there's a [huge] demand for them by the tourists that come to Tromsø. Another thing is that they're part of developing Tromsø as a tourist destination and we're in contact with a lot of them, we try to be in contact with more of them, because they also have a good expertise that we can use in VisitTromsø to find out that okay, how can we meet the demands in a better way for example, so it's important that we have those small and medium sized enterprises there.”*

### **5.2.2 Co-operation of SME's in the destination brand network**

All the interviewed SME's and DMC recognized the importance of co-operation in brand development. When the author asked the SME's why it was important for them, for some it was due to it helping them to deliver better or more varied experiences to their customers, others claimed it helped them improve some other aspects of the destination, such as resource sharing and land use. A frequent point that rose from the interviews was also that all the SME's said that the co-operation is also desirable because of the unique “all-man's-law” in Norway, which means that the lack of responsibility can lead to a lot of problems, and it already has.

Tromsø Villmarksenter for example partakes in Reseliv's fund with the guide of the local DMC to help develop the tourism in the entire region. The business also works with other local SME's as well as with other businesses, like the fjord cruiser Hurtigruten, to deliver services to the cruise tourists in both summer and winter. Additionally, the business co-operates with the local university and student test labs, where they work together to solve the problems the business or the entire brand

network faces with tourism in Tromsø and has created a booking platform that sells not only their products, but others as well.

Lili Geiger from Tromsø Villmarksenter said that: *“We’re fostering connectivity sharing with other corporations, in our business we approach it with “Together, we’re strong” philosophy, we understand quite clearly that no quest ever travels to one company, they always travel to a destination and they want to go to a hotel and they want to do several activities, so we’re not afraid to work together.”*

Likewise, Tromsø Outdoors co-operates with other local SME’s like the Tromsø Safari, and acts as an important expert in the destination when it comes to winter and guide equipment, helping other businesses to get in touch with the best producers or vouching for the best gear available for the said tasks. Like Tromsø Villmarksenter, it also participates in university workshops and initiatives, as well as university funds to study the effects of tourism in the region.

Finally, Tromsø Safari partakes in similar co-operations with other SME’, particularly because it leases many of its services from other local SME’s, but they also take part in development meetings and workshops.

Arne ter Mors from Tromsø Safari for example stated that: *“I think in Tourism it works quite well with co-operation- There’s still competition and we do compete, but that doesn’t mean we can’t work together. I think it is working quite well.”*

Equally, the local DMC claimed that the co-operation with the local SME’s was important due to not only their expertise but also their influence on the destination brand network. Further, the SME’s work with the local DMC to change its activities and way of doing things in the Tromsø, contributing feedback and suggestions to help it better match the industry’s needs.

Interestingly, the SME’s also spoke of their connections and co-operation with other entities outside of the destination, on both national and international level. Tromsø Safari for example represents the destination in arctic meetings that seeks to increase the appeal of the whole destination by creating packages between destinations like

Rovaniemi and other Nordic countries, to offer a wider variety of services and experiences to customers. Equally, Tromsø Villmarksenter and Outdoors are active in initiatives like Innovation Norway and other cross-regional co-operation efforts to help develop the destination to a better direction.

### **5.2.3 Value contribution of SME's in the destination brand network**

All the interviewed SME's and the local DMC shared similar core values for the development of the destination brand and their own businesses. Particularly, Sustainability as a core value was especially prevalent in the discussion with all the actors, around which all the other values, concerns and interests of the interviewees were built around. Tromsø's identity as a pristine arctic destination with incredible historical value was something all the SME's wanted to be part of promoting and protecting.

Magne Aarbø from Tromsø outdoors for example stated that: *“We want to be sustainable company on all levels and to take people out and teach them to take care of the nature, that's the key factor for us and that's also something we work a lot with other companies and the university and we are part of many different projects, how to be a sustainable destination and overall and how to adapt to the local society, both in the city but also the villages around we do our trips to.”*

When the author asked about the reasons why sustainability was so important to the businesses, all the interviewees recognized that that the pristine and clean environment of Tromsø is a major pull factor for the whole destination, so taking good care of it was an essential value to them. At the same time, the interviewees wanted to give something back to the community that had given so much to them, and felt that it was within their best interests as well as the destinations to ensure that the goodwill and benefits for tourism reach as many as possible.

These values showed in practise with the SME's explaining that they use a portion of their revenues to for example repair the routes or paths they use, or outright opting out from less sustainable recreational activities, such as snowmobile safaris, like the Tromsø Villmarksenter has done, or teaching the tourists to take care of the arctic



nature like Tromsø Outdoors and Tromsø Safari do. Tromsø Villmarksenter also teaches people specifically about dogsledding history and helps to raise awareness of the sport for larger audiences.

These sustainable growth and development values and their manifestation among the different interviewees can best be illustrated by this quote from Lili Geiger from Tromsø Villmarksenter: *“This is something that we also work strongly with and then facilitate sustainable growth in every sense of the word, that means giving back to the community, investing part of the revenue or time, but also making it for our guides possible to grow with us, we want to keep them long term, and this is why we’re happy to get them from educational backgrounds, all age groups.”*

Economic responsibility was another aspect of sustainability that was important to the interviewees. Specifically, all the SME’s put great care and valued their workers contributions for their business, having programs in place to help them develop in their careers and claiming that their expertise, such as with the guides, was vital for their business. Tromsø Outdoors for example proposed that all the guides should share a certificate or base education, so that all the SME’s could provide equal-opportunity and high-quality services for their customers.

Social responsibility was also important for the SME’s that were interviewed. It came up in all the interviews that all the businesses wanted to be part of creating local jobs and improving the local economy, because this also allowed them to source many of their supporting activities or services locally. For example, Tromsø Villmarksenter works with local ISO certified bus companies to move tourists to their centre in Kvaløya, while Tromsø Safari leases many of their services from other local tourism SME’s. Tromsø Outdoors has on the other hand put extra care on the quality of its guides, highlighting their education and/or long experience, which has allowed the business to deliver better quality in their services.

These values showed up also in the interview with the local DMC, Visittromsø, that has built its network around these values of responsibility and sustainability among the network members. The DMC is for example launching a new certificate “Approved

by Visittromsø” this year that helps arriving tourists to choose responsible and sustainable businesses in Tromsø.

#### **5.2.4 SME’s and their connection with the local people**

All the SME’s said that having good relations with the local people was essential for their and the destination’s success. When the author asked why this was the case, the SME’s gave similar answers about having the approval of the locals being important, because the businesses were utilizing a common resource as part of their business plan. Additionally, all the SME’s wanted to foster good relations with the local people in order to maintain a positive atmosphere towards tourism and tourists.

All of the SME’s also wanted to have good relations with the landowners of the places they operated in, even if it wasn’t required in the “all-man’s right” – law, which allows the use of the said areas for recreational use up to certain point in most Nordic countries. While all the businesses recognized the benefits of having such resources available, they also recognize the potential problems and want to avoid them to stay in good terms with landowners and the locals, so that they remain supportive of tourism. This was demonstrated for example by Lili Geiger from Tromsø Villmarksenter: *“We need to make sure that the community is on the side of Tourism, because otherwise there’s no tourism. And the tourism structure in Scandinavia is just so confusing and so unclear, we need to make sure, put everything we have into making sure that all the sides are willing to develop together.”*

In practise, the SME’s for example arrange voluntary agreements with the landowners to help keep both parties satisfied, with for example the SME’s being allowed to use the said lands and in return they take good care of the said land. This kind of responsibility was prevalent in all the other interviewee’s aswell, who invested a portion of their income to giving back to the community. Magne Aarbø from Tromsø Outdoors for example stated that: *“We want to be a part of the city -- I really want this to be a company who is locally adapted to everything happening in the city and.. Probably we spend too much money and time on this but I think it will pay back in the future.”*

The future orientation and long-term sustainability showed from all the interviews as an important reason why the SME's wanted to be in good relations with the local community and give something back. This was illustrated by Ivar Haugen from Tromsø Safari: *“In order to have a long-term tourism plan, you have to have the local people with you. Because we have the free access, if you leave anything behind, just shit and tracks and rubbish, then within a few years we won't have any tourists in the countryside. Because it is not acceptable.”*

There are also other ways with which the interviewed SME's gave back to the community. Tromsø Villmarksenter for example arranges “Open day” events a few times every year, with roughly one thousand visitors from the local area, during which they provide husky rides and socializing with their dogs as well as food, as a way of giving back to the community and getting them to interact with the business. Tromsø Safari on the other hand compensates the landowners of the lands it arranges its activities in with a small compensation for each tourist they bring.

Tromsø Outdoors also takes part in local venues, being a major stakeholder in the annual “Arctic race” bicycle race during summers, which is a major event both for the business and the local people. Other events they also take part in sponsoring are venues such as Tromsø Skyrace, the Splitboard challenge and circus, which also gathers a lot of local attention.

Jacob Nørby from the local DMC also said that having the local population view tourism positively is very important: *“Yeah we have a policy on that: We want the locals to love the tourists and the tourists to love the locals. We also work with the municipality in Tromsø for enhancing that out in the Market – So that's a big thing that Visitromsø's working on and the local government is working on it – So we're trying to make that happen.”*

### **5.3 Impact of Tourism SME's on the destination brand communication of Tromsø**

The interviews with the SME's showed that they had a lot of influence on the brand communication of Tromsø. Not only were they responsible for providing information

about the destination and their own services as well as branding the whole destination and its values to the tourists, but other businesses and their services as well. Market orientation was important for all the SME's, and all the businesses were present across multiple digital platforms.

### 5.3.1 Brand communication methods of SME's

All of the interviewed businesses recognized themselves either as integral part of the destination, or that wouldn't be able to function without the destination, and agreed that it was within their best interests to promote the destination as a whole, rather than focus solely on their own offerings. The SME's saw themselves as part of the destination, and this showed in their brand image creation and interactions.

Lili Geiger for example stated that: *“We're a Tromsø company. I mean, our rise and fall, we're part of the destination. I think the main problem here is that we still try to think of these as two different brandings. I don't think- I think our brand is just one smaller part of overarching branding that is the destination, and I think it's.. Very bad for businesses if we try to think of these as two different things, and I think that our main initiative must be to connect these way more, because then you are market oriented, so that we see what/which services are market oriented. We are the ones that do branding, no DMC does as much of the branding as we do in our daily interactions in this play, what we play out in social media side, two partners: Tour information for guests, branding content during the tour. So I think that's..We're.. We're the one and the same, it's the same thing. It's just a different role in the branding.”*

This market orientation was very prevalent in Tromsø Outdoors and Tromsø Safari as well: For example, Tromsø Safari had been in the business of Northern lights long before the boom of the industry began at the turn of the 1<sup>st</sup> decade, which had allowed the business to quickly differentiate and match the new high demand of the service, and thus match the expectations. Tromsø outdoors on the other hand has followed the increasing demand for adventure tourism and outdoor activities among its customers, which has allowed the business to develop new services to match the wishes of its customers, such as with their upcoming expedition experiences.

The proximity to nature and preserving it, as was in the values of the SME's, also shows in the brand messaging of all the interviewed SME's. Particularly, Tromsø Outdoors and Tromsø Villmarksenter emphasize educational tourism as part of their brand messaging, and this doesn't relate to just their own activities and services, but also to the rest of the region and other businesses. This involves focusing on themes such as educating tourists about the sustainability and responsibility of the businesses and tourism in the region, why they choose the methods they use and how the tourists themselves can contribute to the destination's welfare and uphold the pristine nature of the destination by not for example trashing it, or damaging the property of the landowners.

Lastly, the interviews showed that relationship building was very important to all the SME's that were interviewed. The relationship building between customers and the destination was seen very important by the SME's because it ensured not only that they could potentially have more even distribution of customers throughout the year rather than focusing on the winter season, but also because it was a good way for SME's to personalize the tourism experience for customers, which in turn meant that if they for example returned the next season back in the destination, they might bring friends with them or have spread the word about the destination and what it has to offer. The relationship building methods also had the benefit of making the tourists more conscious of the local people, which helped to boost the image of Tromsø as a hospitable destination, according to the SME's.

### **5.3.2 Target customer groups of SMEs'**

All the SME's recognized the growing consciousness among tourists regarding their environmental footprint on destinations and want to be affirmed that they've made the right decision in choosing the products they wanted. In fact, all three of the SME's had put emphasis on educational aspect of the tourism and wanted to attract environmentally conscious tourists to the destination as a result. All of the SME's also claimed that in order to promote this sustainability, they all wish their customers would come from nearby countries with short flight times, though they also admitted the importance of for example the Asian market, which has been growing.

To do this, all the interviewed SME's utilized travel agents and their services to target specific customer groups in for example European countries. This was very important, as a large portion of their sales was tied to these agencies. Further, there was even more plans to expand the pool of potential target groups for some SME's: Tromsø Safari for example wanted to market more of its activities to the cruise tourists, which another SME, Tromsø Villmarksenter, was already doing. In other words, the SME's are attempting to not only target customers that are compatible with the destination, but also help them find products that best match their wishes and wants by differentiating them.

For example, Tromsø outdoors has chosen an approach to researching different customer personas to help them better select customer for the various services that they offer, which was interestingly also something the local DMC was doing for the whole destination. Meanwhile, Tromsø Villmarksenter has invested into summer husky Café's to increase its appeal to customer groups, and Tromsø Safari is also looking into ways to increase the summer activity providing for customers, particularly with the midnight summer, while at the same time looking for specific customers, like Cecilie Nostvik from the business put it: *"We have our own project with involved marketing where we try to fit our products towards the quests to have the right quests for our products."*

All in all, the interviews show that SME's both target specific customer groups, but also design products that best match their needs.

### **5.3.3 Digital branding strategies of SME's**

The use of digital media was recognized as being vitally important by all the SME's, not only because the SME's claimed it allowed them to easily and cost effectively reach new customers, but also because most of the customers are in said platforms, such as Facebook, Twitter and Instagram. The strategy for each of these platforms also varied, with Tromsø Villmarksenter for example utilizing Facebook for more informative purpose just as their website, whereas Instagram was their primary connection tool with the people who for example wanted to hear about how their

favourite dogs were doing, personal stories about their guides as well as puppy pictures.

The SME's claimed that branding the destination with their own social media and website platforms was not only beneficial for them as it allowed them to be in direct contact with their customers and bring Tromsø as a destination to their attention, but also because the customers are conscious and well informed nowadays, and being as open and forthcoming with your content about yourself and the destination was seen as making it easier for potential customers to make a decision about travelling to the destination, if sustainability is a very important value for them. In other words, it is a two-way street, where the SME's reinforce the brand image of Tromsø as a sustainable destination by putting the information out for customers, while the customers own perceptions are reinforced by their matched search results.

Lili Geiger from Tromsø Villmarksenter demonstrated this: *“Currently the consumer is very informed and that tourism isn't necessarily just a good thing, and that there can be quite a few rather negative side effects.. So currently customers require the affirmation that they are themselves not becoming part of the problem- That they themselves do something good by travelling, and this is a, I think a very big part of what makes our brand very successful.”*

#### **5.4 Benefits for SME's participating in destination branding of Tromsø**

Next, the author asked about the benefits the SME's felt they had gained from partaking in destination branding. Broadly speaking, these benefits could be categorized as resource and knowledge benefits, and visibility and attraction benefits the SME's gained from partaking in destination branding, both when affecting the brand networks and reaching out to customers. These sentiments were also shared by the local DMC.

##### **5.4.1 Resource & knowledge benefits**

Having access to more resources or knowledge was claimed by all the SME's to be one of the main reasons how they benefited from the destination brand. For example,

Tromsø Outdoors said that they had learned a lot from their peers and working in different workshops and projects, that had helped them build their business in turn in areas such as service and product development. Additionally, in the interview the SME stated that since their business does not offer main pull factor services (e.g. Husky rides or Northern light tours), their success is very closely tied to the other network members who create those said pull factors and as such they wish for them to be as successful as possible, because the said success also benefits them.

Similar to Tromsø Villmarksenter, Tromsø Outdoors also claimed that it could affect changes being made to the destination and help improve the destination brands different aspects (e.g. Sustainability and responsibility, relationship with locals) better by working together with the other SME's, and have more impact on the whole destination than they could on their own.

Magne Aarbø had this to say about the importance of Tromsø's brand to their business: *“I think it'd not be possible to develop this company with this concept elsewhere – The co-operation is necessary, 100%. We can't do much alone. Of course, with the sales we have to have agents, we can't do all the sales ourselves, so that's super important, but also with developing the company, thinking about the sustainable part, both for the society and the nature, it's really important to have a network to learn from it and each other, and to co-operate with what we do with the other companies in the city. It'd not work that we start our program alone and everyone else does their own program – We'd just crash! So..We need to do things together.”*

Likewise, Tromsø Villmarksenter shared the same sentiment that working within tourism networks and developing destination brands was beneficial to them, not only due to the idea exchanges or having access to more resources within the brand network, but because it also allows the businesses to implement real, meaningful changes to the destination. Further, according to the SME, having a unified, strong destination brand allows all the actors to benefit from the same brand messaging, while building their own services within the said brand platform. Like the other interviewed SME's, Tromsø Villmarksenter that even if they are competitors, co-operation can exist and that together, they're all stronger.



Likewise, Tromsø Safari had gained both knowledge and resource benefits from working in the networks and initiatives it participates by having access to more marketing and promotion tools and agencies than it would on its own. Further, this co-operation with the other network members has allowed the business to open new resources by attracting international or national investors that the SME can use to invest into the business.

This sentiment was also shared by the local DMC, that argued that VisitTromsø provides many benefits for the businesses it provides, including sharing the knowledge, skills and establishment in marketing the destination. At the same time, by having this conversation and getting feedback from the SME's, the DMC was continuing to improve its services for the local tourism SME's, such as the new certificates they had been building.

#### **5.4.2 Visibility & attraction benefits**

All the interviewed SME's claimed that they had a great deal of visibility and attraction to gain from destination branding. For example, Tromsø Safari, who works in the Arctic meetings in cross-country co-operation with other Nordic countries, benefits from increased sales abroad. Further, they can give a more varied offering to their customers, with different experiences than they would be able to provide otherwise, both due to resource and geographical constraints.

Arne ter Mors claims for example that: *“We are such a small spot on the globe that – If we combine things together: Finland doesn't have the whales or the sea, - We have it. So a lot of guests coming from say Asia come here for over a week and have several things to do and they also want to see the Finnish Lapland, or the coastal area in Norway, and then we can combine those two things together into a package.”*

Tromsø Outdoors and Tromsø Villmarksenter both had similar answers, with both seeing the benefit they gain from a more unified brand messaging of Tromsø regarding for example the sustainability, responsibility or historical values the businesses want to develop and teach their customers about. By having the entire destination on the

same page, that is, promoting the said values, both of their business' brands are improved with the destination.

The local DMC had the same idea regarding the benefits SME's gain from working together with it or the destination brand. As earlier stated, the DMC is working on a way to help brand the businesses via different personas for customers, and to do so it needs the services of the SME's to fill the needs of those personas. In return, the product and service variety of the destination is increased, and thanks to the quality commitment of the entire chain with the certification, the SME's become more valued in the eyes of the customers and are more attractive to them.

Further, the DMC implied that the stronger brand message that can better match the expectations of the customers also increases customer satisfaction and interest to the destination according to the DMC, which can bring more customers to the destination. Additionally, through their tourism info and office, many of the services the tourists want from the destination and the SME's can be easily purchased directly from the office, having value to both the SME's and the customers.

## **5.5 Impact of SME's on the destination brand**

In this chapter, the impact of individual tourism SME's on the destination brand is examined through understanding how the SME's have affected the destination brand's three core elements as Hankinson (2004) depicted it, based on the empirical findings of the research: The 1) Personality, the 2) Positioning and the 3) Reality of destination brand. This is done by examining the processes with which the SME's affected the destination brand of Tromsø, and then reflecting them on the theoretical framework.

### **5.5.1 Impact of SME's on the destination brand personality**

The data has shown that individual tourism SME's have had significant impact on the destination brand personality of Tromsø. The SME's have all had significant impact on the *symbolic*, *functional* and *experiential attributes* of the destination brand personality, like how Hankinson (2004) depicted in depicted the impact of SME's on his research. Further, the data shows that the SME's have also had impact on the brand

identity of the destination, as authors like Saraniemi (2010), Urde (2003) and Marzano & Scott (2009) had implied in their research.

*The symbolic attributes* of the destination brand personality were contributed to significantly by the individual interviewed SME's: Whether it was representing the local culture and people through the services they offered (e.g. Hiring local people & leasing services locally) or acting as an important bridge between them and the tourists (e.g. Workshops, Husky Café), all the SME's contributed to the symbolic attributes that create the pull toward the destination in the first place. They are also the primary quality definers and network creators, which has given the destination its prestige in the eyes of the customers.

*The functional attributes* of the destination were also significantly held up or contributed to by the SME's, as the data shows, so much so that the destination wouldn't be able to perform as a functional entity without their contributions. Not only do the SME's provide many of the core primary recreational services in the destination (e.g. Husky rides, aurora tours, outdoor adventures), but also many of the side and supporting services (e.g. Providing the necessary equipment, arranging the transportation services & providing tourism information about the whole destination). Finally, the SME's also have an impact on the *experiential attributes* of the destination as the data shows, as all the interviewed SME's are part of not only creating the symbolic and functional attributes of the destination, but also creating stories and experiences with and for their customers (e.g. Chasing northern lights, Husky Café & Expeditions), both during their visits and after them via social media.

The data also shows that the identity of the destination is significantly contributed to by the individual tourism SME's as well. All of the interviewed SME's want their products and services to be as sustainable and responsible as possible, and this sustainability and responsibility theme can be observed even in the actions of the local DMC and the overall branding of the destination, so it is clear to see from the data that the SME's have had an impact on how the other network members and stakeholders want their destination brand to be perceived. These values and others (e.g. wanting to keep the locals happy with the tourism industry) also stem from the businesses

themselves as the interviews showed, meaning that the SME's have also contributed significantly to the value formation of the destination.

Altogether, the data shows clearly that at least in Tromsø's case, individual tourism SME's have a lot of weight in determining how the destination's brand personality, and therefore the whole brand turns out.

### **5.5.2 Impact of SME's on the destination brand positioning**

The positioning of the destination brand was also significantly contributed to by the local SME's: Even though the local DMC also contributed to the positioning of the destination, the interviewed SME's all had their own initiatives and ways to directly position the destination in the eyes of their customers. These findings resemble the propositions made by authors like Middleton & al (2009: 197 – 200), Bastida & Huan (2014), Morgan & Pritchard (2004: 65 – 67).

As shown in the earlier part of this section, the interviewed SME's values are used by the SME's actively to position not only themselves but the whole destination as well. This shows particularly in terms of how they want to develop the tourism sustainably and responsibly, how they wish to take an extra step to "give back" to the community out of their own volition to maintain good relationships and how they want to educate and instil a good feeling about having experienced the arctic nature and all it has to offer.

The SME's have also made great use of not only capitalizing on the existing celebrity value of the destination such as the Northern lights, but also are on the lookouts and actively creating more pull-factors for the destination, such as trying to innovate more products for the summer season and connecting to the untapped branding potential of the destination, such as its recent history. Some business's like Tromsø Villmarksenter also have their own celebrity value in the form of a dogsledding, which also brings prestige to the destination brand.

The data shows also that all the individual SME's actively look for customer segments and groups that are compatible with their values, in order to reduce the tension between

affected stakeholders (e.g. locals and landowners) and be able to better match their expectations. Further, due to their numbers, the interviews also showed that even in a small study sample the variety between the services was great, which allows the SME's to offer a wide variety of services and experiences for different customer groups within their target groups. This point was also confirmed by the local DMC, who agreed that part of Tromsø's great appeal is the service variety the destination has, which is all possible thanks to the SME's providing them.

Lastly, the data shows that all the SME's try to foster relationships with their customers, to position the destination as a destination that could have people visiting it more than just once, during both summer and winter season, for example. This all shows that the SME's are of great importance for positioning the destination in the minds of their customers as a sustainable, pristine and well-catered destination that offers a varying platter of experiences for all kinds of customers. At the same time, the SME's play on the destination's key characteristics and strengths and create new demand that is harmonious with the brand of the destination, which allows them to stand out as a destination from other similar places.

### **5.5.3 Impact of SME's on the destination brand reality**

As proposed earlier in the theoretical background of this research, reality of the destination is perhaps the most crucial part of destination branding, where the promises made by the destination brand stakeholders (e.g. SME's & DMC) are matched with the actual offerings of the destinations, as Hankinson (2004) claimed. Based on the data, it was clear that the SME's have significant impact on the destination brand reality.

The data showed that the SME's contribute significantly to how the reality of the destination brand turns out: The SME's oftentimes handle everything from making promises and creating images to the customers all the way to providing the said service to them. Additionally, they work together in workshops, co-operate between one another and share knowledge and resources to better match the demands of the customers and reduce the frictions between the different stakeholders by for example

supporting local landowners. In other words, SME's in practise make the networks work as well as they do, by being active participants or leaders in them.

Further, the SME's worked together with the local DMC and the rest of the network to create industry specific rules and certificates to help make the destination better match the expectations the business's paint. Further, they also actively participate in cross-country and international initiatives and projects to help develop tourism not just regionally, but sometimes in their own countries or beyond. The interviews also showed that the SME's seemed to understand themselves as parts of the destination and understood their responsibility in the process of creating positive customer experiences.

The motives the SME's cited as being the reason for participating in destination brand development were described as mutual benefits (e.g. Resource & knowledge sharing), long-term sustainability and being able to protect their industry from unfair competition. All in all, the data shows that the SME's have significant impact on the destination brand and the three elements that make it up. These results and findings are summarized and further discussed in the following and final chapter of this thesis.

## **6 CONCLUSIONS**

This chapter concludes this thesis, discussing the key results found in the empirical examination, answers the research questions and discusses the contribution of this research for both theoretical research as well as proposing managerial implications. Finally, the limitations and validity of this research are discussed, alongside suggestions for future research on the topic.

### **6.1 Key results of the research**

The primary goal of this research was to understand how can Tourism SME's have an impact on the destination brand. To do this, the research proposed to create a theoretical model to understand the phenomenon. The research began with a deep dive in the literature surrounding the phenomenon, followed by empirical analysis on the topic. The research focused initially on the unique nature of tourism branding, its key challenges and elements, how the different brand architectures the SME's are part of and how they affect their impact on the destination brand, and finally, studying the direct impact of SME's on the destination brand. The research interviewed three tourism SME's that provided similar, but different core services within the same destination, to study in practice the impact of SME's on the destination brand. Further, the local DMC was also interviewed to give the data more triangulation.

Based on the literature review, a theoretical framework (Figure 6) was formed, which pictured the processes with which SME's affect the destination brand, as well as proposed the impacts the said processes had on the destination brand. It was tested in practice by performing a qualitative multiple case study. The data from the interviews was compared to the themes of the theoretical framework, which proved that the framework was explaining the phenomenon adequately. Though the data was inconclusive for example about the handling of reclamations, all the other assumptions in the original framework could be found from the data, including the assumptions about the benefits for the SME's and how the businesses see themselves as part of the brand of Tromsø, rather than separate entities that can be seen across other industries, which goes to further prove that the branding of tourism fundamentally differs from other industries.

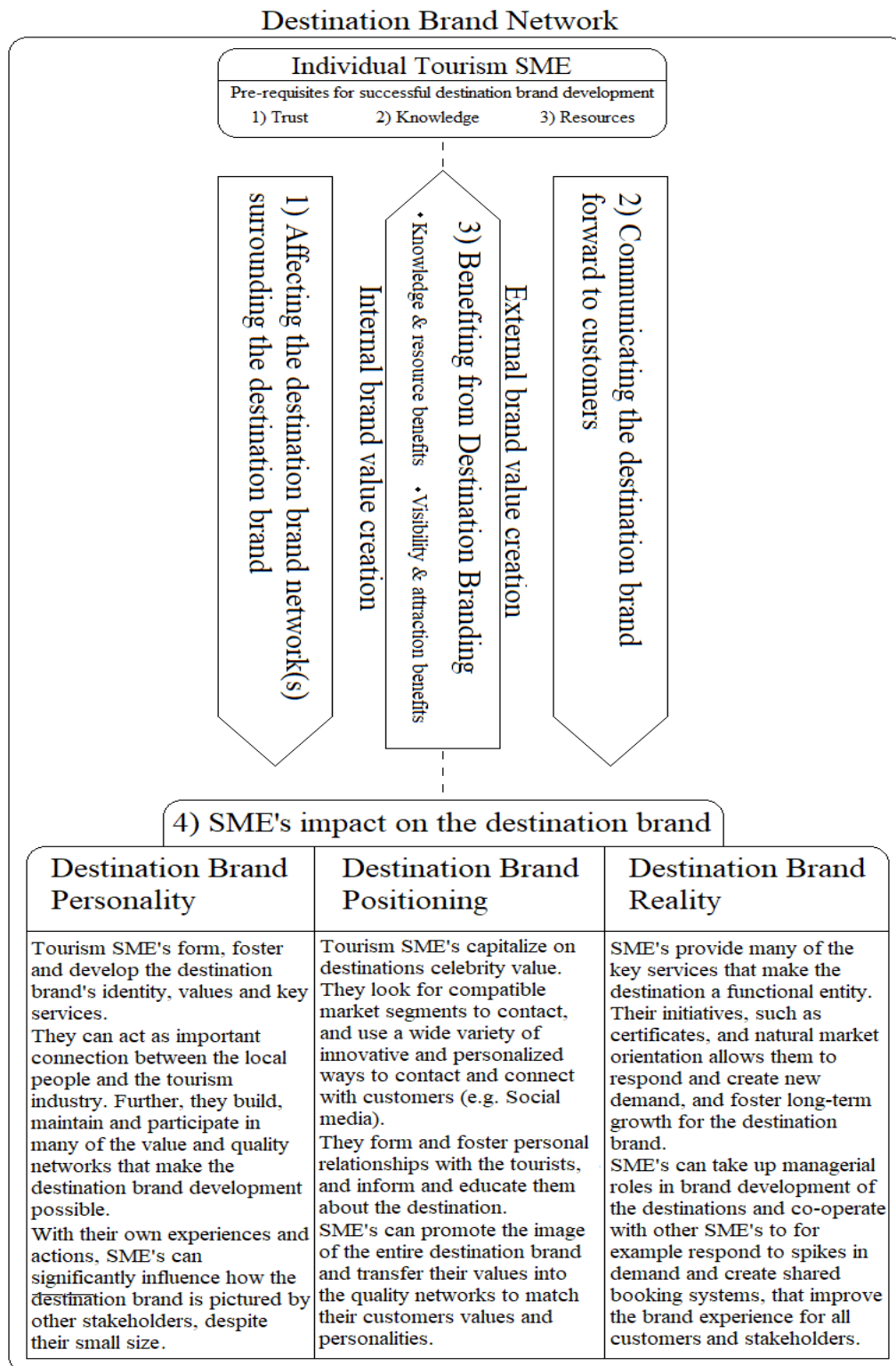
Based on the findings of this research, a revisited, more holistic and honed framework is presented (figure 7), which builds a cohesive narrative about the impact tourism SME's have on the different elements of the destination brand, as well as describes the processes with which they affect the destination brand and how they benefit from partaking in the destination branding. As stated at the start of this research, three assisting questions were drafted to help answer the main research question of this research. Next, these questions are answered with propositions that are based on the findings of this research.

*1) How can tourism SME affect the brand network of a destination?*

This research, based on the literature, proposed that one of the main avenues with which individual destination stakeholders such as SME's can affect the development of destination brand is through participating, contributing or being active in destination brand networks, like how Hankinson (2004) proposed. The way with which the SME's affect these destination networks is by being an important bridge in the relationships between the local people and the businesses, providing key values and qualities to the destination and being the main providers of core tourism services (Zhang & Zhang 2018; Spence & Hamzaoui Essoussi 2010). The SME's are oftentimes also being the ones developing the said products and services and facilitating different platforms, projects and workshops out of their own volition, in the absence of actors like DMO's, thanks to their market-oriented nature (Peña & Moliena 2011; Giovardi & al 2014; Mariani & Giorgio 2017).

The key findings of this research suggest that the SME's understand their role in destination branding and even see themselves as part of the destination and its brand, rather than treating the two as separate entities that exist mutually. The findings suggest that tourism SME's understand that none of them have the capacity, resources or pull factors alone to attract customers to the destination (Morgan & Pritchard, 2004: 63; Gartner, 2014), and have as a result engaged in networks, coalitions and co-operations alike to develop the destination toward desired goals. The values and qualities defined by the SME's (e.g. Sustainability, responsibility and good relationship with the locals and the commune) were clearly present in the projects and networks the SME's were part of, including the local DMC, which guided the entire





**Figure 7: Impact of SME's on the Destination Brand Development, revisited**

development effort of the destination and its services/products. The SME's had even created funds and other methods to, out of their own free volition, compensate landowners and people affected by their business, to harbour good relations and thus

reduce the negative impacts the frictions between the locals and tourists might otherwise occur.

The research also found that the tourism SME's were also actively developing new products and pull factors not for just themselves, but the destination itself, such as the culture and history of Tromsø as an arctic capital with historical significance in events such as the second world war and exploration, or capitalizing on other natural celebrity values of the destination such as the midnight summer. Further, despite their lack of resources (see Tigu, Popescu & Hornoiu 2016), many of the SME's personnel and the interviewees had years of experience in the local tourism or tourism studies, which made them valuable individuals in developing the destination, as even the local DMC suggested. The findings suggest that SME's, despite their different sizes and services they specialized in, can have a wide variety of effects and have a significant impact on the destination brand network.

*2) How can Tourism SME's communicate the destination brand forward to end customers?*

It was proposed in this paper, based on the theoretical findings, that the other major avenue with which SME's can have an impact on the destination brand development is through communicating the brand image forward, such as how authors like Hosany, Ekinci & Uysal (2006) proposed. The paper proposed that SME's communicate the brand forward by efforts such as positioning the brand in the minds of their customers and communicating the values, customs and characteristics of the destination to them (Pike 2009, 2012; Saraniemi & Lemmetyinen 2017; Levy & Ritchie 2005).

To do this, the SME's use a wide variety of digital platforms (e.g. shared booking platforms, websites, social media) and connections to external entities like travel agencies to facilitate these communications (e.g. Mistilis, Buhalis & Gretzel, 2014; Natalija, Davor & Željko, 2016; Law & al, 2015), and try to target compatible customer groups with their branding (Chin, Law, Lo & Ramayah, 2018). Further, the SME's facilitate relationships between the destination and the tourists (Ketter & Avraham, 2012).

This research found that the SME's were actively communicating the values and characteristics of the destination, such as sustainability and responsibility, the arctic nature and its pristinity in their brand messaging. They were also responsible for distributing tourism information about the destination. The SME's had also adopted the use of different digital platforms, such as social media, homepages, and shared booking platforms for different purposes and strategies to communicate the destination brand forward. Some of these channels, notably the social media, were used by the SME's to build relationships and interactions with the customers, and the SME's were also present in both national and international co-operations to promote the destination.

Further, the research also found that the aforementioned values and their communication also guided the SME's target customer selection, where the SME's wanted the customers to learn something new about the arctic nature or the area of Tromsø, and feel good about having chosen a sustainable, responsible destination and activity. The SME's had made themselves as approachable and open as possible about the activities and initiatives they do, in order to create an image of an open and welcome destination for their customers.

These findings suggest that SME's use a plethora of different methods to communicate the destination brand forward, such as creating images of the destination pre-emptively through good customer reviews thanks to the relationship building efforts, using social media platforms like Facebook, Instagram and Twitter to be in touch with their customers and web-pages to create captivating images of the destination, as well as to offer information. The SME's also seem to try their best to find the right products for the right customers and want these target customers to be compatible with the destination and its values and try to educate them about the history and nature of the destination.

### *3) How can Tourism SME's benefit from taking part in the destination branding?*

While the research main goal was to understand how can SME's affect the destination brand development and what kind of methods do they use to do it, it was equally important for the author to understand *why* the SME's partook in destination branding, rather than just focusing on their own activities as is done in most other industries.

Based on the theoretical research, the benefits for SME's were many, ranging from resource and knowledge gains and sharing (e.g. Datsira-Mazip & Poluzzi, 2014) to getting more customers and becoming more attractive and visible to tourists (Tigu, Popescu & Hornoiu, 2016).

The study confirmed these propositions, with the SME's citing most commonly the benefits from destination branding to their business' being the experience and knowledge gains, resource sharing and becoming more visible and gaining more customers as a result of making the whole destination more appealing to the customers. Further, the SME's were able to provide more wider variety of services or experiences to the customers, by working together with the other SME's or co-operating with other destinations.

These findings suggest that the SME's receive benefits particularly from tapping into the overarching destination brand as a marketing method to brand their business, as well as gaining both knowledge and reduced risk by sharing resources with other SME's in the destination. This goes a long way to also explain the earlier preferred methods of the SME's to have an impact on the destination brand, such as co-operating with the network and branding the destination in their digital marketing, rather than just their business.

Finally, thanks to the answers the research found for the assisting questions, as well as the discussion at the end of the empirical examination, we can give an answer to the main research question.

***How can individual tourism SME's have an impact on the development of a destination brand?***

The research has shown that individual tourism SME's can affect the development of destination brand and its three core elements (Personality, Positioning, Reality) through two major avenues: 1) *Affecting the destination brand network(s) surrounding the destination brand* and 2) *Communicating the destination brand forward to customers*. Next, the practical impact of these processes to the destination brand and its elements are explained.

The paper showed that *personality* of the destination brand is affected significantly by the SME's, as they provide and foster the shared values and qualities the destination and its brand are built upon, answering questions such as "What kind of destination are we?" as well as being an important connection with the local people, culture and history. Further, as one of the most numerous stakeholders, they provide majority of the key and functional services of the destination, as well as utilize or create natural celebrity values, which helps to build the framework about what kind of services and experiences the destination is all about. Additionally, the SME's constantly iterate and develop new services, creating a basis for long-term growth of the brand. This shows that the SME's affect the destination brand personality by both affecting the destination brand network, as well as communicating and agreeing on shared values, qualities and rules with other network members.

The research showed that the *positioning* of the destination brand is also significantly affected by the SME's, with them communicating their shared values, propositions and experiences down to their customers and partners. The SME's also affect the network around the positioning of the brand by working with national and international organizations like travel agencies and cross-country tourism initiatives, as well as fostering and creating relationships between tourists and the destination through social media and face-to-face interactions. Further, the SME's actively look for customers that best match their services, to reduce incompatibility and related problems.

Finally, this thesis found that the *reality* of the destination brand was also affected by the two processes. Being integral members of the local brand architecture and sometimes the managers of its different aspects (e.g. product and service development), the SME's ultimately are the ones responsible for delivering the promised experiences and images down to their customers. Even with their lack of resources, the experience, connections and knowledge the SME share with one another make the destination a functional entity, that can match the expectations of their customers, or surpass them. At the same time, due to their interconnectedness and mutual interests for the development of the destination brand, the SME's can convey realistic but inspiring messages independently down to their customers.

The paper argues that the contribution of individual tourism SME's to destination brand development is significant, because in the modern world where government tourism institutions or entities like DMO's face cut budgets (Hankinson, 2010; Fyall, 2011), and where customers are ever more informed and willing to pay for experiences and services that match their values (e.g. responsibility and sustainability), SME's are able to match those needs. The SME's natural market orientation gives them an edge in adjusting to changes in the demand of the customers and utilize the celebrity values of their own or the destination. Their small size and lack of resources larger businesses have access to promotes co-operation and networking with other stakeholders of the destination, including the locals. This in turn helps to alleviate the problems tourism tends to generate between different stakeholders such as common resource use or spoiling of the environment.

## **6.2 Research contribution**

From the theoretical point of view, this thesis has contributed to both the literature of tourism and marketing. This research has combined the findings of multiple authors from both research fields and formed a theoretical framework that has successfully pictured the processes through which SME's can affect the development of destination brands. The findings support SME's importance in affecting the destination brand by working in networks (e.g. Hankinson 2004, Hankinson 2009, Gartner 2014) communicating the destination brand forward (e.g. Saraniemi & Lemmetyinen 2017, Pike 2012, Cai 2002), as well as the benefits SME's gain from participating in destination branding (e.g. Rodriguez & al 2014, Martínez, Pérez & Rodríguez 2013). Further, the thesis also supports the notion that destination branding fundamentally differs from regular branding due to its unique characteristics (e.g. Komppula 2017, Gartner 2014), and SME's also had a significant role in the brand architecture of destinations, as authors like (e.g. Datsira-Mazip 2014 & Poluzzi, Aureli & Forlani 2016) showcased.

Where most previous studies have focused on understanding the impact of SME's on destination branding on a general or network level, this study has focused on understanding the influence and impact of individual SME's and how they can affect the destination brand, rather than treating them merely as a novel part of some other

force affecting the destination branding, such as a network. Instead, this research proposes that SME's, despite their lack of resources and size, can have great influence on the destination brand all the same, thanks to their 1) *Knowledge or Experience*, 2) *Connections* and 3) *Market orientation*. Other particularly important factors that SME's brought into the destination brand development were their product and service development, relationship building as well as celebrity value utilization and creation.

Further, the study allowed the author to find out some new ways how SME's can affect destination brand development in the material that hadn't been previously considered, such as SME's taking the responsibility of representing the entire destination in cross-country co-operations, or going out their way to improve the relations between the locals and the tourism industry. Additionally, some of the discussed elements, like the proper handling of reclamations by SME's and its impact on the destination brand, didn't rise as crucial in the data as they had in the theoretical part of this research.

From the managerial point of view, this thesis provides several contributions. First, it gives several practical examples of how can SME's improve, change or adjust the brand of their destination, toward for example more sustainable and responsible goals. Second, it showcases the many practical benefits SMEs can gain from destination branding, such as increased resources, knowledge gains or increased attention from consumers. Third, and perhaps most importantly, it highlights the importance of individual SME's as destination brand stakeholders, and goes to prove that even small businesses can have significant impact on the way how destinations brands function, by simply connecting with other SME's, building trust, defining shared values, communicating with the locals and taking initiative in development. Hopefully, this will encourage tourism managers and SME's around the world to realize their full potential and understand their role in destination branding, rather than seeing themselves as separate entities from the destination brand.

All in all, this thesis has shown that SME's can have a significant impact on the destination brand development. Not only do they help to give the brand the status of a functional, attractive entity by providing many of the core services and participating or creating brand networks to share resources and knowledge, but also promote the destination by using the latest social media platforms to connect with their customers

and foster relationship creation between the destination, within the destination and with the tourists.

### **6.3 Limitations and validity assessment**

One of the main limitations of this research is its qualitative nature. As Yin (1994: 35) put it, one way to validate findings is to generalise them externally. Although the study succeeded to get an in-depth look at SME's and their contributions to the destination brand, this study only focused on one destination and only interviewed three SME's and one DMO which makes its results full generalisation difficult to other destinations. Further, as Gartner (2014) put it, destinations are always unique entities and thus their qualities and circumstances are hard to compare or replicate in other destinations. This is especially prevalent in the case of Nordic tourism, where laws such as the "All-man's right" on one hand give tourism stakeholders more resources available to use than in most other countries especially in the context of nature and outdoor tourism, but also create a responsibility problem about taking care of the common or private resources.

However, these limitations were compensated for in the case study by triangulating the data by studying multiple case SME's within the phenomenon rather than just one, as well as getting another point of view from another stakeholder, the local DMC, as authors like Denzin & Lincoln (2017: 445 – 447) and Stake (1995: 4 – 8) suggested. Further, the purpose of this study was not to generalize the findings across the industry, but deepen the understanding of the phenomenon, that is, the research gap on the contribution of individual SME's on the destination brand, which was successful. Further, many of the findings supported many of the previous findings, such as the importance of SME's in destination branding like authors like Hankinson (2004), Komppula (2017) pointed out, which further supports the validity of the findings, since other authors have also come up with similar conclusions, which further enhances the data triangulation and thus the validity of the research.

Additionally, according to Hirsijärvi, Remes & Sajavaara (2002), the validity of a research can also be measured by whether the research managed to answer what it set out to study, and if the research methods were accurate, and if those research methods



measured what was supposed to be measured. As such, the validity of this research can be claimed to be good, since the whole process from the start of this thesis and forming of its research questions to creating the theoretical framework and answering the research questions have been in line and have successfully examined the impact of individual SME's on destination branding. Further, all the steps and parts of the research were documented from start to finish, which means that other authors can also attempt to replicate the study or its findings, which also increases the study's reliability.

All in all, the validity and reliability of this thesis can be assumed to be good. Of course, the reliability could have been further increased by methods such as interviewing more SME's for the study. Further, to increase the validity of the research, data triangulation could have been increased by for example interviewing more tourism stakeholders like tourists or locals like the local DMC was. Further, while all the interviewees were qualified to give the answers for the study, their view only represents the management perspective of the industry, while for example the view of employees could have also been added to the study.

#### **6.4 Future research suggestions**

As has been said, this thesis' entire research concept was built on the lack of study done on the impact of SME's on the destination brand. As a result, the author encourages other researchers undertake studies that seek to broaden the understanding of SME's influence and role in destination branding. For example, other researchers could examine the results of this paper and test them in different contexts, that is, tourism destinations around the world, to see if the theory built in this research can be applied to more than just one context. Further, other tourism stakeholders such as tourists or locals could be involved in the study to take the same role in the research as the DMC did in this study, by triangulating the findings. In other words, more research is needed to test the theory of this thesis in practise before it could be generalized or attempted to be applied to different destinations.

One avenue the author would be particularly interested to learn more about would be to study the role of SME's for destination brand development in the entire Nordic

country context, due to its unique aspects with the all-man's-right, leaning on nature tourism and being well developed, high technology utilizing countries. This might help to bring about regional tourism management theories similar to the brand architecture model we discussed earlier and may help both the industry and the countries to adapt sustainability as a core value for developing destinations, like it has been in Tromsø.

As shown, this thesis suggests that individual SME's can have great impact on the destination brand due to elements such as market orientation, connectivity and knowledge and skills. These relationships could be studied further, such as the background of the business's and its employees in the industry, education, community or business, to better understand these factors weight on the development of destination brands. Further, the SME's in this study were all end core service producers, meaning that more diverse group of tourism SME's, such as logistics or the hotel industry representatives, could also be interviewed, to see if the occupation of the SME has more or less influence on the destination brand. All of these studies could also be conducted as a longitudinal study, to test if the role of SME's has changed over time, though the literature seems to already suggest this, as authors like Hankinson (2010) and Fyall (2011) seem to suggest.

This paper concludes that more research is needed to properly understand the role and contributions tourism SME's have for destination branding and marketing. This paper has taken a step to broaden the understanding on this neglected part of the literature, but more research is needed to gain a more general understanding of the phenomenon, let alone to build generally applicable theories to regions.

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